

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

**H**

**2**

**HOUSE BILL 263  
Committee Substitute Favorable 6/18/24**

Short Title: 2024 Appropriations Act.

(Public)

Sponsors:

Referred to:

March 6, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2023  
3 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATIONS OF THE STATE.  
4 The General Assembly of North Carolina enacts:  
5

**PART I. TITLE AND INTRODUCTION**

**TITLE OF ACT**

9 **SECTION 1.1.** This act shall be known as the "Current Operations Appropriations  
10 Act of 2024."  
11

**INTRODUCTION**

12 **SECTION 1.2.** The appropriations made in this act are for maximum amounts  
13 necessary to provide the services and accomplish the purposes described in the budget in  
14 accordance with the State Budget Act. Savings shall be effected where the total amounts  
15 appropriated are not required to perform these services and accomplish these purposes, and the  
16 savings shall revert to the appropriate fund at the end of each fiscal year, except as otherwise  
17 provided by law.  
18  
19

**PART II. CURRENT OPERATIONS AND EXPANSION/GENERAL FUND  
GENERAL FUND APPROPRIATIONS**

22 **SECTION 2.1.(a)** Appropriations from the General Fund for the 2024-2025 fiscal  
23 year set out in Section 2.1(a) of S.L. 2023-134 are repealed. Appropriations from the General  
24 Fund for the budgets of the State departments, institutions, and agencies, and for other purposes  
25 as enumerated, are made for the 2024-2025 fiscal year, according to the following schedule:  
26

**Current Operations – General Fund**

**FY 2024-2025**

**EDUCATION**

Community College System

Requirements

2,041,421,512

Less: Receipts

411,143,141

**Net Appropriation**

**1,630,278,371**

Public Instruction

Requirements

13,948,392,337



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1	Less: Receipts	1,860,372,708
2	<b>Net Appropriation</b>	<b>12,088,019,629</b>
3		
4	University of North Carolina	
5	NC A&T University	
6	Requirements	241,838,043
7	Less: Receipts	90,618,145
8	<b>Net Appropriation</b>	<b>151,219,898</b>
9		
10	NC School of Science and Mathematics	
11	Requirements	45,831,072
12	Less: Receipts	3,791,677
13	<b>Net Appropriation</b>	<b>42,039,395</b>
14		
15	NC State University – Academic Affairs	
16	Requirements	955,634,072
17	Less: Receipts	439,317,357
18	<b>Net Appropriation</b>	<b>516,316,715</b>
19		
20	NC State University – Ag. Research	
21	Requirements	79,228,032
22	Less: Receipts	19,124,784
23	<b>Net Appropriation</b>	<b>60,103,248</b>
24		
25	NC State University – Coop. Extension	
26	Requirements	64,983,558
27	Less: Receipts	18,874,550
28	<b>Net Appropriation</b>	<b>46,109,008</b>
29		
30	North Carolina Central University	
31	Requirements	145,479,077
32	Less: Receipts	53,855,844
33	<b>Net Appropriation</b>	<b>91,623,233</b>
34		
35	UNC at Asheville	
36	Requirements	76,811,113
37	Less: Receipts	23,886,242
38	<b>Net Appropriation</b>	<b>52,924,871</b>
39		
40	UNC at Chapel Hill – Academic Affairs	
41	Requirements	734,263,122
42	Less: Receipts	377,889,533
43	<b>Net Appropriation</b>	<b>356,373,589</b>
44		
45	UNC at Chapel Hill – Area Health Ed.	
46	Requirements	56,271,874
47	Less: Receipts	0
48	<b>Net Appropriation</b>	<b>56,271,874</b>
49		
50	UNC at Chapel Hill – Health Affairs	
51	Requirements	370,568,724

1	Less: Receipts	138,758,876
2	<b>Net Appropriation</b>	<b>231,809,848</b>
3		
4	UNC at Charlotte	
5	Requirements	505,032,624
6	Less: Receipts	198,092,793
7	<b>Net Appropriation</b>	<b>306,939,831</b>
8		
9	UNC at Greensboro	
10	Requirements	315,735,257
11	Less: Receipts	118,202,973
12	<b>Net Appropriation</b>	<b>197,532,284</b>
13		
14	UNC at Pembroke	
15	Requirements	126,354,011
16	Less: Receipts	28,172,155
17	<b>Net Appropriation</b>	<b>98,181,856</b>
18		
19	UNC at Wilmington	
20	Requirements	315,641,547
21	Less: Receipts	116,694,281
22	<b>Net Appropriation</b>	<b>198,947,266</b>
23		
24	UNC BOG – Aid to Private Institutions	
25	Requirements	1,709,300
26	Less: Receipts	0
27	<b>Net Appropriation</b>	<b>1,709,300</b>
28		
29	UNC BOG – Institutional Programs	
30	Requirements	508,293,853
31	Less: Receipts	60,920,608
32	<b>Net Appropriation</b>	<b>447,373,245</b>
33		
34	UNC BOG – Related Ed. Programs	
35	Requirements	1,291,540,818
36	Less: Receipts	308,938,183
37	<b>Net Appropriation</b>	<b>982,602,635</b>
38		
39	UNC School of the Arts	
40	Requirements	56,488,236
41	Less: Receipts	17,148,612
42	<b>Net Appropriation</b>	<b>39,339,624</b>
43		
44	UNC System Office	
45	Requirements	47,640,384
46	Less: Receipts	259,217
47	<b>Net Appropriation</b>	<b>47,381,167</b>
48		
49	Western Carolina University	
50	Requirements	187,579,946
51	Less: Receipts	31,517,260

1	<b>Net Appropriation</b>	<b>156,062,686</b>
2		
3	Winston-Salem State University	
4	Requirements	93,955,473
5	Less: Receipts	24,445,103
6	<b>Net Appropriation</b>	<b>69,510,370</b>
7		
8	Appalachian State University	
9	Requirements	316,188,983
10	Less: Receipts	127,280,171
11	<b>Net Appropriation</b>	<b>188,908,812</b>
12		
13	East Carolina Univ. – Academic Affairs	
14	Requirements	434,732,843
15	Less: Receipts	170,125,795
16	<b>Net Appropriation</b>	<b>264,607,048</b>
17		
18	East Carolina Univ. – Health Affairs	
19	Requirements	114,341,160
20	Less: Receipts	13,587,770
21	<b>Net Appropriation</b>	<b>100,753,390</b>
22		
23	Elizabeth City State University	
24	Requirements	51,830,539
25	Less: Receipts	5,670,169
26	<b>Net Appropriation</b>	<b>46,160,370</b>
27		
28	Fayetteville State University	
29	Requirements	92,656,751
30	Less: Receipts	13,945,205
31	<b>Net Appropriation</b>	<b>78,711,546</b>
32		
33	<b>HEALTH AND HUMAN SERVICES</b>	
34	Aging and Adult Services	
35	Requirements	165,186,312
36	Less: Receipts	110,494,543
37	<b>Net Appropriation</b>	<b>54,691,769</b>
38		
39	Central Management and Support	
40	Requirements	517,866,810
41	Less: Receipts	291,209,868
42	<b>Net Appropriation</b>	<b>226,656,942</b>
43		
44	Child and Family Well-Being	
45	Requirements	599,259,277
46	Less: Receipts	538,484,569
47	<b>Net Appropriation</b>	<b>60,774,708</b>
48		
49	Child Development and Early Education	
50	Requirements	1,072,880,763
51	Less: Receipts	773,959,346

1	<b>Net Appropriation</b>	<b>298,921,417</b>
2		
3	Emp. & Indep. for People with Disabilities	
4	Requirements	188,177,520
5	Less: Receipts	143,833,389
6	<b>Net Appropriation</b>	<b>44,344,131</b>
7		
8	Health Benefits	
9	Requirements	32,354,486,198
10	Less: Receipts	26,552,698,977
11	<b>Net Appropriation</b>	<b>5,801,787,221</b>
12		
13	Health Services Regulation	
14	Requirements	82,772,672
15	Less: Receipts	56,847,481
16	<b>Net Appropriation</b>	<b>25,925,191</b>
17		
18	Mental Hlth./Dev. Disabl./Subs. Use Serv.	
19	Requirements	1,962,556,938
20	Less: Receipts	1,105,724,523
21	<b>Net Appropriation</b>	<b>856,832,415</b>
22		
23	Public Health	
24	Requirements	510,430,526
25	Less: Receipts	369,058,932
26	<b>Net Appropriation</b>	<b>141,371,594</b>
27		
28	Services for the Blind/Deaf/Hard of Hearing	
29	Requirements	45,663,407
30	Less: Receipts	36,130,573
31	<b>Net Appropriation</b>	<b>9,532,834</b>
32		
33	Social Services	
34	Requirements	2,201,775,740
35	Less: Receipts	1,968,444,916
36	<b>Net Appropriation</b>	<b>233,330,824</b>
37		
38	<b>AGRICULTURE, NATURAL, AND ECONOMIC RESOURCES</b>	
39	Agriculture and Consumer Services	
40	Requirements	277,760,393
41	Less: Receipts	92,338,831
42	<b>Net Appropriation</b>	<b>185,421,562</b>
43		
44	Commerce	
45	Requirements	698,333,678
46	Less: Receipts	494,223,122
47	<b>Net Appropriation</b>	<b>204,110,556</b>
48		
49	Environmental Quality	
50	Requirements	1,188,450,599
51	Less: Receipts	190,089,646

1	<b>Net Appropriation</b>	<b>998,360,953</b>
2		
3	Labor	
4	Requirements	44,778,761
5	Less: Receipts	18,211,608
6	<b>Net Appropriation</b>	<b>26,567,153</b>
7		
8	Natural and Cultural Resources	
9	Requirements	349,419,353
10	Less: Receipts	55,450,747
11	<b>Net Appropriation</b>	<b>293,968,606</b>
12		
13	Wildlife Resources Commission	
14	Requirements	98,784,029
15	Less: Receipts	81,917,250
16	<b>Net Appropriation</b>	<b>16,866,779</b>
17		
18	<b>JUSTICE AND PUBLIC SAFETY</b>	
19	Administrative Office of the Courts	
20	Requirements	800,367,351
21	Less: Receipts	5,721,889
22	<b>Net Appropriation</b>	<b>794,645,462</b>
23		
24	Correction	
25	Requirements	2,076,388,295
26	Less: Receipts	34,807,745
27	<b>Net Appropriation</b>	<b>2,041,580,550</b>
28		
29	Indigent Defense Services	
30	Requirements	187,012,376
31	Less: Receipts	14,428,756
32	<b>Net Appropriation</b>	<b>172,583,620</b>
33		
34	Justice	
35	Requirements	113,674,691
36	Less: Receipts	45,398,277
37	<b>Net Appropriation</b>	<b>68,276,414</b>
38		
39	Public Safety	
40	Requirements	866,070,683
41	Less: Receipts	201,107,096
42	<b>Net Appropriation</b>	<b>664,963,587</b>
43		
44	State Bureau of Investigation	
45	Requirements	146,692,925
46	Less: Receipts	23,496,402
47	<b>Net Appropriation</b>	<b>123,196,523</b>
48		
49	<b>GENERAL GOVERNMENT</b>	
50	Administration	
51	Requirements	81,257,239

1	Less: Receipts	12,775,751
2	<b>Net Appropriation</b>	<b>68,481,488</b>
3		
4	Administrative Hearings	
5	Requirements	9,944,325
6	Less: Receipts	1,245,283
7	<b>Net Appropriation</b>	<b>8,699,042</b>
8		
9	Auditor	
10	Requirements	26,390,841
11	Less: Receipts	6,969,150
12	<b>Net Appropriation</b>	<b>19,421,691</b>
13		
14	Budget and Management	
15	Requirements	14,945,527
16	Less: Receipts	1,827,254
17	<b>Net Appropriation</b>	<b>13,118,273</b>
18		
19	Budget and Management – Special Approp.	
20	Requirements	57,275,000
21	Less: Receipts	46,725,000
22	<b>Net Appropriation</b>	<b>10,550,000</b>
23		
24	Controller	
25	Requirements	37,174,846
26	Less: Receipts	983,386
27	<b>Net Appropriation</b>	<b>36,191,460</b>
28		
29	Elections	
30	Requirements	9,961,793
31	Less: Receipts	134,035
32	<b>Net Appropriation</b>	<b>9,827,758</b>
33		
34	General Assembly	
35	Requirements	101,208,542
36	Less: Receipts	899,760
37	<b>Net Appropriation</b>	<b>100,308,782</b>
38		
39	Governor	
40	Requirements	7,847,965
41	Less: Receipts	1,024,999
42	<b>Net Appropriation</b>	<b>6,822,966</b>
43		
44	Housing Finance Authority	
45	Requirements	114,254,433
46	Less: Receipts	103,594,433
47	<b>Net Appropriation</b>	<b>10,660,000</b>
48		
49	Human Resources	
50	Requirements	12,386,199
51	Less: Receipts	887,646

1	<b>Net Appropriation</b>	<b>11,498,553</b>
2		
3	Industrial Commission	
4	Requirements	24,516,649
5	Less: Receipts	20,739,136
6	<b>Net Appropriation</b>	<b>3,777,513</b>
7		
8	Insurance	
9	Requirements	64,285,767
10	Less: Receipts	5,337,721
11	<b>Net Appropriation</b>	<b>58,948,046</b>
12		
13	Lieutenant Governor	
14	Requirements	1,360,188
15	Less: Receipts	5,324
16	<b>Net Appropriation</b>	<b>1,354,864</b>
17		
18	Military and Veterans Affairs	
19	Requirements	10,235,329
20	Less: Receipts	29,655
21	<b>Net Appropriation</b>	<b>10,205,674</b>
22		
23	Revenue	
24	Requirements	191,769,860
25	Less: Receipts	69,052,270
26	<b>Net Appropriation</b>	<b>122,717,590</b>
27		
28	Secretary of State	
29	Requirements	22,472,805
30	Less: Receipts	399,736
31	<b>Net Appropriation</b>	<b>22,073,069</b>
32		
33	Treasurer	
34	Requirements	80,760,242
35	Less: Receipts	80,551,168
36	<b>Net Appropriation</b>	<b>209,074</b>
37		
38	Treasurer – Other Retirement Plans/Benefits	
39	Requirements	24,050,988
40	Less: Receipts	0
41	<b>Net Appropriation</b>	<b>24,050,988</b>
42		
43	<b>INFORMATION TECHNOLOGY</b>	
44	Information Technology	
45	Requirements	137,887,894
46	Less: Receipts	56,163,292
47	<b>Net Appropriation</b>	<b>81,724,602</b>
48		
49	<b>RESERVES AND LOTTERY</b>	
50	General Fund Reserve – Reverting Funds	
51	Requirements	0



1	Less: Receipts	0
2	<b>Net Appropriation</b>	<b>0</b>
3		
4	General Fund Reserves	
5	Requirements	1,700,000
6	Less: Receipts	800,000,000
7	<b>Net Appropriation</b>	<b>-798,300,000</b>
8		
9	<b>Total Requirements</b>	<b>70,800,919,990</b>
10	<b>Less: Total Receipts</b>	<b>39,086,056,637</b>
11	<b>Total Net Appropriation</b>	<b>31,714,863,353</b>

12  
13           **SECTION 2.1.(b)** For purposes of this act and the Committee Report described in  
14 Section 43.2 of this act, the requirements set forth in this section represent the total amount of  
15 funds, including agency receipts, appropriated to an agency, department, or institution.

16  
17 **GENERAL FUND AVAILABILITY**

18           **SECTION 2.2.(a)** The General Fund availability statement set out in Section 2.2(a)  
19 of S.L. 2023-134 applies to the 2023-2024 fiscal year only. The General Fund availability used  
20 in adjusting the 2024-2025 budget is shown below:

21		
22		<b>FY 2024-2025</b>
23	<b>Unappropriated Balance Remaining FY 2023-24</b>	<b>1,564,437,931</b>
24	Anticipated Reversions	500,000,000
25	FY 2023-24 Anticipated Overcollections	188,138,702
26	<b>Total, Prior Year-End Fund Balance</b>	<b>2,252,576,633</b>
27		
28	<b>Revised Consensus Revenue Forecast</b>	
29	Tax Revenue	32,574,000,000
30	Non-Tax Revenue	1,590,300,000
31	<b>Total, Tax and Non-Tax Revenue</b>	<b>34,164,300,000</b>
32		
33	<b>Revenue Adjustments</b>	
34	Adjustments to Tax Revenue	(2,500,000)
35	Adjustments to Non-Tax Revenue	4,953,408
36	<b>Total, Revenue Adjustments</b>	<b>2,453,408</b>
37		
38	<b>Statutory Reservations of Revenue</b>	
39	State Capital and Infrastructure Fund	(1,461,333,238)
40	<b>Total, Statutory Reserves</b>	<b>(1,461,333,238)</b>
41		
42	<b>Discretionary Reservations of Revenue</b>	
43	State Capital and Infrastructure Fund	(700,000,000)
44	Savings Reserve	(125,000,000)
45	Clean Water and Drinking Water Reserve	(1,000,000,000)
46	Regional Economic Development Reserve	(550,000,000)
47	Economic Development Project Reserve	(155,100,000)
48	Medicaid Contingency Reserve	(100,000,000)
49	State Emergency Response and Disaster Relief Fund	(75,000,000)
50	Housing Reserve	(10,000,000)
51	Transportation Reserve	(100,000,000)

1	NCInnovation Reserve	(250,000,000)
2	Retiree Supplement Reserve	(79,804,523)
3	<b>Total, Discretionary Reserves</b>	<b>(3,144,904,523)</b>
4		
5	<b>Revised Total General Fund Availability</b>	<b>31,813,092,280</b>
6		
7	Less General Fund Net Appropriations	31,714,863,353
8		
9	<b>Unappropriated Balance Remaining</b>	<b>98,228,927</b>

**SECTION 2.2.(c)** Section 2.2(c) of S.L. 2023-134 reads as rewritten:

"**SECTION 2.2.(c)** Medicaid Contingency Reserve. – The State Controller shall reserve to the Medicaid Contingency Reserve described in G.S. 143C-4-11 from funds available in the General Fund the sum of four hundred million dollars (\$400,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of ~~two hundred fifty million dollars (\$250,000,000)~~ one hundred million dollars (\$100,000,000) in nonrecurring funds for the 2024-2025 fiscal year."

**SECTION 2.2.(d)** Section 2.2(d) of S.L. 2023-134 reads as rewritten:

"**SECTION 2.2.(d)** IT Reserve. – The State Controller shall reserve to the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 from funds available in the General Fund the sum of four hundred fifty million dollars (\$450,000,000) in nonrecurring funds for the 2023-2024 fiscal year. The State Controller shall transfer funds available in the Information Technology Reserve to State agencies and departments for information technology projects in accordance with the following schedule, and the funds transferred are appropriated for the fiscal year in which they are transferred:

	<b>State Agency or Department</b>	<b>2023-2024</b>	<b>2024-2025</b>
28	(1) Department of Information Technology		
29	(Budget Code: 14660)	\$43,546,653	<del>\$14,806,653</del>
30			<u>\$39,395,653</u>
31	(2) Department of Environmental Quality		
32	(Budget Code: 14300)	7,500,000	2,500,000
33	(3) Department of Environmental Quality-Spec. Rev.		
34	(Budget Code: 24317)	5,510,000	5,510,000
35	(4) General Assembly		
36	(Budget Code: 21000)	15,000,000	0
37	(5) Department of Public Safety		
38	(Budget Code: 14550)	3,000,000	0
39	(6) Department of Health and Human Services		
40	(Budget Code: 14440)	8,180,000	680,000
41	(7) Department of Health and Human Services		
42	(Budget Code: 14410)	14,177,000	0
43	(8) University of North Carolina – BOG Instit. Pgms.		
44	(Budget Code: 16011)	3,250,000	0
45	(9) University of North Carolina – BOG Related Ed. Pgms.		
46	(Budget Code: 16012)	22,622,000	25,518,000
47	(10) State Board of Elections		
48	(Budget Code: 18025)	5,600,000	0
49	(11) Office of State Human Resources		
50	(Budget Code: 14111)	5,600,000	<u>0750,000</u>
51	(12) NC Community College System		

1	(Budget Code: 26802)	0	15,000,000
2			<u>32,983,156</u>
3	<u>(12a) NC Community College System</u>		
4	(Budget Code: 16800)	<u>0</u>	<u>1,500,000</u>
5	(13) State Capital and Infrastructure Fund		
6	(Budget Code: 24001)	8,000,000	0
7	(14) Revenue		
8	(Budget Code: 14700)	1,650,000	0
9	(15) Administrative Office of the Courts		
10	(Budget Code: 12000)	5,000,000	<del>5,000,000</del>
11			<u>0</u>
12	<u>(16) State Bureau of Investigation</u>		
13	(Budget Code: 15020)	<u>0</u>	<u>2,250,000</u>
14	<u>(17) University of North Carolina at Charlotte</u>		
15	(Budget Code: 16050)	<u>0</u>	<u>16,500,000</u>
16	<u>(18) Appalachian State University</u>		
17	(Budget Code: 16080)	<u>0</u>	<u>1,000,000</u>
18	<u>(19) School of Science and Mathematics</u>		
19	(Budget Code: 16094)	<u>0</u>	<u>500,000</u>
20	<u>(20) Department of Transportation–DMV</u>		
21	(Budget Code: 84210)	<u>0</u>	<u>250,000"</u>

SECTION 2.2.(e) Section 2.2(e) of S.L. 2023-134 reads as rewritten:

"SECTION 2.2.(e) SERDRF. – The State Controller shall reserve to the State Emergency Response and Disaster Relief Fund established in G.S. 166A-19.42 from funds available in the General Fund the sum of seventy-five million dollars (\$75,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of seventy-five million dollars (\$75,000,000) in nonrecurring funds for the 2024-2025 fiscal year. The State Controller shall transfer funds available in the State Emergency Response and Disaster Relief Fund to State agencies and departments for the purposes described in Section 5.6 of this act and in accordance with the following schedule. The funds transferred are appropriated for the five-year period ending June 30, 2028.

	State Agency or Department	2023-2024	2024-2025
35	(1) Emergency Management		
36	(Budget Code: 24552)	\$174,601,092	\$0
37	(2) Office of State Budget and Management – Special		
38	Appropriations (Budget Code: 13085)	22,255,000	0
39	(3) DACS–Soil & Water Conservation		
40	(Budget Code: 23704)	20,000,000	0
41	(4) Department of Insurance		
42	(Budget Code: 63903)	20,000,000	0
43	(5) Department of Environmental Quality		
44	(Budget Code: 14300)	7,500,000	0
45	(6) Department of Environmental Quality – Disaster		
46	(Budget Code: 24310)	10,493,953	987,906
47	(7) Wildlife Resources Commission		
48	(Budget Code: 14350)	11,000,000	0
49	(8) DEQ – Special Revenue		
50	(Budget Code: 24317)	10,000,000	10,000,000
51	(9) UNC at Chapel Hill – Academic Affairs		

1	(Budget Code: 16020)	330,000	330,000
2	(10) NC School of Science & Math		
3	(Budget Code: 16094)	264,000	0
4	(11) North Carolina Central University		
5	(Budget Code: 16090)	50,000	0
6	<u>(12) Department of Insurance–Public Prop. Ins. Enterprise Fund</u>		
7	<u>(Budget Code: 539XX)</u>	<u>0</u>	<u>200,000,000"</u>

8 **SECTION 2.2.(f)** Section 2.2(f) of S.L. 2023-134 reads as rewritten:

9 **"SECTION 2.2.(f)** Retiree Supplement Reserve. – There is established in the General Fund  
 10 a Retiree Supplement Reserve to provide funds for a four percent (4%) retiree supplement-  
 11 supplement for the 2023-2024 fiscal year and a two percent (2%) retiree supplement for the  
 12 2024-2025 fiscal year. The State Controller shall reserve to the Retiree Supplement Reserve from  
 13 funds available in the General Fund the sum of one hundred forty-five million six hundred  
 14 thousand dollars (\$145,600,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum  
 15 of seventy-nine million eight hundred four thousand five hundred twenty-three dollars  
 16 (\$79,804,523) in nonrecurring funds for the 2024-2025 fiscal year. The State Controller shall  
 17 transfer to State agencies and departments the funds needed to provide the four percent (4%)  
 18 supplement for the 2023-2024 fiscal year and the two percent (2%) supplement for the 2024-2025  
 19 fiscal year as provided in Section 39.27 of this act, and the funds transferred are appropriated for  
 20 the fiscal year in which they are transferred."

21 **SECTION 2.2.(h)** Section 2.2(h) of S.L. 2023-134 reads as rewritten:

22 **"SECTION 2.2.(h)** Economic Development Project Reserve. – The State Controller shall  
 23 reserve to the Economic Development Project Reserve established in Section 2.2 of S.L.  
 24 2021-180 from funds available in the General Fund the sum of six hundred thirty million dollars  
 25 (\$630,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of one hundred  
 26 fifty-five million one hundred thousand dollars (\$100,000,000)–(\$155,100,000) for the  
 27 2024-2025 fiscal year. The State Controller shall transfer funds available in the Economic  
 28 Development Project Reserve to State agencies and departments for economic development  
 29 initiatives in accordance with the following schedule, and the funds transferred are appropriated  
 30 for the fiscal year in which they are transferred:

31	State Agency or Department	2023-2024	2024-2025
32			
33			
34	(1) Department of Commerce		
35	(Budget Code: 14601)	\$10,000,000	\$0
36			<u>\$55,100,000</u>
37	(2) Department of Commerce		
38	(Budget Code: 14602)	10,600,000	108,400,000
39	(3) Department of Environmental Quality		
40	(Budget Code: 14300)	1,000,000	0
41	<u>(4) Department of Transportation</u>		
42	<u>(Budget Code: 84210)</u>	<u>0</u>	<u>150,000,000"</u>

43 **SECTION 2.2.(i)** Section 2.2(i) of S.L. 2023-134 reads as rewritten:

44 **"SECTION 2.2.(i)** Housing Reserve. – The State Controller shall reserve to the Housing  
 45 Reserve established in Section 2.2(k) of S.L. 2022-74 from funds available in the General Fund  
 46 the sum of forty-five million dollars (\$45,000,000) in nonrecurring funds for the 2023-2024 fiscal  
 47 year and the sum of forty-five ten million dollars (\$45,000,000)–(\$10,000,000) in nonrecurring  
 48 funds for the 2024-2025 fiscal year. The State Controller shall transfer funds available in the  
 49 Housing Reserve to the Housing Finance Agency (Budget Code: 13010) in the sum of forty-five  
 50 million dollars (\$45,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of  
 51 forty-five ten million dollars (\$45,000,000)–(\$10,000,000) in nonrecurring funds for the

2024-2025 fiscal year, and those funds are appropriated for the fiscal year in which they are transferred."

**SECTION 2.2.(n)** Section 2.2(n) of S.L. 2023-134 reads as rewritten:

**"SECTION 2.2.(n)** Regional Economic Development Reserve. – There is established in the General Fund a Regional Economic Development Reserve. The State Controller shall reserve to the Regional Economic Development Reserve from funds available in the General Fund the sum of one billion two hundred fifty million dollars (\$1,250,000,000) in nonrecurring funds for the 2023-2024 fiscal year ~~and~~ and the sum of five hundred fifty million dollars (\$550,000,000) in nonrecurring funds for the 2024-2025 fiscal year. The State Controller shall transfer funds available in the Reserve in accordance with the following schedule, and the funds transferred are appropriated for the fiscal year in which the funds are transferred:

State Agency or Department	2023-2024	2024-2025
(1) Office of State Budget and Management – Spec. Approp. (Budget Code: 13085)	\$1,245,350,000	\$4,650,000"

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

**CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND**

**SECTION 3.1.** Appropriations from the State Highway Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are made for the fiscal year ending June 30, 2025, according to the following schedule. Amounts set out in parentheses are reductions from Highway Fund Appropriations for the 2024-2025 fiscal year.

Highway Fund	FY 2024-2025
Administration	\$128,728,454
Division of Highways	
Administration	57,986,424
Construction	117,543,078
Maintenance	2,232,081,689
Governor's Highway Safety Program	424,111
OSHA	358,030
Aid to Municipalities	
Powell Bill	225,875,000
Intermodal Divisions	
Ferry	76,929,849
Public Transportation, Bicycle and Pedestrian	69,510,286
Aviation	156,474,429
Rail	45,299,938
Division of Motor Vehicles	147,883,896
Other State Agencies, Reserves, Transfers	68,632,953
Capital Improvements	10,571,863

1	<b>Total</b>	<b>\$3,338,300,000</b>
2		
3	<b>HIGHWAY FUND AVAILABILITY</b>	
4	<b>SECTION 3.2.</b> The Highway Fund availability set out in Section 3.2 of S.L.	
5	2023-134 applies to the 2023-2024 fiscal year only. The Highway Fund availability used in	
6	adjusting the 2024-2025 budget is shown below:	
7		
8	<b>Highway Fund Availability</b>	<b>FY 2024-2025</b>
9	<b>Beginning Balance</b>	<b>\$0</b>
10	Overcollections from FY 2023-24	63,500,000
11		
12	<b>Consensus Revenue Forecast</b>	
13	Motor Fuels Tax	1,848,200,000
14	Licenses and Fees	1,077,700,000
15	Short-Term Lease	118,800,000
16	Investment Income	52,400,000
17	Sales Tax Transfer	177,700,000
18		
19	<b>Total Highway Fund Availability</b>	<b>\$3,338,300,000</b>
20		
21	<b>HIGHWAY TRUST FUND APPROPRIATIONS</b>	
22	<b>SECTION 3.3.</b> Appropriations from the State Highway Trust Fund for the	
23	maintenance and operation of the Department of Transportation and for other purposes as	
24	enumerated are made for the fiscal year ending June 30, 2025, according to the following	
25	schedule. Amounts set out in parentheses are reductions from Highway Trust Fund	
26	Appropriations for the 2024-2025 fiscal year.	
27		
28	<b>Current Operations – Highway Trust Fund</b>	<b>FY 2024-2025</b>
29	Program Administration	\$42,017,311
30	Bonds	121,436,775
31	Turnpike Authority	49,000,000
32	State Ports Authority	45,000,000
33	FHWA State Match	6,176,440
34	Strategic Prioritization Funding Plan for	
35	Transportation Investments	2,246,029,474
36	Transfer to Visitor Center	640,000
37	<b>Total</b>	<b>\$2,510,300,000</b>
38		
39	<b>HIGHWAY TRUST FUND AVAILABILITY</b>	
40	<b>SECTION 3.4.</b> The Highway Trust Fund availability set out in Section 3.2 of S.L.	
41	2023-134 applies to the 2023-2024 fiscal year only. The Highway Trust Fund availability used	
42	in adjusting the 2024-2025 budget is shown below:	
43		
44	<b>Highway Trust Fund Availability</b>	<b>FY 2024-2025</b>
45	<b>Beginning Balance</b>	<b>\$0</b>
46	Overcollections from FY 2023-24	42,800,000
47		
48	<b>Consensus Revenue Forecast</b>	
49	Highway Use Tax	1,131,400,000
50	Motor Fuels Tax	613,900,000
51	Fees	169,000,000

1	Investment Income	20,200,000
2	Sales Tax Transfer	533,000,000
3		
4	<b>Total Highway Trust Fund Availability</b>	<b>\$2,510,300,000</b>

**PART IV. OTHER AVAILABILITY AND APPROPRIATIONS**

**FUND TRANSFER CHANGES**

**SECTION 4.1.(a)** Notwithstanding G.S. 18C-164(b3), any net revenues remaining after appropriation pursuant to G.S. 18C-164(b1) and transfer pursuant to G.S. 18C-164(b2) are hereby transferred to the North Carolina State Education Assistance Authority (Budget Code 16012) to be used for the Opportunity Scholarship program for the 2024-2025 fiscal year.

**SECTION 4.1.(b)** Notwithstanding G.S. 143C-4-2(i), no transfer shall be made to the Unfunded Liability Solvency Reserve for the 2024-2025 fiscal year.

**SECTION 4.1.(c)** Notwithstanding G.S. 136-44.2(f) and G.S. 136-186, the credit reserve available in the Highway Fund and Highway Trust Fund shall be used in accordance with the appropriations made in this Act for the 2024-25 fiscal year.

**SECTION 4.1.(d)** This section becomes effective June 30, 2024.

**APPROPRIATION OF RECEIPTS INCREASED DUE TO SALARY AND BENEFITS INCREASES**

**SECTION 4.1A.** Any receipts that are required to be used to pay the legislatively mandated salary increases and employee benefits increases provided in this act are appropriated up to the actual amount received for the 2024-2025 fiscal year.

**EDUCATION LOTTERY FUNDING CHANGES**

**SECTION 4.2.** Section 4.3(a) of S.L. 2023-134 reads as rewritten:

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

	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>
Noninstructional Support Personnel	\$385,914,455	<u>\$385,914,455</u>
Prekindergarten Program	78,252,110	<u>78,252,110</u>
Public School Building Capital Fund	100,000,000	<u>100,000,000</u>
Needs-Based Public School Capital Fund	254,252,612	<u>258,252,612</u>
Public School Repair & Renovation	50,000,000	<u>50,000,000</u>
Scholarship Reserve Fund for Public Colleges and Universities	41,194,733	<u>41,194,733</u>
LEA Transportation	21,386,090	<u>21,386,090</u>
<b>TOTAL ALLOCATION</b>	<b>\$931,000,000</b>	<b><u>\$935,000,000</u></b>
		<b><u>\$1,006,000,000"</u></b>

**NEEDS-BASED SCHOOL CAPITAL PROGRAM CHANGES**

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

"Article 38B.

"Needs-Based Public School Capital Fund.

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

There is created the Needs-Based Public School Capital Fund as an interest-bearing, nonreverting special fund in the Department of Public Instruction. The State Treasurer shall be

1 the custodian of the Needs-Based Public School Capital Fund and shall invest its assets in  
 2 accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3. The Department of Public  
 3 Instruction shall award grants from the Fund to counties to assist with their critical public school  
 4 building capital needs in accordance with the following priorities:

- 5 (1) Counties designated as development tier one areas.
- 6 (2) Counties with greater need and less ability to generate sales tax and property  
 7 tax revenue.
- 8 (3) Counties with a high debt-to-tax revenue ratio.
- 9 (4) The extent to which a project will address critical deficiencies in adequately  
 10 serving the current and future student population.
- 11 (5) Projects with new construction or complete renovation of existing facilities.
- 12 (6) Projects that will consolidate two or more schools into one new facility.
- 13 (7) Counties that have not received a grant under this Article in the previous three  
 14 years.
- 15 (8) Whether the county has declined or forfeited a previous grant awarded under  
 16 this Article.
- 17 (9) Whether the county has submitted a certification of intent to provide funding  
 18 necessary for project completion.

19 **"§ 115C-546.11. Matching requirement; use of funds; maximum awards; ~~project~~**  
 20 **~~review~~project review; application time lines.**

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

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

34 <b>Over</b>	34 <b>Up to</b>	34 <b>Percentage Match</b>
35 \$0	35 \$2 billion	35 0%
36 \$2 billion	36 \$10 billion	36 5%
37 \$10 billion	37 \$20 billion	37 15%
38 \$20 billion	38 \$30 billion	38 25%
39 \$30 billion	39 \$40 billion	39 35%

40 (b) Grant funds shall be used only for the construction of new school buildings and  
 41 additions, repairs, and renovations. Grant funds shall not be used for real property acquisition or  
 42 for capital improvements to administrative buildings. Grant funds shall be disbursed in a series  
 43 of payments based on the progress of the project. To obtain a payment, the grantee shall submit  
 44 a request for payment along with documentation of the expenditures for which the payment is  
 45 requested and evidence that the matching requirement contained in subsection (a) of this section  
 46 has been met. No portion of grant funds may be used to acquire a Leadership in Energy and  
 47 Environmental Design (LEED) certification.

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

- 49 (1) Up to forty-two million dollars (\$42,000,000) for an elementary school.
- 50 (2) Up to fifty-two million dollars (\$52,000,000) for a middle school or a  
 51 combination of an elementary and middle school.



1 (3) Up to sixty-two million dollars (\$62,000,000) for a high school.

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

16 (e) No later than October 1 of each year, the Department of Public Instruction shall  
17 publish the application requirements, including the applicable county match requirements  
18 calculated pursuant to subsection (a) of this section, for grant awards under this Article to be  
19 considered for the following fiscal year. The Department of Public Instruction shall open the  
20 grant application period on January 1 of each year and shall accept grant applications meeting  
21 the criteria established under this Article from that date until March 15 of each year. During the  
22 grant application period, the Department of Public Instruction may work with applicants to  
23 supplement grant applications with any information needed to evaluate the grant application.  
24 Upon the closing of the grant application period on March 15 of each year, the Department shall  
25 evaluate all applications received during the grant application period and, no later than May 1 of  
26 each year, shall submit an unranked list of grant applications, to include a technical evaluation  
27 and a statement of comparison to the priorities listed in G.S. 115C-546.10 for each application,  
28 that qualify under the conditions imposed by this Article to the chairs of the Senate Committee  
29 on Appropriations/Base Budget, the chairs of the House Appropriations Committee, and the  
30 Fiscal Research Division.

31 **"§ 115C-546.12. Grant agreement; requirements.**

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

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

48 (b) Project construction must be initiated within 24 months of the award of grant funds.  
49 The Superintendent of Public Instruction may grant a 12-month extension under extraordinary  
50 circumstances.

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

- 1 (1) Project construction is not initiated on time.
- 2 (2) Project scope changes significantly from what was outlined in the grant
- 3 agreement.
- 4 (3) Any statement or information provided in the grant application is later
- 5 determined to be materially false.
- 6 (4) Local funding is subsequently decreased from the amount provided in the
- 7 grant application.
- 8 (d) For grant awards that, due to extraordinary circumstances, are forfeited or declined,
- 9 the Department of Public Instruction may deduct reasonable administrative costs incurred by the
- 10 grant recipient in connection with the project from grant funds disbursed to the grant recipient in
- 11 the calculation of fund repayment. A grant recipient shall provide documentation satisfactory to
- 12 the Department to support any administrative costs to be deducted.

13 **"§ 115C-546.13. Lease exception; requirements.**

14 (a) Notwithstanding any provision of this Article to the contrary, a county may utilize

15 grant funds for a lease agreement if all of the following criteria are met:

- 16 (1) Ownership of the subject property on which the leased school is constructed
- 17 shall be retained by the county.
- 18 (2) The lease agreement shall include a repairs and maintenance provision that
- 19 requires the landlord to bear the entire expense of all repairs, maintenance,
- 20 alterations, or improvements to the basic structure, fixtures, appurtenances,
- 21 and grounds of the subject property for the term of the lease.
- 22 (3) The lease agreement shall be for a term of at least 15 years and no more than
- 23 25 years.
- 24 (4) In lieu of the progress payment requirement provided in G.S. 115C-546.11(b),
- 25 a county that has entered into a lease agreement shall provide a copy of the
- 26 lease agreement to the Department of Public Instruction and shall be
- 27 periodically reimbursed upon submission of documentation satisfactory to the
- 28 Department that the matching requirement of this section has been met.

29 (b) For the purposes of this section, the term "lease agreement" shall include any ancillary

30 agreements or predevelopment agreements entered into in anticipation of or in accordance with

31 a lease. A lease agreement entered into pursuant to this subsection shall be subject to the

32 requirements of Article 8 of Chapter 159 of the General Statutes. In determining whether the

33 lease agreement is necessary or expedient pursuant to G.S. 159-151(a)(1) and

34 G.S. 159-151(b)(1), the Local Government Commission may consider any other relevant

35 construction and financing methods available to the county.

36 **"§ 115C-546.14. Reporting.**

37 (a) On or before April 1 of each year, a grant recipient shall submit to the Department of

38 Public Instruction an annual report for the preceding year that describes the progress of the

39 project for which the grant was received. The grant recipient shall submit a final report to the

40 Department of Public Instruction within three months of the completion of the project.

41 (b) On or before May 1 of each year, the Department of Public Instruction shall submit a

42 report to the chairs of the Senate Appropriations Committee on Education/Higher Education, the

43 chairs of the House Appropriations Committee on Education, and the Fiscal Research Division.

44 The report shall contain at least all of the following information for the fiscal year:

- 45 (1) Number, description, and geographic distribution of ~~projects awarded~~ project
- 46 applications received.
- 47 (2) Total cost of each project and amount supported by the Needs-Based Public
- 48 School Capital Fund.
- 49 (3) Projections for local school administrative unit capital needs for the next 30
- 50 years based upon present conditions and estimated demographic changes.

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

3 **SECTION 4.3.(b)** G.S. 115C-546.10, as amended by subsection (a) of this section,  
4 reads as rewritten:

5 **"§ 115C-546.10. Fund created; purpose; prioritization.**

6 There is created the Needs-Based Public School Capital Fund as an interest-bearing,  
7 nonreverting special fund in the ~~Department of Public Instruction. The State Treasurer shall be~~  
8 ~~the custodian of the Needs-Based Public School Capital Fund and shall invest its assets in~~  
9 ~~accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3. General Fund.~~ General Fund. The  
10 Department of Public Instruction shall ~~award~~ administer grants allocated by an act of the General  
11 Assembly from the Fund to counties to assist with their critical public school building capital  
12 needs in accordance with this Article. Grant awards will be considered in accordance with the  
13 following priorities:

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

28 **SECTION 4.3.(c)** G.S. 115C-546.11, as amended by subsection (a) of this section,  
29 reads as rewritten:

30 **"§ 115C-546.11. Matching requirement; use of funds; maximum awards; project review;**  
31 **application time lines.**

32 ...  
33 (b) Grant funds shall be used only for the construction of new school buildings and  
34 additions, repairs, and renovations. Grant funds shall not be used for real property acquisition or  
35 for capital improvements to administrative buildings. Grant funds shall be disbursed in a series  
36 of payments based on the progress of the project. To obtain a payment, the grantee shall submit  
37 a request for payment along with documentation of the expenditures for which the payment is  
38 requested and evidence that the matching requirement contained in subsection (a) of this section  
39 has been met. No portion of grant funds may be used to acquire a Leadership in Energy and  
40 Environmental Design (LEED) certification. Grant funds awarded under this section shall not  
41 revert but shall remain available until expended or until project completion.

42 ...  
43 (d) The Department of Public Instruction shall review projected enrollment to evaluate  
44 the reasonableness of a project's size and scope. A county may include in a grant application a  
45 minimum grant amount that would enable the project to proceed. A grant application that  
46 proposes to consolidate two or more schools by (i) making additions or renovations at one or  
47 more school facilities and (ii) closing one or more existing school facilities may be submitted  
48 and considered by the Department of Public Instruction as a single project. Each application for  
49 a grant under this Article shall be evaluated independent of other grant applications submitted. A  
50 county may not apply for projects that exceed an aggregate amount greater than the maximum  
51 grant award amounts listed in subsection (c) of this section in any single year. ~~The Department~~

1 of Public Instruction shall not award a grant to an applicant at less than the requested amount or  
 2 less than the maximum grant amounts listed in subsection (c) of this section for the purpose of  
 3 reserving the amount of grant funds available for other grant applications. If a county declines or  
 4 otherwise forfeits a grant awarded under this section, the Department shall not award additional  
 5 grants to that county for 24 months from the date the grant award was declined or forfeited.

6 ...."

7 **SECTION 4.3.(d)** Section 4.3(c) of S.L. 2023-134 reads as rewritten:

8 "SECTION 4.3.(c) The Department of Public Instruction may award additional grant funds  
 9 for new construction, up to the maximum amounts provided in subsection (a) of this section, to  
 10 a county that received an award for new construction under G.S. 115C-546.11(c) during the  
 11 2022-2023 fiscal year, provided that the county has not yet begun construction on the project. A  
 12 county seeking additional funding pursuant to this subsection shall request additional funds from  
 13 the Department in an amount not exceeding twelve million dollars (\$12,000,000) by June 30,  
 14 2024, and shall provide actual bids or other documentation of cost increases satisfactory to the  
 15 Department based upon the original project scope outlined in the grant agreement to support the  
 16 requested additional funding. The additional grant awards provided pursuant to this subsection  
 17 shall be subject to the same local matching requirement applicable when the previous grant was  
 18 awarded. The Department may amend any existing agreements entered into with grant recipients  
 19 from the initial grant award to accommodate the increased grant funding provided in this  
 20 subsection. The Department may award additional grant funds under this subsection outside of  
 21 the regular application process and time line; provided, however, all additional grant funds shall  
 22 be awarded no later than ~~June 30, 2025~~ December 31, 2024."

23 **SECTION 4.3.(e)** Subsections (b) and (c) of this section become effective January  
 24 1, 2025. The remainder of this section becomes effective July 1, 2024.

25  
 26 **INDIAN GAMING REVENUE FUND APPROPRIATIONS**

27 **SECTION 4.4.** Section 4.4(a) of S.L. 2023-134 reads as rewritten:

28 "SECTION 4.4.(a) Allocations are made from the Indian Gaming Education Revenue Fund  
 29 for the fiscal biennium ending June 30, 2025, as follows:

	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>
30 Textbook and Digital Resources Allotment	\$10,000,000	\$10,000,000
31		<u>\$0</u>
32 Classroom Materials	11,000,000	1,000,000
33 <u>Instructional Materials Allotment</u>	<u>0</u>	<u>19,000,000</u>
34 <b>Total Appropriation</b>	<b>\$21,000,000</b>	<b>\$11,000,000</b>
35		<u><b>\$20,000,000</b></u>

36  
 37  
 38 **CIVIL PENALTY AND FORFEITURE FUND**

39 **SECTION 4.5.** Section 4.5 of S.L. 2023-134 reads as rewritten:

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

	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>
42 School Technology Fund	\$18,000,000	\$18,000,000
43 Drivers Education	31,493,768	31,493,768
44 State Public School Fund	226,041,640	166,041,640
45		<u>176,041,640</u>
46 <b>Total Appropriation</b>	<b>\$275,535,408</b>	<b>\$215,535,408</b>
47		<u><b>\$225,535,408</b></u>

48  
 49  
 50 **SPORTS WAGERING CHANGES**

51 **SECTION 4.6.(a)** G.S. 18C-901(13d) reads as rewritten:

- "(13d) Professional sports team. – A team in this State that competes in the highest level of any of the following professional sports:
- a. Baseball.
  - b. Men's Soccer.
  - c. Basketball.
  - d. Football.
  - e. Ice Hockey.
  - f. Women's Soccer.
  - g. Bull Riding."

**SECTION 4.6.(b)** G.S. 105-113.128 reads as rewritten:

**"§ 105-113.128. Use of tax proceeds.**

The Secretary shall distribute the taxes collected under this Article, less the allowance to the Department of Revenue and reimbursement to the Lottery Commission for administrative expenses, in accordance with this section. The Secretary may retain the cost of administering this Article, not to exceed five hundred thousand dollars (\$500,000) a year, as reimbursement to the Department. The Lottery Commission shall, no later than 20 days after the end of the month, notify the Department of its unreimbursed expenses from administering the provisions of Article 9 of Chapter 18C of the General Statutes from the previous month. The Department shall reimburse the Lottery Commission from the tax revenues collected under this Article no later than the end of the month in which the Department was notified. The remainder of the net proceeds of the tax collected under this Article are to be credited in the following priority:

- ...
- (4) ~~One Six million dollars (\$1,000,000)–(\$6,000,000) annually to the North Carolina Youth Outdoor Engagement Commission for grants, in the discretion of the Commission, as follows:~~ to be used for the following purposes:
    - a. Grants not to exceed five thousand dollars (\$5,000) per sporting team or group per county per year requesting grant assistance to travel to in-State or out-of-state sporting events.
    - b. Incentive grants not to exceed twenty-five thousand dollars (\$25,000) to attract State, regional, area, and national sporting events, tournaments, and programs for nonprofessional sporting participants in programs administered by city, county, and local school administrative units, or appropriate nonprofit organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code as determined by the North Carolina Youth Outdoor Engagement Commission.
    - c. Five million dollars (\$5,000,000) of the proceeds distributed annually under this subdivision shall be used to fund Go Outside Grants, which shall be split evenly between the following purposes:
      - 1. Educational field trips.
      - 2. Construction of outdoor educational structures.
  - (5) Of the remaining proceeds, as follows:
    - a. Twenty percent (20%) ~~annually~~ to be distributed equally among the institutions listed in this sub-subdivision to support collegiate athletic departments, not to supplant general funding to that institution. The institutions are listed as follows:
      - 1. Appalachian State University.
      - 2. East Carolina University.
      - 3. Elizabeth City State University.
      - 4. Fayetteville State University.
      - 5. North Carolina Agricultural & Technical State University.

- 1                                   6.     North Carolina Central University.
- 2                                   7.     University of North Carolina at Asheville.
- 3                                   8.     University of North Carolina at Charlotte.
- 4                                   9.     University of North Carolina at Greensboro.
- 5                                   10.    University of North Carolina at Pembroke.
- 6                                   11.    University of North Carolina at Wilmington.
- 7                                   12.    Western Carolina University.
- 8                                   13.    Winston-Salem State University.
- 9                                 a1.    Five percent (5%) to be distributed equally among the institutions
- 10                                 listed in this sub-subdivision to support collegiate athletic
- 11                                 departments, not to supplant general funding to that institution. The
- 12                                 institutions are listed as follows:
- 13                                   1.     Appalachian State University.
- 14                                   2.     East Carolina University.
- 15                                   3.     North Carolina Agricultural & Technical State University.
- 16                                   4.     North Carolina State University.
- 17                                   5.     University of North Carolina at Chapel Hill.
- 18                                   6.     University of North Carolina at Charlotte.
- 19                                 b.     ~~Thirty percent (30%) annually~~ Twenty-five percent (25%) to the North
- 20                                 Carolina Major Events, Games, and Attractions Fund established
- 21                                 under G.S. 143B-437.112.
- 22                                 c.     ~~Fifty percent (50%) annually~~ The remainder to the General Fund."

23                   **SECTION 4.6.(c)** Subsection (b) of this section becomes effective August 1, 2024,  
 24 and applies to distributions made on or after that date. The remainder of this section is effective  
 25 when it becomes law.

26  
 27 **STATE FISCAL RECOVERY FUND REALLOCATIONS**

28                   **SECTION 4.7.(a)** Notwithstanding any provision of law to the contrary, State Fiscal  
 29 Recovery Funds appropriated in S.L. 2021-180 are reduced as follows:

- 30                   (1)    The appropriation to the Administrative Office of the Courts (Budget Code
- 31                                   12000) for "Economic Assistance Funds" provided on page E7, item 14 of the
- 32                                   Committee Report described in Section 43.2 of S.L. 2021-180 and further
- 33                                   described in Section 16.23 of S.L. 2021-180 is reduced by the sum of nine
- 34                                   hundred sixty-four thousand six hundred eighty dollars (\$964,680).
- 35                   (2)    The appropriation to the Department of Commerce (Budget Code 14602) for
- 36                                   "Motorsports" provided on page D45, item 128 of the Committee Report
- 37                                   described in Section 43.2 of S.L. 2021-180 and further described in Section
- 38                                   11.14 of S.L. 2021-180 is reduced by the sum of one hundred twenty-five
- 39                                   thousand three hundred thirty-eight dollars (\$125,338).
- 40                   (3)    The appropriation to the Department of Health and Human Services (Budget
- 41                                   Code 14445) for "Premium Pay Bonuses" provided on page C44, item 109 of
- 42                                   the Committee Report described in Section 43.2 of S.L. 2021-180 and further
- 43                                   described in Section 39.21 of S.L. 2021-180 is reduced by the sum of twelve
- 44                                   million six hundred forty thousand eight hundred ninety-four dollars
- 45                                   (\$12,640,894).
- 46                   (4)    The appropriation to the Department of Health and Human Services (Budget
- 47                                   Code 14460) for "Temporary Funding Assistance for ICF/IIDs" provided on
- 48                                   page C72, item 173 of the Committee Report described in Section 43.2 of S.L.
- 49                                   2021-180 and further described in Section 9F.13 of S.L. 2021-180 is reduced
- 50                                   by the sum of four thousand six hundred eighty-six dollars (\$4,686).

- 1 (5) The appropriation to the Department of Public Instruction (Budget Code  
2 13510) for "Smart School Bus Pilot" provided on page B28, item 71 of the  
3 Committee Report described in Section 43.2 of S.L. 2021-180 and further  
4 described in Section 7.70(a) and (b) of S.L. 2021-180 is reduced by the sum  
5 of three million three hundred twenty-seven thousand five hundred eighty-five  
6 dollars (\$3,327,585).
- 7 (6) The appropriation to the Department of Revenue (Budget Code 14700) for  
8 "Mainframe Migration" provided on page F154, item 274 of the Committee  
9 Report described in Section 43.2 of S.L. 2021-180 is reduced by the sum of  
10 three hundred seventy-two thousand two hundred thirty-seven dollars  
11 (\$372,237).
- 12 (7) The appropriation to the Department of Revenue (Budget Code 14700) for  
13 "Business Recovery Grant Program" provided on page F154, item 275 of the  
14 Committee Report described in Section 43.2 of S.L. 2021-180 and further  
15 described in Section 34.3A of S.L. 2021-180 is reduced by the sum of two  
16 million nine hundred seventeen thousand one hundred forty-three dollars  
17 (\$2,917,143).
- 18 (8) The appropriation to the Board of Governors of The University of North  
19 Carolina (Budget Code 10610) for "North Carolina Arboretum COVID-19  
20 Expenses" provided on page B45, item 132 of the Committee Report  
21 described in Section 43.2 of S.L. 2021-180 is reduced by the sum of two  
22 thousand seven hundred forty-seven dollars (\$2,747).
- 23 (9) The appropriation to the Board of Governors of The University of North  
24 Carolina (Budget Code 16012) for "Longleaf Commitment Grants" provided  
25 on page B50, item 157 of the Committee Report described in Section 43.2 of  
26 S.L. 2021-180 and further described in Section 8A.5 of S.L. 2021-180 is  
27 reduced by the sum of twelve million five hundred thousand dollars  
28 (\$12,500,000).
- 29 (10) The appropriation to the Department of Environmental Quality (Budget Code  
30 14300) for water, wastewater, and stormwater infrastructure grants provided  
31 on page D57, items 147-150 of the Committee Report described in Section  
32 43.2 of S.L. 2021-180 and further described in Sections 12.13 and 12.14 of  
33 S.L. 2021-180 is reduced by the sum of eight hundred eighty-seven million  
34 six hundred ten thousand four hundred forty-eight dollars (\$887,610,448).

35 **SECTION 4.7.(b)** State agencies that are still in possession of the funds described  
36 in subsection (a) of this section shall return the funds to the State Fiscal Recovery Fund,  
37 established in Section 2.2 of S.L. 2021-25, as soon as practicable but no later than 15 business  
38 days after this section becomes law.

39 **SECTION 4.7.(c)** The Office of State Budget and Management shall allocate funds  
40 from the State Fiscal Recovery Fund, established in Section 2.2 of S.L. 2021-25, in accordance  
41 with the provisions contained in Section 4.9 of S.L. 2021-180, as follows:

- 42 (1) The sum of nine hundred sixty-four thousand six hundred eighty dollars  
43 (\$964,680) to the Administrative Office of the Courts (Budget Code 12000)  
44 for Human Trafficking Grants.
- 45 (2) The sum of ten million dollars (\$10,000,000) to the Department of Public  
46 Safety (Budget Code 14550) for VIPER.
- 47 (3) The sum of one hundred nine million five hundred one thousand seventy-eight  
48 dollars (\$109,501,078) to the Department of Health and Human Services  
49 (Budget Code 14420) for Childcare Stabilization Grants.
- 50 (4) The sum of eight hundred million dollars (\$800,000,000) to the SFRF  
51 Negative Reserve (Budget Code 19000).

1           **SECTION 4.7.(d)** This section is effective when it becomes law.

2  
3           **INTEREST EARNED FROM STATE FISCAL RECOVERY RESERVE**

4           **SECTION 4.8.(a)** Section 4.8A of S.L. 2023-134 is amended by adding a new  
5 subsection to read:

6           "SECTION 4.8A.(c) Allocations of interest earned from the State Fiscal Recovery Reserve  
7 set forth in this act, S.L. 2023-134, or any other enactment of the General Assembly providing  
8 for such allocations shall not revert at the end of each year of the 2023-2025 fiscal biennium but  
9 shall remain available until expended."

10           **SECTION 4.8.(b)** This section becomes effective June 30, 2024.

11  
12           **MEDICAID REBASE FUNDING FOR FISCAL YEAR 2024-2025 FROM ARPA**  
13           **TEMPORARY SAVINGS FUND**

14           **SECTION 4.9.** Section 4.9(d) of S.L. 2023-134 is amended by adding a new  
15 subdivision to read:

16           "(9a) The Department of Health and Human Services, Division of Health Benefits,  
17 (Budget Code 14445) for Medicaid Rebase."

18  
19           **PART V. GENERAL PROVISIONS**

20  
21           **EXTEND THE TIME LINE FOR CERTAIN DIRECTED GRANTS TO NON-STATE**  
22           **ENTITIES**

23           **SECTION 5.1.(a)** This section applies to any directed grants appropriated as  
24 nonrecurring funds in S.L. 2022-74 for the 2022-2023 fiscal year that (i) remain unexpended as  
25 of the effective date of this section and (ii) are subject to reversion at the end of the 2023-2024  
26 fiscal year. Notwithstanding any provision of law to the contrary, the grants described by this  
27 section shall not revert at the end of the 2023-2024 fiscal year and shall remain available for  
28 expenditure for the purpose for which the funds were appropriated until the earlier of the date the  
29 funds are expended or the date the funds revert pursuant to subsection (b) of this section.

30           **SECTION 5.1.(b)** Any funds described in subsection (a) of this section that remain  
31 unexpended as of June 30, 2024, shall revert to the appropriate fund at the end of the 2024-2025  
32 fiscal year.

33           **SECTION 5.1.(c)** This section becomes effective June 30, 2024.

34  
35           **ESTABLISHING OR INCREASING FEES**

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

39           **SECTION 5.2.(b)** Notwithstanding G.S. 150B-21.1A(a), an agency may adopt an  
40 emergency rule in accordance with G.S. 150B-21.1A to establish or increase a fee as authorized  
41 by this act if the adoption of a rule would otherwise be required under Article 2A of Chapter  
42 150B of the General Statutes.

43  
44           **DIRECTED GRANTS TO NON-STATE ENTITIES**

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

- 47           (1) Directed grant. – Nonrecurring funds allocated by a State agency to a  
48 non-State entity as directed by an act of the General Assembly and specifically  
49 denoted as a "directed grant."  
50           (2) Non-State entity. – As defined in G.S. 143C-1-1.



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

- 3           (1) Directed grants are subject to the provisions of subsections (b) through (k) of  
4 G.S. 143C-6-23. For purposes of returning a directed grant pursuant to  
5 G.S. 143C-6-23(f1)(1), the date by which such funds must be expended,  
6 encumbered, or disbursed is the applicable deadline established for the  
7 directed grant.
- 8           (2) Directed grants of one hundred thousand dollars (\$100,000) or less may be  
9 made in a single annual payment in the discretion of the Director of the  
10 Budget. Directed grants of more than one hundred thousand dollars  
11 (\$100,000) shall be made in quarterly or monthly payments in the discretion  
12 of the Director of the Budget. A State agency administering a directed grant  
13 shall begin disbursement of funds to a non-State entity that meets all  
14 applicable requirements as soon as practicable but no later than 100 days after  
15 the date this act becomes law. Full disbursement of funds to a non-State entity  
16 that meets all applicable requirements shall be completed no later than nine  
17 months after the date this act becomes law.
- 18           (3) Beginning on the first day of a quarter following the deadline provided in  
19 subdivision (2) of this subsection and quarterly thereafter, State agencies  
20 administering directed grants shall report to the Fiscal Research Division on  
21 the status of funds disbursed for each directed grant until all funds are fully  
22 disbursed. At a minimum, the report required under this subdivision shall  
23 include updates on (i) the date of the initial contract, (ii) the date the contract  
24 was sent to the entity receiving the funds, (iii) the date the disbursing agency  
25 received the fully executed contract back from the entity, (iv) the contract  
26 execution date, and (v) the payment date.
- 27           (4) Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary,  
28 nonrecurring funds appropriated in this act for the 2024-2025 fiscal year as  
29 directed grants shall not revert until June 30, 2026.
- 30           (5) Directed grants to nonprofit organizations are for nonsectarian, nonreligious  
31 purposes only.

32           **SECTION 5.3.(c)** Expiration. – This section expires on June 30, 2026.

33  
34 **BUDGET ACT CHANGES**

35           **SECTION 5.4.(a)** G.S. 143C-1-1 reads as rewritten:

36 **"§ 143C-1-1. Purpose and definitions.**

37 ...

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

39 ...

40 (20) Object or line item. – An expenditure or receipt in a recommended or enacted  
41 budget that is designated in the Budget Code Structure of the North Carolina  
42 ~~Accounting~~ Financial System Uniform Chart of Accounts prescribed by the  
43 Office of the State Controller.

44 ...

45 (23) Purpose or program. – A group of objects or line items for support of a specific  
46 activity for a State agency outlined in a recommended or enacted budget that  
47 is designated by a ~~nine-digit six-digit budget~~ fund code in accordance with the  
48 Budget Code Structure of the North Carolina ~~Accounting~~ Financial System  
49 Uniform Chart of Accounts prescribed by the Office of the State Controller.

50 ...."

51           **SECTION 5.4.(b)** G.S. 143C-3-5 reads as rewritten:

1 "§ 143C-3-5. Budget recommendations and budget message.

2 ...  
 3 (b) Odd-Numbered Years. – In odd-numbered years the budget recommendations shall  
 4 include the following components:

5 ...  
 6 (2) A Recommended Base Budget showing, for each budget code and purpose or  
 7 program in State government, accounting detail corresponding to the  
 8 Recommended State Budget.

9 a. The Recommended Base Budget shall employ the North Carolina  
 10 ~~Accounting~~ Financial System Uniform Chart of Accounts adopted by  
 11 the State Controller to show both uses and sources of funds and shall  
 12 display in separate parallel columns all of the following: (i) actual  
 13 expenditures and receipts for the most recent fiscal year for which  
 14 actual information is available, (ii) the certified budget for the  
 15 preceding fiscal year, (iii) the currently authorized budget for the  
 16 preceding fiscal year, (iv) program base budget requirements for each  
 17 fiscal year of the biennium, (v) proposed expenditures and receipts for  
 18 each fiscal year of the biennium, and (vi) proposed increases and  
 19 decreases.

20 ...  
 21 c. The Recommended Base Budget shall include accurate projections of  
 22 receipts, expenditures, and fund balances. Estimated receipts,  
 23 including tuition collected by university or community college  
 24 institutions, shall be adjusted to reflect actual collections from the  
 25 previous fiscal year, unless the Director recommends a change that  
 26 will result in collections in the budget year that differ from prior year  
 27 actuals, or the Director otherwise determines there is a more  
 28 reasonable basis upon which to accurately project receipts. If receipts  
 29 are projected to decrease, the corresponding expenditure shall be  
 30 decreased in a like amount. Revenue and expenditure detail provided  
 31 in the Budget Support Document shall be no less detailed than the  
 32 two-digit level in the North Carolina ~~Aeeounting~~ Financial System  
 33 Uniform Chart of Accounts as prescribed by the State Controller.

34 ...  
 35 (7) The Governor's Recommended State Budget shall include a transfer to the  
 36 State Capital and Infrastructure Fund ~~of four percent (4%) of the estimated net~~  
 37 ~~State tax revenues that are deposited in the General Fund for each fiscal year~~  
 38 ~~of the upcoming biennium~~ in accordance with G.S. 143C-4-3.1(b)(1).

39 ...."

40 **SECTION 5.4.(c)** G.S. 143C-6-13 is repealed.

41 **SECTION 5.4.(d)** Section 5.3 of S.L. 2023-134 reads as rewritten:

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

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

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

- 49 (1) Directed grants are subject to the provisions of subsections (b) through ~~(k)~~,  
 50 ~~except for subdivision (1) of (f1), (k) of G.S. 143C-6-23. For purposes of~~  
 51 returning a directed grant pursuant to G.S. 143C-6-23(f1)(1), the date by

1                   which such funds must be expended, encumbered, or disbursed is the  
2                   applicable deadline established for the directed grant.

3                   ...."

4                   **SECTION 5.4.(e)** G.S. 143C-6-11(l) reads as rewritten:

5                   "(l) It is the intent of the General Assembly to (i) prevent the inclusion of duplicative fund  
6 codes in the Highway Fund certified budget and (ii) correctly align authorized positions and  
7 associated operating costs with the appropriate purposes and definitions as defined in  
8 G.S. 143C-1-1. To that end, the Office of State Budget and Management, in consultation with  
9 the Department of Transportation, the Office of the State Controller, and the Fiscal Research  
10 Division of the General Assembly, shall include, as an appendix to the Highway Fund certified  
11 budget, object detail using the North Carolina ~~Accounting~~-Financial System Uniform Chart of  
12 Accounts prescribed by the Office of the State Controller to provide a more detailed accounting  
13 of the proposed budgets and receipts and actual expenditures and revenue collections. This  
14 requirement includes applying object detail at the four-digit level for all accounts to full-time and  
15 part-time positions, to operating expenditures and receipts, and to intrafund transfers.  
16 Additionally, work order positions shall be budgeted within existing fund codes."

17                   **SECTION 5.4.(f)** Subsection (d) of this section becomes effective June 30, 2024.

18 The remainder of this section becomes effective July 1, 2024.

## 19 **REMOVE RAFFLE RESTRICTIONS ON NONPROFIT ORGANIZATIONS**

20                   **SECTION 5.5.(a)** G.S. 14-309.15 reads as rewritten:

21                   "**§ 14-309.15. Raffles.**

22                   (a) It is lawful for any nonprofit organization, candidate, political committee, or any  
23 government entity within the State, to conduct raffles in accordance with this section. Each  
24 regional or county chapter of a nonprofit organization is eligible to conduct raffles in accordance  
25 with this section independently of its parent organization. Any person who conducts a raffle in  
26 violation of any provision of this section is guilty of a Class 2 misdemeanor. Upon conviction  
27 that person shall not conduct a raffle for a period of one year. It is lawful to participate in a raffle  
28 conducted pursuant to this section. It is not a violation of State law to advertise a raffle conducted  
29 in accordance with this section. A raffle conducted pursuant to this section is not "gambling."  
30 For the purpose of this section, "candidate" and "political committee" have the meaning provided  
31 by Article 22A of Chapter 163 of the General Statutes, who have filed organization reports under  
32 that Article, and who are in good standing with the appropriate board of elections. Receipts and  
33 expenditures of a raffle by a candidate or political committee shall be reported in accordance  
34 with Article 22A of Chapter 163 of the General Statutes, and ticket purchases are contributions  
35 within the meaning of that Article.

36                   (b) For purposes of this section "raffle" means a game in which the prize is won by  
37 random drawing of the name or number of one or more persons purchasing chances.

38                   ~~(c) A nonprofit organization may hold no more than five raffles per year.~~

39                   ~~(d) Except as provided in subsection (g) of this section, the~~ The maximum cash prize that  
40 may be offered or paid for any one raffle is one hundred twenty-five thousand dollars (\$125,000)  
41 and if merchandise is used as a prize, and it is not redeemable for cash, the maximum fair market  
42 value of that prize may be one hundred twenty-five thousand dollars (\$125,000). ~~The total cash~~  
43 ~~prizes offered or paid by any nonprofit organization shall not exceed two hundred fifty thousand~~  
44 ~~dollars (\$250,000) in any calendar year. The total fair market value of all prizes offered by any~~  
45 ~~nonprofit organization, either in cash or in merchandise that is not redeemable for cash, shall not~~  
46 ~~exceed two hundred fifty thousand dollars (\$250,000) in any calendar year.~~ This subsection does  
47 not apply to a raffle conducted by a nonprofit organization.

48                   (e) Raffles shall not be conducted in conjunction with bingo.

49                   (f) As used in this subsection, "net proceeds of a raffle" means the receipts less the cost  
50 of prizes awarded. ~~No less than ninety percent (90%) of the~~ The net proceeds of a raffle shall be  
51

1 used by the nonprofit organization for charitable, religious, educational, civic, or other nonprofit  
2 purposes. None of the net proceeds of the raffle shall be used to pay any person to conduct the  
3 raffle, or to rent a building where the tickets are received or sold or the drawing is conducted.

4 (g) Real property may be offered as a prize in a raffle. Any nonprofit organization  
5 offering real property as a prize in a raffle shall provide the property free from all liens, provide  
6 an owner affidavit and indemnity agreement, and provide a title commitment for the property  
7 and shall make that commitment available for inspection upon request. ~~The total appraised value  
8 of all real estate prizes offered by any nonprofit organization shall not exceed two million two  
9 hundred fifty thousand dollars (\$2,250,000) in any calendar year.~~

10 (h) Notwithstanding any other subsection of this section, it is lawful for a federally  
11 insured depository institution to conduct a savings promotion raffle under G.S. 53C-6-20,  
12 54-109.64, 54B-140, or 54C-180."

13 **SECTION 5.5.(b)** This section becomes effective December 1, 2024, and applies to  
14 offenses committed on or after that date.

## 15 16 **PART VI. COMMUNITY COLLEGE SYSTEM**

### 17 18 **PERMIT NC CAREER COACH PROGRAM FUNDS TO BE USED FOR** 19 **ADMINISTRATIVE COSTS**

20 **SECTION 6.1.** G.S. 115D-21.5 reads as rewritten:

21 "**§ 115D-21.5. NC Career Coach Program.**

22 (a) Purpose. – There is established the NC Career Coach Program to place community  
23 college career coaches in high schools to assist students with determining career goals and  
24 identifying community college programs that would enable students to achieve these goals.

25 ...

26 (e) Administrative Costs. – Of the funds appropriated each fiscal year to the Community  
27 College System Office for the NC Career Coach Program, the System Office may allocate the  
28 lesser of up to two percent (2%) or one hundred fifteen thousand dollars (\$115,000) for  
29 administrative costs associated with the program, including costs related to staffing, program  
30 management, and program evaluation."

### 31 32 **PROPRIETARY SCHOOLS CHANGES**

33 **SECTION 6.2.(a)** G.S. 115D-89.1(b) reads as rewritten:

34 "(b) The State Board of Proprietary Schools shall consist of seven members as follows:

- 35 (1) The President of the North Carolina Community College System or the  
36 President's designee.
- 37 (2) Two members appointed by the Governor.
- 38 (3) Two members appointed by the General Assembly upon the recommendation  
39 of the President Pro Tempore of the Senate, one of whom shall be the owner  
40 or director of a proprietary school licensed in the State with less than 100 total  
41 annual enrollment of students and one the owner or director of a proprietary  
42 school or group of proprietary schools licensed in the State with ~~more than~~  
43 750-100 or more total annual enrollment of students.
- 44 (4) Two members appointed by the General Assembly upon the recommendation  
45 of the Speaker of the House of Representatives, one of whom shall be the  
46 owner or director of a proprietary school licensed in the State with ~~between~~  
47 less than 100 and 750-total annual enrollment of students and one the owner  
48 or director of a proprietary school or group of proprietary schools licensed in  
49 the ~~State~~-State with 100 or more total annual enrollment of students.

1 The appointing authorities shall appoint members who have a demonstrated history of  
 2 experience in proprietary or public postsecondary education, an understanding of standards of  
 3 quality in postsecondary education, and leadership beyond a particular institution."

4 **SECTION 6.2.(b)** G.S. 115D-90(b) reads as rewritten:

5 "(b) Application for a license shall be filed in the manner and upon the forms prescribed  
 6 and furnished by the State Board of Proprietary Schools for that purpose. Such application shall  
 7 be signed by the applicant and properly verified and shall contain such of the following  
 8 information as may apply to the particular school for which a license is sought:

9 ...  
 10 (7) Such additional information as the State Board, acting by and through the  
 11 State Board of Proprietary Schools, may deem necessary to enable it to  
 12 determine the adequacy of the program of instruction and matters pertaining  
 13 thereto. Each application shall be accompanied by a copy of the current  
 14 bulletin or catalog of the school which shall be in published form and certified  
 15 by an authorized official of the school as being current, true, and correct in  
 16 content and policy. The school bulletin shall contain the following  
 17 information:

18 ...

19 i. Policy and regulations of the institution relative to the refund of the  
 20 unused portion of tuition, fees and other charges in the event the  
 21 student does not enter the course or withdraws or is discontinued  
 22 therefrom. The policy and regulations shall comply with federal law  
 23 and provide for, at a minimum, a full refund if a student withdraws  
 24 before the first day of class or the school cancels the class and a  
 25 seventy-five percent (75%) refund if the student withdraws within the  
 26 first twenty-five percent (25%) of the period of enrollment for which  
 27 the student was charged, the following provisions to the extent those  
 28 provisions are not inconsistent with federal law:

29 1. If any of the following occur prior to the first day of class, a  
 30 student shall receive a one hundred percent (100%) refund,  
 31 including nonrefundable fees already paid:

32 I. The student withdraws.

33 II. The student is caused to withdraw by the school.

34 III. The school cancels the class.

35 2. If the student withdraws or is caused to withdraw by the school  
 36 on or before completing twenty-five percent (25%) of the  
 37 period of enrollment for which the student was charged, the  
 38 student shall receive a refund of seventy-five percent (75%),  
 39 excluding any disclosed nonrefundable fees.

40 ...."

41 **SECTION 6.2.(c)** G.S. 115D-95(b) reads as rewritten:

42 "(b) Amount. – An applicant for a license must file a bond with the North Carolina State  
 43 Board of Community Colleges executed by the applicant as a principal and by a bonding  
 44 company authorized to do business in this State. The bond must be payable to the State Board of  
 45 Community Colleges, must be conditioned on fulfillment of the school's obligations, and must  
 46 remain in effect until cancelled by the bonding company. The bonding company may cancel the  
 47 bond upon 30 days' notice to the State Board of Community Colleges.

48 The application must set out calculations made by the applicant to determine the amount of  
 49 bond required with the application. The required amount is determined as follows:

50 (1) Initial licensure. – For an applicant for initial licensure of a school, the bond  
 51 amount is the amount determined by the State Board that is adequate to

1 provide indemnification to any student, or the student's parent or guardian who  
 2 has suffered a loss of tuition, fees, or any other instructional-related expenses  
 3 paid to the school. A bond amount shall be at least twenty-five thousand  
 4 dollars (\$25,000).

5 (2) ~~First four renewals. Renewal of licensure. – For a school that has been licensed~~  
 6 ~~for one year but less than six years, For an applicant for renewal of licensure~~  
 7 ~~of a school, the bond shall be in an amount equal to the greatest amount of~~  
 8 ~~unearned paid tuition in the school's possession at anytime any time during~~  
 9 ~~the prior fiscal year.~~

10 (2a) Evaluations. – Bond amounts shall be evaluated as follows:

11 a. ~~The~~ For a school that has been licensed for one year, but less than six  
 12 years, the bond amount shall be evaluated by the school quarterly and  
 13 reported to the State Board or its representative. For a school that has  
 14 been licensed for six years or more, if the State Board deems an  
 15 evaluation necessary, the State Board may require the bond amount to  
 16 be evaluated by the school quarterly and reported to the State Board or  
 17 its representative.

18 b. A quarterly evaluation requiring an increase of five percent (5%) or  
 19 more in the amount of the bond held by the school shall require an  
 20 immediate increase in the bond amount.

21 c. Bond amounts ~~also~~ shall be evaluated pursuant to this subdivision and  
 22 the rules of the State Board of Community Colleges and State Board  
 23 of Proprietary Schools at the time of the school's annual license  
 24 renewal and increased if necessary regardless of the amount of the  
 25 change.

26 (3) ~~Schools in operation more than five years. – A guaranty bond shall be required~~  
 27 ~~for license renewal for a school that has been continuously licensed to operate~~  
 28 ~~for more than five years in the State, as follows:~~

29 a. ~~If the balance of the Student Protection Fund in G.S. 115D-95.1 is~~  
 30 ~~below the catastrophic loss amount, the school shall file a guaranty~~  
 31 ~~bond in an amount equal to the maximum amount of prepaid tuition~~  
 32 ~~held by the school during the prior fiscal year multiplied by the~~  
 33 ~~percentage amount the fund is deficient.~~

34 b. ~~If the school held prepaid tuition in excess of the Student Protection~~  
 35 ~~Fund catastrophic loss amount during the prior fiscal year, in addition~~  
 36 ~~to any bond amount required by sub-subdivision a. of this subdivision,~~  
 37 ~~the school shall file a guaranty bond for the difference between the~~  
 38 ~~prepaid tuition amount held in the previous fiscal year and the Fund~~  
 39 ~~catastrophic loss amount."~~

40 **SECTION 6.2.(d)** G.S. 115D-95.1 reads as rewritten:

41 **"§ 115D-95.1. Student Protection Fund.**

42 (a) Definitions. – As used in this section:

43 (1) "Catastrophic loss amount" means the amount of funds required to protect  
 44 prepaid student tuition in case of a large-scale event that would draw against  
 45 the Student Protection Fund. The amount is ~~one million dollars~~  
 46 ~~(\$1,000,000).~~ one million five hundred thousand dollars (\$1,500,000).

47 (2) "Fund cap amount" means the catastrophic loss amount plus a reserve amount.  
 48 The amount is ~~one million five hundred thousand dollars (\$1,500,000).~~ two  
 49 million dollars (\$2,000,000).

50 ...

1 (f) ~~Suspension of Payments. – If the Student Protection Fund balance is equal to or~~  
 2 ~~exceeds the Fund cap amount, the State Board of Proprietary Schools shall suspend payments~~  
 3 ~~into the Fund for schools that have been continuously licensed in the State for more than eight~~  
 4 ~~years. The State Board of Proprietary Schools shall require schools to resume payments into the~~  
 5 ~~Fund if the balance of the Fund is less than the catastrophic loss amount. The State Board of~~  
 6 ~~Proprietary Schools shall suspend payments into the Fund, as follows:~~

7 (1) For schools that are currently licensed in this State, if the Student Protection  
 8 Fund balance is equal to or exceeds the catastrophic loss amount.

9 (2) For schools applying for initial licensure with the State, if the Student  
 10 Protection Fund balance is equal to or exceeds the fund cap amount.

11 (3) If the Student Protection Fund balance decreases below the catastrophic loss  
 12 amount, the State Board shall reinstate the requirement for schools to make  
 13 payments into the Fund.

14 ...."

15 **SECTION 6.2.(e)** Subsection (a) of this section applies beginning with appointments  
 16 made on or after the date this act becomes law. Subsection (b) of this section becomes effective  
 17 July 1, 2024, and applies to licenses issued on or after that date. Subsections (c) and (d) of this  
 18 section become effective July 1, 2025, and apply to licenses issued on or after that date. Except  
 19 as otherwise provided, this section becomes effective July 1, 2024.

20  
 21 **DIRECT THE STATE BOARD OF COMMUNITY COLLEGES TO REVISE ITS**  
 22 **FUNDING MODEL FOR COMMUNITY COLLEGES AND ESTABLISH**  
 23 **ENROLLMENT INCREASE RESERVE**

24 **SECTION 6.3.(a)** The following session laws are repealed:

25 (1) Subsection (b) of Section 8.3 of S.L. 2011-145.

26 (2) Subsection (a) of Section 10.4 of S.L. 2013-360.

27 **SECTION 6.3.(b)** The State Board of Community Colleges shall revise its funding  
 28 formula for community colleges and allocate funds under that revised formula, beginning with  
 29 the 2024-2025 fiscal year, according to the following minimum criteria:

30 (1) Each community college shall continue to receive a base allocation of funds.

31 (2) In addition to the base allocation of funds, funds shall be provided to  
 32 community colleges based on the number of full-time equivalent (FTE)  
 33 students enrolled in curriculum, workforce continuing education, and Basic  
 34 Skills courses.

35 (3) Community colleges shall calculate FTE enrollment as the higher of the  
 36 current year's total enrollment or the average enrollment of the last two  
 37 academic years.

38 (4) Funds allocated pursuant to subdivision (2) of this subsection shall be  
 39 weighted based on the workforce sector of each course, as determined by the  
 40 State Board. In making its determinations, the State Board shall consider  
 41 salary data and labor market demand for the applicable workforce sector.

42 **SECTION 6.3.(c)** G.S. 115D-5 is amended by adding a new subsection to read:

43 "(aa) The State Board of Community Colleges shall review and revise, as necessary, its  
 44 workforce sector designations for curriculum, workforce continuing education, and Basic Skills  
 45 courses at community colleges by January 15, 2027, and every two years thereafter."

46 **SECTION 6.3.(d)** G.S. 115D-31(e) reads as rewritten:

47 "(e) If receipts for community college tuition and fees exceed the amount certified in  
 48 General Fund Codes at the end of a fiscal year, the State Board of Community Colleges shall  
 49 transfer the amount of receipts and fees above those budgeted to the Enrollment Growth Reserve.  
 50 may allocate those receipts to the community colleges for operating costs according to a formula  
 51 adopted by the State Board. Funds in the Enrollment Growth Reserve allocated pursuant to this

1 subsection shall not revert to the General Fund and shall remain available to the State Board until  
2 expended. ~~The State Board may allocate funds in this reserve to colleges experiencing an~~  
3 ~~enrollment increase greater than five percent (5%) of budgeted enrollment levels."~~

4 **SECTION 6.3.(e)** G.S. 115D-31 is amended by adding a new subsection to read:

5 "(e1) The State Board shall administer the Enrollment Increase Reserve as provided in  
6 G.S. 115D-31.4."

7 **SECTION 6.3.(f)** Article 3 of Chapter 115D of the General Statutes is amended by  
8 adding the following new section to read:

9 **"§ 115D-31.4. Enrollment Increase Reserve.**

10 (a) There is established the Enrollment Increase Reserve (Reserve) to be administered by  
11 the State Board of Community Colleges. The purpose of the Reserve is to allow the State Board  
12 to provide funds to community colleges to account for enrollment increases beyond budgeted  
13 enrollment levels.

14 (b) Monies in the Reserve shall consist of funds appropriated by the General Assembly  
15 in the Current Operations Appropriations Act for a fiscal year. The State Board shall include in  
16 its annual enrollment request the appropriation to the Reserve that is needed to fund enrollment  
17 increases in the next fiscal year.

18 (c) The State Board may allocate monies from the Reserve to a community college with  
19 an eligible increase in full-time equivalent (FTE) enrollment according to a formula adopted by  
20 the State Board. An eligible increase in FTE enrollment is either of the following:

21 (1) An increase in FTE enrollment of more than five percent (5%) of the budgeted  
22 enrollment level in any of the following course categories:

23 a. Curriculum.

24 b. Workforce continuing education.

25 c. Basic Skills.

26 (2) An increase in total FTE enrollment of more than 325 students.

27 (d) Monies in the Reserve shall not revert at the end of each fiscal year but shall remain  
28 available until expended for the purposes of this section."

## 30 **EXPAND CAREER AND COLLEGE READY GRADUATE PROGRAM**

31 **SECTION 6.4.** Section 10.13(a) of S.L. 2015-241, as amended by Section 10.5 of  
32 S.L. 2016-94 and Section 9.4 of S.L. 2018-5, reads as rewritten:

33 **"SECTION 10.13.(a)** The State Board of Community Colleges, in consultation with the  
34 State Board of Education, shall develop a program for implementation beginning with model  
35 programs in the 2016-2017 school year that introduces the college developmental mathematics  
36 and developmental reading and English curriculums in the high school senior ~~year-year,~~ including  
37 the immediately preceding summer, and provides opportunities for college remediation for  
38 students prior to high school graduation through cooperation with community college partners.  
39 Professional development for high school faculty shall begin with the 2018-2019 school year.  
40 The program shall be phased in by cohorts developed by the Department of Public Instruction  
41 beginning with the 2019-2020 school year. The program shall be fully implemented in all high  
42 schools statewide beginning with the 2020-2021 school year."

## 44 **FUNDS FOR PREPARATION FOR EXPANSION OF IDD SERVICES IN NCCCS FOR** 45 **HIGH SCHOOL STUDENTS**

46 **SECTION 6.5.** Of the funds appropriated from the General Fund to the Community  
47 College System Office, the sum of two million dollars (\$2,000,000) in nonrecurring funds for the  
48 2024-2025 fiscal year shall be used for a year of preparation and planning to implement a  
49 program at community colleges that serve students with intellectual and developmental  
50 disabilities (IDD) and to build capacity to provide services to students between the ages of 16



1 and 24 with IDD, including high school students. Funds appropriated pursuant to this section  
2 shall be used for the following purposes:

- 3 (1) To develop or provide funding for programs that result in micro-credentials  
4 and other credentials that lead to increased employment for students  
5 participating in the Career and College Promise Program.
- 6 (2) To provide professional development for staff and faculty that focuses on  
7 developing and enhancing career pathways for students with IDD, with an  
8 emphasis on recruiting and retaining high school students with IDD.
- 9 (3) To invest in student support services, including transportation, classroom  
10 modifications, and acquiring technology.
- 11 (4) To review and revise policies and procedures to decrease barriers for high  
12 school students with IDD.
- 13 (5) To hire short-term subject matter experts to consult on transition services for  
14 students with IDD.

### 15 16 **WORKFORCE DIPLOMA PROGRAM/GRADUATION ALLIANCE**

17 **SECTION 6.6.(a)** Program. – Of the nonrecurring funds appropriated in this act to  
18 the Community Colleges System Office for Graduation Alliance, the Community Colleges  
19 System Office shall contract with Graduation Alliance, Inc., to establish the Workforce Diploma  
20 Program (Program) to assist adults who are 21 years of age and older to obtain a high school  
21 diploma and develop employability and career and technical skills. Funds shall be provided to  
22 Graduation Alliance, Inc., based on the completion of milestones by each student served by the  
23 Program. The Program shall do at least the following:

- 24 (1) Provide one or more courses that help students obtain a high school diploma  
25 and enter or advance within a specific occupation or occupational cluster.  
26 Course completion shall be competency-based.
- 27 (2) Assist students in obtaining employment, including resume development and  
28 mock interviews.
- 29 (3) Include at least the following:
  - 30 a. Proactive communication with students regarding their pace and  
31 progress through learning plans.
  - 32 b. A plan for courses and credits needed for each student that integrates  
33 graduation requirements and career goals.
  - 34 c. Mentoring services.
  - 35 d. Milestone tracking.
  - 36 e. Academic skill intake assessments and transcript evaluations.
  - 37 f. A catalogue of courses necessary to meet graduation requirements.
  - 38 g. Remediation opportunities in literacy and numeracy.
  - 39 h. Employability skills certifications.
  - 40 i. Preparation for workforce credentials.
  - 41 j. Career advising services.

42 **SECTION 6.6.(b)** Report. – The Community Colleges System Office, in  
43 consultation with Graduation Alliance, Inc., shall submit a report by August 15, 2025, to the Joint  
44 Legislative Education Oversight Committee and the Fiscal Research Division on the impact of  
45 the Program, including at least the following information:

- 46 (1) The number of participants.
- 47 (2) The number of credits earned by participants.
- 48 (3) The number of employability skills certifications issued to participants.
- 49 (4) The number and type of workforce credentials earned by participants.
- 50 (5) The number of participants who received a high school diploma.

- 1 (6) The average funding provided per participant who received a high school  
2 diploma, credit, employability skills certification, or workforce credential.  
3 (7) The percentage of participants who received a high school diploma, credit,  
4 employability skills certification, or workforce credential.  
5

## 6 LEARNING MANAGEMENT SYSTEM GRANT PROGRAM AND STATEWIDE 7 SOLICITATION

8 **SECTION 6.7.(a)** Of the nonrecurring funds appropriated in this act to the  
9 Community Colleges System Office for the 2024-2025 fiscal year for a learning management  
10 system grant program, the State Board of Community Colleges shall establish a grant program  
11 beginning in the 2024-2025 fiscal year for a community college to receive funds to contract for  
12 an eligible learning management system for the college. These funds shall not revert at the end  
13 of the 2024-2025 fiscal year but shall remain available until expended. For purposes of this  
14 subsection, an "eligible learning management system" is a learning management system that is  
15 being used in the 2024-2025 school year by a majority of the students in the local school  
16 administrative unit or units in the service area of the community college. The State Board shall  
17 award grant funds to each community college of up to fifty percent (50%) of the cost incurred by  
18 the community college for the eligible learning management system.

19 **SECTION 6.7.(b)** The State Board of Community Colleges shall conduct a  
20 competitive solicitation, including a request for information or a request for proposals, to provide  
21 a learning management system to all community colleges. The competitive solicitation shall be  
22 completed by April 1, 2025. Answers to the competitive solicitation shall include information on  
23 how the learning management system would align with the learning management systems (i)  
24 offered by the Department of Public Instruction to local school administrative units and (ii) used  
25 by the constituent institutions of The University of North Carolina.

26 **SECTION 6.7.(c)** By May 1, 2025, the State Board shall report to the Joint  
27 Legislative Education Oversight Committee, the Senate Appropriations Committee on  
28 Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal  
29 Research Division on the information received pursuant to subsection (b) of this section.  
30

## 31 PART VII. PUBLIC INSTRUCTION

### 32 VARIOUS EDUCATION REPORT CHANGES

33 **SECTION 7.1.(a)** G.S. 115C-12(25) is recodified as G.S. 115C-21(a)(10) and reads  
34 as rewritten:  
35

36 "(10) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the  
37 request of the Joint Legislative Education Oversight Committee, the ~~State Board~~  
38 Superintendent of Public Instruction shall examine and evaluate issues, programs,  
39 policies, and fiscal information, and shall make reports to that Committee.  
40 Furthermore, by ~~November 15~~ March 15 of each year, the ~~State Board~~  
41 Superintendent of Public Instruction shall submit reports to that Committee  
42 regarding schools identified as low-performing, school improvement plans found  
43 to significantly improve student performance, personnel actions taken in  
44 low-performing schools, and recommendations for additional legislation to  
45 improve student performance and increase local flexibility."

46 **SECTION 7.1.(b)** Subdivision (4) of subsection (d) of G.S. 115C-81.45 is repealed.

47 **SECTION 7.1.(c)** Subsection (b) of Section 7.17 of S.L. 2018-5 is repealed.

48 **SECTION 7.1.(d)** Subsection (d) of Section 7.32 of S.L. 2017-57 is repealed.

49 **SECTION 7.1.(e)** G.S. 115C-12(48) reads as rewritten:

50 "(48) Computer Science Reporting. – The State Board of Education shall report  
51 annually by ~~November 15~~ March 15 to the Joint Legislative Education Oversight

1 Committee, the Senate Appropriations Committee on Education/Higher  
 2 Education, and the House Appropriations Committee on Education on the  
 3 following data related to computer science participation. For each item, the report  
 4 shall include (i) statewide data for the current school year, and the four years prior  
 5 when data is available, to establish trends in computer science instruction and (ii)  
 6 data for the current school year for each public school unit, disaggregated by  
 7 school within that unit:

8 ...."

9 **SECTION 7.1.(f)** G.S. 115C-316.2 is repealed.

10 **SECTION 7.1.(g)** G.S. 115C-316.5(a) reads as rewritten:

11 "(a) For the purposes of this section, the term "school health personnel" refers to ~~the same~~  
 12 ~~positions listed in G.S. 115C-316.2(a): school psychologists, school counselors, school nurses,~~  
 13 ~~and school social workers."~~

14 **SECTION 7.1.(h)** G.S. 115C-299.5 reads as rewritten:

15 "**§ 115C-299.5. Duty to monitor ~~the state of the teaching profession.~~teacher attrition and**  
 16 **mobility.**

17 ...

18 (b) ~~State of the Teaching Profession~~ Teacher Attrition and Mobility Report. – The State  
 19 Board of Education shall monitor and compile an annual report to be submitted by the  
 20 Department of Public Instruction by December 15 ~~February 15~~ annually on the ~~state of the~~  
 21 attrition and mobility of teachers in the teaching profession in North Carolina that includes data  
 22 on the decisions of teachers to leave the teaching profession and vacancies in teaching positions  
 23 as provided in subsections (c) and (e) of this section. The State Board shall adopt standard  
 24 procedures for each local board of education to use in requesting information required by this  
 25 report and shall require each local board of education to report the information to the State Board  
 26 in a standard format adopted by the State Board."

27 **SECTION 7.1.(i)** G.S. 115C-12(22), as amended by S.L. 2023-134, reads as  
 28 rewritten:

29 "(22) Duty to Monitor the ~~State of the Teaching~~ Attrition and Mobility of Teachers  
 30 and the State of the School Administration ~~Professions~~ Profession in North  
 31 Carolina. – The State Board of Education shall monitor and compile an annual  
 32 report on the ~~state of the teaching~~ attrition and mobility of teachers and the  
 33 state of the school administration ~~professions~~ profession in North Carolina, as  
 34 provided in G.S. 115C-289.2 and G.S. 115C-299.5."

35 **SECTION 7.1.(j)** G.S. 115C-289.2(d) reads as rewritten:

36 "(d) Report Consolidation. – The report required by this section shall be consolidated with  
 37 ~~the report on the State of the Teaching Profession~~ Teacher Attrition and Mobility Report required  
 38 by G.S. 115C-299.5."

39 **SECTION 7.1.(k)** G.S. 115C-269.50 reads as rewritten:

40 "**§ 115C-269.50. EPP report cards.**

41 The State Board shall create an annual report card for each EPP that, at a minimum,  
 42 summarizes the information collected in the annual performance reports, as set forth in  
 43 G.S. 115C-269.35(b). The report cards shall provide user-friendly access to the public, and shall  
 44 provide the ability to easily compare annual report card information between EPPs, including  
 45 performance and other data reported by each EPP, as provided in G.S. 115C-269.35(b). The State  
 46 Board shall make the report cards available to the public through the State Board's Internet ~~Web~~  
 47 ~~site~~ website on an annual basis beginning ~~December 15, 2019,~~ February 15, 2025, and the  
 48 Department of Public Instruction shall submit the report to the Joint Legislative Education  
 49 Oversight Committee annually by that date."

50 **SECTION 7.1.(l)** Subsection (b) of Section 8.30 of S.L. 2015-241 is repealed.

51 **SECTION 7.1.(m)** Section 7.20(b) of S.L. 2021-180 reads as rewritten:

1 "SECTION 7.20.(b) The Department shall report to the Senate Appropriations Committee  
2 on Education/Higher Education, the House Appropriations Committee on Education, the Fiscal  
3 Research Division, and the Joint Legislative Education Oversight Committee by ~~March 15, 2022,~~  
4 September 15, 2024, and annually thereafter, on implementation of the platform, including  
5 integration of the technology with outside entities, such as educator preparation programs (EPPs)  
6 and businesses, and data on user outcomes, including at least the following:

- 7 (1) The number of user accounts, visitors to the website, and web-initiated chats.
- 8 (2) The number of users who were seeking teacher licensure who applied to  
9 institutions with an EPP after visiting the TeachNC web platform and, of those  
10 users, the number of users who successfully enrolled into institutions with an  
11 EPP and who completed teacher licensure programs.
- 12 (3) The number of users who applied for employment in public schools after  
13 visiting the TeachNC web platform and the number of teachers who continue  
14 to teach in the public schools after finding employment utilizing TeachNC.

15 The report submitted by March 15, 2022, shall also include any recommendations by the  
16 Department on potential cost-sharing arrangements or public-private partnerships with outside  
17 entities for ongoing sustainability or continued growth of the recruitment initiative."

18 **SECTION 7.1.(n)** G.S. 115C-450(d) reads as rewritten:

19 "(d) No later than ~~May 15, 2022, and every six months thereafter,~~ February 15 of each  
20 year, the Department of Public Instruction shall report all the following information to the Joint  
21 Legislative Education Oversight Committee, the Senate Appropriations Committee on  
22 Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal  
23 Research Division:

24 ...."

25 **SECTION 7.1.(o)** G.S. 115C-218.42(e) reads as rewritten:

26 "(e) Reporting. – No later than ~~March-August~~ 15 of each year in which funds are awarded  
27 under the Program, the Department shall report to the Joint Legislative Education Oversight  
28 Committee, the Joint Legislative Transportation Oversight Committee, the Senate  
29 Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Fiscal  
30 Research Division on the administration of the Program, including at least the following  
31 information:

32 ...."

33 **SECTION 7.1.(p)** G.S. 115C-218.110(b) reads as rewritten:

34 "(b) The State Board of Education shall review and evaluate the educational effectiveness  
35 of the charter schools authorized under this Article and the effect of charter schools on the public  
36 schools in the local school administrative unit in which the charter schools are located. The Board  
37 shall report annually no later than ~~June-August~~ 15 to the Joint Legislative Education Oversight  
38 Committee on the following:

39 ...."

40 **SECTION 7.1.(q)** G.S. 115C-107.5 reads as rewritten:

41 "**§ 115C-107.5. Annual reports.**

42 The State Board shall ~~report send~~ a copy of the annual report submitted as part of the State  
43 Performance Plan and Annual Performance Report that is submitted to the United States  
44 Department of Education and United States Office of Special Education Programs no later than  
45 October 15 of each year to the Joint Legislative Education Oversight Committee on the  
46 implementation of this Article and the educational performance of children with disabilities. The  
47 report may be filed electronically. ~~Each annual report shall include the following information:~~

- 48 (1) ~~A copy of the following documents that were submitted, received, or made~~  
49 ~~public during the year:~~
  - 50 a. ~~The most recent State performance plan and any amendments to that~~  
51 ~~plan submitted to the Secretary of Education.~~

- 1                   b.       Compliance and monitoring reports submitted to the Secretary of  
2                   Education.  
3                   e.       The annual report submitted to the Secretary of Education on the  
4                   performance of the State under its performance plan.  
5                   d.       Any other information required under IDEA to be made available to  
6                   the public.  
7           (2)     An analysis of the educational performance of children with disabilities in the  
8           State and a summary of disputes under Part 1D of this Chapter.  
9           (3)     Development and implementation of any policies related to improving  
10           outcomes for elementary and secondary school students with disabilities,  
11           including any changes related to the directives set forth in Section 8.30 of S.L.  
12           2015-241 as follows:  
13           a.       Reforms related to IEP requirements.  
14           b.       Transition services for students with disabilities from elementary to  
15           middle school, middle to high school, and high school to  
16           postsecondary education, and for employment opportunities and adult  
17           living options.  
18           e.       Increased access to Future Ready Core Course of Study for students  
19           with disabilities.  
20           d.       Model programs for use by local school administrative units to  
21           improve graduation rates and school performance of students with  
22           disabilities."

23                   **SECTION 7.1.(r)** G.S. 115C-107.3 reads as rewritten:

24           "**§ 115C-107.3. Child find.**

25           (a)     The Board shall require an annual census of all children with disabilities residing in  
26           the State, subdivided for "identified" and "suspected" children with disabilities, to be taken in  
27           each school year. Suspected children are those in the formal process of being evaluated or  
28           identified as children with disabilities. The census shall be conducted annually and shall be  
29           completed by October 15, submitted to the Governor and General Assembly and made available  
30           to the public by January 15 annually. The census submitted to the General Assembly may be a  
31           copy of any information or any report submitted to the federal government as part of compliance  
32           with the Individuals with Disabilities Education Act pursuant to 20 U.S.C. § 1418.

33           (b)     In taking the census, the Board requires the cooperation, participation, and assistance  
34           of all local educational agencies. Therefore, each local educational agency shall cooperate and  
35           participate with and assist the Board in conducting the census.

36           (c)     The census shall include the number of children identified and suspected with  
37           disabilities, their age, the nature of their disability, their county or city of residence, their local  
38           school administrative unit residence, whether they are being provided special educational or  
39           related services and if so by what local educational agency, the identity of each local educational  
40           agency having children with disabilities in its care, custody, management, jurisdiction, control,  
41           or programs, the number of children with disabilities being served by each local educational  
42           agency, and any other information or data that the Board requires. The census shall be of children  
43           with disabilities between the ages three through 21 but is not required to include children with  
44           disabilities that have graduated from high school."  
45

46           **NEW COOPERATIVE INNOVATIVE HIGH SCHOOLS**

47           **SECTION 7.2.(a)** Of the four hundred seventy-five thousand dollars (\$475,000) in  
48           recurring funds appropriated to the Department of Public Instruction in this act for the 2024-2025  
49           fiscal year for two new cooperative innovative high schools, the Department shall allocate  
50           supplemental funds for the following cooperative innovative high schools to their respective local

1 school administrative units in amounts consistent with those set forth in G.S. 115C-238.54A, as  
2 enacted by this section, beginning with the 2024-2025 school year:

- 3 (1) Dare Early College High School.
- 4 (2) Rockingham County CTE Innovation High School.

5 **SECTION 7.2.(b)** Beginning with the 2024-2025 school year and for subsequent  
6 school years thereafter, notwithstanding G.S. 115C-238.51A(c), G.S. 115C-238.54, and any  
7 other provision of law to the contrary, Dare Early College High School and Rockingham County  
8 CTE Innovation High School shall be permitted to operate in accordance with G.S. 115C-238.53  
9 and G.S. 115C-238.54 as cooperative innovative high schools approved under  
10 G.S. 115C-238.51A(c) and shall be subject to the evaluation requirements of G.S. 115C-238.55.

11 **SECTION 7.2.(c)** Part 9 of Article 16 of Chapter 115C of the General Statutes is  
12 amended by adding a new section to read:

13 **"§ 115C-238.54A. Cooperative innovative high schools – supplemental allotment funding**  
14 **based on county development tier designation.**

15 (a) Allocation of Funding. – The Department shall allocate cooperative innovative high  
16 school supplemental allotment funds to local school administrative units with a cooperative  
17 innovative high school approved pursuant to G.S. 115C-238.51A(c) based on developmental tier  
18 area, as defined in G.S. 143B-437.08, as follows:

- 19 (1) Local school administrative units located in a development tier one area shall  
20 be allocated funding as follows:
  - 21 a. The sum of two hundred seventy-five thousand dollars (\$275,000) in  
22 recurring funds for each cooperative innovative high school in the unit.
  - 23 b. For a virtual cooperative innovative high school, the sum of two  
24 hundred thousand dollars (\$200,000) in recurring funds for each fiscal  
25 year.
  - 26 c. For the Northeast Regional School of Biotechnology and Agriscience,  
27 the Department shall allocate the sum of three hundred ten thousand  
28 dollars (\$310,000) in recurring funds from the regional school  
29 supplemental allotment for the school for each fiscal year.
- 30 (2) Local school administrative units located in a development tier two area shall  
31 be allocated the sum of two hundred thousand dollars (\$200,000) in recurring  
32 funds for each cooperative innovative high school in the unit.
- 33 (3) Local school administrative units located in a development tier three area shall  
34 be allocated the sum of one hundred eighty thousand dollars (\$180,000) in  
35 recurring funds for each cooperative innovative high school in the unit.

36 (b) Applicability of Funds. – The allotment of funds to local school administrative units  
37 pursuant to subsection (a) of this section shall include cooperative innovative high schools  
38 approved pursuant to G.S. 115C-238.51A(c) operated by a local school administrative unit  
39 regardless of not receiving allotments in a prior fiscal year. Funds shall not be allocated to local  
40 school administrative units for cooperative innovative high schools approved by the State Board  
41 pursuant to G.S. 115C-238.51A(b)."  
42

43 **EXPAND AND MODIFY REPORT ON EXTRAORDINARY COSTS FOR STUDENTS**  
44 **WITH DISABILITIES**

45 **SECTION 7.3.** Section 7.49 of S.L. 2023-134 reads as rewritten:

46 "SECTION 7.49. As used in this section, "Approved School" means a private school with  
47 approved nonpublic education programs providing special education for students with intensive  
48 needs. The Department of Public Instruction shall study the following and report any legislative  
49 recommendations based on the outcomes of the study to the House Appropriations Committee  
50 on Education, the Senate Appropriations Committee on Education/Higher Education, and the  
51 Joint Legislative Education Oversight Committee by ~~January 15, 2024~~: January 15, 2025:

1 (1) A method of improving options for children with disabilities with intensive  
2 needs which require private placement in an Approved School consistent with  
3 the student's individualized education program (IEP).

4 ...

5 (11) The creation of a grant program for local school administrative units to apply  
6 for funds to cover extraordinary costs of children with disabilities. The  
7 Department of Public Instruction shall consult with the Department of Health  
8 and Human Services, Division of Health Benefits, on opportunity for  
9 Medicaid reimbursement for services provided to students with disabilities in  
10 Approved Schools and the impact of Medicaid reimbursement on the cost of  
11 student placements in Approved Schools. Reported recommendations on this  
12 grant program shall include at least the following:

13 a. Costs associated with placement in Approved Schools in accordance  
14 with a student's IEP.

15 b. Potential sources of funding for the grant program.

16 c. Methods of oversight to be used by the Department during  
17 administration of the grant program."

## 18 ADVANCED COURSEWORK AND AIG CHANGE

19 SECTION 7.4.(a) G.S. 115C-81.36 reads as rewritten:

20 "**§ 115C-81.36. Advanced courses in ~~mathematics~~, mathematics and English Language**  
21 **Arts.**

22 (a) When practicable, local boards of education shall offer advanced learning  
23 opportunities ~~in mathematics~~ in grades three through five, and advanced courses ~~in mathematics~~  
24 in all grades six and higher. For the purposes of this section, advanced learning opportunities are  
25 those services and curricular modifications in mathematics and English Language Arts for  
26 academically or intellectually gifted students approved as part of the local plan, as required by  
27 ~~G.S. 115C-150.7~~, G.S. 115C-150.7, and advanced courses are advanced courses in mathematics  
28 and English Language Arts.

29 (a1) When advanced learning opportunities are offered ~~in mathematics~~ in grades three  
30 through five, any student scoring at the highest level on the corresponding end-of-grade test shall,  
31 for the next school year, be provided advanced learning opportunities ~~in mathematics~~ approved  
32 for that student's grade level. ~~No student who qualifies under this subsection shall be removed~~  
33 ~~from the advanced learning opportunity provided to the student unless a parent or guardian of the~~  
34 ~~student provides written consent for the student to be excluded or removed after being adequately~~  
35 ~~informed that the student's placement was determined by the student's achievement on the~~  
36 ~~previous end-of-grade test.~~

37 (b) When advanced courses are offered ~~in mathematics~~ in grades six and higher, any  
38 student scoring at the highest level on the corresponding end-of-grade or end-of-course test for  
39 the ~~mathematics~~ course in which the student was most recently enrolled shall be enrolled in the  
40 advanced course for the next ~~mathematics~~ course in which the student is enrolled. ~~A student in~~  
41 ~~seventh grade scoring at the highest level on the seventh grade mathematics end-of-grade test~~  
42 ~~shall be enrolled in a high school level mathematics course in eighth grade. Local boards of~~  
43 ~~education may provide supplemental content enrichment, which may include the administration~~  
44 ~~of diagnostic assessments, to students enrolled in a high school level mathematics course. No~~  
45 ~~student who qualifies under this subsection shall be removed from the advanced or high school~~  
46 ~~mathematics course in which the student is enrolled unless a parent or guardian of the student~~  
47 ~~provides written consent for the student to be excluded or removed from that course after being~~  
48 ~~adequately informed that the student's placement was determined by the student's achievement~~  
49 ~~on the previous end-of-grade or end-of-course test.~~

1       **(b1)** When a high school mathematics course is offered in eighth grade, a student in  
2 seventh grade scoring at the highest level on the seventh grade mathematics end-of-grade test  
3 shall be enrolled in a high school level mathematics course in eighth grade. Local boards of  
4 education may provide supplemental content enrichment, which may include the administration  
5 of diagnostic assessments, to students enrolled in a high school level mathematics course.

6       **(c)** ~~By December 15, 2020, December 15, 2025, and annually thereafter, the Department~~  
7 ~~of Public Instruction shall submit a report to the Joint Legislative Education Oversight~~  
8 ~~Committee containing data collected for the current school year on the number and demographics~~  
9 ~~number, demographics, and socioeconomic status of students who were eligible for advanced~~  
10 ~~mathematics courses under this section, including high school level mathematics courses in~~  
11 ~~eighth grade, and of those students, the number and demographics number, demographics, and~~  
12 ~~socioeconomic status of those who were placed in advanced mathematics courses and were not~~  
13 ~~placed in advanced mathematics courses. The report shall include information on the type and~~  
14 ~~format of advanced mathematics courses provided and shall also include any feedback provided~~  
15 ~~by local boards of education on the implementation of this section.~~

16       **(d)** The Department of Public Instruction shall provide guidance to local boards of  
17 education on how to best develop programming and courses to ensure all impacted students  
18 receive rigorous, academically appropriate instruction in ~~mathematics~~ mathematics and English  
19 Language Arts. The Department shall create a standard form to be used to inform parents about  
20 the value of advanced courses and that students scoring at the highest level have demonstrated  
21 the ability to master the material to be taught in the advanced course.

22       **(e)** No student who qualifies for advanced learning opportunities or advanced courses  
23 under this section shall be removed from the advanced learning opportunity or advanced course  
24 provided to the student unless a parent or guardian of the student provides written consent for the  
25 student to be excluded or removed after being adequately informed that the student's placement  
26 was determined by the student's achievement on the previous end-of-grade test. Local school  
27 administrative units may provide advanced learning opportunities or advanced courses to  
28 students who do not otherwise qualify under this subsection."

29       **SECTION 7.4.(b)** No later than December 31, 2024, the Department of Public  
30 Instruction shall develop a uniform definition of "advanced courses" to be used in all public  
31 school units of the State and make this definition available to all public school units in the State.  
32 This definition shall apply, at a minimum, to advanced courses offered in accordance with  
33 G.S. 115C-81.36 beginning with the 2025-2026 school year.

34       **SECTION 7.4.(c)** G.S. 115C-270.30(b) is amended by adding a new subdivision to  
35 read:

36       **"(1a)** For all teachers, at least one-half credit in advanced or accelerated learning with  
37 an emphasis on instructional strategies that enable teachers to cultivate and  
38 respond to students with advanced learning needs."

39       **SECTION 7.4.(d)** G.S. 115C-269.20(a)(1) is amended by adding a new  
40 sub-subdivision to read:

41       **"a1.** Instruction of advanced or gifted students with an emphasis on  
42 instructional strategies that enable teachers to cultivate and respond to  
43 students with advanced learning needs."

44       **SECTION 7.4.(e)** The State Board of Education shall adopt rules to comply with  
45 subsections (c) and (d) of this section prior to the start of the 2025-2026 school year. The Board  
46 may adopt temporary rules to enact the provisions of this section until permanent rules are  
47 adopted.

48       **SECTION 7.4.(f)** The Department of Public Instruction shall partner with Johns  
49 Hopkins University to study the effects of automatic enrollment in advanced courses on student  
50 outcomes. The study shall include up to 10 districts representing various regions of the State,  
51 various average daily membership allotments, various demographics, and various socioeconomic



1 statuses. The study shall take place over the course of one academic year. The Department shall  
2 report the results of the study to the Joint Legislative Education Oversight Committee no later  
3 than December 1 following the completion of the study.

4 **SECTION 7.4.(g)** This section is effective when it becomes law. Subsection (a) of  
5 this section applies beginning with the 2025-2026 school year. Subsection (c) of this section  
6 applies beginning with teachers applying for license renewal in the 2028-2029 school year.  
7 Subsection (d) of this section applies beginning with students entering an educator preparation  
8 program in the 2025-2026 school year.

## 10 **PROVIDE ACCESS TO ASVAB IN ALL SCHOOLS**

11 **SECTION 7.5.(a)** Article 7B of Chapter 115C of the General Statutes is amended  
12 by adding a new Part to read:

13 "Part 7. Military or Vocational Aptitude Test.

### 14 **"§ 115C-76.80. Armed Services Vocational Aptitude Battery.**

15 (a) Every public school unit shall provide students in grades 10 through 12 the  
16 opportunity to (i) take the Armed Services Vocational Aptitude Battery test (ASVAB) and (ii)  
17 consult with a military recruiter. Public school units shall not require students to take the  
18 ASVAB.

19 (b) The ASVAB shall be administered during regular instructional hours at a time that  
20 limits conflicts with extracurricular activities.

21 (c) Each public school unit shall provide each student in grades 10 through 12 and the  
22 student's parent a notice of the date, time, and location of the scheduled administration of the  
23 ASVAB at least 30 calendar days prior to the administration of the ASVAB."

24 **SECTION 7.5.(b)** This section is effective when it becomes law and applies  
25 beginning with the 2024-2025 school year.

## 27 **PROVIDE ADDITIONAL FUNDS TO CTE HOMEBUILDING**

28 **SECTION 7.6.** Section 7.19(a) of S.L. 2023-134 reads as rewritten:

29 **"SECTION 7.19.(a)** Of the funds appropriated to the Department of Public Instruction in  
30 this act from the General Fund, the Department shall use ~~up to~~ two hundred ~~seventy-five~~ thousand  
31 dollars ~~(\$200,000)~~ (\$275,000) in recurring funds to provide grants to assist public school units  
32 with program costs associated with CTE programs related to homebuilding. The Department of  
33 Public Instruction shall permit high schools within public school units to use the U.S. Department  
34 of Labor approved Pre-Apprenticeship Certificate Training (PACT) program, developed by the  
35 Home Builders Institute as an approved curriculum for CTE programs. A public school unit or a  
36 regional partnership of more than one public school unit may apply to receive funds. When  
37 awarding grants under this subsection, the Department shall prioritize public school units (i)  
38 located, in whole or in part, in a county with at least one local school administrative unit that  
39 received low-wealth supplemental funding in the previous fiscal year and (ii) that have a high  
40 population of at-risk students or students with disabilities."

## 42 **CYBERBULLYING MITIGATION, STUDENT MONITORING, AND SUICIDE** 43 **PREVENTION PROGRAM**

44 **SECTION 7.7.(a)** Of the funds remaining from the two million one hundred  
45 thousand dollars (\$2,100,000) allocated to the Department of Public Instruction pursuant to  
46 subdivision (3) of subsection (b) of Section 7.15 of S.L. 2023-134 and the recurring funds  
47 appropriated by S.L. 2023-134 to the Department of Public Instruction to contract with Liminex,  
48 Inc., d/b/a GoGuardian (GoGuardian), the Department shall use the funds to contract with  
49 GoGuardian for a pilot program for use of services and technology to mitigate cyberbullying,  
50 monitor student internet activity, and assist with suicide prevention services in one or more local  
51 school administrative units. The services and technology provided shall not be used to supplant

1 similar services and technology previously paid for using local funds. Funds allocated pursuant  
2 to this section shall not be allocated on the basis of average daily membership.

3 **SECTION 7.7.(b)** The Department shall report to the Joint Legislative Education  
4 Oversight Committee on the outcomes of local school administrative units participating in the  
5 pilot program established in subsection (a) of this section no later than September 15, 2025, and  
6 each year thereafter that funds are made available for this purpose. The report shall include at  
7 least the following:

- 8 (1) The local school administrative units using the services and technology.
- 9 (2) The number of students and teachers using the services and technology.
- 10 (3) Aggregated and anonymized instances of cyberbullying identified by the  
11 services or technology and any steps taken by the local school administrative  
12 unit or school to remediate the instances.
- 13 (4) Aggregated and anonymized instances of suicidal behavior identified by the  
14 services or technology and any steps taken by the local school administrative  
15 unit or school to remediate the instances.

## 17 **REGULATE THIRD-PARTY CONTRACTS TO PROVIDE PHOTOGRAPHY OR** 18 **OTHER SERVICES FOR PARENTAL PURCHASE THROUGH SCHOOLS**

19 **SECTION 7.8.(a)** Article 17 of Chapter 115C of the General Statutes is amended by  
20 adding a new Part to read:

21 "Part 4. School-Directed Contracts.

### 22 **"§ 115C-266. Regulation of school-directed contracts.**

23 (a) Definitions. – The following definitions apply in this section:

- 24 (1) Direct incentive. – A gift or other consideration given to an individual or  
25 school to influence the use of a specific vendor for a school-directed contract.  
26 Direct incentives do not include articles of merchandise or food with a value  
27 of ten dollars (\$10.00) or less per person, promotional materials, educational  
28 materials, or student identification cards.
- 29 (2) Indirect incentive. – A return of a portion of the proceeds to a school  
30 administrator or school from the purchase price paid by the consumer to the  
31 vendor for goods or services under a school-directed contract.
- 32 (3) School-directed contract. – A contract facilitated by a local board of education  
33 or school personnel that provides a vendor exclusive access to sell  
34 photography services, yearbooks, or other school-related services to students  
35 and their parents or guardians.
- 36 (4) School personnel. – School personnel as defined in G.S. 115C-332.

37 (b) No school, local board of education member, or school personnel shall receive a direct  
38 or indirect incentive from a school-directed contract. A school employee that violates this section  
39 shall be subject to disciplinary action for failure to fulfill the responsibilities imposed by the  
40 General Statutes.

41 (c) An individual that gives, offers, or promises a direct or indirect incentive to a school,  
42 local board of education member, or school personnel for the purpose of influencing a  
43 school-directed contract is guilty of a Class 2 misdemeanor."

44 **SECTION 7.8.(b)** This section is effective when it becomes law and applies  
45 beginning with school-directed contracts entered into on or after July 1, 2024.

## 47 **MOVE RENEWAL SCHOOL REVIEW DATES**

48 **SECTION 7.9.** Subsection (p) of Section 6 of S.L. 2018-32 reads as rewritten:

49 **"SECTION 6.(p)** State Board of Education Review; Termination of Plan. – The State Board  
50 shall conduct a review of the operation and student performance of the local school administrative  
51 unit operating under an approved renewal school system plan following the end of the 2022–2023

1 ~~2028-2029~~ school year and, at least every ~~three~~five years thereafter, to ensure that the unit is  
 2 meeting the expected academic, financial, and governance strategic goals set forth in the local  
 3 board of education's plan. The State Board may terminate the renewal school system plan after a  
 4 review upon any of the following grounds:

- 5 (1) Failure to meet the requirements for student performance contained in the  
 6 plan.
- 7 (2) The majority of schools in the local school administrative unit have been  
 8 identified as low-performing schools in the two school years immediately  
 9 preceding the review.

10 If the State Board determines that the local school administrative unit operating under an  
 11 approved renewal school system plan has failed to meet generally accepted standards of fiscal  
 12 management or violated State or federal law, the State Board may terminate the renewal school  
 13 system plan prior to the end of ~~2022-2023~~the 2028-2029 school year. In addition, if the State  
 14 Superintendent finds that satisfactory progress is not being made after reviewing the reports  
 15 required to be submitted under subsection (q) of this section, the State Superintendent shall  
 16 recommend to the State Board that the renewal school system plan be terminated immediately.  
 17 The State Board shall terminate the renewal school system plan if such a recommendation is  
 18 made by the State Superintendent.

19 Upon termination of the renewal school system plan by the State Board, the State Board shall  
 20 develop a transition plan for the local board of education to revert to operating the local school  
 21 administrative unit in accordance with applicable State laws and regulations for other local school  
 22 administrative units."  
 23

24 **CHANGE LOW-WEALTH ALLOTMENT FORMULA**

25 **SECTION 7.10.(a)** G.S. 115C-472.17(h), as enacted by Section 7.3 of S.L.  
 26 2023-134, reads as rewritten:

27 "(h) Counties Containing a Base of the Armed Forces. – Notwithstanding any other  
 28 provision of this section, counties ~~containing a base of the Armed Forces of the United States~~  
 29 ~~that have an average daily membership of more than 17,000 students receiving Impact Aid for~~  
 30 Federally Connected Children pursuant to 20 U.S.C. § 7703 shall receive whichever is the higher  
 31 amount in each fiscal year as follows: either the amount of supplemental funding the county  
 32 received as a low-wealth county in the ~~2012-2013~~2023-2024 fiscal year or the amount of  
 33 supplemental funding the county is eligible to receive as a low-wealth county pursuant to the  
 34 formula for distribution of supplemental funding under the other provisions of this section."  
 35

36 **SECTION 7.10.(b)** This section is effective when it becomes law and applies  
 37 beginning with the 2024-2025 school year.

38 **INCREASE TO SMALL COUNTY SUPPLEMENT**

39 **SECTION 7.11.** G.S. 115C-472.18(a) reads as rewritten:

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

Allotted ADM	Small County Allotment
0-1,300	<del>\$1,820,000</del> <u>\$2,061,069</u>
1,301-1,700	<del>\$1,774,700</del> <u>\$2,015,769</u>
1,701-2,000	<del>\$1,729,400</del> <u>\$1,970,469</u>
2,001-2,300	<del>\$1,684,100</del> <u>\$1,925,169</u>
2,301-2,600	<del>\$1,638,800</del> <u>\$1,879,869</u>
2,601-2,800	<del>\$1,593,500</del> <u>\$1,834,569</u>
2,801-3,300	<del>\$1,548,200</del> <u>\$1,789,269"</u>

1  
2 **ALLOW INCREASING ENGAGEMENT IN STEM PROGRAM FUNDS TO CARRY**  
3 **FORWARD**

4 **SECTION 7.12.** Notwithstanding any provision of law to the contrary, any funds  
5 appropriated for STEM Grants for the Increasing Engagement in STEM Program established  
6 pursuant to Section 7.22 of S.L. 2023-134 for the 2023-2024 fiscal year shall not revert but shall  
7 remain available until the end of the 2024-2025 fiscal year.  
8

9 **CAREER DEVELOPMENT PLAN PROGRAM SUPPORT**

10 **SECTION 7.13.(a)** Of the funds appropriated to the Department of Public  
11 Instruction from the General Fund for career development plan support, the Department shall use  
12 four hundred seventy-five thousand dollars (\$475,000) in recurring funds to contract with  
13 Year13, Inc., to ensure all students enrolled in local school administrative units are able to  
14 complete a career development plan in accordance with G.S. 115C-158.10 during the fall  
15 semester of the 2024-2025 school year. The contract shall ensure that Year13, Inc.'s, career  
16 development tool is available, at a minimum, each school year through the 2026-2027 school  
17 year. Year13, Inc., shall focus implementation efforts on local school administrative units  
18 experiencing difficulties with implementing career development plans pursuant to  
19 G.S. 115C-158.10.

20 **SECTION 7.13.(b)** No later than December 15, 2024, and annually thereafter, the  
21 Department shall report to the Joint Legislative Education Oversight Committee, the Joint  
22 Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the  
23 Fiscal Research Division on the following:

- 24 (1) For only the report due December 15, 2024, the process of integrating Year13,  
25 Inc.'s, student career planning tool with NCCareers.org and any difficulties or  
26 delays associated with the integration.  
27 (2) A list of all local school administrative units served by Year13, Inc.  
28 (3) Local school administrative units that received additional focus due to  
29 difficulties implementing career development plans.  
30 (4) Any other information the Department deems necessary.  
31

32 **MATH THAT COUNTS PILOT PROGRAM**

33 **SECTION 7.14.(a)** State Goal. – The goal of the State is to ensure that every student  
34 meets or exceeds expected mathematics learning by the end of fifth grade and continues to  
35 progress so that he or she can have the understanding and skills needed for secondary education  
36 and career success.

37 **SECTION 7.14.(b)** Program Established; Purpose. – There is established the Math  
38 That Counts Pilot Program (Program). The Program shall begin with the 2024-2025 school year  
39 and conclude at the end of the 2027-2028 school year. The purposes of the Program are to ensure  
40 that (i) challenges with developing grade level mathematics proficiency are identified before  
41 students transition to sixth grade, (ii) students receive appropriate mathematics interventions to  
42 address mathematics challenges and accelerate learning, and (iii) each student and his or her  
43 parent or guardian be informed of the student's academic needs and progress.

44 **SECTION 7.14.(c)** Participating local boards of education shall do the following as  
45 part of the Program:

- 46 (1) Implement high-quality mathematics instruction that meets the following  
47 criteria:  
48 a. Aligns with the North Carolina Standard Course of Study.  
49 b. Is evidence-based.  
50 c. Engages students and provides them with relevant challenges and  
51 pathways to deeper understanding.

- 1 d. Includes materials to support the teacher in facilitating and  
2 encouraging active student questioning and discussion.
- 3 e. Provides students at all levels of language proficiency with  
4 opportunities to use written and oral forms of communication to learn  
5 and demonstrate understanding of mathematics skills.
- 6 (2) Assess students in fourth and fifth grade at least three times per year in  
7 mathematics using the i-Ready assessment platform.
- 8 (3) Use the Zearn Math learning platform and services in elementary schools and  
9 middle schools located in their respective local school administrative units to  
10 address challenges with developing grade level mathematics proficiency.
- 11 (4) For students who are not grade level proficient on mathematics standards by  
12 the end of fifth grade, as demonstrated by the end-of-grade assessment  
13 required by G.S. 115C-174.11(c)(1), provide interventions and learning  
14 acceleration services documented in a Mathematics Success Plan (MSP) that  
15 meets the requirements of subsection (d) of this section.
- 16 (5) By September 1 following any school year in which the local board of  
17 education participated in the Program, report to the Department of Public  
18 Instruction the following information on the prior school year:
- 19 a. A description of mathematics interventions provided to students with  
20 MSPs.
- 21 b. The student identification numbers of students with MSPs.

22 **SECTION 7.14.(d)** The following shall apply to MSPs developed by participating  
23 local boards of education:

- 24 (1) The MSP shall be created prior to the start of sixth grade and made available  
25 to the student's sixth grade teacher prior to the start of the school year. Students  
26 shall continue to receive an MSP through the end of eighth grade or when the  
27 student demonstrates grade level proficiency on the end-of-grade assessment,  
28 whichever is earlier.
- 29 (2) The MSP shall be regularly adjusted based on multiple data sources,  
30 indicating that the student is not progressing toward grade level mathematics  
31 proficiency in one or more major mathematics standards. Based on the most  
32 recently collected data, an MSP shall include the following information,  
33 specific to the identified student:
- 34 a. The specific mathematics standards for which the student is  
35 experiencing challenges in developing grade level mathematics  
36 proficiency as identified by the assessment data.
- 37 b. Goals and benchmarks for growth.
- 38 c. The means by which progress will be monitored and evaluated.
- 39 d. The specific additional mathematics interventions the student will  
40 receive.
- 41 e. Any additional services the teacher deems appropriate to accelerate the  
42 student's progress toward grade level mathematics proficiency.
- 43 (3) A student's parent or guardian shall be given notice that the student has been  
44 identified as experiencing challenges with developing grade level  
45 mathematics proficiency and that an MSP has been developed. The notice  
46 shall provide the parent or guardian the following:
- 47 a. Specific strategies that can be easily understood and implemented to  
48 assist the student in becoming grade level proficient on mathematics  
49 standards.
- 50 b. Encouragement to select one or more strategies for use at home that  
51 build on the student's interests and are most likely to engage the

1 student and result in progress toward grade level mathematics  
2 proficiency.

- 3 c. Direction to free online or hard copy mathematics resources and tools  
4 that can be accessed via a prominently displayed area on the homepage  
5 of the primary website maintained by the Department of Public  
6 Instruction.

- 7 (4) A multitiered system of support intervention may be used to satisfy the  
8 requirements of this section if all of the components of subdivision (2) of this  
9 subsection are incorporated in the intervention.

- 10 (5) The Department shall develop the following model documentation of  
11 compliance with the requirements of this section:

- 12 a. An MSP checklist.  
13 b. An alternative document for use with a multitiered system of support  
14 intervention.

15 **SECTION 7.14.(e) EVAAS Data Analysis.** – When practicable, the Department of  
16 Public Instruction shall make available all formative and diagnostic assessment data collected  
17 pursuant to subdivision (2) of subsection (c) of this section for fourth and fifth grade students for  
18 EVAAS analysis. The Department shall use a uniform template for all data collected, and the  
19 template shall be used each time data is provided. The template shall include clear designations  
20 for each data component reported.

21 **SECTION 7.14.(f) Evaluation.** – The Office of Learning Research, as established by  
22 Section 8.7 of this act, shall evaluate the effectiveness of the Program. The Office of Learning  
23 Research shall compare the outcomes of the Program to the outcome of the Carnegie PRISM  
24 teacher-focused program as part of the evaluation.

25 **SECTION 7.14.(g) Report.** – Beginning December 15, 2025, and ending December  
26 15, 2028, the Department of Public Instruction shall report annually to the Joint Legislative  
27 Education Oversight Committee on the following information for participating local boards of  
28 education during the prior school year:

- 29 (1) The number and percentage of fourth grade students demonstrating and not  
30 demonstrating grade level mathematics proficiency on the end-of-grade  
31 mathematics assessment.  
32 (2) The number and percentage of fifth grade students demonstrating and not  
33 demonstrating grade level mathematics proficiency on the end-of-grade  
34 mathematics assessment.  
35 (3) For students who received an MSP pursuant to subdivision (4) of subsection  
36 (d) of this section:  
37 a. A description of mathematics interventions provided to students.  
38 b. The number and percentage of sixth grade students demonstrating and  
39 not demonstrating grade level mathematics proficiency on the  
40 end-of-grade mathematics assessment.  
41 c. The number and percentage of seventh grade students demonstrating  
42 and not demonstrating grade level mathematics proficiency on the  
43 end-of-grade mathematics assessment.  
44 d. The number and percentage of eighth grade students demonstrating  
45 and not demonstrating grade level mathematics proficiency on the  
46 end-of-grade mathematics assessment.

47 **SECTION 7.14.(h) Grant Funds.** – The Golden LEAF Foundation shall provide  
48 grants totaling seven million nine hundred thousand dollars (\$7,900,000) to participating local  
49 boards of education identified by the Superintendent of Public Instruction pursuant to subsections  
50 (i) through (l) of this section to contract with Zearn for use of the Zearn Math learning platform  
51 and intensive support. The Golden LEAF Foundation shall allocate at least twenty thousand

1 dollars (\$20,000) for each elementary and middle school in a participating local school  
2 administrative unit.

3 **SECTION 7.14.(i)** Cohort 1. – For the 2024-2025 through the 2027-2028 school  
4 years, the Superintendent of Public Instruction shall offer local boards of education of the  
5 following local school administrative units the opportunity to participate in the Program:

- 6 (1) Columbus County Schools.
- 7 (2) Lenoir County Public Schools.
- 8 (3) Nash County Public Schools.
- 9 (4) Rockingham County Schools.
- 10 (5) Wayne County Public Schools.
- 11 (6) Whiteville City Schools.

12 **SECTION 7.14.(j)** Cohort 2. – For the 2025-2026 through the 2027-2028 school  
13 years, the Superintendent of Public Instruction shall offer local boards of education of the  
14 following local school administrative units the opportunity to participate in the Program:

- 15 (1) Duplin County Schools.
- 16 (2) Graham County Schools.
- 17 (3) Halifax County Schools.
- 18 (4) Martin County Schools.
- 19 (5) Roanoke Rapids Graded School District.
- 20 (6) Weldon City Schools.

21 **SECTION 7.14.(k)** Cohort 3. – For the 2026-2027 through the 2027-2028 school  
22 years, the Superintendent of Public Instruction shall offer local boards of education of the  
23 following local school administrative units the opportunity to participate in the Program:

- 24 (1) Beaufort County Schools.
- 25 (2) Bertie County Schools.
- 26 (3) Bladen County Schools.
- 27 (4) Caswell County Schools.
- 28 (5) Edgecombe County Public Schools.
- 29 (6) Greene County Schools.
- 30 (7) Mitchell County Schools.
- 31 (8) Northampton County Schools.
- 32 (9) Washington County Schools.

33 **SECTION 7.14.(l)** Right of Refusal. – A local board of education offered  
34 participation in the Program may decline to participate in the Program. If a local board of  
35 education declines to participate in the Program, the Superintendent of Public Instruction may  
36 offer another local board of education the opportunity to participate in the same cohort of the  
37 Program, provided the local board of education meets the following criteria:

- 38 (1) Is located in a development tier one area as of the effective date of this section.
- 39 (2) Is below proficiency in math.

40 **SECTION 7.14.(m)** Purchase of Diagnostic Assessments. – Of the funds  
41 appropriated from the General Fund to the Department of Public Instruction, the sum of nine  
42 hundred thousand dollars (\$900,000) in recurring funds for the 2024-2025 fiscal year shall be  
43 distributed to local school administrative units participating in the Program on the basis of  
44 average daily membership in grades four and five. Local school administrative units participating  
45 in the Program shall use these funds to purchase the diagnostic assessments required pursuant to  
46 subdivision (2) of subsection (c) of this section. If the funds appropriated for this purpose are not  
47 sufficient to purchase all of the necessary diagnostic assessments, the Department may allocate  
48 additional funds from the State Public School Fund to meet any additional requirements. At the  
49 conclusion of the Program, when developing the base budget, as defined in G.S. 143C-1-1, for  
50 the 2027-2029 fiscal biennium, and subsequent fiscal biennia, the Director of the Budget shall  
51 not include these funds beginning in the 2028-2029 fiscal year.

1           **SECTION 7.14.(n)** Effective Date. – This section is effective when it becomes law  
2 and applies beginning with the 2024-2025 school year.

#### 3 4 **ALLOW SCHOOL BOARDS TO USE EMINENT DOMAIN FOR EASEMENTS**

5           **SECTION 7.15.** G.S. 115C-517 reads as rewritten:

6 "**§ 115C-517. Acquisition of sites.**

7           Local boards of education may acquire suitable sites for schoolhouses or other school  
8 facilities either within or without the local school administrative unit; but no school may be  
9 operated by a local school administrative unit outside its own boundaries, although other school  
10 facilities such as repair shops, may be operated outside the boundaries of the local school  
11 administrative unit. Whenever any ~~such board~~ local board of education is unable to acquire or  
12 enlarge a suitable ~~site or right-of-way site, right-of-way, or easement, including utility easements~~  
13 necessary to support school facilities situated on a site, for a school, school building, school bus  
14 garage or ~~for a~~ parking area or access road suitable for school ~~buses~~ buses, or for other school  
15 facilities by gift or purchase, condemnation proceedings to acquire ~~same~~ the site, right-of-way,  
16 or easement may be instituted by ~~such board~~ the local board of education under the provisions of  
17 Chapter 40A of the General Statutes, and the determination of the local board of education of the  
18 land necessary for ~~such~~ these purposes shall be conclusive. For purposes of this section, utility  
19 easements include easements for water, sanitary sewer, electric power, broadband, and  
20 telecommunications services."

#### 21 22 **EXPAND CTE SUPPORT IN MIDDLE SCHOOLS**

23           **SECTION 7.16.** Part 1A of Article 10 of Chapter 115C of the General Statutes is  
24 amended by adding a new section to read:

25 "**§ 115C-158.15. Career development plan support.**

26           The Department of Public Instruction shall allocate to each local school administrative unit  
27 the dollar equivalent of one full-time CTE coordinator position to be used to provide information  
28 and support to students in grades six and seven prior to the creation of a career development plan.  
29 Local boards of education are encouraged to hire full-time, permanent CTE coordinators with  
30 these funds, but the funds may be used for other methods of support if the local board of education  
31 determines that adequate information and support is being provided without hiring a full-time,  
32 permanent CTE coordinator."

#### 33 34 **PROGRAM TO ALLOW FINANCIAL AND HIRING FLEXIBILITY PLANS FOR** 35 **CERTAIN SCHOOL DISTRICTS**

36           **SECTION 7.17.(a)** Authorize Financial and Hiring Flexibility Plan; Purpose. – Prior  
37 to the 2025-2026 school year, an eligible district (District) may submit a Financial and Hiring  
38 Flexibility Plan (FHFP) to the State Board of Education (State Board) to permit the local board  
39 of education (local board) to decide certain matters related to the operation of the schools under  
40 the local board's control within the District, including the use of State funds, as provided in this  
41 section. The purpose of operating a District under a FHFP shall be for the local board to design  
42 and create a comprehensive, innovative, strategic vision allowing additional flexibility to the  
43 District to provide a high-quality education to all students.

44           **SECTION 7.17.(b)** Definitions. – For purposes of this section, "eligible district"  
45 means a local school administrative unit that meets both of the following criteria:

- 46           (1) The local school administrative unit has the authority to levy and lay special  
47 taxes for the payment of bonds issued by the governing body of the unit.
- 48           (2) The local school administrative unit had an allotted average daily membership  
49 of at least 5,000 for the 2023-2024 school year.

50           **SECTION 7.17.(c)** Submission of a FHFP. – A local board desiring to operate under  
51 a FHFP shall submit a FHFP that meets the requirements of this section to the State Board by



1 January 15, 2025, to begin operation of the plan with the 2025-2026 school year. The local board  
2 shall include at least the following components in its FHFP:

- 3 (1) A resolution adopted by the local board to implement the FHFP in the District.
- 4 (2) A detailed description of how the flexibility allowed under the FHFP will aid  
5 the District in meeting each of the following goals by the conclusion of the  
6 2029-2030 school year:
  - 7 a. Ensure that one hundred percent (100%) of all students have  
8 completed a career development plan by the beginning of their senior  
9 year of high school.
  - 10 b. Increase teacher retention to a ninety percent (90%) retention rate.
  - 11 c. Improve the average growth index of District schools to 0.50 or  
12 greater.
  - 13 d. Increase the growth rate of any subgroups of students below the  
14 average growth rate in the 2023-2024 school year to above the average  
15 overall growth rate for the State.
  - 16 e. Quantify all other measures of success of the FHFP in achieving the  
17 goals established in the FHFP.

18 **SECTION 7.17.(d)** State Board Approval. – The State Board shall approve a FHFP  
19 that meets the requirements of this section by March 15, 2025, to begin implementation July 1,  
20 2025.

21 **SECTION 7.17.(e)** State Board of Education Review; Termination of Plan. – The  
22 State Board shall conduct a review of the operation and student performance of a District  
23 operating under an approved FHFP following the end of the 2029-2030 school year, and at least  
24 every three years thereafter, to ensure that the District is meeting the expected academic goals  
25 set forth in the FHFP and complying with all financial and observance requirements in this  
26 section. The State Board shall terminate a FHFP after a review for any of the following grounds:

- 27 (1) Failure to meet the academic strategic goals for student performance  
28 contained in the plan.
- 29 (2) Identification of the majority of schools in the District as low-performing  
30 schools in the two school years immediately preceding the review.
- 31 (3) Failure to meet generally accepted standards of fiscal management or  
32 violation of State or federal law.

33 **SECTION 7.17.(f)** Early Termination. – If the State Board determines that a District  
34 operating under an approved FHFP has failed to meet generally accepted standards of fiscal  
35 management or violated State or federal law at any time, the State Board shall terminate the  
36 FHFP. In addition, if the Superintendent of Public Instruction (Superintendent) finds that  
37 satisfactory progress is not being made toward the strategic goals identified in a FHFP after  
38 reviewing the reports required to be submitted under subsection (n) of this section, the  
39 Superintendent shall recommend to the State Board that the FHFP be terminated. The State Board  
40 may terminate a FHFP if such a recommendation is made by the Superintendent. If a FHFP is  
41 terminated, the District shall continue to operate under the FHFP until the end of the school year  
42 in which the termination determination is made.

43 **SECTION 7.17.(g)** Transition. – If a FHFP is terminated, notwithstanding  
44 G.S. 115C-105.26, the State Board may grant the District a waiver to the licensure requirements  
45 of G.S. 115C-295, annually, for up to three years, to facilitate the transition to employment of  
46 fully licensed teachers.

47 **SECTION 7.17.(h)** Teachers. – Notwithstanding G.S. 115C-295, beginning July 1,  
48 2025, for as long as a District is operating under a FHFP, up to fifty percent (50%) of the teachers  
49 in each school in the District may be employed as teachers despite not holding teacher licenses  
50 if they meet the requirements set out in subsection (i) of this section. All teachers who are

1 teaching in the core subject areas of mathematics, science, social studies, and language arts shall  
2 be college graduates.

3 **SECTION 7.17.(i)** Requirements for Unlicensed Teachers. – All teachers hired by a  
4 local board operating under a FHFP who are not licensed as a teacher by the State shall complete  
5 preservice training, which may be offered through an educator preparation program or by a local  
6 school administrative unit, in all of the following areas prior to beginning instruction:

- 7 (1) The identification and education of children with disabilities.
- 8 (2) Positive management of student behavior.
- 9 (3) Effective communication for defusing and de-escalating disruptive or  
10 dangerous behavior.
- 11 (4) Safe and appropriate use of seclusion and restraint.

12 **SECTION 7.17.(j)** School Operation. – All schools in a District operating under a  
13 FHFP shall be deemed to have been continuously operating under a modified calendar since the  
14 2003-2004 school year for purposes of G.S. 115C-84.2(d).

15 **SECTION 7.17.(k)** Available State Funds. – Beginning with the 2025-2026 fiscal  
16 year, the Department of Public Instruction shall calculate the amount of State funds to be  
17 allocated to a District operating under a FHFP on the same basis as other local school  
18 administrative units and shall distribute those funds to the unit. The Department shall use  
19 statewide average salary figures for the purpose of calculating the dollar equivalent of guaranteed  
20 positions as necessary. The funds allocated to a District shall be subject to any restrictions as to  
21 use imposed by federal law, the conditions of federal or State grants, or as provided through any  
22 rules that the State Board adopts to ensure compliance with federal regulations. Notwithstanding  
23 G.S. 115C-105.25, use of these funds shall otherwise be unrestricted except as provided in this  
24 section.

25 **SECTION 7.17.(l)** Provision for Disbursement of State Money. – The deposit of  
26 money in the State treasury to the credit of a District operating under an approved FHFP shall be  
27 made as necessary for the operation of the District. The State Board may withhold money to be  
28 distributed to a District if any report required to be filed with State school authorities is more  
29 than 30 days overdue. Money in the State Public School Fund and State bond moneys shall be  
30 released only on warrants drawn on the State Treasurer, signed by a local official as required by  
31 the State Board.

32 **SECTION 7.17.(m)** Withholding for Retirement Contributions. – Upon notification  
33 by the Board of Trustees of the Teachers' and State Employees' Retirement System to the State  
34 Treasurer and the Office of State Budget and Management as to any default of a District operating  
35 under an approved FHFP, the State Board shall withhold from any State appropriation due to the  
36 District an amount equal to the sum of all delinquent contributions and payments due to the  
37 Retirement Systems Division and shall transmit that amount to the Retirement Systems Division.

38 **SECTION 7.17.(n)** Reporting to Superintendent. – A District operating under an  
39 approved FHFP shall report to the Superintendent no later than July 15, 2026, and each year  
40 thereafter as follows:

- 41 (1) An annual report on the number of licensed and unlicensed teachers and use  
42 of long-term substitutes in filling vacancies for classroom teachers. This report  
43 shall also provide recruiting data on the number of licensed and unlicensed  
44 teachers hired during the school year and overall employee retention in each  
45 school year. In addition, the report shall also provide comparisons with the  
46 data from the previous school year on the information required by this  
47 subdivision at the local school administrative unit level.
- 48 (2) Specific actions taken to close academic gaps between student groups on State  
49 assessments.
- 50 (3) A breakdown of how State funds are being spent in the District.
- 51 (4) Any available data on outcomes identified as goals in the FHFP.

- 1 (5) Any other reporting requirements deemed necessary by the Superintendent of  
2 Public Instruction.

3 **SECTION 7.17.(o)** Report to the General Assembly. – No later than November 15,  
4 2026, and each year thereafter that a District operates under a FHFP, the Superintendent shall  
5 report to the Joint Legislative Education Oversight Committee on the progress of the FHFP on  
6 at least the following topics:

- 7 (1) A summary of the data provided by Districts operating under a FHFP to the  
8 Superintendent in the annual report.  
9 (2) The effectiveness of the FHFP on hiring and retaining teachers in Districts,  
10 determined by annual turnover rates and teacher vacancies, compared with  
11 other local school administrative units not operating under a FHFP.  
12 (3) An assessment of the financial flexibilities utilized by local boards operating  
13 under a FHFP and any recommended changes or modifications.  
14 (4) Any available data on outcomes identified as goals in any FHFP.  
15 (5) Any other information the Superintendent deems relevant to the pilot program  
16 authorized by this section.  
17

### 18 **STATUTORY CHANGES FOR DPI FUNDING IN ARREARS**

19 **SECTION 7.18.(a)** G.S. 115C-47(1a) reads as rewritten:

20 "(1a)a. To Establish and Maintain Kindergartens. – Local boards of education  
21 shall provide for their respective local school administrative unit  
22 kindergartens as a part of the public school system for all children living in  
23 the local school administrative unit who are eligible for admission pursuant to  
24 sub-subdivision c. of this subdivision provided that funds are available from  
25 State, local, federal, or other sources to operate a kindergarten program as  
26 provided in this subdivision.

27 b. All kindergarten programs so established shall be subject to the  
28 supervision of the Department of Public Instruction and shall be  
29 operated in accordance with the standards adopted by the State Board  
30 of Education, upon recommendation of the Superintendent of Public  
31 Instruction. ~~Among the standards to be adopted by the State Board of  
32 Education shall be a provision that the Board will allocate funds for  
33 the purpose of operating and administering kindergartens to each  
34 school administrative unit in the State based on the average daily  
35 membership for the best continuous three out of the first four school  
36 months of pupils in the kindergarten program during the last school  
37 year in that respective school administrative unit. Such allocations are  
38 to be made from funds appropriated to the State Board of Education  
39 for the kindergarten program.~~

40 c. Any child who meets the requirements of G.S. 115C-364 shall be  
41 eligible for enrollment in kindergarten. Any child who is enrolled in  
42 kindergarten and not withdrawn by the child's parent or legal guardian  
43 shall attend kindergarten.

44 d. Notwithstanding any other provision of law to the contrary, subject to  
45 the approval of the State Board of Education, any local board of  
46 education may elect not to establish and maintain a kindergarten  
47 program. Any funds allocated to a local board of education which does  
48 not operate a kindergarten program may be reallocated by the State  
49 Board of Education, within the discretion of the Board, to a county or  
50 city board of education which will operate such a program."

51 **SECTION 7.18.(b)** G.S. 115C-111.05 reads as rewritten:

1 **"§ 115C-111.05. Funding for children with disabilities.**

2 To the extent funds are made available for this purpose, the State Board shall allocate funds  
3 for children with disabilities to each local school administrative unit on a per child basis. Each  
4 local school administrative unit shall receive funds for the lesser of (i) all children who are  
5 identified as children with disabilities or (ii) thirteen percent (13%) of its ~~allocated~~-allotted  
6 average daily membership in the local school administrative unit for the current school year."

7 **SECTION 7.18.(c)** G.S. 115C-150.9 reads as rewritten:

8 **"§ 115C-150.9. Funding for academically or intellectually gifted students.**

9 To the extent funds are made available for this purpose, the State Board shall allocate funds  
10 for academically or intellectually gifted students on a per child basis. A local school  
11 administrative unit shall receive funds for a maximum of four percent (4%) of its ~~allocated~~  
12 allotted average daily membership for the current school year, regardless of the number of  
13 students identified as academically or intellectually gifted in the unit."

14 **SECTION 7.18.(d)** G.S. 115C-472.18(b) reads as rewritten:

15 "(b) Phase-Out Provision. – If a local school administrative unit becomes ineligible for  
16 funding under the schedule in subsection (a) of this section, funding for that unit shall be phased  
17 out over a five-year period. Funding for such local school administrative units shall be reduced  
18 in equal increments in each of the five years after the unit becomes ineligible. Funding shall be  
19 eliminated in the fifth fiscal year after the school administrative unit becomes ineligible.  
20 Allotments for eligible local school administrative units under this subsection shall not be  
21 reduced in any fiscal year by more than twenty percent (20%) of the amount received during the  
22 fiscal year when the local school administrative unit became ineligible to receive funds under  
23 this section. ~~A local school administrative unit shall not become ineligible for funding if either~~  
24 ~~the highest of the first two months' total projected average daily membership for the current year~~  
25 ~~or the higher of the first two months' total prior year average daily membership would otherwise~~  
26 ~~have made the unit eligible for funds under the schedule in subsection (a) of this~~  
27 ~~section.~~Eligibility for funding is based on the allotted average daily membership of the unit. The  
28 initial allocation is based on the allotted average daily membership of the unit and shall not be  
29 adjusted for current year actual average daily membership."

30  
31 **COOPERATIVE PURCHASE AGREEMENTS FOR TECHNOLOGY**

32 **SECTION 7.19.(a)** Subsections (b), (c), and (d) of Section 8.14 of S.L. 2015-241  
33 are repealed.

34 **SECTION 7.19.(b)** Part 3A of Article 8 of Chapter 115C of the General Statutes is  
35 amended by adding a new section to read:

36 **"§ 115C-102.11. Cooperative purchase agreements for technology.**

37 (a) The Department of Public Instruction shall collaborate with the Department of  
38 Information Technology and the Friday Institute for Educational Innovation of North Carolina  
39 State University to implement cooperative purchasing agreements for the procurement of  
40 information technology goods and services to support public school units.

41 (b) For purposes of this section, the phrase "cooperative purchasing agreement" means  
42 an agreement implemented pursuant to this section and made available to public school units to  
43 provide the opportunity for collaborative or collective purchases of information technology  
44 goods and services in order to leverage economies of scale and to reduce costs.

45 (c) Each cooperative purchasing agreement under this section shall do the following:

- 46 (1) Be based on a defined statewide information technology need to support  
47 education in public school units.  
48 (2) Allow for equal access to technology tools and services.  
49 (3) Provide a standard competitive cost throughout North Carolina for technology  
50 tools and services.

(4) Follow State information technology procurement laws, rules, and procedures.

(d) The Department of Public Instruction shall solicit bids for new cooperative purchase agreements for all technology tools and may solicit bids for new cooperative purchase agreements for any services the Department deems necessary at least once every four years.

(e) The Department shall maintain a list of the tools and services available through cooperative purchasing agreements in a location that is easily accessible by the governing bodies of public school units. The availability list shall be updated at least every four years when the bidding process required by subsection (d) of this section has been completed.

(f) No later than October 15 of each year, the Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee on the contents of the availability list required by subsection (e) of this section, establishment of new cooperative purchasing agreements, savings resulting from existing cooperative agreements, and any issues impacting the establishment or maintenance of the cooperative agreements."

**SUNSET TEXTBOOK COMMISSION**

**SECTION 7.20.(a)** G.S. 115C-86 through G.S. 115C-95 and G.S. 115C-97 are repealed.

**SECTION 7.20.(b)** Part 3 of Article 8 of Chapter 115C of the General Statutes reads as rewritten:

"Part 3. Textbooks-Instructional Materials.

**"§ 115C-85. Textbook-Instructional material needs are determined by course of study.**

~~When the State Board of Education has adopted, upon the recommendation of the Superintendent of Public Instruction, a standard course of study at each instructional level in the elementary school and the secondary school, setting forth what subjects shall be taught at each level, it shall proceed to select and adopt textbooks.~~

As used in this part, "textbook"-"instructional materials" means systematically organized material comprehensive enough to cover the primary objectives outlined in the standard course of study for a grade or course. Formats for ~~textbooks-instructional materials~~ may be print or nonprint, including hardbound books, softbound books, activity-oriented programs, classroom kits, and ~~technology-based programs-digital resources~~ that require the use of electronic equipment in order to be used in the learning process.

~~Textbooks adopted in accordance with the provisions of this Part shall be used by the public schools of the State except as provided in G.S. 115C-98(b1).~~

...

**"§ 115C-96. Powers and duties of the State Board of Education in regard to textbooks-instructional materials.**

(a) The children of the public elementary and secondary schools of the State shall be provided with free basic ~~textbooks-instructional materials~~ within the appropriation of the General Assembly for that purpose. To implement this directive, the State Board of Education shall evaluate annually the amount of money necessary to provide ~~textbooks-instructional materials~~ based on the actual cost and availability of ~~textbooks-the instructional materials~~ and shall request sufficient appropriations from the General Assembly.

(b) The State Board of Education shall administer a fund and ~~establish-adopt rules and regulations necessary to:~~

(1) ~~Acquire by contract such basic textbooks as are or may be on the adopted list of the State of North Carolina which the Board finds necessary to meet the needs of the State public school system and to carry out the provisions of this Part.~~

1           (2)     ~~Provide a system of distribution of these textbooks and distribute the books~~  
2           ~~that are provided without using any depository or warehouse facilities other~~  
3           ~~than those operated by the State Board of Education.~~

4           (3)     ~~Provide for the free use, with proper care and return, of elementary and~~  
5           ~~secondary basic textbooks.~~ instructional materials. The title of said books the  
6           instructional materials shall be vested in the State.

7     ...

8     "**§ 115C-98. Local boards of education to provide for local operation of the textbook**  
9           **program, the selection and procurement of other instructional materials, and the**  
10           **use of nonadopted textbooks.** selection of supplementary and instructional  
11           **materials.**

12           (a)     Local boards of education shall adopt rules ~~policies~~ not inconsistent with the ~~policies~~  
13           ~~rules~~ of the State Board of Education concerning the local ~~operation of the textbook~~  
14           ~~program.~~ selection and procurement of instructional materials.

15           (b)     Local boards of education shall adopt written policies concerning the procedures to  
16           be followed in their local school administrative units for the selection and procurement of  
17           ~~supplementary textbooks, library books, periodicals, audiovisual materials, and other~~  
18           ~~supplementary~~ and instructional materials needed for instructional purposes in the public schools  
19           of their units.

20           Local boards of education shall have sole authority to select and procure supplementary and  
21           ~~instructional materials, including library books and media,~~ whether or not the materials contain  
22           commercial advertising, to determine if the materials are related to and within the limits of the  
23           prescribed curriculum, and to determine when the materials may be presented to students during  
24           the school day. ~~Supplementary materials and contracts for supplementary materials are not~~  
25           ~~subject to approval by the State Board of Education.~~

26           ~~Supplementary books and other instructional materials shall neither displace nor be used to~~  
27           ~~the exclusion of basic textbooks.~~ instructional materials.

28           ~~(b1) A local board of education may establish a community media advisory committee to~~  
29           ~~investigate and evaluate challenges from parents, teachers, and members of the public to~~  
30           ~~textbooks and supplementary instructional materials on the grounds that they are educationally~~  
31           ~~unsuitable, pervasively vulgar, or inappropriate to the age, maturity, or grade level of the~~  
32           ~~students. The State Board of Education shall review its rules and policies concerning these~~  
33           ~~challenges and shall establish guidelines to be followed by community media advisory~~  
34           ~~committees.~~

35           ~~The local board, at all times, has sole authority and discretion to determine whether a~~  
36           ~~challenge has merit and whether challenged material should be retained or removed.~~

37           ~~(b2) Local boards of education may:~~

38           ~~(1) Select, procure, and use textbooks that have not been adopted by the State~~  
39           ~~Board of Education for use throughout the local school administrative unit for~~  
40           ~~selected grade levels and courses; and~~

41           ~~(2) Approve school improvement plans developed under G.S. 115C-105.27 that~~  
42           ~~include provisions for using textbooks that have not been adopted by the State~~  
43           ~~Board of Education for selected grade levels and courses.~~

44           ~~All textbook~~ instructional material contracts made under this subsection shall include a clause  
45           granting to the local board of education the license to produce braille, large print, ~~and~~  
46           ~~audiocassette tape~~ and other accessible copies of the ~~textbooks~~ instructional materials  
47           for use in the local school administrative unit.

48     ...

49     "**§ 115C-98.5. Challenges to supplementary and instructional materials.**

50           (a)     Local boards of education shall establish a community media advisory committee to  
51           investigate and evaluate challenges to supplementary and instructional materials.

1 (b) At a minimum, the committee shall include the following:

2 (1) A principal from a high school, middle school, and elementary school,  
3 respectively.

4 (2) A teacher from a high school, middle school, and elementary school,  
5 respectively.

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

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

10 (c) Challenges to instructional and supplemental materials shall be made in writing and  
11 submitted to the local board of education. The challenge shall specify that the material being  
12 challenged is one or more of the following:

13 (1) Obscene.

14 (2) Inappropriate to the age, maturity, or grade level of the students.

15 (3) Not aligned with the standard course of study.

16 (d) The local board of education and the media advisory committee shall only investigate  
17 and evaluate challenges submitted by a parent of a student enrolled in a school governed by the  
18 board, a teacher employed by the board, or a resident of the area of assignment for the board.

19 (e) Within two weeks of the filing of the challenge, the media advisory committee shall  
20 hold a hearing and provide the challengers an opportunity to present their concerns to the  
21 committee. The committee may, in the committee's discretion, request additional information on  
22 the subject matter at the hearing from experts employed by the local school administrative unit.  
23 Within two weeks of the hearing, the committee shall make a recommendation to the local board  
24 of education on whether the challenge has merit and whether the challenged material should be  
25 retained or removed as unfit material. The committee's determination shall be limited to  
26 considerations of whether the material is unfit on the specific grounds of the material being (i)  
27 obscene, (ii) inappropriate to the age, maturity, or grade level of the students, or (iii) not aligned  
28 with the standard course of study.

29 (f) At the next meeting of the local board of education after the media advisory  
30 committee's recommendation is received, the local board shall determine whether the challenge  
31 has merit and whether the challenged material should be retained or removed as unfit material.

32 (g) The local board, at all times, has sole authority and discretion to determine whether a  
33 challenge has merit and whether challenged material should be retained or removed. The decision  
34 of the board is not appealable.

35 **"§ 115C-99. Legal custodians of ~~textbooks~~ instructional materials furnished by State.**

36 Local boards of education are the custodians of all ~~textbooks~~ instructional materials  
37 purchased by the local boards with State funds. They shall provide adequate and safe storage  
38 facilities for the proper care of ~~these textbooks~~ the instructional materials and emphasize to all  
39 students the necessity for proper care of ~~textbooks~~ instructional materials.

40 **"§ 115C-100. Rental fees for ~~textbooks~~ instructional materials prohibited; damage fees**  
41 **authorized.**

42 No local board of education may charge any pupil a rental fee for the use of ~~textbooks~~ instructional materials.  
43 A pupil's parents or legal guardians may be charged damage fees for  
44 abuse or loss of ~~textbooks~~ instructional materials under rules adopted by the State Board of  
45 Education. All money collected from the sale of ~~textbooks~~ instructional materials purchased with  
46 State funds under the provisions of this Part shall be paid annually as collected to the State Board  
47 of Education.

48 **"§ 115C-101. Duties and authority of superintendents of local school administrative units.**

49 The superintendent of each local school administrative unit, as an official agent of the State  
50 Board of Education, shall administer the provisions of this Part and the rules and regulations of  
51 the Board insofar as they apply to ~~his~~ the local school administrative unit. The superintendent of

1 each local school administrative unit shall have authority to require the cooperation of principals  
 2 and teachers so that the children may receive the best possible service, and so that all the ~~books~~  
 3 instructional materials and moneys may be accounted for properly. If any principal or teacher  
 4 fails to comply with the provisions of this section, ~~his~~ the superintendent shall withhold ~~his~~ the  
 5 salary vouchers of the principal until the duties imposed by this section have been performed.

6 If any superintendent fails to comply with the provisions of this section, the State  
 7 Superintendent, as secretary to the State Board of Education, shall notify the State Board of  
 8 Education and the State Treasurer. The State Board and the State Superintendent shall withhold  
 9 the superintendent's salary vouchers, and the State Treasurer shall make no payment until the  
 10 State Superintendent ~~notifies him~~ confirms that the provisions of this section have been complied  
 11 with.

12 **"§ 115C-102. Right to purchase; disposal of ~~textbooks and~~ instructional materials.**

13 (a) Any parent, guardian, or person in loco parentis may purchase any instructional  
 14 material needed for any child in the public schools of the State from the board of education of  
 15 the local school administrative unit in which the child is ~~enrolled or, in the case of basic~~  
 16 ~~textbooks, from the State Board of Education.~~ enrolled.

17 (b) Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4),  
 18 or any other provision of law, the State Board of Education may adopt rules authorizing local  
 19 boards of education to dispose of discontinued instructional ~~material, including State-adopted~~  
 20 ~~textbooks.~~ material."

21 **SECTION 7.20.(c)** G.S. 115C-11(d) reads as rewritten:

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

26 **SECTION 7.20.(d)** G.S. 115C-11(e) is repealed.

27 **SECTION 7.20.(e)** G.S. 115C-12(9)b. is repealed.

28 **SECTION 7.20.(f)** G.S. 115C-12(18)d. reads as rewritten:

29 "d. The State Board of Education shall modify the Uniform Education  
 30 Reporting System to provide clear, accurate, and standard information  
 31 on the use of funds at the unit and school level. The plan shall provide  
 32 information that will enable the General Assembly to determine State,  
 33 local, and federal expenditures for personnel at the unit and school  
 34 level. The plan also shall allow the tracking of expenditures for  
 35 ~~textbooks,~~ instructional materials, educational supplies and  
 36 equipment, capital outlay, at-risk students, and other purposes."

37 **SECTION 7.20.(g)** G.S. 115C-47 reads as rewritten:

38 **"§ 115C-47. Powers and duties generally.**

39 In addition to the powers and duties designated in G.S. 115C-36, local boards of education  
 40 shall have the power or duty:

41 ...

42 (6) To Regulate Fees, Charges and Solicitations. – Local boards of education shall  
 43 adopt rules and regulations governing solicitations of, sales to, and  
 44 fund-raising activities conducted by, the students and faculty members in  
 45 schools under their jurisdiction, and no fees, charges, or costs shall be  
 46 collected from students and school personnel without approval of the board of  
 47 education as recorded in the minutes of ~~said~~ the board; provided, this  
 48 subdivision shall not apply to such ~~textbooks~~ instructional material fees as are  
 49 determined and established by the State Board of Education. The local board  
 50 of education shall publish a schedule of fees, charges, and solicitations  
 51 approved by the local board on the local school administrative unit's Web site



1 by October 15 of each school year and, if the schedule is subsequently revised,  
2 within 30 days following the revision.

3 ...

4 (33) To Approve and Use Supplemental Materials. – Local boards of education  
5 shall have sole authority to select and procure supplementary instructional  
6 materials, whether or not the materials contain commercial advertising,  
7 pursuant to the provisions of G.S. 115C-98(b).

8 (33a) ~~To Approve and Use Textbooks Not Adopted by State Board of Education.~~  
9 Instructional Materials. – Local boards of education shall have the authority  
10 to select, procure, and use ~~textbooks not adopted by the State Board of~~  
11 ~~Education~~ instructional materials as provided in  
12 ~~G.S. 115C-98(b1).~~ G.S. 115C-98.

13 ...."

14 **SECTION 7.20.(h)** G.S. 115C-76.55 reads as rewritten:

15 "**§ 115C-76.55. Age-appropriate instruction for grades kindergarten through fourth grade.**

16 Instruction on gender identity, sexual activity, or sexuality shall not be included in the  
17 curriculum provided in grades kindergarten through fourth grade, regardless of whether the  
18 information is provided by school personnel or third parties. For the purposes of this section,  
19 curriculum includes the standard course of study and support materials, locally developed  
20 curriculum, supplemental instruction, and ~~textbooks and~~ other supplementary materials, but does  
21 not include responses to student-initiated questions."

22 **SECTION 7.20.(i)** G.S. 115C-81.5(b)(3) is repealed.

23 **SECTION 7.20.(j)** G.S. 115C-81.25(b)(3) is repealed.

24 **SECTION 7.20.(k)** G.S. 115C-81.25(d) reads as rewritten:

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

33 **SECTION 7.20.(l)** G.S. 115C-105.25(b)(12) reads as rewritten:

34 "(12) Funds allotted for ~~textbooks and digital resources~~ instructional materials may  
35 only be used ~~for the purchase of textbooks and digital resources.~~ to acquire  
36 instructional and supplemental materials as identified in Part 3 of Article 8 of  
37 this Chapter, and to acquire software necessary for the use of the instructional  
38 or supplemental materials. These funds shall not be transferred out of the  
39 allotment for any other purpose."

40 **SECTION 7.20.(m)** G.S. 115C-242(3) reads as rewritten:

41 "(3) The board of education of any local school administrative unit may operate  
42 the school buses of such unit one day prior to the opening of the regular school  
43 term for the transportation of pupils and employees to and from the school to  
44 which such pupils are assigned or in which they are enrolled and such  
45 employees are employed, for the purposes of the registration of students, the  
46 organization of classes, the distribution of ~~textbooks,~~ instructional materials,  
47 and such other purposes as will, in the opinion of the superintendent of the  
48 schools of such unit, promote the efficient organization and operation of such  
49 public schools."

50 **SECTION 7.20.(n)** G.S. 115C-271(d)(2) reads as rewritten:

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

**SECTION 7.20.(o)** G.S. 115C-384(c) reads as rewritten:

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

**SECTION 7.20.(p)** G.S. 115C-390.2(l)(1) reads as rewritten:

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

**SECTION 7.20.(q)** G.S. 115C-390.5(c)(1) reads as rewritten:

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

**SECTION 7.20.(r)** G.S. 115C-398 reads as rewritten:

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

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

**SECTION 7.20.(s)** G.S. 143A-48 is repealed.

**SECTION 7.20.(t)** No further funds shall be allocated into the State Textbook fund.

The Department of Public Instruction, in coordination with the Office of State Budget and Management, shall ensure that the fund is dissolved once all funds are expended.

**SECTION 7.20.(u)** Effective July 1, 2024, there is established the Instructional Materials funding allotment within the State Public School Fund. The State Board of Education shall establish the purposes for which the funds within the Instructional Materials funding allotment may be used for as the purchase and maintenance of instructional and supplemental materials as identified in Part 3 of Article 8 of Chapter 115C of the General Statutes. Funds allocated to the Instructional Materials funding allotment in fiscal years 2024-2025, 2025-2026, and 2026-2027 shall not revert to the General Fund at the end of the fiscal year but shall remain available until expended.

**SECTION 7.20.(v)** This section is effective when it becomes law and applies beginning with the 2024-2025 school year.

## **CLARIFY INTERSCHOLASTIC ATHLETIC REPORTS**

**SECTION 7.21.(a)** G.S. 115C-407.75 reads as rewritten:

**"§ 115C-407.75. Public school units annual interscholastic athletic reports.**

(a) Each public school unit with one or more participating schools shall annually report by June 15 the following information to the Superintendent of Public Instruction and the State Board of Education:

(1) The total dollar amount spent by the public school unit on interscholastic athletic ~~activities,~~ activities from public school unit funds, by the following categories:

- a. Administering association fees.
- b. Salaries or stipends for coaches and faculties for duties associated solely with interscholastic athletics.
- c. Capital costs, including new construction, repair and renovation, and maintenance costs for existing athletic facilities.
- d. Uniform and equipment costs.
- e. Travel and transportation costs.
- f. Officiating costs.

- 1 g. Other identified ~~costs~~ costs of more than five thousand dollars  
 2 (\$5,000).  
 3 (2) The total dollar amount received by the public school unit from interscholastic  
 4 athletic activities, including funds held in special funds of individual schools,  
 5 by the following categories:  
 6 a. Gate receipts.  
 7 b. Concession sales.  
 8 c. Merchandise sales or sales of items directly related to interscholastic  
 9 athletics, including apparel and audiovisual materials.  
 10 d. Student fees.  
 11 e. Monetary and in-kind contributions from third-party organizations.  
 12 f. State or local funding expended on capital costs for athletic facilities.  
 13 g. Other identified sources of ~~funds~~ funds that provide more than five  
 14 thousand dollars (\$5,000).

15 (b) The Superintendent of Public Instruction shall provide a summary of the reports by  
 16 public school units and a copy of each public school unit report to the Joint Legislative Education  
 17 Oversight Committee no later than October 15 annually."

18 **SECTION 7.21.(b)** This section is effective when it becomes law and applies to  
 19 reports submitted on or after July 15, 2025.  
 20

## 21 CEP TIME LINE SHIFT AND CLARIFY BREAKFAST LOCATION

22 **SECTION 7.22.** Section 7.59 of S.L. 2023-134 reads as rewritten:

23 "**SECTION 7.59.(a)** Program; Purpose. – The Department of Public Instruction shall  
 24 establish the CEP Meal Program Incentive ~~for the 2023-2025 fiscal biennium~~ to expand public  
 25 school participation in the federal Community Eligibility Provision (CEP) program to increase  
 26 the number of students with access to healthy, cost-free school breakfast and lunch. The incentive  
 27 program shall be available to public school units for the 2024-2025 fiscal year. In each year  
 28 where funds are made available for the purpose, the CEP program shall be run subject to the  
 29 provisions of this section.  
 30

31 **SECTION 7.59.(c)** Application. – By ~~January 15, 2024,~~ April 15 of each year of the  
 32 program, the Department shall develop the application for the incentive program and make it  
 33 available to public school units. Public school units or individual schools shall submit their  
 34 applications by ~~March 1, 2024,~~ June 1 of each year of the program. At a minimum, the application  
 35 shall include the following information:

- 36 (1) The school or schools that will participate in the CEP program.  
 37 (2) The Identified Student Percentage (ISP) for the school or schools for the ~~2024-~~  
 38 ~~2025 current~~ school year.  
 39 (3) The number of students enrolled in the school or schools for the ~~2024-2025~~  
 40 ~~current~~ school year.  
 41 (4) Participation rates in the National School Breakfast and Lunch programs for  
 42 the 2023-2024 school year for the schools requesting to receive the incentive.

43 **SECTION 7.59.(d)** Selection. – By ~~April 30, 2024,~~ July 15 of each year of the program,  
 44 the Department shall determine whether each applicant is eligible to participate in the incentive  
 45 program. The Department shall then award grants to all eligible public school units and schools.  
 46 If there are insufficient funds to award grants to all eligible public school units or schools, the  
 47 Department shall first prioritize awarding grants to public school units and schools with an  
 48 Identified Student Percentage (ISP) of greater than or equal to fifty-five percent (55%) and then  
 49 prioritize awarding grants to those schools that will draw the greatest federal match.

50 **SECTION 7.59.(e)** Grants. – The Department shall issue State reimbursements to  
 51 participating public school units and schools to supplement federal reimbursements of school

1 meals. State reimbursement shall equal the difference between the federal free rate and the federal  
2 paid rate for the number of meals served at the participating schools equal to a 0.2 multiplier of  
3 the ISP for the participating schools. State and federal reimbursements shall not exceed one  
4 hundred percent (100%) of the federal free rate of meals served. ~~Schools utilizing the incentive  
5 shall offer breakfast after the bell and in the classroom.~~

6 ...

7 "**SECTION 7.59.(g)** Report. – No later than January 1, ~~2025~~, 1 of each year of the program,  
8 the Department shall report to the Joint Legislative Education Oversight Committee and the  
9 Fiscal Research Division at least the following information:

10 ...."

## 11 AFTER-SCHOOL ROBOTICS GRANT PROGRAM

12 **SECTION 7.23.** Article 16 of Chapter 115C of the General Statutes is amended by  
13 adding a new Part to read:

14 "Part 12. Academic Grant Programs.

### 15 "**§ 115C-238.90. Educational and Competitive After-School Robotics Grant Program.**

16 (a) Program; Purpose. – To the extent funds are made available, there is established the  
17 Educational and Competitive After-School Robotics Grant Program (Program). The purpose of  
18 the Program shall be to (i) promote evidence-based, after-school programs for robotics education  
19 and competition and (ii) motivate students to pursue education and career opportunities in  
20 science, technology, engineering, and mathematics while building critical life and work-related  
21 skills. The Program shall operate in accordance with the provisions of this section in any year in  
22 which funds are made available for the purpose.

23 (b) Eligibility. – Any public school unit is eligible to apply to the Department of Public  
24 Instruction for a grant to develop an educational and competitive after-school robotics program  
25 with a robotics partner. As used in this subsection, the term "robotics partner" shall refer to a  
26 third-party entity, such as a nonprofit organization or institution of higher education, approved  
27 by the Department of Public Instruction, that is able to provide adequate support for an  
28 after-school robotics program. In order to provide adequate support, a robotics partner must meet  
29 at least all of the following criteria:

30 (1) Have a national presence in robotics education and competition.

31 (2) Provide adequate instruction and programming for students and adult  
32 volunteers in (i) robotics education, (ii) project-based learning, and (iii)  
33 competitive robotics.

34 (3) Promote a safe and equitable social environment.

35 (c) Applications; Criteria and Guidelines. – No later than August 1 of each year of the  
36 Program, the Department shall develop and publish criteria and guidelines for the application  
37 process for the Program in the upcoming school year, including any documentation required to  
38 be submitted by the applicants. The Department shall accept applications until September 30.  
39 Applications shall include, at a minimum, the following information:

40 (1) Evidence that the applicant has or will be able to establish a relationship with  
41 a robotics partner.

42 (2) A proposed budget for the educational and competitive after-school robotics  
43 program.

44 (d) Award and Use of Funds. – The Department shall award grants to the selected  
45 applicants by October 31 of each year of the Program. Funds may be used for any of the following  
46 purposes:

47 (1) Establish a relationship with a robotics partner.

48 (2) Purchase robotics kits.

49 (3) Provide stipends for coaches.

- 1           (4)    Make payments associated with participation in a robotics league or robotics  
 2                competition.  
 3           (5)    Pay fees incurred as part of the administration of a robotics team.  
 4       (e)    Reporting. – No later than October 15 of each year of the Program, the Department  
 5 shall report the following information from the prior school year to the Joint Legislative  
 6 Education Oversight Committee and the Fiscal Research Division:  
 7           (1)    The public school units that received grants and the amount of those grants.  
 8           (2)    The robotics partner for each public school unit.  
 9           (3)    The number of public school units that applied for grants but did not receive  
 10                one.  
 11           (4)    The extent to which students participating in after-school robotics programs  
 12 funded by the Program experienced measurable improvement in academic  
 13 performance."  
 14

## 15 DOA TO ADMINISTRATIVELY SUPPORT RESIDENTIAL SCHOOLS

16           SECTION 7.24.(a) G.S. 115C-150.11 reads as rewritten:

### 17 "§ 115C-150.11. General supervision over Establishment of the schools for the deaf and 18 blind.

19       (a)    Establishment. – The following are created as separate State agencies governed  
 20 respectively by boards of trustees:

- 21           (1)    The Governor Morehead School for the Blind of the Department of Public  
 22 Instruction, for the function, purpose, and duty of serving students who are  
 23 blind or visually impaired from birth to age 22. The Governor Morehead  
 24 School for the Blind shall include the Governor Morehead Preschool.  
 25           (2)    The Eastern North Carolina School for the Deaf of the Department of Public  
 26 Instruction, for the function, purpose, and duty of serving students who are  
 27 deaf or hard of hearing.  
 28           (3)    The North Carolina School for the Deaf of the Department of Public  
 29 Instruction, for the function, purpose, and duty of serving students who are  
 30 deaf or hard of hearing.

31       (a1)    State Board of Education Supervision. – The State Board of Education shall have  
 32 general supervision over the schools for the deaf and blind in accordance with G.S. 115C-12 and  
 33 shall establish approximately equivalent service areas for each school for the deaf that cover the  
 34 entire State. In establishing the service area for each school for the deaf, the State Board shall  
 35 consider both the geographic proximity to the school for the deaf and the population of the service  
 36 area. The State Board shall evaluate the effectiveness of the schools for the deaf and blind and  
 37 shall, through the application of the accountability system developed under G.S. 115C-83.15 and  
 38 G.S. 115C-105.35, measure the educational performance and growth of students placed in each  
 39 school. If appropriate, the Board may modify this system to adapt to the specific characteristics  
 40 of these schools. The boards of trustees for the schools for the deaf and blind shall be subject to  
 41 rules adopted by the State Board of Education in accordance with Chapter 150B of the General  
 42 Statutes.Statutes for public school units.

43       (b)    ~~Independent Operation. – Except as otherwise provided for in this Article, the schools~~  
 44 ~~for the deaf and blind shall be housed administratively within the Department of Public~~  
 45 ~~Instruction for purposes of distribution of State funds, but each school for the deaf and blind shall~~  
 46 ~~operate independently with a board of trustees as the governing body. Department of Public~~  
 47 Instruction Support. – The Department of Public Instruction shall include employees of the  
 48 schools for the deaf and blind in coverage for professional liability policies purchased by the  
 49 Department for its employees and shall enter into a memorandum of understanding with the  
 50 schools to facilitate the purchase of other insurance policies for those schools. In all other matters,

1 the Department of Public Instruction shall provide services, support, and assistance to schools  
2 for the deaf and blind in the same manner and degree as for a local school administrative unit.

3 (c) Administrative Support. – The Department of Administration shall provide support  
4 to each school in matters related to finance, human resources, and procurement, including for  
5 information technology. Each school shall enter into a memorandum of understanding with the  
6 Department of Administration with regard to this support. No civil liability shall attach to the  
7 Department of Administration, or to any of its employees, individually or collectively, for any  
8 acts or omissions of a school.

9 (d) Immunity. – In addition to all other immunities provided to them by applicable State  
10 law, a school, its board of trustees, and the school's members, employees, and agents shall be  
11 entitled to the specific immunities provided for this Chapter applying to the State Board of  
12 Education, Superintendent of Public Instruction, a local board of education, a local school  
13 administrative unit, and their members and employees. Immunity established by this subsection  
14 shall be deemed to be waived to the extent of indemnification under Article 31A and Article 31B  
15 of Chapter 143 of the General Statutes and to the extent sovereign immunity is waived under the  
16 State Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes."

17 **SECTION 7.24.(b)** G.S. 115C-150.16 reads as rewritten:

18 **"§ 115C-150.16. Applicability of Chapter.**

19 Except as otherwise provided in this Article and Article 7B of this Chapter, the requirements  
20 of this Chapter shall not apply to the schools for the deaf and blind. Schools for the deaf and  
21 blind shall be considered a State agency, as defined in G.S. 143C-1-1, and shall comply with all  
22 requirements for State agencies in State law unless otherwise specified in this Article. Schools  
23 for the deaf and blind shall not be considered local school administrative units."

24 **SECTION 7.24.(c)** G.S. 115C-150.11(a), (b), and (c) apply beginning July 1, 2025.

25 **SECTION 7.24.(d)** G.S. 115C-150.12A(b) reads as rewritten:

26 "(b) Qualifications. – No employee of the school may be a member of the board of trustees  
27 of that school. A board member that becomes an employee of that school shall be deemed to  
28 resign from his or her membership on the board of trustees. Appointing entities are strongly  
29 encouraged to fill the appointments to each board of trustees with persons with expertise or  
30 experience in the areas of education for those who are deaf or hard of hearing or who are blind  
31 or visually impaired, administration and governance, finance and budgeting, or who otherwise  
32 have demonstrated concern for quality of education for those who are deaf or hard of hearing or  
33 who are blind or visually impaired."

34 **SECTION 7.24.(e)** G.S. 115C-150.12A(f) reads as rewritten:

35 "(f) Meetings. – A board of trustees shall meet at least four times a year and also at such  
36 other times as it may deem necessary. A majority of the voting members of the board shall  
37 constitute a quorum for the transaction of business. All meetings shall be subject to Article 33C  
38 of Chapter 143 of the General Statutes. The members shall receive per diem compensation and  
39 necessary travel and subsistence expenses while engaged in the discharge of their official duties,  
40 in accordance with the provisions of G.S. 138-5."

41 **SECTION 7.24.(f)** G.S. 115C-150.10(5) is repealed.

42 **SECTION 7.24.(g)** G.S. 115C-150.10 is amended by adding a new subdivision to  
43 read:

44 "(10) Superintendent. – The chief administrator of a school for the deaf or the school  
45 for the blind."

46 **SECTION 7.24.(h)** G.S. 115C-150.12B reads as rewritten:

47 **"§ 115C-150.12B. Employees of schools for the deaf and blind.**

48 (a) ~~Director. Superintendent.~~ – Each board of trustees of a school shall appoint a ~~director~~  
49 ~~superintendent~~ for that school, who school who meets the requirements of G.S. 115C-271 for  
50 employment. The superintendent shall act as secretary to the board of trustees in accordance with  
51 G.S. 115C-150.12A and shall manage day-to-day operations of the school G.S. 115C-150.12A.

1 All acts of the boards of trustees, not in conflict with State law, shall be binding on the  
2 superintendent, and the superintendent shall carry out all rules and regulations of the board and  
3 other duties as prescribed by the board of trustees. For purposes of application to other statutes  
4 in this Chapter, the ~~director~~ superintendent shall be the equivalent of a superintendent of schools  
5 a local school administrative unit and shall fulfill the duties of a superintendent as provided in  
6 Article 18 of this Chapter.

7 (b) Director-Superintendent Duties. – The ~~director~~ superintendent shall recommend  
8 school personnel to the board of trustees. The ~~director~~ superintendent shall supervise the  
9 administrative staff of the school, including the principal, director of human resources, and  
10 director of business and finance.

11 ...

12 (e) Human Resources. – The board of trustees is responsible for providing human  
13 resources and employment-related services for the school. The board of trustees may delegate  
14 some or all of this responsibility to the ~~director~~ superintendent for the school or to the director of  
15 human resources, in its discretion."

16 **SECTION 7.24.(i)** G.S. 115C-150.12C(14) reads as rewritten:

17 "(14) Conduct and duties of personnel. – The board of trustees, upon the  
18 recommendation of the ~~director~~ superintendent, shall have full power to make  
19 rules governing the conduct of teachers, principals, and supervisors; the kind  
20 of reports they shall make; and their duties in the care of school property. Prior  
21 to the beginning of each school year, the board of trustees shall identify all  
22 reports that are required for the school year and shall, to the maximum extent  
23 possible, eliminate any duplicate or obsolete reporting requirements and  
24 consolidate remaining reporting requirements. Prior to the beginning of each  
25 school year, the board of trustees shall also identify software protocols that  
26 could be used to minimize repetitious data entry and shall make them available  
27 to teachers and other employees."

28 **SECTION 7.24.(j)** G.S. 115C-150.13A(c)(2)a. reads as rewritten:

29 "a. A chair designated by the ~~director~~ superintendent of the school."

30 **SECTION 7.24.(k)** G.S. 115C-150.13A(c)(4) reads as rewritten:

31 "(4) A final admissions determination made by the ~~director~~ superintendent of the  
32 school or the ~~director~~ superintendent of the school's designee."

33 **SECTION 7.24.(l)** G.S. 115C-150.13A(e) reads as rewritten:

34 "(e) Disenrollment. – A student's continued enrollment in an educational program  
35 assignment status shall be subject to reevaluation by the admissions committee when determined  
36 necessary by the school to assess if the student continues to meet eligibility criteria. The  
37 disenrollment assessment shall follow the same procedures as the admissions process, and a final  
38 determination shall be made by the ~~director~~ superintendent or the ~~director's~~ superintendent's  
39 designee."

40 **SECTION 7.24.(m)** G.S. 115C-150.15 reads as rewritten:

41 "**§ 115C-150.15. Reporting to schools on deaf and blind children.**

42 (a) Request for Consent. – ~~Local superintendents~~ Superintendents of local school  
43 administrative units shall require that the following request for written consent, along with any  
44 informational materials provided by the school for the blind or the school for the deaf in the  
45 service area in which the local school administrative unit is located, be presented to parents or  
46 custodians of any children who are deaf or hard of hearing or are blind or visually impaired no  
47 later than October 1 of each school year: "North Carolina provides two public schools for the  
48 deaf serving students who are deaf or hard of hearing: the Eastern North Carolina School for the  
49 Deaf and the North Carolina School for the Deaf. North Carolina also has a public school for the  
50 blind serving students who are blind or visually impaired: the Governor Morehead School for the  
51 Blind. Do you consent to the release of your contact information and information regarding your

1 child and his or her hearing or vision status to these schools so that you can receive more  
2 information on services offered by those campuses?"

3 (b) Annual Report to Schools for the Deaf and Blind. – ~~Local superintendents~~  
4 Superintendents of local school administrative units shall report by November 30 each year the  
5 names and addresses of parents or custodians of any deaf or hard of hearing or blind or visually  
6 impaired children who have given written consent to the ~~directors~~ superintendents of the schools  
7 for the deaf and blind. The report shall include whether the hearing and visual impairments range  
8 from partial to total disability, and if the child has multiple disabilities with the visual or hearing  
9 impairment not identified as the primary disability of the student. The report shall also be made  
10 to the Department of Public Instruction.

11 (c) Confidentiality of Records. – The ~~directors~~ superintendents of the schools for the deaf  
12 and blind shall treat any information reported to the schools by a ~~local superintendent of a local~~  
13 school administrative unit under subsection (b) of this section as confidential, except that a  
14 ~~director~~ superintendent of the schools for the deaf and blind or the ~~director's~~ superintendent's  
15 designee may contact the parents or custodians of any hearing impaired or visually impaired  
16 children whose information was included in the report. The information shall not be considered  
17 a public record under G.S. 132-1.

18 (d) Transfer of Information. – Upon the written request of a parent or custodian of a  
19 student who has applied to a school for the deaf or school for the blind, the ~~local superintendent~~  
20 of a local school administrative unit or, if there is no superintendent, the staff member with the  
21 highest decision-making authority in the public school unit shall share with the ~~director of the~~  
22 school superintendent of the schools for the deaf and blind a copy of all current evaluation data  
23 and a copy of the current or proposed individualized education plan for any child enrolled in that  
24 public school unit who is identified as a child with a disability who is deaf, hard of hearing, blind,  
25 or visually impaired."

26 **SECTION 7.24.(n)** G.S. 115C-150.12C(2) reads as rewritten:

27 "(2) Exercise judicial functions. – The board of trustees shall employ or contract  
28 with private counsel to provide advice and representation for the school. The  
29 board may institute all actions, suits, or proceedings against officers, persons,  
30 or corporations, or their sureties, for the recovery, preservation, and  
31 application of all money or property which may be due to or should be applied  
32 to the support and maintenance of the school. In all actions brought in any  
33 court against a board of trustees, the order or action of the board shall be  
34 presumed to be correct, and the burden of proof shall be on the complaining  
35 party to show the contrary. G.S. 114-2.3 and G.S. 147-17 shall not apply to  
36 the schools for the deaf and blind. Upon the request of the board of trustees of  
37 a school, the Attorney General shall provide representation as required by  
38 G.S. 114-2. Each school shall be regarded as a State agency for the purposes  
39 of the State Tort Claims Act and associated representation by the Office of the  
40 Attorney General with regards to litigation defense."

41 **SECTION 7.24.(o)** G.S. 115C-150.12C(27) reads as rewritten:

42 "(27) Group accident and health insurance for ~~students~~ students, other liability  
43 insurance. – A board of trustees may ~~purchase group~~ purchase:  
44 a. Group accident, group health, or group accident and health insurance  
45 for students in accordance with G.S. 58-51-81.  
46 b. Liability insurance as provided in G.S. 115C-42 and directors and  
47 officers insurance. G.S. 115C-42 shall apply to a school that purchases  
48 liability insurance consistent with that section."

49 **SECTION 7.24.(p)** G.S. 115C-150.13A(f) reads as rewritten:

50 "(f) Free Appropriate Public Education. – The local school administrative unit or charter  
51 school in which the student is enrolled shall have the initial responsibility of identifying and



1 evaluating the special education needs of the student and providing a special educational program  
2 and related services in accordance with Article 9 of this Chapter. If a parent submits an  
3 application to the school for enrollment of the parent's child in the school's educational program,  
4 and if the child is determined to meet the eligibility criteria for admission to the school's  
5 educational program, the school is responsible for the provision of a free appropriate public  
6 ~~education—education upon enrollment.~~ However, a subsequent determination by the school that  
7 the student no longer meets eligibility criteria immediately transfers the responsibility for the  
8 provision of a special educational program and related services to ensure a free appropriate public  
9 education back to the local school administrative unit or charter school in which the student was  
10 previously enrolled."

11 **SECTION 7.24.(q)** G.S. 115C-150.13A(h) reads as rewritten:

12 "(h) ~~Due Process Hearing—Eligibility Appeal.~~ – A parent may seek an ~~impartial due~~  
13 ~~process hearing appeal to the board of trustees following a final determination on a student's~~  
14 ~~eligibility by the director. If the parent pursues a due process hearing to challenge the school's~~  
15 ~~ineligibility determination, the student's "stay put" placement shall not be the school but shall be~~  
16 ~~the student's local school administrative unit or charter school superintendent. Parents may not~~  
17 ~~seek an impartial due process hearing regarding any eligibility determination."~~

18 **SECTION 7.24.(r)** G.S. 150B-1(e) is amended by adding a new subdivision to read:

19 "(29) The Governor Morehead School for the Blind, Eastern North Carolina School  
20 for the Deaf, and the North Carolina School for the Deaf, with respect to  
21 eligibility determinations under G.S. 115C-150.13A."

22 **SECTION 7.24.(s)** Section 5 of S.L. 2023-10 is repealed.

23 **SECTION 7.24.(t)** For the 2024-2025 school year, the Department of Public  
24 Instruction shall administratively house the Governor Morehead School for the Blind, Eastern  
25 North Carolina School for the Deaf, and North Carolina School for the Deaf (Schools). The  
26 Department of Public Instruction and the Schools shall enter into a memorandum of  
27 understanding with regards to the administrative support. At a minimum, the Department of  
28 Public Instruction shall provide administrative support in matters related to finance, human  
29 resources, and procurement, including for information technology and capital.

30 **SECTION 7.24.(u)** No civil liability shall attach to the State Board of Education, the  
31 Department of Public Instruction, the Superintendent of Public Instruction, or to any of their  
32 members or employees, individually or collectively, for any acts or omissions of the Governor  
33 Morehead School for the Blind, Eastern North Carolina School for the Deaf, and North Carolina  
34 School for the Deaf, the boards of trustees of those schools, or their members and employees.

35 **SECTION 7.24.(v)** The Department of Administration, in coordination with the  
36 Schools, the Department of Public Instruction, and the Department of Information Technology,  
37 shall study the costs and positions needed for support of the Schools and shall report this  
38 information and any recommended legislation to the Fiscal Research Division and the Joint  
39 Legislative Education Oversight Committee no later than March 1, 2025.

40 **SECTION 7.24.(w)** The Office of the State Controller and Office of State Budget  
41 and Management shall ensure that the Schools are established as State agencies prior to July 1,  
42 2025.

43 **SECTION 7.24.(x)** The Department of Public Instruction, the Office of the State  
44 Controller, the Office of State Budget and Management, and the Department of Administration  
45 shall each designate an individual to serve as a liaison for the Schools to assist with technical and  
46 administrative questions during the 2024-2025 school year.

47 **SECTION 7.24.(y)** Effective July 1, 2024, the powers, duties, and functions, records,  
48 personnel, contracts, property, unexpended balances of appropriations, allocations or other funds,  
49 including the functions of budgeting and purchasing, are transferred from the Department of  
50 Public Instruction and State Board of Education to the Governor Morehead School for the Blind  
51 and Governor Morehead Preschool, Eastern North Carolina School for the Deaf, and North

1 Carolina School for the Deaf, respectively. The respective boards of trustees of the Governor  
2 Morehead School for the Blind, Eastern North Carolina School for the Deaf, and North Carolina  
3 School for the Deaf shall exercise all prescribed statutory powers, including the management  
4 functions of planning, organizing, staffing, directing, coordinating, reporting, and budgeting.

5 **SECTION 7.24.(z)** Subsection (b) of Section 7 of S.L. 2023-10 reads as rewritten:

6 **"SECTION 7.(b)** Each board of trustees of the schools for the deaf and blind shall provide  
7 interim reports to the Joint Legislative Education Oversight Committee by December 15, 2023,  
8 and March 15, 2024, and a final report by ~~July 1, 2024,~~ September 1, 2024, on the plans and  
9 progress in transitioning to assumption of administration of the schools for the deaf and blind,  
10 with the support of and consultation with staff of the school for that board. The Department of  
11 Public Instruction shall provide information as requested to each board of trustees. The reports  
12 shall include the following:

13 ...."

14 **SECTION 7.24.(aa)** The Department of Administration shall reassign all assets in  
15 Complex 1-92-9 to the Governor Morehead School.

16 **SECTION 7.24.(bb)** The Governor Morehead School and Department of Health and  
17 Human Services shall enter into a memorandum of understanding related to use of assets in  
18 Complex 1-92-9 for shared services.

19 **SECTION 7.24.(cc)** G.S. 14-458.2(a) reads as rewritten:

20 "(a) The following definitions apply in this section:

21 (1) School employee. – The term means any of the following:

- 22 a. An employee of a ~~local board of education, a charter school authorized~~  
23 ~~under G.S. 115C 218.5,~~ ~~a regional school created under~~  
24 ~~G.S. 115C 238.62, a laboratory school created under G.S. 116 239.7,~~  
25 public school unit or a nonpublic school which has filed intent to  
26 operate under Part 1 or Part 2 of Article 39 of Chapter 115C of the  
27 General Statutes.  
28 b. An independent contractor or an employee of ~~an independent~~  
29 ~~contractor of a local board of education, a charter school authorized~~  
30 ~~under G.S. 115C 218.5,~~ ~~a regional school created under~~  
31 ~~G.S. 115C 238.62, a laboratory school created under G.S. 116 239.7,~~  
32 a public school unit or a nonpublic school which has filed intent to  
33 operate under Part 1 or Part 2 of Article 39 of Chapter 115C of the  
34 General Statutes, if the independent contractor carries out duties  
35 customarily performed by employees of the school.

36 (2) Student. – A person who has been assigned to ~~a school by a local board of~~  
37 ~~education as provided in G.S. 115C 366~~ or has enrolled in a ~~charter school~~  
38 ~~authorized under G.S. 115C 218.5,~~ ~~a regional school created under~~  
39 ~~G.S. 115C 238.62, a laboratory school created under G.S. 116 239.7,~~ public  
40 school unit or a nonpublic school which has filed intent to operate under Part  
41 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes, or a person  
42 who has been suspended or expelled from any of those schools within the last  
43 year."

44 **SECTION 7.24.(dd)** G.S. 115C-102.9(b) reads as rewritten:

45 "(b) Each public school unit shall annually submit all categories of information included  
46 in the digital learning dashboard no later than November 15. For subdivisions (2) and (3) of  
47 subsection (a) of this section, ~~residential~~ schools for the deaf and blind shall report on access and  
48 connectivity separately for the dormitories and the student's home."

49 **SECTION 7.24.(ee)** Subsections (a) through (r) of this section are effective July 1,  
50 2024. The remainder of this section is effective when it becomes law.

51

**NORTHEAST REGIONAL SCHOOL OF BIOTECHNOLOGY AND AGRISCIENCE**

SECTION 7.25.(a) Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 15A.

"Northeast Regional School of Biotechnology and Agriscience.

**"§ 115C-229.5. Purpose.**

(a) The purpose of this Article is to establish the Northeast Regional School of Biotechnology and Agriscience as a school of choice that will expand student opportunities for educational success through high quality instructional programming in the northeastern region of the State. The Northeast Regional School of Biotechnology and Agriscience may partner with other education partners, including local boards of education, institutions of higher education, or private businesses or organizations, and shall foster, encourage, and promote the development of knowledge and skills in career clusters of critical importance to the region.

(b) The Northeast Regional School of Biotechnology and Agriscience is a political subdivision of the State and shall operate as a public school unit with a board of directors as the governing body.

(c) Except as otherwise provided in this Article and Article 7B of this Chapter, the Northeast Regional School of Biotechnology and Agriscience is exempt from statutes and rules applicable to a local board of education or local school administrative unit.

**"§ 115C-229.10. Definitions.**

The following definitions apply in this Part:

(1) Regional school. – The Northeast Regional School of Biotechnology and Agriscience.

(2) Regional school board of directors or board of directors. – The governing board of the Northeast Regional School of Biotechnology and Agriscience.

(3) Regional school service area. – The counties of Beaufort, Bertie, Camden, Currituck, Dare, Edenton, Edgecombe, Gates, Halifax, Hertford, Hyde, Martin, Northampton, Pasquotank, Perquimans, Pitt, Tyrrell, and Washington.

**"§ 115C-229.15. Board of directors; appointment; terms of office.**

(a) The board of directors of the regional school shall consist of the following members:

(1) The Superintendent of Public Instruction shall appoint three members who are either a local board of education member or superintendent of a local school administrative unit in a county where at least five percent (5%) of the students enrolled in the regional school reside.

(2) The State Board of Education shall appoint five members as representatives of the business community, upon the recommendation of the North Carolina Economic Developers Association, who reside in a county where at least five percent (5%) of the students enrolled in the regional school reside. At least one of the appointees shall be a resident of the county in which the regional school is located.

(3) The Parent Advisory Council established by G.S. 115C-229.20 shall appoint one member to the board of directors from among the Council membership. The seat shall be declared vacant if the child of the appointed parent no longer attends the regional school.

(4) Any institution of higher education partner may appoint a representative of the institution of higher education to serve as an ex officio member of the board of directors.

(b) Members shall serve four-year terms of office. Appointed members of the board of directors shall be selected for their interest in and commitment to the importance of public education to regional economic development and to the purposes of the regional school.

1       (c) Whenever an appointed member of the board of directors ceases to meet the  
2 qualifications for appointment or for any reason other than ill health or service in the interest of  
3 the State or nation to be present at three successive regular meetings of the board of directors, his  
4 or her place as a member of the board of directors shall be deemed vacant. Any member of the  
5 board of directors may be removed from office by the appointing authority for misfeasance,  
6 malfeasance, or nonfeasance in office. All vacancies shall be filled by the appointing authority  
7 for the remainder of the term of office by an individual meeting the qualifications for the vacated  
8 seat.

9 **"§ 115C-229.20. Parent Advisory Council; purpose; appointments.**

10       (a) Purpose. – There shall be a Parent Advisory Council to serve as a resource and provide  
11 input to the board of directors as to the operation of the regional school. The board of directors  
12 shall consult the Parent Advisory Council when considering changes to the regional school's  
13 operations that may significantly impact students attending the regional school.

14       (b) Appointment. – The Superintendent of Public Instruction shall appoint one member  
15 from each county where at least five percent (5%) of the students enrolled in the regional school  
16 reside to the Parent Advisory Council for a term of four years or until the member's child no  
17 longer attends the regional school. Appointees shall be parents or guardians of students attending  
18 the regional school and shall, to the extent possible, reflect the demographic composition of the  
19 regional school.

20 **"§ 115C-229.25. Board of directors; meetings; rules of procedure; officers.**

21       (a) The board of directors shall meet at least four times a year and may hold special  
22 meetings at any time at the call of the chair or upon petition addressed to the chair by a majority  
23 of the members of the board of directors. All meetings of the board of directors shall be subject  
24 to the requirements of Article 33C of Chapter 143 of the General Statutes.

25       (b) The board of directors shall elect a chair and a vice-chair from among its members,  
26 who shall serve a two-year term.

27       (c) All members of the board of directors shall be voting members except for the chair,  
28 who may vote only on matters to break a tie.

29       (d) The board of directors shall determine its own rules of procedure and may delegate  
30 to such committees as it may create such of its powers as it deems appropriate.

31       (e) Members of the board of directors shall receive such per diem compensation and  
32 necessary travel and subsistence expenses while engaged in the discharge of their official duties  
33 as is provided by law for members of State boards and commissions.

34 **"§ 115C-229.30. Board of directors; corporate powers.**

35       (a) The board of directors of the regional school shall be known and distinguished by the  
36 name of "The Northeast Regional School of Biotechnology and Agriscience Board of Directors"  
37 and shall continue as a body politic and corporate and by that name shall have perpetual  
38 succession and a common seal. It shall be able and capable in law to take, demand, receive, and  
39 possess all moneys, goods, and chattels that shall be given for the use of the regional school, and  
40 to apply to same according to the will of the donors; and by gift, purchase, or devise to receive,  
41 possess, enjoy, and retain forever any and all real and personal estate and funds, of whatsoever  
42 kind, nature, or quality the same may be, in special trust and confidence that the same, or the  
43 profits thereof, shall be applied to and for the use and purpose of establishing and endowing the  
44 regional school, and shall have power to receive donations from any source whatsoever, to be  
45 devoted exclusively to the purposes of the maintenance of the regional school, or according to  
46 the terms of the donation.

47       (b) The board of directors shall be able and capable in law to bargain, sell, grant, alien,  
48 or dispose of and convey and assure to the purchasers any and all such real and personal estate  
49 and funds as it may lawfully acquire when the condition of the grant to it or the will of the deviser  
50 does not forbid it; and shall be able and capable in law to sue and be sued in all courts whatsoever;  
51 and shall have power to open and receive subscriptions; and in general may do all such things as

1 are usually done by bodies corporate and politic, or such as may be necessary for the promotion  
2 of learning and virtue.

3 **"§ 115C-229.35. Board of directors; powers and duties.**

4 The board of directors shall have the following powers and duties:

- 5 (1) The board of directors shall establish the regional school's academic program  
6 in accordance with the following:
- 7 a. The board of directors shall establish the standard course of study for  
8 the regional school. This course of study shall set forth the subjects to  
9 be taught in each grade and the texts and other educational materials  
10 on each subject to be used in each grade. The board of directors shall  
11 design its programs to meet at least the student performance standards  
12 adopted by the State Board of Education and the student performance  
13 standards contained in this Chapter.
- 14 b. The board of directors shall conduct student assessments required by  
15 the State Board of Education.
- 16 c. The board of directors shall provide the opportunity to earn or obtain  
17 credit toward degrees from a community college subject to Chapter  
18 115D of the General Statutes or a constituent institution of The  
19 University of North Carolina.
- 20 d. The board of directors shall adopt a school calendar consisting of a  
21 minimum of 185 days or 1,025 hours of instruction covering at least  
22 nine calendar months.
- 23 e. The board of directors shall ensure that financial literacy instruction is  
24 provided as required by the State Board of Education pursuant to  
25 G.S. 115C-81.65, including required professional development for  
26 teachers of the EPF course.
- 27 (2) The board of directors shall establish policies and standards for academic  
28 performance, attendance, and conduct for students of the regional school. The  
29 policies of the board of directors shall comply with Article 27 of this Chapter.
- 30 (3) Every parent, guardian, or other person in this State having charge or control  
31 of a child who is enrolled in the regional school and who is less than 16 years  
32 of age shall cause the child to attend school continuously for a period equal to  
33 the time that the regional school shall be in session. No person shall  
34 encourage, entice, or counsel any child to be unlawfully absent from the  
35 regional school. Any person who aids or abets a student's unlawful absence  
36 from the regional school shall, upon conviction, be guilty of a Class 1  
37 misdemeanor. The principal shall be responsible for implementing such  
38 additional policies concerning compulsory attendance as shall be adopted by  
39 the board of directors, including regulations concerning lawful and unlawful  
40 absences, permissible excuses for temporary absences, maintenance of  
41 attendance records, and attendance counseling.
- 42 (4) The board of directors shall comply with the reporting requirements  
43 established by the State Board of Education in the Uniform Education  
44 Reporting System.
- 45 (5) The board of directors shall require compliance with laws and policies relating  
46 to the education of children with disabilities. The school is subject to and shall  
47 comply with Article 9 of Chapter 115C of the General Statutes and The  
48 Individuals with Disabilities Education Improvements Act, 20 U.S.C. § 1400,  
49 et seq., (2004), as amended.
- 50 (6) The board of directors shall require that the regional school meet the same  
51 health and safety standards required of a local school administrative unit.

- 1           (7)    The board of directors shall require the regional school to comply with  
2           G.S. 115C-375.2A and shall provide the school with a supply of emergency  
3           epinephrine auto-injectors necessary to carry out the provisions of that section.  
4           (8)    The regional school shall comply with the requirements for public school units  
5           in Part 2 of Article 8C of this Chapter.  
6           (9)    The regional school shall implement the rule addressing student awareness of  
7           child abuse and neglect, including sexual abuse, adopted by the State Board  
8           of Education under G.S. 115C-12(47).  
9           (10) The board of directors shall apply the rules and policies established by the  
10          State Board of Education for issuance of driving eligibility certificates.  
11          (11) The regional school shall comply with G.S. 115C-407.40 regarding cultural  
12          expression at all graduation ceremonies.  
13          (12) The regional school shall strive to ensure that one hundred percent (100%)  
14          muscadine grape juice is made available to students as a part of the school's  
15          nutrition program or through the operation of the school's vending facilities.  
16          (13) If the regional school organizes athletic teams for middle or high school  
17          students to participate in interscholastic or intramural athletic activities, those  
18          teams shall be organized in accordance with G.S. 115C-12(23).  
19          (14) The board of directors shall comply with the purchasing and contract statutes  
20          and regulations applicable to local school administrative units.  
21          (15) The board of directors shall be exempt from Chapter 150B of the General  
22          Statutes, except final decisions of the board of directors in a contested case  
23          shall be subject to judicial review in accordance with Article 4 of Chapter  
24          150B of the General Statutes.  
25          (16) The regional school shall ensure that the report card issued for it by the State  
26          Board of Education receives wide distribution to the local press or is otherwise  
27          provided to the public. A regional school shall ensure that the overall school  
28          performance score and grade earned by the regional school for the current and  
29          previous four school years is prominently displayed on the school website. If  
30          a regional school earned an overall school performance grade of D or F, the  
31          regional school shall provide notice of the grade in writing to the parent or  
32          guardian of all students enrolled in that school.  
33          (17) The board of directors is encouraged to adopt a policy against bullying or  
34          harassing behavior, including cyber-bullying, for the regional school that is  
35          consistent with the provisions of Article 29C of this Chapter. If the board of  
36          directors adopts a policy to prohibit bullying and harassing behavior, the  
37          regional school shall, at the beginning of each school year, provide the policy  
38          to staff, students, and parents as defined in G.S. 115C-390.1(b)(8).  
39          (18) The regional school is encouraged to facilitate access for students to  
40          participate in activities provided by any youth group listed in Title 36 of the  
41          United States Code as a patriotic society, such as the Boy Scouts of America,  
42          and its affiliated North Carolina groups and councils, and the Girl Scouts of  
43          the United States of America, and its affiliated North Carolina groups and  
44          councils. Student participation in any activities offered by these organizations  
45          shall not interfere with instructional time during the school day for the  
46          purposes of encouraging civic education.  
47          (19) The board of directors shall comply with the requirements of G.S. 115C-523.1  
48          and G.S. 115C-523.2 for any regional school building owned by the board of  
49          directors.  
50          (20) The board of directors shall adopt and implement a child sexual abuse and sex  
51          trafficking training program in accordance with G.S. 115C-375.20.

- 1           (21) The regional school shall adopt a school-based mental health plan, including  
2 a mental health training program and suicide risk referral protocol, in  
3 accordance with G.S. 115C-376.5.
- 4           (22) The regional school shall annually report the information required by  
5 G.S. 115C-12(48) to the State Board of Education, the Senate Appropriations  
6 Committee on Education/Higher Education, and the House Appropriations  
7 Committee on Education no later than September 15.
- 8           (23) The regional school shall annually update information to the digital learning  
9 dashboard, as required by G.S. 115C-102.9.
- 10          (24) The board of directors shall develop a plan to provide transportation to the  
11 students enrolled in the regional school, which may include entering into  
12 interlocal agreements with local school administrative units.
- 13          (25) The board of directors, to the extent practicable, shall provide school food  
14 services to the regional school. School food services may be provided by  
15 entering into an interlocal agreement with a local school administrative unit.  
16 For purposes of federal funding through the National School Lunch Program  
17 or other federally supported food service programs, a local school  
18 administrative unit that has entered into an interlocal agreement with the  
19 regional school for the purpose of providing school food services shall be  
20 permitted to include eligible students enrolled in the regional school.

21 **"§ 115C-229.40. Student admissions and assignment.**

- 22          (a) The regional school may serve grades seven through 12.
- 23          (b) A student domiciled in a county within the regional school service area is eligible to  
24 attend the regional school. A student's eligibility to remain enrolled in the regional school shall  
25 terminate at the end of any school year during which a student ceases to satisfy the residency  
26 requirements.
- 27          (c) The board of directors shall establish criteria, standards, and procedures for admission  
28 of students. The admission criteria may give priority to students with no parent that has completed  
29 a two- or four-year degree and shall include the following:
- 30               (1) Demonstrated academic achievement.
- 31               (2) Demonstrated student interest in attendance.
- 32               (3) Documented parental support for student attendance.
- 33          (d) If the number of eligible students meeting the board of directors' admission criteria  
34 exceeds the seats available, students shall be accepted by lot.

35 **"§ 115C-229.45. Employees.**

36 The board of directors shall appoint all certified and noncertified staff.

- 37          (1) The board of directors shall employ and contract with a principal for a term  
38 not to exceed three years. The principal shall meet the requirements for  
39 certification set out in G.S. 115C-284, unless waived by the State Board of  
40 Education upon submission of a request by the board of directors. The  
41 principal shall be responsible for school operations and shall exercise those  
42 duties and powers delegated by the board of directors.
- 43          (2) The board of directors shall employ and contract with necessary teachers to  
44 perform the particular service for which they are employed in the school. At  
45 least fifty percent (50%) of teachers employed by the board of directors shall  
46 hold teacher licensure, unless waived by the State Board of Education upon  
47 submission of a request by the board of directors.
- 48          (3) If a teacher employed by a local school administrative unit makes a written  
49 request for a leave of absence to teach at the regional school, the local school  
50 administrative unit shall grant the leave for one year. For the initial year of the  
51 regional school's operation, the local school administrative unit may require

1 that the request for a leave of absence be made up to 45 days before the teacher  
 2 would otherwise have to report for duty. After the initial year of the regional  
 3 school's operation, the local school administrative unit may require that the  
 4 request for a leave of absence be made up to 90 days before the teacher would  
 5 otherwise have to report for duty. A local board of education is not required  
 6 to grant a request for a leave of absence or a request to extend or renew a leave  
 7 of absence for a teacher who previously has received a leave of absence from  
 8 that school board under this subdivision. A teacher who has received a leave  
 9 of absence to teach at a regional school may return to a public school in the  
 10 local school administrative unit at the end of the leave of absence or upon the  
 11 end of employment at the regional school if an appropriate position is  
 12 available. If a teacher has career status under G.S. 115C-325 prior to receiving  
 13 a leave of absence to teach at the regional school, the teacher may return to a  
 14 public school in the local school administrative unit with career status at the  
 15 end of the leave of absence or upon the end of employment at the regional  
 16 school if an appropriate position is available. If an appropriate position is  
 17 unavailable, the teacher's name shall be placed on a list of available teachers  
 18 in accordance with G.S. 115C-325(e)(2).

- 19 (4) The board of directors also may employ necessary employees who are not  
 20 required to hold teacher licensure to perform duties other than teaching and  
 21 may contract for other services.
- 22 (5) An employee of the board of directors is not an employee of the local school  
 23 administrative unit in which the regional school is located. The board of  
 24 directors may discharge certified and noncertified employees according to the  
 25 terms of the employment contract.
- 26 (6) Employees of the board of directors shall participate in the Teachers' and State  
 27 Employees' Retirement System and the State Health Plan on the same terms  
 28 as employees employed by local boards of education.
- 29 (7) Employees of the board of directors shall be exempt from Chapter 126 of the  
 30 General Statutes, except for Articles 6 and 7 and G.S. 126-8.6.
- 31 (8) Teachers employed by the board of directors shall be eligible for paid parental  
 32 leave as provided in G.S. 126-8.6. The board of directors shall be eligible to  
 33 receive funds as provided in G.S. 115C-336.1(b).

34 **§ 115C-229.50. Criminal history record checks.**

35 (a) As used in this section:

- 36 (1) "Criminal history" means a county, state, or federal criminal history of  
 37 conviction of a crime, whether a misdemeanor or a felony, that indicates an  
 38 individual (i) poses a threat to the physical safety of students or personnel or  
 39 (ii) has demonstrated that he or she does not have the integrity or honesty to  
 40 fulfill his or her duties as school personnel. These crimes include the following  
 41 North Carolina crimes contained in any of the following Articles of Chapter  
 42 14 of the General Statutes: Article 5A, Endangering Executive and  
 43 Legislative, and Court Officers; Article 6, Homicide; Article 7B, Rape and  
 44 Other Sex Offenses; Article 8, Assaults; Article 10, Kidnapping and  
 45 Abduction; Article 13, Malicious Injury or Damage by Use of Explosive or  
 46 Incendiary Device or Material; Article 14, Burglary and Other  
 47 Housebreakings; Article 15, Arson and Other Burnings; Article 16, Larceny;  
 48 Article 17, Robbery; Article 18, Embezzlement; Article 19, False Pretense and  
 49 Cheats; Article 19A, Obtaining Property or Services by False or Fraudulent  
 50 Use of Credit Device or Other Means; Article 20, Frauds; Article 21, Forgery;  
 51 Article 26, Offenses Against Public Morality and Decency; Article 26A, Adult



1 Establishments; Article 27, Prostitution; Article 28, Perjury; Article 29,  
2 Bribery; Article 31, Misconduct in Public Office; Article 35, Offenses Against  
3 the Public Peace; Article 36A, Riots and Civil Disorders; Article 39,  
4 Protection of Minors; and Article 60, Computer-Related Crime. These crimes  
5 also include possession or sale of drugs in violation of the North Carolina  
6 Controlled Substances Act, Article 5 of Chapter 90 of the General Statutes,  
7 and alcohol-related offenses such as sale to underage persons in violation of  
8 G.S. 18B-302 or driving while impaired in violation of G.S. 20-138.1 through  
9 G.S. 20-138.5. In addition to the North Carolina crimes listed in this  
10 subdivision, such crimes also include similar crimes under federal law or  
11 under the laws of other states.

12 (2) "School personnel" means any of the following:

- 13 a. Member of the board of directors.  
14 b. Employee of the regional school.  
15 c. Independent contractor or employee of an independent contractor of  
16 the regional school if the independent contractor carries out duties  
17 customarily performed by school personnel, whether paid with federal,  
18 State, local, or other funds, who has significant access to students or  
19 who has responsibility for the fiscal management of the regional  
20 school.

21 (b) The board of directors shall adopt a policy on whether and under what circumstances  
22 school personnel shall be required to be checked for a criminal history. The board of directors  
23 shall apply its policy uniformly in requiring school personnel to be checked for a criminal history.  
24 The board of directors may grant conditional approval of an application while the board of  
25 directors is checking a person's criminal history and making a decision based on the results of  
26 the check. The board of directors shall not require school personnel to pay for the criminal history  
27 record check authorized under this section.

28 (c) The board of directors shall require the person to be checked by the Department of  
29 Public Safety (i) to be fingerprinted and to provide any additional information required by the  
30 Department of Public Safety to a person designated by the board of directors or to the local sheriff  
31 or the municipal police, whichever is more convenient for the person, and (ii) to sign a form  
32 consenting to the check of the criminal record and to the use of fingerprints and other identifying  
33 information required by the repositories. The board of directors shall consider refusal to consent  
34 when making employment decisions and decisions with regard to independent contractors. The  
35 fingerprints of the individual shall be forwarded to the State Bureau of Investigation for a search  
36 of the State criminal history record file, and the State Bureau of Investigation shall forward a set  
37 of fingerprints to the Federal Bureau of Investigation for a national criminal history record check.  
38 The Department of Public Safety shall provide to the board of directors the criminal history from  
39 the State and National Repositories of Criminal Histories of any school personnel for which the  
40 board of directors requires a criminal history record check. The board of directors shall not  
41 require school personnel to pay for the fingerprints authorized under this section.

42 (d) The board of directors shall review the criminal history it receives on an individual.  
43 The board of directors shall determine whether the results of the review indicate that the  
44 individual (i) poses a threat to the physical safety of students or personnel or (ii) has demonstrated  
45 that he or she does not have the integrity or honesty to fulfill his or her duties as school personnel  
46 and shall use the information when making employment decisions and decisions with regard to  
47 independent contractors. The board of directors shall make written findings with regard to how  
48 it used the information when making employment decisions and decisions with regard to  
49 independent contractors. The board of directors may delegate any of the duties in this subsection  
50 to the principal.

1       (e) The board of directors, or the principal if designated by the board of directors, shall  
2 provide to the State Board of Education the criminal history it receives on a person who is  
3 certificated, certified, or licensed by the State Board of Education. The State Board of Education  
4 shall review the criminal history and determine whether the person's certificate or license should  
5 be revoked in accordance with State laws and rules regarding revocation.

6       (f) All the information received by the board of directors through the checking of the  
7 criminal history or by the State Board of Education in accordance with this section is privileged  
8 information and is not a public record but is for the exclusive use of the board of directors or the  
9 State Board of Education. The board of directors or the State Board of Education may destroy  
10 the information after it is used for the purposes authorized by this section after one calendar year.

11       (g) There shall be no liability for negligence on the part of the board of directors, or its  
12 employees, or the State Board of Education, the Superintendent of Public Instruction, or any of  
13 their members or employees, individually or collectively, arising from any act taken or omission  
14 by any of them in carrying out the provisions of this section. The immunity established by this  
15 subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that  
16 would otherwise be actionable. The immunity established by this subsection shall be deemed to  
17 have been waived to the extent of indemnification by insurance, indemnification under Articles  
18 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign immunity is  
19 waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General  
20 Statutes.

21       (h) Any applicant for employment who willfully furnishes, supplies, or otherwise gives  
22 false information on an employment application that is the basis for a criminal history record  
23 check under this section shall be guilty of a Class A1 misdemeanor.

24       (i) The board of directors may adopt a policy providing for uniform periodic checks of  
25 criminal history of employees. Boards of directors shall not require employees to pay for the  
26 criminal history check authorized under this subsection. A board of directors shall indicate, upon  
27 inquiry by any other local board of education, charter school, or regional school in the State as  
28 to the reason for an employee's resignation or dismissal. If a teacher's criminal history is relevant  
29 to a teacher's resignation, the board of directors shall report to the State Board of Education the  
30 reason for an employee's resignation.

31 **"§ 115C-229.55. Finance and budget.**

32       (a) The board of directors shall have all the rights, duties, and obligations for receipt,  
33 accounting, and dispersing of funds for the school, including all the rights, duties, and obligations  
34 specified in Article 31 of this Chapter. The board may contract with a local school administrative  
35 unit to serve as the finance agent for the board and shall provide reasonable compensation to the  
36 local school administrative unit for this service. Upon such agreement, that local school  
37 administrative unit shall act as agent for the board in all receipt, accounting, and dispersing  
38 functions, but the board shall retain liability for compliance with Article 31 of this Chapter.

39       (b) A regional school may request appropriations directly from a city, as authorized by  
40 G.S. 160A-700.

41       (c) With respect to the receipt, deposit, and disbursement of moneys (i) required by law  
42 to be deposited with the State Treasurer or (ii) made available for expenditure by warrants drawn  
43 on the State Treasurer, regional schools are subject to Article 6A of Chapter 147 of the General  
44 Statutes.

45       (d) The State Board of Education shall allocate to the regional school:

46       (1) An amount equal to the average per pupil allocation for average daily  
47 membership from the local school administrative unit allotments in which the  
48 regional school is located for each child attending the regional school except  
49 for the allocation for children with disabilities and for the allocation for  
50 children with limited English proficiency.

- 1           (2)    An additional amount for each child attending the regional school who is a  
 2           child with disabilities. In the event a child with disabilities leaves the regional  
 3           school and enrolls in a local school administrative unit during the first 60  
 4           school days in the school year, the regional school shall return a pro rata  
 5           amount of funds allocated for that child to the State Board, and the State Board  
 6           shall reallocate those funds to the local school administrative unit in which the  
 7           public school is located. In the event a child with disabilities enrolls in a  
 8           regional school during the first 60 school days in the school year, the State  
 9           Board shall allocate to the regional school the pro rata amount of additional  
 10          funds for children with disabilities.
- 11          (3)    An additional amount for children with limited English proficiency attending  
 12          the regional school, based on a formula adopted by the State Board.
- 13          (4)    An additional amount equal to the average per pupil share of the local current  
 14          expense fund of all of the local school administrative units in the regional  
 15          school service area for the prior fiscal year."

16          **SECTION 7.25.(b)** G.S. 14-458.2(a) reads as rewritten:

17          "(a)    The following definitions apply in this section:

- 18          (1)    School employee. – The term means any of the following:
- 19            a.    An employee of a local board of education, a charter school authorized  
 20            under G.S. 115C-218.5, ~~a regional school created under~~  
 21            ~~G.S. 115C-238.62, the regional school established by~~  
 22            G.S. 115C-229.5, a laboratory school created under G.S. 116-239.7,  
 23            or a nonpublic school which has filed intent to operate under Part 1 or  
 24            Part 2 of Article 39 of Chapter 115C of the General Statutes.
- 25            b.    An independent contractor or an employee of an independent  
 26            contractor of a local board of education, a charter school authorized  
 27            under G.S. 115C-218.5, ~~a regional school created under~~  
 28            ~~G.S. 115C-238.62, the regional school established by~~  
 29            G.S. 115C-229.5, a laboratory school created under G.S. 116-239.7,  
 30            or a nonpublic school which has filed intent to operate under Part 1 or  
 31            Part 2 of Article 39 of Chapter 115C of the General Statutes, if the  
 32            independent contractor carries out duties customarily performed by  
 33            employees of the school.
- 34          (2)    Student. – A person who has been assigned to a school by a local board of  
 35            education as provided in G.S. 115C-366 or has enrolled in a charter school  
 36            authorized under G.S. 115C-218.5, ~~a regional school created under~~  
 37            ~~G.S. 115C-238.62, the regional school established by G.S. 115C-229.5, a  
 38            laboratory school created under G.S. 116-239.7, or a nonpublic school which  
 39            has filed intent to operate under Part 1 or Part 2 of Article 39 of Chapter 115C  
 40            of the General Statutes, or a person who has been suspended or expelled from  
 41            any of those schools within the last year."~~

42          **SECTION 7.25.(c)** G.S. 58-31A-1(2) reads as rewritten:

- 43          "(2)    Public education board. – A local board of education of a local school  
 44            administrative unit, as defined in G.S. 115C-5(5), ~~a board of trustees of a~~  
 45            ~~regional school, as defined in G.S. 115C-238.63, the board of directors of the~~  
 46            regional school established by G.S. 115C-229.5, or a board of trustees of a  
 47            community college, as defined in G.S. 115D-12."

48          **SECTION 7.25.(d)** G.S. 115B-2(a)(6) reads as rewritten:

- 49          "(6)    Any child enrolled in a regional school established pursuant to ~~Part 10 of~~  
 50            ~~Article 16~~ Article 15A of Chapter 115C of the General Statutes who enrolls

1 in classes at a constituent institution or community college which has a written  
2 agreement with the regional school."

3 **SECTION 7.25.(e)** G.S. 115C-238.50A(1a)c. reads as rewritten:

4 "c. It is located on the campus of the partner institution of higher  
5 education, unless the governing Board or the local board of trustees  
6 for a private North Carolina college specifically waives the  
7 requirement through adoption of a formal resolution. This criterion  
8 shall not apply to a regional school established as provided in ~~Part 10~~  
9 ~~of this Article.~~ Article 15A of this Chapter."

10 **SECTION 7.25.(f)** Part 10 of Article 16 of Chapter 115C of the General Statutes is  
11 repealed.

12 **SECTION 7.25.(g)** G.S. 126-5(c1)(8a) reads as rewritten:

13 "(8a) Employees of a regional school established pursuant to ~~Part 10 of Article 16~~  
14 Article 15A of Chapter 115C of the General Statutes."

15 **SECTION 7.25.(h)** G.S. 143B-931(b) reads as rewritten:

16 "(b) The Department of Public Safety may provide a criminal history record check to the  
17 board of directors of a regional school of a person who is employed at ~~a the~~ regional school or of  
18 a person who has applied for employment at ~~a the~~ regional school if the employee or applicant  
19 consents to the record check. ~~The~~ In accordance with G.S. 115C-229.50, the Department may  
20 also provide a criminal history record check of school personnel ~~as defined in G.S. 115C-238.73~~  
21 by fingerprint card to the board of directors of the regional school from the National Repositories  
22 of Criminal Histories, ~~in accordance with G.S. 115C-238.73. The~~ and the information shall be  
23 kept confidential by the board of directors of the regional school ~~as provided in~~  
24 G.S. 115C-238.73.school."

25 **SECTION 7.25.(i)** G.S. 160A-700(d)(5) reads as rewritten:

26 "(5) A regional school ~~created under Part 10 of Article 16~~ established by Article  
27 15A of Chapter 115C of the General Statutes."

28 **SECTION 7.25.(j)** Notwithstanding G.S. 115C-229.15, as enacted by this section,  
29 the terms of members serving on the board of directors as of the date this act becomes law shall  
30 terminate on June 30, 2025. Initial appointments to the board of directors in accordance with  
31 G.S. 115C-229.15 shall be made for terms beginning July 1, 2025. The Superintendent of Public  
32 Instruction shall appoint two members to two-year terms and one member to a four-year term  
33 beginning July 1, 2025. The State Board of Education shall appoint two members to two-year  
34 terms and three members to four-year terms beginning July 1, 2025. Thereafter, all appointees  
35 shall serve four-year terms.

36 **SECTION 7.25.(k)** The title to and ownership of all property of the Northeast  
37 Regional School of Biotechnology and Agriscience, established as provided in Part 10 of Article  
38 16 of Chapter 115C of the General Statutes, both real and personal of every kind and description,  
39 shall be vested in the Northeast Regional School of Biotechnology and Agriscience as established  
40 by Article 15A of Chapter 115C of the General Statutes, as enacted by this act, by July 1, 2024.  
41 All claims and demands of every kind related to the Northeast Regional School of Biotechnology  
42 and Agriscience, established as provided in Part 10 of Article 16 of Chapter 115C of the General  
43 Statutes, shall pass and be transferred to the Northeast Regional School of Biotechnology and  
44 Agriscience as established by Article 15A of Chapter 115C of the General Statutes, as enacted  
45 by this act by July 1, 2024, and the board of directors of the Northeast Regional School of  
46 Biotechnology and Agriscience shall have the same powers and authority to enforce said claims  
47 and demands. Any obligations and liabilities related to the Northeast Regional School of  
48 Biotechnology and Agriscience, established as provided in Part 10 of Article 16 of Chapter 115C  
49 of the General Statutes, shall become the obligations of the Northeast Regional School of  
50 Biotechnology and Agriscience as established by Article 15A of Chapter 115C of the General  
51 Statutes, as enacted by this act by July 1, 2024, and such obligations and liabilities may be

1 enforced against the board of directors of the Northeast Regional School of Biotechnology and  
2 Agriscience thereafter to the same extent that they might have otherwise been enforced.

3 **SECTION 7.25.(I)** Subsections (a) through (i) of this section are effective July 1,  
4 2024. The remainder of this section is effective when it becomes law.

5  
6 **ADMINISTRATIVE CHANGES TO DRIVER EDUCATION PROGRAM, INCLUDING**  
7 **CREATION OF A FLEET FUND**

8 **SECTION 7.26.(a)** Article 2 of Chapter 20 of the General Statutes is amended by  
9 adding a new section to read:

10 **"§ 20-11.3. Driver education program for public school units.**

11 (a) The Division, in consultation with the State Highway Patrol, the North Carolina  
12 Sheriffs' Association, the North Carolina Association of Chiefs of Police, and the State Board of  
13 Education, shall develop a standardized program of driver education to be administered by public  
14 school units at the public high schools of this State for the purpose of making available public  
15 education to all students on driver safety and training.

16 (b) The driver education curriculum shall include the following:

17 (1) Instruction on the rights and privileges of the handicapped and the signs and  
18 symbols used to assist the handicapped relative to motor vehicles, including  
19 the "international symbol of accessibility" and other symbols and devices as  
20 provided in Article 2A of this Chapter.

21 (2) At least six hours of instruction on the offense of driving while impaired and  
22 related subjects.

23 (3) At least six hours of actual driving experience. To the extent practicable, this  
24 experience may include at least one hour of instruction on the techniques of  
25 defensive driving.

26 (4) At least one hour of motorcycle safety awareness training.

27 (5) Instruction on all topics identified in G.S. 20-88.1.

28 (c) The Division, in consultation with the State Board of Education, shall develop goals  
29 and performance indicators for the program, including the number of participants as compared  
30 to the number of persons projected to be eligible to participate in the program, the implementation  
31 of a standard curriculum for the program, expenditures for the program, and the success rate of  
32 program participants in receiving a drivers license.

33 (d) The Division shall provide initial training to public school driver education instructors  
34 as part of the State Board of Education certification process for instructors adopted pursuant to  
35 G.S. 115C-215(e1). The Division may charge a public school unit for initial instructor training,  
36 but the charge shall not exceed the actual cost of providing the training.

37 (e) The Division may develop literature, study guides, worksheets, or any other aids to  
38 assist instructors in facilitating the driver education program. The Division may charge for any  
39 supplies provided, but the charge shall not exceed the actual cost of producing the materials."

40 **SECTION 7.26.(b)** G.S. 115C-215 reads as rewritten:

41 **"§ 115C-215. Administration of driver education program by the Department of Public**  
42 **Instruction.**

43 (a) ~~In accordance with criteria and standards approved rules adopted by the State Board~~  
44 ~~of Education, the State Superintendent of Public Instruction shall organize and administer a the~~  
45 ~~standardized program of driver education to be offered program developed by the Department of~~  
46 ~~Transportation, Division of Motor Vehicles, pursuant to G.S. 20-11.3, at the public high schools~~  
47 ~~of this State for all physically and mentally qualified persons who (i) are older than 14 years and~~  
48 ~~six months, (ii) are approved by the principal of the school, pursuant to rules adopted by the State~~  
49 ~~Board of Education, (iii) are enrolled in a public or private high school within the State or are~~  
50 ~~receiving instruction through a home school as provided by Part 3 of Article 39 of Chapter 115C~~  
51 ~~of the General Statutes, and (iv) have not previously enrolled in the program. The driver~~

1 education program shall be for the purpose of making available public education to all students  
2 ~~on driver safety and training.~~ State. The State Board of Education shall use for this purpose all  
3 funds appropriated pursuant to subsection (f) of this section to the Department of Public  
4 Instruction and may use all other funds that become available for its use for this purpose.

5 (a1) A student is eligible to enroll in the driver education program if the student meets all  
6 of the following conditions:

7 (1) Is physically and mentally capable of operating a motor vehicle.

8 (2) Is older than 14 years and 6 months.

9 (3) The principal, or equivalent, has approved the student to participate in the  
10 course pursuant to the rules for participation adopted by the State Board of  
11 Education.

12 (4) Attends a high school in a public school unit, an academic program under Part  
13 1, Part 2, or Part 3 of Article 39 of Chapter 115C of the General Statutes, or  
14 an educational program operated by an agency of the State.

15 (5) Has not previously enrolled in the program.

16 (b) ~~The driver education curriculum shall include the following:~~

17 (1) ~~Instruction on the rights and privileges of the handicapped and the signs and~~  
18 ~~symbols used to assist the handicapped relative to motor vehicles, including~~  
19 ~~the "international symbol of accessibility" and other symbols and devices as~~  
20 ~~provided in Article 2A of Chapter 20 of the General Statutes.~~

21 (2) ~~At least six hours of instruction on the offense of driving while impaired and~~  
22 ~~related subjects.~~

23 (3) ~~At least six hours of actual driving experience. To the extent practicable, this~~  
24 ~~experience may include at least one hour of instruction on the techniques of~~  
25 ~~defensive driving.~~

26 (4) ~~At least one hour of motorcycle safety awareness training.~~

27 (5) ~~Instruction on law enforcement procedures for traffic stops that is developed~~  
28 ~~in consultation with the State Highway Patrol, the North Carolina Sheriff's~~  
29 ~~Association, and the North Carolina Association of Chiefs of Police. The~~  
30 ~~instruction shall provide a description of the actions that a motorist should~~  
31 ~~take during a traffic stop, including appropriate interactions with law~~  
32 ~~enforcement officers.~~

33 (c) ~~The State Board of Education shall establish and implement a strategic plan for the~~  
34 ~~driver education program. At a minimum, the strategic plan shall consist of goals and~~  
35 ~~performance indicators, including the number of program participants as compared to the number~~  
36 ~~of persons projected to be eligible to participate in the program, the implementation of a standard~~  
37 ~~curriculum for the program, expenditures for the program, and the success rate of program~~  
38 ~~participants in receiving a drivers license as reported by the Division of Motor Vehicles. The~~  
39 ~~strategic plan shall also outline specific roles and duties of an advisory committee consisting of~~  
40 ~~employees of the Division of Motor Vehicles and the Department of Public Instruction and other~~  
41 ~~stakeholders in driver education.~~

42 (c1) ~~If a local school administrative unit does not comply with any reporting requirements~~  
43 ~~imposed on the unit for the purposes of implementing the strategic plan program established by~~  
44 ~~the State Board of Education pursuant to subsection (e) of this section, Division of Motor~~  
45 ~~Vehicles under G.S. 20-11.3, the Department of Public Instruction may withhold up to five~~  
46 ~~percent (5%) of the State funds allocated to a local school administrative unit for driver education~~  
47 ~~until the unit reports the information required by the Department.Division.~~

48 (d) The State Board of Education shall adopt a salary range for the delivery of driver  
49 education courses by driver education instructors who are public school employees. The salary  
50 range shall be based on the driver education instructor's qualifications, certification, and licensure  
51 specific to driver education.

1 (e) The State Board of Education shall adopt rules to permit local boards of education to  
2 enter contracts with public or private entities to provide a program of driver education at public  
3 high schools.

4 ~~(e1) All driver education instructors shall meet the requirements established by the~~  
5 ~~State Board of Education; provided, however, Education shall set the requirements to become a~~  
6 ~~certified public school driver education instructor. At a minimum, instructors shall be required~~  
7 ~~to attend driver instructor training with the Division of Motor Vehicles. The Board may add~~  
8 ~~additional requirements beyond the initial training, however, instructors shall not be required to~~  
9 ~~hold teacher certificates.~~

10 (f) The clear proceeds of the ~~newly established~~ motor vehicle registration late fee  
11 charged pursuant to ~~G.S. 20-88.03, as enacted by S.L. 2015-241, G.S. 20-88.03~~ shall be used to  
12 provide a dedicated source of revenue for the drivers education program administered by the  
13 Department of Public Instruction in accordance with this section and shall be appropriated by the  
14 General Assembly for this purpose ~~for the 2016-2017 fiscal year and subsequent fiscal years~~  
15 ~~thereafter, each fiscal year.~~

16 ~~(g) Of the funds appropriated to the Department of Public Instruction each fiscal year~~  
17 ~~pursuant to subsection (f) of this section, the Department may use up to one hundred sixty four~~  
18 ~~thousand six hundred ninety dollars (\$164,690), as adjusted to reflect legislative salary~~  
19 ~~increments, retirement rate adjustments, and health benefit adjustments, for the direct costs for~~  
20 ~~the statewide administration of the program, including any necessary positions."~~

21 **SECTION 7.26.(c)** G.S. 115C-216 reads as rewritten:

22 "**§ 115C-216. Boards of education required to provide courses in operation of motor**  
23 **vehicles.**

24 (a) Course of Training and Instruction Required in Public High Schools. – Local boards  
25 of education shall offer noncredit driver education courses in high schools using the standardized  
26 curriculum ~~provided by the Department of Public Instruction, developed by the Department of~~  
27 ~~Transportation, Division of Motor Vehicles.~~

28 ...."

29 **SECTION 7.26.(d)** Article 14 of Chapter 115C of the General Statutes is amended  
30 by adding a new section to read:

31 "**§ 115C-216.5. Funds for Driver Education Fleet.**

32 (a) There is established the Driver Education Fleet funding allotment within the State  
33 Public School Fund. This allotment shall be a nonreverting allotment consisting of any moneys  
34 appropriated to it by the General Assembly and any moneys appropriated to the Driver Education  
35 allotment that are not expended by June 30 of the fiscal year.

36 (b) The State Board of Education shall establish the purposes for which the funds within  
37 the new Driver Education Fleet funding allotment may be used for as the purchase and  
38 maintenance of vehicles to be used for driver education."

39 **SECTION 7.26.(e)** G.S. 20-7(m)(1a) reads as rewritten:

40 "(1a) A driver training instructor qualified under ~~G.S. 115C-215(e)~~ G.S. 115C-215  
41 or G.S. 20-323(b) may administer any vision test or examination of physical  
42 condition required for the issuance of a restricted instruction permit to an  
43 applicant under this section. The examining instructor may also provide any  
44 signature required by the Division to verify the results of the vision test and  
45 examination of physical condition."

46 **SECTION 7.26.(f)** G.S. 20-322(b) reads as rewritten:

47 "(b) Regulations adopted by the Commissioner shall state the requirements for a school  
48 license, including requirements concerning location, equipment, courses of instruction,  
49 instructors, financial statements, schedule of fees and charges, character and reputation of the  
50 operators, insurance, bond or other security in such sum and with such provisions as the  
51 Commissioner deems necessary to protect adequately the interests of the public, and such other

1 matters as the Commissioner may prescribe. A driver education course offered to prepare an  
 2 individual for a limited learner's permit or another provisional license must meet the requirements  
 3 set in ~~G.S. 115C-215~~ G.S. 20-11.3 for the program of driver education offered in the public  
 4 schools."

5 **SECTION 7.26.(g)** As part of the certification of the budget for the 2024-2025 fiscal  
 6 year, the Department of Public Instruction shall transfer to the Department of Transportation to  
 7 be assigned to the Division of Motor Vehicles to develop the driver education program as  
 8 required under G.S. 20-11.3, as enacted by this section, one full-time equivalent position for the  
 9 Director of the Driver Education Program, position number 65027737.

10  
 11 **CLARIFY ROLE OF CHARTER SCHOOL REVIEW BOARD**

12 **SECTION 7.27.(a)** G.S. 115C-218 reads as rewritten:

13 **"§ 115C-218. Purpose of charter schools; role of State Board of Education; establishment**  
 14 **of North Carolina Charter Schools Review Board and North Carolina Office of**  
 15 **Charter Schools.**

16 ...

17 (a1) State Board of Education. – The State Board of Education shall have the following  
 18 duties regarding charter schools:

- 19 (1) Rulemaking. – To establish all rules for the operation and approval of charter  
 20 schools. Any rule adopted by the State Board regarding charter schools shall  
 21 first be approved and recommended by the Charter Schools Review Board.
- 22 (2) Funding. – To allocate funds to charter schools.
- 23 (3) Appeals. – To hear appeals from decisions of the Charter Schools Review  
 24 Board under G.S. 115C-218.9.
- 25 (4) Accountability. – To ensure accountability from charter schools for school  
 26 finances and student performance.

27 (b) North Carolina Charter Schools Review Board. –

28 ...

29 (10) Powers and duties. – The Review Board shall have the following duties:

- 30 a. To ~~make recommendations to the State Board of Education on the~~  
 31 ~~adoption of~~ propose, recommend, and approve rules to the State Board  
 32 of Education regarding all aspects of charter school operation,  
 33 including time lines, standards, and criteria for acceptance and  
 34 approval of applications, monitoring of charter schools, and grounds  
 35 for revocation of charters.
- 36 b. To review and approve or deny charter applications, renewals, ~~and~~  
 37 ~~revocations~~ revocations, and terminations.
- 38 c. To make recommendations to the State Board on actions before the  
 39 State Board on appeal under G.S. 115C-218.9.
- 40 d. To undertake any other duties and responsibilities as assigned by the  
 41 State Board.
- 42 e. To review any decisions or conduct any hearings pursuant to 20 U.S.C.  
 43 § 1231b-2 concerning the provision, repayment, or termination of  
 44 funds provided to a charter school.
- 45 f. To contract for and employ legal counsel, including private counsel,  
 46 to advise, represent, and provide litigation services to the Review  
 47 Board, without need to obtain permission or approval pursuant to  
 48 G.S. 114-2.3 or G.S. 147-17.

49 ...

50 (c) North Carolina Office of Charter Schools. –

51 ...



(2) Executive Director. – The Executive Director shall report to and serve at the pleasure of the ~~Superintendent of Public Instruction~~ Review Board at a salary established by the ~~Superintendent~~ Review Board within the funds appropriated for this purpose. The duties of the Executive Director shall include presenting the recommendations and decisions of the Review Board at meetings of the State Board.

...."

**SECTION 7.27.(b)** G.S. 115C-218.105 reads as rewritten:

**"§ 115C-218.105. State and local funds for a charter school.**

...

(a2) The State Board ~~shall~~ may withhold or reduce distribution of funds to a charter school if any of the following applies:

- (1) The change in funding is due to an annual adjustment based on enrollment or is a general adjustment to allocations that is not specific to the charter or actions of that charter school.
- (2) The Review Board notifies the State Board that the charter school has materially violated a term of its charter, has violated a State statute or federal law, or has had its charter terminated or nonrenewed.
- (3) The ~~Superintendent of Public Instruction~~ Review Board notifies the State Board that the charter school has failed to meet generally accepted standards of fiscal management or has violated a State or federal requirement for receipt of funds.

(c2) The ~~Superintendent of Public Instruction~~ Review Board shall, in consultation with charter schools and local school administrative units, create a standardized enrollment verification and transfer request document that each charter school shall use to request the per pupil share of the local current expense fund from the local school administrative units. Charter schools shall only be required to list the name, age, grade, address, date of charter enrollment, date of charter withdrawal, district of residence, and student identification number of each student as provided to the charter school by the student's parent or guardian in the enrollment verification and transfer request document that the charter school submits to the local school administrative units. A charter school, in its discretion, may take further steps to confirm the student's residence in a particular local school administrative unit.

(c3) The ~~Superintendent of Public Instruction~~ Review Board shall, in consultation with charter schools and local school administrative units, create a standardized procedure that local school administrative units shall use when transferring the per pupil share of the local current expense fund to charter schools. The standardized procedure for transfer of the per pupil share of the local current expense fund shall require, to the extent practicable, that the local school administrative units make the transfers by electronic transfer.

...."

**SECTION 7.27.(c)** G.S. 115C-218.9 reads a rewritten:

**"§ 115C-218.9. Appeals to the State Board of Education.**

(a) An ~~applicant, charter school, or the State Superintendent~~ applicant or charter school may appeal a final decision of the Review Board to grant, renew, revoke, or amend a charter by submitting notice to the Chair of the State Board of Education within 10 days of the Review Board's decision. Copies of the notice shall be sent to the Executive Director of the Office of Charter Schools, State Superintendent, the Chair of the Review Board, and the applicant or charter school affected.

...."

**REPORTING REQUIREMENT, EXCEPTION EXTENSION, AND SUPPLEMENT CLARIFICATION FOR ADVANCED TEACHING ROLES**

1           **SECTION 7.28.(a)** G.S. 115C-311 reads as rewritten:

2   "**§ 115C-311. Teacher compensation models and advanced teaching roles.**

3       ...

4       (f)   Renewal and Termination of Program Participation. – The initial selected local school  
5 administrative units shall implement their approved plans beginning with the 2021-2022 school  
6 year. Every five years after a local school administrative unit begins implementing its plan, the  
7 State Board of Education shall review the unit to ensure the unit is complying with the approved  
8 plan. As part of the review, the State Board shall consider at least the following information:

9           (1)   The total number of teachers in advanced teaching roles in the unit-unit, the  
10           number of teachers in each advanced teaching role, and the number of students  
11           receiving instruction from those teachers.

12          (1a) For each school in the advanced teaching role unit, the total number of  
13          teachers in advanced teaching roles in the school, the number of teachers in  
14          each advanced teaching role, and the number of students receiving instruction  
15          from those teachers.

16          (2)   Growth scores for students calculated pursuant to G.S. 115C-83.15.

17          (3)   Achievement scores for students calculated pursuant to G.S. 115C-83.15.

18          (4)   Retention of effective teachers.

19          (5)   Results of the Teacher Working Conditions Survey.

20          (6)   Ratings of teachers through the North Carolina Teacher Evaluation System.

21          (7)   Evidence that higher performing teachers have been selected to serve in an  
22          advanced teaching role.

23          (8)   A description of the activities undertaken by teachers in advanced teaching  
24          roles that lead other teachers to (i) support the professional development of  
25          teachers on their team and (ii) enhance instruction by better aligning teachers'  
26          strengths with student needs.

27          (9)   The amount and funding source for any salary supplement received by  
28          advanced teaching roles teachers in the unit.

29          (10) A description of the amount of release time given to each teacher in an  
30          advanced teaching role that leads other teachers and how the school facilitates  
31          providing that release time.

32       ...

33       (h1) ~~The Report.~~ – No later than October 15 of each year, the State Board shall provide  
34       any report required in accordance with this subsection—the results of any evaluation conducted  
35       pursuant to subsection (h) of this section and a copy of the information listed in subsection (f) of  
36       this section to the offices of the President Pro Tempore of the Senate and the Speaker of the  
37 House of Representatives, the Senate Appropriations/Base Budget Committee, the House  
38 Committee on Appropriations, the Senate Appropriations Committee on Education/Higher  
39 Education, the House Appropriations Committee on Education, the Fiscal Research Division,  
40 and the Joint Legislative Education Oversight Committee.

41       (i)   Class Size Flexibility. – ~~Notwithstanding G.S. 115C-301, with the approval of the~~  
42       ~~State Board of Education,~~ Advanced Teaching Roles schools selected to participate in the  
43 program may exceed the maximum class size requirements for kindergarten through third grade  
44 during any term of up to three years in which State funds are awarded to the local school  
45 administrative unit where the school is located. ~~At the conclusion of the term, any class size~~  
46 ~~flexibility approved for an Advanced Teaching Roles school pursuant to this subsection shall~~  
47 ~~expire until June 30, 2026.~~

48       ...."

49           **SECTION 7.28.(b)** G.S. 115C-312 reads as rewritten:

50   "**§ 115C-312. Salary supplements for teachers in Advanced Teaching Roles schools.**

51       ...

1       (b) ~~Notwithstanding G.S. 115C-311, to the extent funds are made available for this~~  
 2 ~~purpose, the State Board of Education shall award funds to local school administrative units for~~  
 3 ~~annual salary supplements for teachers in accordance with this section. Advanced Teaching Roles~~  
 4 ~~units shall~~ may designate up to fifteen percent (15%) of the teachers in each Advanced Teaching  
 5 Roles school as adult leadership teachers and five percent (5%) of the teachers in each Advanced  
 6 Teaching Roles school as classroom excellence teachers. ~~Advanced Teaching Roles units shall~~  
 7 ~~provide~~ To the extent funds are made available for the purpose, teachers serving in an advanced  
 8 teaching role, as defined by this section, are eligible to receive salary supplements for those  
 9 teachers as follows:

10           (1) Ten thousand dollars (\$10,000) for adult leadership teachers.

11           (2) Three thousand dollars (\$3,000) for classroom excellence teachers.

12       (b1) Notwithstanding G.S. 115C-311, to the extent funds are made available for this  
 13 purpose, the State Board of Education shall award funds to Advanced Teaching Roles units for  
 14 annual salary supplements for teachers and the receiving Advanced Teaching Roles units shall  
 15 provide the salary supplement to participating teachers in accordance with this section. If State  
 16 funds are insufficient to cover the full amount of supplement identified in subsection (b) of this  
 17 section, the State Board of Education and Advanced Teaching Roles unit shall disburse any  
 18 supplement funds pro rata. If funds have been disbursed pro rata, Advanced Teaching Roles units  
 19 are encouraged but not required to fund the remainder of the supplement from alternate funding  
 20 sources.

21       ...."

## 23 **ALIGN TEACHER AND PRINCIPAL OF THE YEAR ADVISORY TERMS**

24       **SECTION 7.29.** G.S. 115C-11(a4) reads as rewritten:

25       "(a4) State Principal of the Year Advisor. – Each State Principal of the Year, as designated  
 26 by the Department of Public Instruction, shall serve ex officio as an advisor to the State Board of  
 27 Education. Each State Principal of the Year shall begin service as an advisory member to the  
 28 State Board at the commencement of the principal's term as State Principal of the Year and shall  
 29 serve for ~~one year~~ two years. The State Principal of the Year shall participate in State Board  
 30 deliberations and committee meetings in an advisory capacity only. The State Board may, in its  
 31 discretion, exclude the State Principal of the Year from executive sessions.

32       In the event a vacancy occurs in the State Principal of the Year's advisory position, the  
 33 principal who was next runner-up to that State Principal of the Year shall serve as the advisory  
 34 member to the State Board for the remainder of the unexpired term. The State Principal of the  
 35 Year advisor to the State Board shall receive per diem and necessary travel and subsistence  
 36 expenses in accordance with the provisions of G.S. 138-5."  
 37

## 38 **DIABETES EDUCATION FOR PARENTS**

39       **SECTION 7.30.** G.S. 115C-375.3 reads as rewritten:

40       "**§ 115C-375.3. Guidelines to support and assist students with diabetes.**

41       (a) ~~Local boards of education and boards of directors of charter schools~~ Governing bodies  
 42 of public school units shall ensure that the guidelines adopted by the State Board of Education  
 43 under G.S. 115C-12(31) are implemented in schools in which students with diabetes are enrolled.  
 44 In particular, the boards shall require the implementation of the procedures set forth in those  
 45 guidelines for the development and implementation of individual diabetes care plans. The boards  
 46 also shall make available necessary information and staff development to teachers and school  
 47 personnel in order to appropriately support and assist students with diabetes in accordance with  
 48 their individual diabetes care plans.

49       (b) Governing bodies of public school units shall ensure that each school provides parents  
 50 and legal guardians with information about type 1 and type 2 diabetes at the beginning of every  
 51 school year. This information shall include all of the following:

- 1           (1)    A description of type 1 and type 2 diabetes.
- 2           (2)    A description of the risk factors and warning signs associated with type 1 and
- 3                   type 2 diabetes.
- 4           (3)    A recommendation that if a student is displaying warning signs associated
- 5                   with diabetes, the parent or guardian of the student consult with the primary
- 6                   care provider of the student to determine if immediate screening for diabetes
- 7                   is appropriate.
- 8           (4)    A description of the screening process for and stages of diabetes.
- 9           (5)    A recommendation that if a student receives a diabetes diagnosis, the parent
- 10                   or guardian of the student consult with the primary care provider of the student
- 11                   to develop an appropriate treatment plan.
- 12           (6)    Notification that the school is required to assist students with diabetes in
- 13                   accordance with the rules adopted by the State Board of Education pursuant
- 14                   to G.S. 115C-12(31)."

**EXPEDITE OPENINGS OF QUALIFYING CHARTER SCHOOLS**

**SECTION 7.31.** Notwithstanding G.S. 115C-218.5, the Charter School Review Board shall not require a planning year and shall authorize a school to open in the 2024-2025 school year for a charter granted to a charter application submitted in 2024 that meets the following criteria:

- 21           (1)    The proposed charter school will be located in a fully furnished school facility
- 22                   purchased from a local board of education prior to submission of the charter
- 23                   application.
- 24           (2)    The proposed charter school will be located in a county within the
- 25                   metropolitan statistical area in the State with the largest population, as of the
- 26                   2020 decennial census.
- 27           (3)    The proposed charter school will be located in a county with projected
- 28                   population growth from 2020 to 2030 of more than twenty-five percent (25%),
- 29                   based on the State Demographer's population projections.
- 30           (4)    The proposed charter school will be located in a county with a county local
- 31                   school administrative unit that enrolled fewer than 25,000 students in the
- 32                   2023-2024 school year.

**ALLOW CHARTER SCHOOL SATELLITES WITHIN 10 MILE RADIUS**

**SECTION 7.32.** G.S. 115C-218.8 reads as rewritten:

**"§ 115C-218.8. Nonmaterial revisions of charters.**

It shall not be considered a material revision of a charter and shall not require prior approval of the Review Board for a charter school to do any of the following:

- 39           ...
- 40           (4)    Expand the campus of a charter school beyond the school's main location and
- 41                   facilities or establish a satellite extension of a charter school, so long as the
- 42                   expansion or satellite location is within a 10-mile radius of the school's main
- 43                   location. The expansion or satellite location need not be located within the
- 44                   same local school administrative unit as the main location of the charter
- 45                   school."

**ADD CHARTER SCHOOLS TO TEACHER ASSISTANT TUITION REIMBURSEMENT PROGRAM**

**SECTION 7.33.(a)** G.S. 115C-269.31, as enacted by Section 7.44 of S.L. 2023-134, reads as rewritten:

**"§ 115C-269.31. Teacher Assistant Tuition Reimbursement Grant Program.**

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 and charter schools to pursue a college degree that will result in teacher  
5 licensure.

6 (b) Applications; Grant Priority. – Local school administrative units and charter schools  
7 may apply to participate in the Program pursuant to a process to be established by the Department  
8 of Public Instruction. The application shall identify current and ongoing needs for licensed  
9 teachers and the expected number of eligible teacher assistants that would participate in the  
10 Program. In evaluating applications, the Department shall prioritize local school administrative  
11 units and charter schools according to the following order:

12 (1) Local school administrative units that received funds under the Teacher  
13 Assistant Tuition Reimbursement Pilot Program established in Section 8.29  
14 of S.L. 2016-94, as amended by Section 7.20 of S.L. 2017-57, Section 6(m)  
15 of S.L. 2017-189, and Section 7.21 of S.L. 2018-5.

16 (2) Local school administrative units and charter schools located, in whole or in  
17 part, in a county with at least one local school administrative unit that received  
18 low-wealth supplemental funding in the previous fiscal year.

19 (3) All other local school administrative ~~units~~ units and charter schools.

20 (c) Award of Funds. – To the extent funds are made available for the Program, a local  
21 school administrative unit or charter school receiving funds under the Program shall provide a  
22 teacher assistant participating in the program an award of up to four thousand six hundred dollars  
23 (\$4,600) per academic year per teacher assistant, up to four academic years to defray the costs of  
24 tuition and fees at an educator preparation program at an institution of higher education while  
25 employed in the local school administrative unit or charter school as a teacher assistant.

26 (d) Additional Criteria. – The following additional criteria shall apply under the Program:

27 (1) Tuition assistance awards granted under the Program may be provided for  
28 part-time or full-time coursework.

29 (2) A local board of education or charter school may grant a teacher assistant  
30 academic leave to pursue coursework that may only be taken during working  
31 hours.

32 (3) A teacher assistant shall fulfill the student teaching requirements of an  
33 educator preparation program by working as a teacher assistant at his or her  
34 employing local school administrative ~~unit~~ unit or in the charter school.

35 (4) A teacher assistant shall continue to receive salary and benefits while student  
36 teaching in the local school administrative unit or charter school as provided  
37 for teacher assistants in G.S. 115C-269.30(c).

38 (e) Selection of Teacher Assistants. – The Department shall establish criteria for initial  
39 and continuing eligibility to participate in the Program. The Department shall adopt standards to  
40 ensure that only qualified, potential recipients receive an award of funds for tuition and fees under  
41 the Program. The standards shall include satisfactory academic progress toward achieving  
42 teacher licensure. Local school administrative units and charter schools receiving grants pursuant  
43 to the Program shall select teacher assistants to receive funds under the Program and prioritize  
44 teacher assistants who received an award in the prior academic year and who are making  
45 satisfactory academic progress towards achieving teacher licensure. The Department of Public  
46 Instruction shall set criteria for the application and selection of teacher assistants to receive tuition  
47 assistance awards that includes at least the following:

48 (1) The teacher assistant shall be employed by the local board of education in the  
49 local school administrative ~~unit~~ unit or in the charter school.

50 (2) The teacher assistant shall be enrolled or provide a statement of intent to enroll  
51 in an accredited institution of higher education in North Carolina with an

- 1 educator preparation program approved by the State Board of Education to  
2 pursue teacher licensure.
- 3 (3) The teacher assistant qualifies as a resident for tuition purposes under the  
4 criteria set forth in G.S. 116-143.1 and in accordance with the coordinated and  
5 centralized residency determination process administered by the State  
6 Education Assistance Authority.
- 7 (f) Endorsement of Tuition Assistance Awards for Recipients. – Each local board of  
8 education or charter school participating in the Program shall enter into a memorandum of  
9 understanding with the institution of higher education in which an award recipient under the  
10 Program is enrolled that includes procedures for at least the following:
- 11 (1) Remittance of the award from the local board of education or charter school  
12 to the institution of higher education.
- 13 (2) Endorsement of the funds awarded to the recipient to the institution of higher  
14 education for deposit into the account of the institution.
- 15 (3) Return of a pro rata share of funds to the local board of education or charter  
16 school in the event a recipient (i) withdraws from the institution of higher  
17 education prior to the end of a term or (ii) the recipient's employment with the  
18 local board of education or in the charter school is terminated. The return of  
19 funds shall be consistent with procedures used by the institution under federal  
20 Title IV programs.
- 21 (g) Local Report. – No later than September 1 of each school year following at least six  
22 months of participation in the Program for that year, local boards of education and charter schools  
23 participating in the Program shall report at least the following information to the Department of  
24 Public Instruction:
- 25 (1) The number and amount of funds in tuition assistance awards provided to  
26 teacher assistants.
- 27 (2) The number of teacher assistant recipients who achieved teacher licensure,  
28 including the period of time from the issue of an initial tuition assistance  
29 award to the time of achieving licensure.
- 30 (3) The number of recipients who remained employed in the local school  
31 administrative unit or charter school after achieving teacher licensure.
- 32 (h) State Report. – No later than December 1, 2024, and annually thereafter for each year  
33 funds are awarded pursuant to the Program, the Department of Public Instruction shall aggregate  
34 the information provided pursuant to subsection (g) of this section and report that information to  
35 the Joint Legislative Education Oversight Committee."
- 36 **SECTION 7.33.(b)** G.S. 115C-269.30 reads as rewritten:  
37 **"§ 115C-269.30. Teacher assistants engaged in internships.**
- 38 (a) Program for Teacher Assistants. – The State Board shall adopt a program to facilitate  
39 the process by which teacher assistants may become teachers. Teacher assistants who participate  
40 in this program shall meet the following requirements:
- 41 (1) Be enrolled in a recognized EPP.  
42 (2) Be employed in a ~~North Carolina public school~~ public school unit.
- 43 (b) Internship Assignments. – ~~Local school administrative units~~ Public school units are  
44 encouraged to assign teacher assistants to a different classroom during an internship than the  
45 classroom they are assigned to as a teacher assistant. To the extent possible, they may be assigned  
46 to another school within the same ~~local school administrative unit~~ public school unit.
- 47 (c) Salary and Benefits. – Teacher assistants shall continue to receive their salary and  
48 benefits while interning in the same ~~local school administrative unit~~ public school unit where  
49 they are employed as a teacher assistant.

(d) Consultation With Institutions of Higher Education. – The State Board shall consult with the Board of Governors of The University of North Carolina and the North Carolina Independent Colleges and Universities in the development of the program."

**SECTION 7.33.(c)** This section applies beginning with the 2024-2025 school year.

**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 2024-2025 fiscal year to licensed personnel of the public schools who are classified as teachers. The salary schedule is based on years of teaching experience.

**2024-2025 Teacher Monthly Salary Schedule**

<b>Years of Experience</b>	<b>"A" Teachers</b>
0	\$4,400
1	\$4,410
2	\$4,420
3	\$4,430
4	\$4,444
5	\$4,520
6	\$4,618
7	\$4,710
8	\$4,801
9	\$4,892
10	\$4,984
11	\$5,075
12	\$5,167
13	\$5,258
14	\$5,350
15-24	\$5,442
25+	\$5,651

**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).

1           **SECTION 7A.1.(c)** For school psychologists, school speech pathologists who are  
2 licensed as speech pathologists at the master's degree level or higher, and school audiologists  
3 who are licensed as audiologists at the master's degree level or higher, the following shall apply:

- 4           (1) The first step of the salary schedule shall be equivalent to the sixth step of the  
5 "A" salary schedule.
- 6           (2) These employees shall receive the following salary supplements each month:
  - 7           a. Ten percent (10%) of their monthly salary, excluding the supplement  
8 provided pursuant to sub-subdivision b. of this subdivision.
  - 9           b. Three hundred fifty dollars (\$350.00).
- 10          (3) These employees are eligible to receive salary supplements equivalent to those  
11 of teachers for academic preparation at the six-year degree level or the  
12 doctoral degree level.
- 13          (4) The twenty-sixth step of the salary schedule shall be seven and one-half  
14 percent (7.5%) higher than the salary received by these same employees on  
15 the twenty-fifth step of the salary schedule.

16           **SECTION 7A.1.(d)** Beginning with the 2014-2015 fiscal year, in lieu of providing  
17 annual longevity payments to teachers paid on the teacher salary schedule, the amounts of those  
18 longevity payments are included in the monthly amounts under the teacher salary schedule.

19           **SECTION 7A.1.(e)** A teacher compensated in accordance with this salary schedule  
20 for the 2024-2025 school year shall receive an amount equal to the greater of the following:

- 21          (1) The applicable amount on the salary schedule for the applicable school year.
- 22          (2) For teachers who were eligible for longevity for the 2013-2014 school year,  
23 the sum of the following:
  - 24           a. The salary the teacher received in the 2013-2014 school year pursuant  
25 to Section 35.11 of S.L. 2013-360.
  - 26           b. The longevity that the teacher would have received under the longevity  
27 system in effect for the 2013-2014 school year provided in Section  
28 35.11 of S.L. 2013-360 based on the teacher's current years of service.
  - 29           c. The annual bonus provided in Section 9.1(e) of S.L. 2014-100.
- 30          (3) For teachers who were not eligible for longevity for the 2013-2014 school  
31 year, the sum of the salary and annual bonus the teacher received in the  
32 2014-2015 school year pursuant to Section 9.1 of S.L. 2014-100.

33           **SECTION 7A.1.(f)** As used in this section, the term "teacher" shall also include  
34 instructional support personnel.

## 35 36 **REINSTATE EDUCATION-BASED SALARY SUPPLEMENTS FOR TEACHERS AND** 37 **INSTRUCTIONAL SUPPORT PERSONNEL**

38           **SECTION 7A.2.(a)** G.S. 115C-302.10 is repealed.

39           **SECTION 7A.2.(b)** Notwithstanding any other provision of law, for the 2024-2025  
40 fiscal year, State Board of Education policy TCP-A-006, as it was in effect on June 30, 2013,  
41 shall be used to determine (i) whether teachers and instructional support personnel are paid on  
42 the "M" salary schedule and (ii) whether they receive a salary supplement for academic  
43 preparation at the six-year or doctoral degree level.  
44

## 45 **REVISE CERTAIN SUPPLANTING CRITERIA FOR SUPPLEMENTAL FUNDS FOR** 46 **TEACHER COMPENSATION**

47           **SECTION 7A.3.** Section 7A.4 of S.L. 2023-134 reads as rewritten:

48           "...

49           **"SECTION 7A.4.(b)** Definitions. – As used in this section, the following definitions shall  
50 apply:

51           ...



- (14) Supplant factor. – For each local school administrative unit ~~in each fiscal year of the fiscal biennium, as follows:~~
- a. For the 2023-2024 fiscal year, the total non-State funds expended for salary supplements for teachers in the 2020-2021 fiscal year divided by the total State and non-State funds expended for salaries for teachers in the 2020-2021 fiscal year.
  - b. For the 2024-2025 fiscal year, the lesser of the following:
    - 1. The total non-State funds expended for salary supplements for teachers in the 2020-2021 fiscal year divided by the total State and non-State funds expended for salaries for teachers in the 2020-2021 fiscal year.
    - 2. The total non-State funds expended for salary supplements for teachers in the 2021-2022 fiscal year divided by the total State and non-State funds expended for salaries for teachers in the 2021-2022 fiscal year.

...

**"SECTION 7A.4.(f1)** Nonsupplant Enforcement. – If the State Board of Education determines that a local school administrative unit has supplanted non-State funds in violation of subsection (f) of this section, the State Board of Education shall do the following:

- (1) For the 2023-2024 fiscal year, continue to allocate funds to the unit in accordance with subsection (c) of this section.
- (2) For the 2024-2025 fiscal year, do either of the following:
  - a. If the unit can show that it has remedied the deficiency in funding, continue to allocate funds to the unit in accordance with subsection (c) of this section.
  - b. If the unit cannot show that it has remedied the deficiency in funding, not allocate any funds under this section to the unit.

...."

**PRINCIPAL SALARY SCHEDULE**

**SECTION 7A.4.(a)** The following annual salary schedule for principals shall apply for the 2024-2025 fiscal year, beginning July 1, 2024:

**2024-2025 Principal Annual Salary Schedule**

<b>Avg. Daily Membership</b>	<b>Base</b>	<b>Met Growth</b>	<b>Exceeded Growth</b>
0-200	\$78,547	\$86,401	\$94,256
201-400	\$82,474	\$90,721	\$98,968
401-700	\$86,401	\$95,041	\$103,682
701-1,000	\$90,329	\$99,362	\$108,395
1,001-1,600	\$94,256	\$103,682	\$113,107
1,601+	\$98,183	\$108,002	\$117,820

A principal's placement on the salary schedule shall be determined according to the average daily membership of the school supervised by the principal, as described in subsection (b) of this section, and the school growth scores, calculated pursuant to G.S. 115C-83.15(c), for each school the principal supervised in one or more prior school years, as described in subsection (c) of this section, regardless of a break in service, and provided the principal supervised each school as a principal for at least a majority of the school year, as follows:

- (1) A principal shall be paid according to the Exceeded Growth column of the schedule as follows:
  - a. For the first six months of the applicable fiscal year, if the higher school growth score in one of the two prior school years shows that the school exceeded expected growth.

- 1                   b.       For the second six months of the applicable fiscal year, if the school  
2                   growth scores show the school or schools exceeded expected growth  
3                   in at least two of the prior three school years.
- 4           (2)     A principal shall be paid according to the Met Growth column of the schedule  
5           as follows:
- 6           a.       For the first six months of the applicable fiscal year, if any of the  
7           following apply:
- 8                   1.       The higher school growth score in one of the two prior school  
9                   years shows that the school met expected growth.
- 10                   2.       The principal supervised a school in the two prior school years  
11                   that was not eligible to receive a school growth score.
- 12           b.       For the second six months of the applicable fiscal year, if any of the  
13           following apply:
- 14                   1.       The school growth scores show the school or schools met  
15                   expected growth in at least two of the prior three school years.
- 16                   2.       The school growth scores show the school or schools met  
17                   expected growth in at least one of the prior three school years  
18                   and exceeded expected growth in one of the prior three school  
19                   years.
- 20                   3.       The principal supervised a school in at least two of the prior  
21                   three school years that was not eligible to receive a school  
22                   growth score.
- 23           (3)     A principal shall be paid according to the Base column, as follows:
- 24           a.       For the first six months of the applicable fiscal year, if any of the  
25           following apply:
- 26                   1.       The school growth scores from the two prior school years show  
27                   that the school did not meet expected growth in both years.
- 28                   2.       The principal has not supervised any school as a principal for  
29                   a majority of the two prior school years.
- 30           b.       For the second six months of the applicable fiscal year, if any of the  
31           following apply:
- 32                   1.       The school growth scores show the school or schools did not  
33                   meet expected growth in at least two of the prior three school  
34                   years.
- 35                   2.       The principal has not supervised any school as a principal for  
36                   a majority of the school year in at least two of the prior three  
37                   school years.

38                   **SECTION 7A.4.(b)** For purposes of this section, the following amounts shall be  
39           used during the following time periods:

- 40           (1)     For the first six months of the applicable fiscal year, the average daily  
41           membership for the school from the third year. If the school did not have an  
42           average daily membership in the third year, the projected average daily  
43           membership for the school for the applicable school year.
- 44           (2)     For the second six months of the applicable fiscal year, the average daily  
45           membership for the school for the applicable school year. For this time period  
46           only, the average daily membership of a principal's school shall include any  
47           prekindergarten students in membership at that school.

48                   **SECTION 7A.4.(c)** For purposes of determining the school growth scores for each  
49           school the principal supervised in one or more prior school years, the following school growth  
50           scores shall be used during the following time periods:

- 1 (1) For the first six months of the applicable fiscal year, the school growth scores
- 2 from the first and second years.
- 3 (2) For the second six months of the applicable fiscal year, the school growth
- 4 scores from the first, second, and third years. If a principal does not have a
- 5 school growth score from any of the school years identified in this subdivision,
- 6 the most recent available growth scores, up to the third year, shall be used.

7 **SECTION 7A.4.(d)** Beginning with the 2017-2018 fiscal year, in lieu of providing  
 8 annual longevity payments to principals paid on the principal salary schedule, the amounts of  
 9 those longevity payments are included in the annual amounts under the principal salary schedule.

10 **SECTION 7A.4.(e)** A principal compensated in accordance with this section for the  
 11 applicable fiscal year shall receive an amount equal to the greater of the following:

- 12 (1) The applicable amount on the principal salary schedule for the applicable
- 13 fiscal 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 **SECTION 7A.4.(f)** For purposes of this section, the following definitions apply:

- 26 (1) First year. – The school year immediately preceding the second year.
- 27 (2) Second year. – The school year immediately preceding the third year.
- 28 (3) The applicable fiscal year. – The 2024-2025 fiscal year.
- 29 (4) The applicable school year. – The 2024-2025 school year.
- 30 (5) Third year. – The school year immediately preceding the applicable school
- 31 year.

32  
 33 **BONUSES FOR PRINCIPALS**

34 **SECTION 7A.5.(a)** Article 19 of Chapter 115C of the General Statutes is amended  
 35 by adding the following new section to read:

36 **"§ 115C-285.2. Principal bonuses.**

37 (a) To the extent funds are made available for this purpose, the Department of Public  
 38 Instruction shall administer a bonus in each fiscal year to any principal who supervised a school  
 39 as a principal for a majority of the previous school year if that school was in the top fifty percent  
 40 (50%) of school growth in the State during the previous school year, as calculated by the State  
 41 Board pursuant to G.S. 115C-83.15(c). A principal shall receive no more than one bonus pursuant  
 42 to this subsection. The bonus shall be paid at the highest amount for which the principal qualifies  
 43 under the following schedule:

<u>Statewide Growth Percentage</u>	<u>Bonus</u>
<u>Top 5%</u>	<u>\$15,000</u>
<u>Top 10%</u>	<u>\$10,000</u>
<u>Top 15%</u>	<u>\$5,000</u>
<u>Top 20%</u>	<u>\$2,500</u>
<u>Top 50%</u>	<u>\$1,000</u>

50 (b) The bonus awarded pursuant to this section shall be in addition to any regular wage  
 51 or other bonus the principal receives or is scheduled to receive.

1       (c)     Notwithstanding G.S. 135-1(7a), the bonuses awarded pursuant to this section are not  
2 compensation under Article 1 of Chapter 135 of the General Statutes, Retirement System for  
3 Teachers and State Employees.

4       (d)     It is the intent of the General Assembly that funds provided pursuant to this section  
5 will supplement principal compensation and not supplant local funds.

6       (e)     The bonus provided pursuant to this section shall be paid no later than October 31 of  
7 the applicable fiscal year to qualifying principals employed as of October 1 of that year."

8             **SECTION 7A.5.(b)** This section applies beginning with bonuses awarded in October  
9 of 2024.

## 11 **ASSISTANT PRINCIPAL SALARIES**

12             **SECTION 7A.6.(a)** For the 2024-2025 fiscal year, beginning July 1, 2024, assistant  
13 principals shall receive a monthly salary based on the salary schedule for teachers who are  
14 classified as "A" teachers plus nineteen percent (19%). An assistant principal shall be placed on  
15 the step on the salary schedule that reflects the total number of years of experience as a certified  
16 employee of the public schools. For purposes of this section, an administrator with a one-year  
17 provisional assistant principal's certificate shall be considered equivalent to an assistant principal.

18             **SECTION 7A.6.(b)** Assistant principals with certification based on academic  
19 preparation at the six-year degree level shall be paid a salary supplement of one hundred  
20 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary  
21 supplement of two hundred fifty-three dollars (\$253.00) per month.

22             **SECTION 7A.6.(c)** Participants in an approved full-time master's in school  
23 administration program shall receive up to a 10-month stipend during the internship period of the  
24 master's program. The stipend shall be at the beginning salary of an assistant principal or, for a  
25 teacher who becomes an intern, at least as much as that person would earn as a teacher on the  
26 teacher salary schedule. The North Carolina Principal Fellows Program or the school of education  
27 where the intern participates in a full-time master's in school administration program shall supply  
28 the Department of Public Instruction with certification of eligible full-time interns.

29             **SECTION 7A.6.(d)** Beginning with the 2017-2018 fiscal year, in lieu of providing  
30 annual longevity payments to assistant principals on the assistant principal salary schedule, the  
31 amounts of those longevity payments are included in the monthly amounts provided to assistant  
32 principals pursuant to subsection (a) of this section.

33             **SECTION 7A.6.(e)** An assistant principal compensated in accordance with this  
34 section for the 2024-2025 fiscal year shall receive an amount equal to the greater of the following:

- 35             (1)     The applicable amount on the salary schedule for the applicable year.
- 36             (2)     For assistant principals who were eligible for longevity in the 2016-2017 fiscal  
37                     year, the sum of the following:
  - 38                     a.     The salary the assistant principal received in the 2016-2017 fiscal year  
39                             pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.
  - 40                     b.     The longevity that the assistant principal would have received as  
41                             provided for State employees under the North Carolina Human  
42                             Resources Act for the 2016-2017 fiscal year based on the assistant  
43                             principal's current years of service.
- 44             (3)     For assistant principals who were not eligible for longevity in the 2016-2017  
45                     fiscal year, the salary the assistant principal received in the 2016-2017 fiscal  
46                     year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.

## 48 **CENTRAL OFFICE SALARIES**

49             **SECTION 7A.7.(a)** For the 2024-2025 fiscal year, beginning July 1, 2024, the  
50 annual salary for superintendents, assistant superintendents, associate superintendents,

1 directors/coordinators, supervisors, and finance officers whose salaries are supported from State  
 2 funds shall be increased by four percent (4%).

3 **SECTION 7A.7.(b)** The monthly salary maximums that follow apply to assistant  
 4 superintendents, associate superintendents, directors/coordinators, supervisors, and finance  
 5 officers for the 2024-2025 fiscal year, beginning July 1, 2024:

	<b>2024-2025 Fiscal Year</b>
	<b>Maximum</b>
6 School Administrator I	\$7,646
7 School Administrator II	\$8,102
8 School Administrator III	\$8,584
9 School Administrator IV	\$8,920
10 School Administrator V	\$9,276
11 School Administrator VI	\$9,826
12 School Administrator VII	\$10,218

13 The local board of education shall determine the appropriate category and placement  
 14 for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or  
 15 finance officer within the maximums and within funds appropriated by the General Assembly  
 16 for central office administrators and superintendents. The category in which an employee is  
 17 placed shall be included in the contract of any employee.

18 **SECTION 7A.7.(c)** The monthly salary maximums that follow apply to  
 19 superintendents for the 2024-2025 fiscal year, beginning July 1, 2024:

	<b>2024-2025 Fiscal Year</b>
	<b>Maximum</b>
20 Superintendent I	\$10,832
21 Superintendent II	\$11,476
22 Superintendent III	\$12,166
23 Superintendent IV	\$12,897
24 Superintendent V	\$13,673

25 The local board of education shall determine the appropriate category and placement  
 26 for the superintendent based on the average daily membership of the local school administrative  
 27 unit and within funds appropriated by the General Assembly for central office administrators and  
 28 superintendents.

29 **SECTION 7A.7.(d)** Longevity pay for superintendents, assistant superintendents,  
 30 associate superintendents, directors/coordinators, supervisors, and finance officers shall be as  
 31 provided for State employees under the North Carolina Human Resources Act.

32 **SECTION 7A.7.(e)** Superintendents, assistant superintendents, associate  
 33 superintendents, directors/coordinators, supervisors, and finance officers with certification based  
 34 on academic preparation at the six-year degree level shall receive a salary supplement of one  
 35 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided  
 36 pursuant to this section. Superintendents, assistant superintendents, associate superintendents,  
 37 directors/coordinators, supervisors, and finance officers with certification based on academic  
 38 preparation at the doctoral degree level shall receive a salary supplement of two hundred  
 39 fifty-three dollars (\$253.00) per month in addition to the compensation provided for under this  
 40 section.

41 **SECTION 7A.7.(f)** The State Board of Education shall not permit local school  
 42 administrative units to transfer State funds from other funding categories for salaries for public  
 43 school central office administrators.

44  
 45  
 46  
 47  
 48  
 49 **NONCERTIFIED PERSONNEL SALARIES**

1           **SECTION 7A.8.** For the 2024-2025 fiscal year, beginning July 1, 2024, the annual  
2 salary for noncertified public school employees whose salaries are supported from State funds  
3 shall be increased as follows:

- 4           (1) For permanent, full-time employees on a 12-month contract, by four percent  
5           (4%).  
6           (2) For the following employees, by an equitable amount based on the amount  
7           specified in subdivision (1) of this section:  
8           a. Permanent, full-time employees on a contract for fewer than 12  
9           months.  
10           b. Permanent, part-time employees.  
11           c. Temporary and permanent hourly employees.

12  
13 **PART VIII. THE UNIVERSITY OF NORTH CAROLINA SYSTEM**

14  
15 **PERMIT UNC TO ENTER INTO AGREEMENTS WITH VENDORS TO BUY BACK**  
16 **OR TRADE IN TECHNOLOGICAL EQUIPMENT**

17  
18           **SECTION 8.1.(a)** G.S. 143-64.03 reads as rewritten:

19 **"§ 143-64.03. Powers and duties of the State agency for surplus property.**

20 ...

21           (b1) Nothing in this Article, or any administrative rules promulgated under this Article,  
22 shall be deemed to prohibit The University of North Carolina from ~~conveying~~ doing the  
23 following:

- 24           (1) Conveying surplus computer equipment at no cost and cost. The University of  
25 North Carolina is encouraged to prioritize distribution to nonprofit entities that  
26 refurbish computers to donate to low-income students or households in the  
27 State. Any conveyance to a nonprofit under this ~~subsection~~ subdivision shall  
28 be conditioned upon, and in consideration of, the nonprofit's promise to  
29 refurbish the computer equipment and its donation to low-income students or  
30 households in the State and the nonprofit's reporting of information required  
31 by ~~this subsection~~ subsection (b2) of this section. After an initial conveyance,  
32 The University of North Carolina shall not convey additional surplus  
33 computer equipment to a nonprofit, unless that nonprofit has reported the  
34 information required by ~~this subsection~~ subsection (b2) of this section for prior  
35 conveyances.  
36           (2) Entering into agreements with one or more vendors to trade in any  
37 technological equipment purchased from the vendor or to allow a vendor to  
38 buy back any technological equipment even if the equipment was not  
39 purchased from that vendor.

40           (b2) When ~~making a distribution under this subsection, either distributing surplus~~  
41 computer equipment as provided in subdivision (1) of subsection (b1) of this section or entering  
42 into a trade-in or buyback agreement under subdivision (2) of subsection (b1) of this section, The  
43 University of North Carolina shall keep records on the type of computer equipment ~~distributed,~~  
44 distributed or the technological equipment subject to the agreement, the number ~~distributed,~~ of  
45 computers distributed or the type and quantity of technological equipment subject to the  
46 agreement, the name of the nonprofit that received the ~~distributions,~~ distributions or the name of  
47 the vendor subject to the agreement, and the nonprofit's report on donations of refurbished  
48 computers to low-income students or households in the State. If the nonprofit is unable to  
49 refurbish computer equipment for any reason, its report shall include the disposition of such  
50 computer equipment. A nonprofit shall provide a report to the Board of Governors of The  
51 University of North Carolina by February 1, 2022, and by February 1 of each year thereafter. The

1 report shall contain the information required by this subsection and any other information the  
2 Board of Governors deems reasonably necessary to ensure the conditions required under this  
3 subsection are satisfied. The Board of Governors of The University of North Carolina shall  
4 submit a report containing the information required to be collected under this subsection to the  
5 Joint Legislative Education Oversight Committee by December 1, 2022, and by ~~December~~ March  
6 1 of each year thereafter.

7 ...."

8 **SECTION 8.1.(b)** This section is effective when it becomes law.

9  
10 **PERMIT UNC CONSTITUENT INSTITUTIONS TO CARRY FORWARD TAX**  
11 **PROCEEDS FROM SPORTS WAGERING**

12 **SECTION 8.2.(a)** G.S. 116-30.3 is amended by adding a new subsection to read:

13 "(g) Funds appropriated to constituent institutions of The University of North Carolina  
14 pursuant to G.S. 105-113.128 to support collegiate athletic departments shall not revert at the end  
15 of the fiscal year in which they are appropriated but shall remain available until expended."

16 **SECTION 8.2.(b)** This section becomes effective June 30, 2024.

17  
18 **EXTEND DEADLINE FOR UNC BOARD OF GOVERNORS BUDGET ALLOCATIONS**  
19 **REPORT**

20 **SECTION 8.3.** G.S. 116-11(9b) reads as rewritten:

21 "(9b) The Board of Governors shall report by ~~February~~ March 1 of each year to the  
22 Joint Legislative Education Oversight Committee, the Senate Appropriations  
23 Committee on Education/Higher Education, the House of Representatives  
24 Appropriations Subcommittee on Education, and the Fiscal Research Division  
25 on the actions and adjustments necessary to its budgetary policies, regulations,  
26 and standards resulting from the Current Operations Appropriations Act for  
27 the administration and operation of The University of North Carolina and the  
28 distribution of State and federal funds to constituent institutions. The report  
29 shall include at least the following information for each constituent institution:  
30 a. Guidelines related to State salaries of University of North Carolina  
31 employees, including range, median, and mean of faculty salaries at  
32 the institution.  
33 b. Budget allocations and reductions, including for operating expenses  
34 and specific programs.  
35 c. Distribution of additional State allocations for enrollment funding.  
36 d. Use of State funds and budget flexibility.  
37 e. Availability of federal funds.  
38 f. Tuition and fees.  
39 g. Composition of the student population at the institution, including  
40 headcount enrollment and full-time student enrollment for both  
41 undergraduate and graduate students, and aggregate data on residency  
42 status, median household income, gender, race, and ethnicity.  
43 h. Student retention and graduation rates.  
44 i. Postsecondary educational attainment rate at the institution, including  
45 comparison to statewide data.  
46 j. A comparison to prior fiscal year expenditures and appropriations.  
47 k. The total amount of mandatory student fee revenue collected by  
48 institution and fee type.  
49 l. Any source of student auxiliary revenue that represents greater than  
50 ten percent (10%) of the overall student auxiliary revenue by  
51 institution and revenue type.

- 1 m. Any source of sales revenue that represents greater than ten percent  
2 (10%) of the overall sales revenue by institution and sales revenue  
3 type."  
4

5 **PERMIT CHAIR OF BOARD OF GOVERNORS TO DESIGNATE A MEMBER OF**  
6 **BOARD OF DIRECTORS FOR PROJECT KITTY HAWK**

7 **SECTION 8.4.** Section 8.24(c) of S.L. 2021-180 reads as rewritten:

8 "SECTION 8.24.(c) Project Kitty Hawk shall be conducted by a nonprofit corporation  
9 created in accordance with this section and G.S. 116-30.20. The nonprofit corporation shall  
10 include in its corporate bylaws that the organization will be governed by a board of directors  
11 consisting of nine members, as follows:

- 12 (1) Two ex officio voting members as follows:  
13 a. The President of The University of North Carolina.  
14 b. The Chair of the Board of Governors of The University of North  
15 Carolina, Carolina, or the Chair's designee.  
16 (2) Seven voting members appointed by the Board of Governors, in consultation  
17 with the President of The University of North Carolina, as follows:  
18 a. Three members who shall be chancellors or chief academic officers of  
19 constituent institutions of The University of North Carolina.  
20 b. Four members who shall be individuals having experience in business  
21 management, higher education, or both."  
22

23 **INTENT TO SUPPORT THE SCHOOL OF CIVIC LIFE AND LEADERSHIP AT THE**  
24 **UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

25 **SECTION 8.5.** It is the intention of the General Assembly to provide funding in  
26 future fiscal years to facilitate the development of the School of Civic Life and Leadership at the  
27 University of North Carolina at Chapel Hill that was established pursuant to Section 8.5 of S.L.  
28 2023-134, including funding for faculty and administration, scholarships, and other needs of the  
29 new school, as described in the report submitted to the Joint Legislative Education Oversight  
30 Committee pursuant to Section 8.5(d) of S.L. 2023-134.  
31

32 **NC COLLABORATORY PFAS STUDY**

33 **SECTION 8.6.** The North Carolina Collaboratory (Collaboratory) at the University  
34 of North Carolina at Chapel Hill shall study the economic impact of national drinking water  
35 standards from the Environmental Protection Agency (EPA) for per- and polyfluoroalkyl  
36 substances (PFAS) on public water systems in North Carolina. The study shall provide a  
37 summary of existing commercially available technologies, emerging technologies such as those  
38 being developed at The University of North Carolina, as well as cost, technical feasibility, time  
39 lines, and other data deemed relevant by the Collaboratory that may assist policymakers,  
40 municipal and county governments, and other entities developing strategic plans to implement  
41 water treatment technologies at public water supplies required to meet EPA standards. All units  
42 of State and local government shall provide all data requested by the Collaboratory as part of this  
43 study. The Collaboratory shall fund this study with existing PFAS appropriations and deliver a  
44 final report to the Environmental Review Commission no later than December 31, 2025.  
45

46 **NORTH CAROLINA COLLABORATORY TO ESTABLISH AND OPERATE THE**  
47 **OFFICE OF LEARNING RESEARCH**

48 **SECTION 8.7.(a)** OLR Established. – Of the funds appropriated in this act to the  
49 Board of Governors of The University of North Carolina, the sum of one million five hundred  
50 thousand dollars (\$1,500,000) in recurring funds for the 2024-2025 fiscal year shall be allocated  
51 to the North Carolina Collaboratory to establish and operate the Office of Learning Research



(OLR), beginning in the 2024-2025 fiscal year. When developing the base budget, as defined in G.S. 143C-1-1, beginning in the 2025-2027 fiscal biennium, the Director of the Budget shall increase the recurring appropriation to the Board of Governors of The University of North Carolina for OLR to a total of two million dollars (\$2,000,000) for each fiscal year to support the annualized cost of operating OLR. The purpose of OLR is to identify and evaluate the efficacy and efficiency of programs, activities, initiatives, procedures, and any other factors related to elementary and secondary education in the State.

**SECTION 8.7.(b) Funding and Duties of OLR.** – Funding allocated to the Collaboratory for OLR shall be administered by the Collaboratory pursuant to the provisions of G.S. 116-255(c). These funds shall be used to do at least the following:

- (1) Provide information and support needed by elementary and secondary public schools, university leaders, and elected officials to make evidence-based decisions.
- (2) Collaborate with constituent institutions of The University of North Carolina and other stakeholders to implement innovative policies and programs to accelerate learning for all students.
- (3) Work with external research resources and partners to evaluate local, State, and federal programs in order to establish metrics and assess return on investment.
- (4) Support the operations of OLR.

**SECTION 8.7.(c) Collaboratory May Relocate OLR.** – After the Collaboratory establishes OLR, the Collaboratory may, upon consultation with The University of North Carolina System Office and the Provost at the University of North Carolina at Chapel Hill, relocate OLR within the University of North Carolina at Chapel Hill. If the Collaboratory relocates OLR pursuant to this section, the Collaboratory shall do the following:

- (1) Continue to administer funds appropriated in this act for OLR for the operations of OLR, as described in subsection (b) of this section.
- (2) Continue to determine, fund, manage, and oversee the research portfolio of OLR. The entity to which OLR is relocated shall otherwise oversee the operations of OLR.
- (3) Within 60 days of the relocation, report to the Joint Legislative Education Oversight Committee on where OLR was relocated and any other information the Collaboratory deems relevant to the relocation.

**SECTION 8.7.(d) Access to Information.** – All units of State and local government, including the State Board of Education, the Department of Public Instruction, and public school units, shall provide reasonable access to records, data, processes, personnel, and any other information deemed relevant by the Office or the Collaboratory, to the extent otherwise permitted under State and federal law, to carry out the provisions of this section.

**SECTION 8.7.(e) Report.** – No later than March 1, 2025, the Collaboratory shall report to the Joint Legislative Education Oversight Committee on the progress made in establishing and operating OLR pursuant to this section. For each fiscal year OLR is in operation, the Collaboratory shall include in the annual report required by G.S. 116-256 information on the activities of OLR from the prior fiscal year.

## **ADMISSIONS STANDARDS FOR HEALTH CARE PROGRAMS**

**SECTION 8.8.(a)** Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

**"§ 116-33.10. Admissions standards for health care programs.**

**(a) All constituent institutions offering degrees, certifications, or training related to health care shall make publicly available the criteria by which applicants for admission to the institution or program are evaluated. The publicly available information shall include a rubric that details**

1 the weight placed upon each admissions criterion, including standardized test scores, grades,  
2 class rigor, personal statements, interviews, and any other factors used to determine admission.

3 (b) By September 15 of each year, constituent institutions subject to subsection (a) of this  
4 section shall submit to the Board of Governors a report on the prior year's applicants for  
5 admission to programs related to health care. The report shall at least include the following  
6 de-identified information separately for both applicants and admitted students, disaggregated by  
7 race:

8 (1) Number of individuals.

9 (2) Standardized test scores.

10 (3) Grade point average.

11 (c) The Board of Governors shall establish an electronic dashboard of all reported  
12 information that consolidates the information submitted by each constituent institution and shall  
13 annually update the dashboard by November 15. The Board of Governors shall provide notice to  
14 the Joint Legislative Education Oversight Committee when the dashboard has been updated.

15 (d) The Board of Governors shall designate the degrees, certifications, and training  
16 offered by constituent institutions that relate to health care."

17 **SECTION 8.8.(b)** This section is effective when it becomes law and applies  
18 beginning with reports due September 15, 2024.

#### 20 **UNC TEMPORARY CARRYFORWARD**

21 **SECTION 8.9.(a)** Part VIII of S.L. 2023-134, as amended by Sections 2.11 and 2.12  
22 of S.L. 2024-1, is further amended by adding a new section to read:

23 **"UNC MAY CARRY FORWARD NONRECURRING FUNDS UNTIL THE END OF THE**  
24 **FISCAL BIENNIUM**

25 **"SECTION 8.25. Notwithstanding any other provision of law to the contrary, the following**  
26 **nonrecurring funds appropriated in this act for the 2023-2024 fiscal year shall not revert at the**  
27 **end of the 2023-2024 fiscal year but shall remain available until the end of the 2024-2025 fiscal**  
28 **year:**

29 (1) Funds appropriated to the Board of Governors of The University of North  
30 Carolina.

31 (2) Funds received by a constituent institution of The University of North  
32 Carolina."

33 **SECTION 8.9.(b)** This section becomes effective June 30, 2024.

#### 35 **REVISE THE AUTHORITY AND DUTIES OF THE NORTH CAROLINA** 36 **COLLABORATORY**

37 **SECTION 8.10.(a)** G.S. 116-255 reads as rewritten:

38 **"§ 116-255. The North Carolina Collaboratory established.**

39 ...  
40 (b) Duties and Powers. – The Collaboratory shall do at least the following within the  
41 funds available:

42 ...  
43 (6) ~~Maintain an online reporting portal, in partnership with~~ Assist the Office of  
44 State Fire ~~Marshal, Marshal~~ in the maintenance of the online reporting portal  
45 on the storage and deployment of Aqueous Film-Forming Foams (AFFF) as  
46 required by G.S. 58-82B-10.

47 ...  
48 (c) Funding Conditions and Restrictions. – The following applies to funding received by  
49 the Collaboratory:

50 ...

(3) For research or investigations that need to be carried out expeditiously in response to a project, opportunity, or a legislative mandate, the provisions of Articles 3, 3A, 3B, 3C, 3D, and 8C of Chapter 143 of the General Statutes, G.S. 143-129, and G.S. 116-31.10 shall not apply to the Collaboratory for the purchase of apparatus, supplies, material, services, capital improvements, or equipment in projects addressing ~~an emerging or immediate threat to a~~ perceived, potential, or real concern regarding public health, safety, or welfare-welfare. This subdivision shall apply only when at least fifty percent (50%) of the total funding for a project was provided by the Collaboratory. For each project that utilizes this exemption, the Collaboratory shall provide a justification in writing and make this document available on its website for the duration of the project.

...  
 (7) The Collaboratory may negotiate or impose ~~data use, data management, and revenue sharing requirements for intellectual property as well as requirements for the management and use of data~~ developed through its research awards using State funds, including, but not limited to, contractual terms that provide for gross revenue distribution to the ~~General Fund Collaboratory~~ for future research and development ~~projects-projects~~ and to the General Fund. To the extent necessary, the Board of Governors of The University of North Carolina may amend and maintain patent policies incorporating the revenue sharing requirements of the Collaboratory as described in this subdivision.

(8) Funds appropriated by the General Assembly from any source of funds to the Collaboratory (i) shall not revert ~~to the General Fund~~ but shall remain available until expended and (ii) shall not apply to the carryforward limitation imposed on constituent institutions of The University of North Carolina by G.S. 116-30.3.

(9) If a project or study of the Collaboratory includes records associated with any of the following, then all records associated with that project or study are not public records, as that term is defined in G.S. 132-1:

- a. Specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure, as described in G.S. 132-1.7(a)(5).
- b. Vulnerability and risk assessments, as described in G.S. 132-1.7(b)."

**SECTION 8.10.(b)** G.S. 58-82B-10 reads as rewritten:

**"§ 58-82B-10. Duties of Office of the State Fire Marshal.**

The Office of the State Fire Marshal (OSFM) shall do all of the following:

...  
 (2) ~~Assist the North Carolina Collaboratory, established under G.S. 116-255, in the development of~~ Develop and maintain, with the assistance of the North Carolina Collaboratory established under G.S. 116-255, an online reporting portal for fire departments operated, regulated, or managed by one or more units of State and local government, including those located at or serving public airports, with the requirements of this Article.

...."

**SECTION 8.10.(c)** Subsection (i) of Section 8.10 of S.L. 2021-180 reads as rewritten:

**"SECTION 8.10.(i)** ~~The Collaboratory, in partnership with the~~ The Office of the State Fire Marshal (OSFM)-(OSFM), in partnership with the Collaboratory and any unit of State and local government deemed relevant by ~~the Collaboratory, OSFM,~~ shall develop and maintain the online reporting portal as required by G.S. 58-82B-10, as enacted by subsection (h) of this section, and

1 G.S. 116-255(b)(6), as enacted by Section 8.8 of this act. The portal shall consist of an online  
2 reporting tool and related database that captures the storage and deployment of Aqueous  
3 Film-Forming Foams (AFFF) by fire departments in the State that are operated, managed, or  
4 overseen by units of local government, including those located at or serving public airports. The  
5 reporting tool shall be easily accessible to firefighters and fire department personnel to upload  
6 the data. The required inventory data shall include, at a minimum, the following:

7 ...."

8  
9 **ESTABLISH THE COLLEGE OF APPLIED SCIENCE AND TECHNOLOGY AT THE**  
10 **UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

11 **SECTION 8.11.(a)** The Board of Trustees of the University of North Carolina at  
12 Chapel Hill (UNC-CH) shall establish the College of Applied Science and Technology at  
13 UNC-CH (the College). The College shall meet at least the following requirements:

- 14 (1) Expand academic programming in areas critical to supporting research,  
15 industry partnerships, and the workforce needs of the State.
- 16 (2) Reorganize existing and related programming into a newly established  
17 College.
- 18 (3) Include academic degree programs in any postsecondary subject area defined  
19 by the Classification of Instructional Programs (CIP) of the United States  
20 Department of Education under CIP codes 03, 11, 14, 15, 26, 27, 31, and 40.

21 **SECTION 8.11.(b)** As part of establishing the College of Applied Science and  
22 Technology pursuant to subsection (a) of this section, the Board of Trustees of UNC-CH shall  
23 review other existing academic programs at UNC-CH and consider consolidating or eliminating  
24 programs that have a low return on investment or low enrollment. The Board of Trustees of  
25 UNC-CH shall reinvest any savings realized from consolidating or eliminating programs  
26 pursuant to this subsection into academic programs at UNC-CH that have a high return on  
27 investment or high enrollment.

28  
29 **COMPLETION ASSISTANCE GRANTS**

30 **SECTION 8.12.(a)** Section 8.3 of S.L. 2023-134 is repealed.

31 **SECTION 8.12.(b)** Article 14 of Chapter 116 of the General Statutes is amended by  
32 adding a new section to read:

33 **"§ 116-144.1. Completion Assistance Grants.**

34 (a) **Definition.** – For purposes of this section, the term "eligible constituent institutions"  
35 **refers to the following constituent institutions of The University of North Carolina:**

- 36 (1) Elizabeth City State University.
- 37 (2) Fayetteville State University.
- 38 (3) North Carolina Agricultural and Technical State University.
- 39 (4) North Carolina Central University.
- 40 (5) The University of North Carolina at Asheville.
- 41 (6) The University of North Carolina at Greensboro.
- 42 (7) The University of North Carolina at Pembroke.
- 43 (8) Winston-Salem State University.

44 (b) **Grant Program.** – To the extent funds are made available for this purpose, the Board  
45 **of Governors of The University of North Carolina shall establish a Completion Assistance**  
46 **Program (Program) at each eligible constituent institution. At a minimum, each Program shall**  
47 **meet the following criteria:**

- 48 (1) **A student enrolled in a Program established by this section may receive up to**  
49 **one thousand dollars (\$1,000) per academic year under that Program to pay**  
50 **for the costs of continuing attendance and earning necessary credit hours at**  
51 **the eligible constituent institution.**

- 1           (2)    A student shall be eligible to receive funds under a Program if the student  
2           meets at least the following requirements:  
3           a.     Needs financial assistance to remain enrolled at the eligible constituent  
4           institution and earn credits necessary to graduate on time.  
5           b.     Is a resident for tuition purposes, as provided in G.S. 116-143.1.  
6           c.     Meets satisfactory academic progress, as determined by the Board.  
7           d.     Has completed or is on track to complete at least 60 academic credit  
8           hours by the end of the semester in which the funds are provided.  
9           e.     Has completed the Free Application for Federal Student Aid (FAFSA)  
10           for the academic year in which the funds are provided.  
11           f.     Has an unpaid balance with the eligible constituent institution. This  
12           may include an unpaid balance for tuition, fees, room, board, or other  
13           expenses of attendance.

14           (c)    Report. – The Board of Governors of The University of North Carolina shall report  
15           on each Completion Assistance Program to the Joint Legislative Education Oversight Committee  
16           no later than March 15 of each year. The report shall include, at a minimum, an analysis of the  
17           impact of each Program on the following:

- 18                   (1)    On-time graduation rates.  
19                   (2)    Student debt at graduation.

20           (d)    Allocation of Funds. – The Board shall allocate funds appropriated each year to each  
21           eligible constituent institution of The University of North Carolina proportional to the number of  
22           undergraduate students enrolled at each eligible constituent institution who are residents of North  
23           Carolina and recipients of a federal Pell Grant."

24           **SECTION 8.12.(c)** Notwithstanding subsection (a) of this section, the Board of  
25           Governors shall include the information required in Section 8.3(c) of S.L. 2023-134 for the  
26           Completion Assistance Programs in effect in the 2023-2024 academic year in the March 25,  
27           2024, report required pursuant to G.S. 116-144.1(c), as enacted by subsection (b) of this section.  
28

## 29 **PART VIII-A. UNIVERSITY/STATE EDUCATION ASSISTANCE AUTHORITY**

### 30 **STATE AGENCIES MAY CONTRACT WITH THE AUTHORITY TO ADMINISTER** 31 **AGENCY LOAN PROGRAMS**

32           **SECTION 8A.1.** Article 23 of Chapter 116 of the General Statutes is amended by  
33           adding the following new section to read:

#### 34 **"§ 116-204.2. Administration of State agency loan programs.**

35           (a)    A State agency, as defined in G.S. 143C-1-1(d)(24) may, upon mutual agreement,  
36           enter into a contract with the State Education Assistance Authority for the Authority to administer  
37           a loan program on behalf of the State agency. The contract shall specify at least the following:  
38

- 39                   (1)    The Authority will administer the agency loan program using the structure of  
40                   the Forgivable Education Loans for Service Program established pursuant to  
41                   G.S. 116-209.45.  
42                   (2)    The Authority may administer the agency loan program for students enrolled  
43                   in one or more selected categories of eligible institutions, as defined in  
44                   G.S. 116-209.45.  
45                   (3)    The State agency shall provide sufficient funds to the Authority for  
46                   administration of the agency loan program, including administrative costs  
47                   associated with loan service and cash repayment that are incurred by the  
48                   Authority after awards are distributed.  
49

1       **(b)** The Authority shall not use any funds appropriated by the General Assembly and  
2 allocated to the Authority for a specific program or purpose to facilitate the administration of an  
3 agency loan program under subsection (a) of this section."  
4

5       **CLARIFY ELIGIBILITY FOR IN-STATE TUITION FOR INCARCERATED**  
6 **INDIVIDUALS**

7       **SECTION 8A.2.(a)** G.S. 116-143.1 is amended by adding a new subsection to read:

8       **"(n)** Notwithstanding any other provisions of this section to the contrary, an incarcerated  
9 individual may qualify as a legal resident and a resident for tuition purposes pursuant to the  
10 provisions of this section. For purposes of this section, an incarcerated individual is a citizen of  
11 the United States who is incarcerated in a State correctional facility under the jurisdiction of the  
12 Division of Prisons of the Department of Adult Correction or in a local confinement facility, as  
13 defined in G.S. 153A-217, under the jurisdiction of the applicable governing body, sheriff, or  
14 administrator of the local confinement facility. Nothing in this subsection shall be deemed to  
15 confer legal residency on an individual for any other purpose. An incarcerated individual may  
16 qualify as a resident pursuant to this section if either of the following criteria applies:

17       **(1)** For a continuous period of 12 or more months, the individual has been in the  
18 custody of any of the following:

19       **a.** A State correctional facility.

20       **b.** A local confinement facility.

21       **(2)** Both of the following criteria apply:

22       **a.** The individual has been in the custody of one or more of the facilities  
23 identified in subdivision (1) of this subsection for less than 12 months.

24       **b.** The entity with jurisdiction over the facility where the individual is  
25 incarcerated certifies to the Authority that the individual has  
26 demonstrated that the individual was residing in North Carolina for  
27 purposes of maintaining bona fide domicile during the 12-month  
28 period prior to incarceration."

29       **SECTION 8A.2.(b)** This section applies beginning with the 2024-2025 academic  
30 year.  
31

32       **CONFORM IN-STATE TUITION REQUIREMENTS TO FEDERAL LAW**

33       **SECTION 8A.3.(a)** G.S. 116-143.1 is amended by adding the following new  
34 subsection to read:

35       **"(h2)** Any citizen of the Federated States of Micronesia, the Republic of the Marshall  
36 Islands, or the Republic of Palau who is a nonresident shall be eligible to be charged the in-State  
37 tuition rate and shall pay the full amount of the in-State tuition rate and applicable mandatory  
38 fees."

39       **SECTION 8A.3.(b)** This section becomes effective July 1, 2024, and applies  
40 beginning with the 2024-2025 academic year.  
41

42       **ALLOW THE AUTHORITY TO USE ADMINISTRATIVE FUNDS FROM**  
43 **OPPORTUNITY SCHOLARSHIPS FOR PERSONAL EDUCATION STUDENT**  
44 **ACCOUNTS**

45       **SECTION 8A.4.(a)** G.S. 115C-562.8(c) reads as rewritten:

46       **"(c)** Of the funds allocated to the Authority to award scholarship grants under this Part,  
47 the Authority may retain up to two and one-half percent (2.5%) of the funds appropriated each  
48 fiscal year for administrative costs associated with the scholarship grant program. If the actual  
49 costs of administering the scholarship grant program are less than the funds authorized for  
50 administering the program pursuant to this subsection, the Authority may allocate unused funds

1 for the additional administrative costs of the Personal Education Student Accounts for Children  
2 with Disabilities Program in accordance with G.S. 115C-597(d)."

3 **SECTION 8A.4.(b)** G.S. 115C-597(d) reads as rewritten:

4 "(d) Administration Costs. – Of the funds allocated to the Authority to award scholarship  
5 funds under this Article, the Authority may retain the lesser of four percent (4%) of the funds  
6 appropriated or ~~two million dollars (\$2,000,000)~~ three million dollars (\$3,000,000) each fiscal  
7 year for administrative costs associated with the program, including contracting with non-State  
8 entities for administration of certain components of the program. If the actual costs of  
9 administering the program exceed the funds authorized for administering the program pursuant  
10 to this subsection, the Authority may allocate unused funds set aside for administration costs  
11 from the Opportunity Scholarship Grant Fund Reserve pursuant to G.S. 115C-562.8(c) for the  
12 additional administrative costs of the Personal Education Student Accounts for Children with  
13 Disabilities Program."

14  
15 **REVISE AND EXTEND CERTAIN OPPORTUNITY SCHOLARSHIP DOMICILE**  
16 **VERIFICATION REQUIREMENTS**

17 **SECTION 8A.5.(a)** G.S. 115C-562.3(a) reads as rewritten:

18 "(a) To verify that the domicile requirements of G.S. 115C-366 are met for State  
19 residency, the Authority shall establish a domicile determination system and shall establish rules  
20 for determination of domicile within the State in accordance with this subsection. The rules may  
21 provide a process for the Authority to contract with a third-party vendor to facilitate the  
22 determination of domicile in accordance with this subsection. The Division of Motor Vehicles of  
23 the Department of Transportation, the Department of Public Instruction, the Department of  
24 Commerce, the Department of Health and Human Services, the Department of Revenue, the State  
25 Board of Elections, and the State Chief Information Officer each shall expeditiously cooperate  
26 with the Authority in verifying electronically, or by other similarly effective and efficient means,  
27 evidence submitted to the Authority for the purposes of establishing the domicile required by  
28 G.S. 115C-366 for State residency. The Authority shall accept any of the following as evidence  
29 of domicile within the State:

30 "...."

31 **SECTION 8A.5.(b)** Section 8A.6(h) of S.L. 2023-134 reads as rewritten:

32 "**SECTION 8A.6.(h)** Notwithstanding G.S. 115C-562.3(a), as enacted by this act, as part of  
33 a student's application for a scholarship grant pursuant to Part 2A of Article 39 of Chapter 115C  
34 of the General Statutes for the ~~2024-2025 school year, and 2025-2026 school years,~~ a parent shall  
35 certify to the State Education Assistance Authority that the domicile requirements of  
36 G.S. 115C-562.1(3a), as enacted by this act, are met for eligibility purposes in lieu of submitting  
37 evidence electronically to the State Education Assistance Authority through a domicile  
38 determination system. The State Education Assistance Authority shall select six percent (6%) of  
39 the applications for the ~~2024-2025 school year and 2025-2026 school years~~ to verify the domicile  
40 requirements are met for the award of a scholarship grant to an eligible student. As evidence of  
41 domicile, the State Education Assistance Authority may accept the submission of any of the  
42 documents set forth under G.S. 115C-562.3(a). If a parent fails to cooperate with verification  
43 efforts under this section, the State Education Assistance Authority shall revoke the award of the  
44 scholarship grant to the eligible student. In addition, if the State Education Assistance Authority  
45 determines that the certification of the parent contains falsified information, the parent may be  
46 subject to administrative, civil, or criminal penalties. The State Education Assistance Authority  
47 shall include a notice of the potential for the imposition of penalties when requesting certification  
48 as part of the application process."

49  
50 **REVISE STATE EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS**  
51 **MEMBER REQUIREMENTS**

1           **SECTION 8A.6.** G.S. 116-203(b) reads as rewritten:

2           "(b) Membership. – The Authority shall be governed by a board of directors consisting of  
3 nine members, seven of whom shall be appointed and two of whom shall be ex officio as follows:

4           (1) Seven members appointed according to the following:

5           a. The Board of Governors of The University of North Carolina shall  
6 appoint the following members:

7           1. One member who shall have expertise in secondary or higher  
8 education.

9           2. One member who shall be or have experience as a chief  
10 financial officer or chief administrative officer from a  
11 nonpublic school that enrolls students receiving scholarship  
12 funds pursuant to Part 2A of Article 39 of Chapter 115C of the  
13 General Statutes.

14           3. One member who shall have expertise in finance.

15           b. The Governor shall appoint the following members:

16           1. One member who shall have expertise in finance.

17           2. One member who shall have expertise in secondary or higher  
18 education.

19           3. One member who shall be a member of the public at large with  
20 an interest in higher education.

21           4. One member who shall be a chief financial officer from a  
22 college or university that is a member of North Carolina  
23 Independent Colleges and Universities, Inc., appointed upon  
24 the recommendation of North Carolina Independent Colleges  
25 and Universities, Inc.

26           (2) The chief financial officer of The University of North Carolina shall serve as  
27 an ex officio member.

28           (3) The chief financial officer of the North Carolina Community College System  
29 shall serve as an ex officio member."  
30

31 **CLARIFY OPPORTUNITY SCHOLARSHIP RESIDENCY REQUIREMENTS AT**  
32 **TIME OF APPLICATION**

33           **SECTION 8A.7.** Part 2A of Article 39 of Chapter 115C of the General Statutes is  
34 amended by adding a new section to read:

35 **"§ 115C-562.2A. Residency required at time of application.**

36           (a) Except as otherwise provided in this section, a student shall be a resident of North  
37 Carolina that is eligible to attend a North Carolina public school pursuant to Article 25 of this  
38 Chapter at the time the student applies to receive a scholarship grant under this Part.

39           (b) A student who is not a resident of North Carolina at the time the student submits an  
40 application to receive a scholarship grant under this Part shall be permitted to submit an  
41 application prior to becoming a resident of North Carolina if all of the following apply:

42           (1) A parent or legal guardian is on active military duty and is transferred or  
43 pending transfer pursuant to an official military order to a military installation  
44 or reservation in the State.

45           (2) Upon request by the Authority, a parent or legal guardian provides a copy of  
46 the official military order transferring to a military installation or reservation  
47 located in the State.

48           (3) A parent or legal guardian completes and submits the application, except that  
49 proof of residency shall not be required until the parent or legal guardian  
50 transfers into North Carolina, at which time they shall be required prior to  
51 receiving an award.



1       (c) A student that submits an application pursuant to subsection (b) of this section shall  
2 not receive a scholarship award until proof of residency is provided in accordance with the  
3 requirements of the Authority."

#### 5 **NORTH CAROLINA NURSING INSTRUCTOR FELLOWS PROGRAM**

6       **SECTION 8A.8.(a)** Article 23 of Chapter 116 of the General Statutes is amended by  
7 adding the following new Part to read:

8               "Part 3A. North Carolina Nursing Instructor Fellows Program.

#### 9 **"§ 116-209.64. Definitions.**

10       The following definitions apply in this Part:

- 11           (1) Academic term. – A semester or summer session.  
12           (2) Commission. – The North Carolina Nursing Instructor Fellows Commission.  
13           (3) Community college. – As defined in G.S. 115D-2(2).  
14           (4) Director. – The Director of the North Carolina Nursing Instructor Fellows  
15 Program.  
16           (5) Eligible institution of higher education. – A university or private  
17 postsecondary institution that offers a Bachelor of Science in Nursing program  
18 that is meant to prepare a person to meet the educational requirements for  
19 licensure under Article 9A of Chapter 90 of the General Statutes and a Master  
20 of Science in Nursing Education program.  
21           (6) Forgivable loan. – A forgivable loan made under the Program.  
22           (7) Program. – The North Carolina Nursing Instructor Fellows Program.  
23           (8) Qualifying nurse. – A nurse who meets all of the following criteria:  
24           a. Received a forgivable loan.  
25           b. Graduated within 10 years from a Master of Science in Nursing  
26 Education program at an eligible institution of higher education,  
27 excluding any authorized deferment for extenuating circumstances.  
28           c. Holds a Bachelor of Science degree in Nursing and a Master of  
29 Science degree in Nursing Education.  
30           d. Is licensed as a registered nurse in this State.  
31           e. Is employed as an instructor in a qualifying nursing program.  
32           (9) Qualifying nursing program. – A nursing program at one of the following that  
33 prepares students to earn a degree in nursing and become a licensed practical  
34 nurse as defined in Article 9A of Chapter 90 of the General Statutes:  
35           a. A community college.  
36           b. A university or private postsecondary institution.  
37           (10) Trust Fund. – The North Carolina Nursing Instructor Fellows Program Trust  
38 Fund.  
39           (11) University or private postsecondary institution. – Either of the following:  
40           a. A postsecondary constituent institution of The University of North  
41 Carolina as defined in G.S. 116-2(4).  
42           b. An eligible private postsecondary educational institution as defined in  
43 G.S. 116-280(3).

#### 44 **"§ 116-209.65. North Carolina Nursing Instructor Fellows Commission established;** 45 **membership.**

46       (a) Commission Established. – There is established the North Carolina Nursing Instructor  
47 Fellows Commission. The Commission shall determine program and forgivable loan recipient  
48 selection criteria and selection procedures and shall select the recipients to receive forgivable  
49 loans under the North Carolina Nursing Instructor Fellows Program in accordance with the  
50 requirements of this Part. The Director of the North Carolina Nursing Instructor Fellows Program  
51 shall appoint staff to the Commission.

- 1        (b) Membership. – The Commission shall consist of eight members who shall be  
2 appointed or serve as ex officio members as follows:
- 3            (1) The Board of Governors of The University of North Carolina shall appoint  
4 four members to the Commission in even-numbered years as follows:
- 5                a. Two deans of schools of nursing at postsecondary constituent  
6 institutions of The University of North Carolina.
- 7                b. The president of a North Carolina community college.
- 8                c. A nurse who graduated from a school of nursing located in the State  
9 within three years of appointment to serve on the Commission.
- 10           (2) The General Assembly shall appoint two members to the Commission in  
11 odd-numbered years in accordance with G.S. 120-121 as follows:
- 12                a. One dean of a school of nursing at a private postsecondary institution  
13 operating in the State upon the recommendation of the Speaker of the  
14 House of Representatives.
- 15                b. One dean of a school of nursing at a private postsecondary institution  
16 operating in the State upon the recommendation of the President Pro  
17 Tempore of the Senate.
- 18           (3) The following two members shall serve as ex officio members to the  
19 Commission:
- 20                a. The chair of the Board of the State Education Assistance Authority, or  
21 the chair's designee.
- 22                b. The Director of the North Carolina Nursing Instructor Fellows  
23 Program.
- 24        (c) Terms of Office. – Appointments to the Commission shall be for two-year terms,  
25 beginning July 1 and expiring June 30.
- 26        (d) Vacancies. – If a vacancy occurs in an appointed position on the Commission, the  
27 appointing authority shall appoint another person meeting the same qualifications to serve for the  
28 balance of the unexpired term.
- 29        (e) Chair; Meetings. – The Director of the Program shall call the first meeting of the  
30 Commission. The Commission members shall elect a chair and a vice-chair from the membership  
31 of the Commission to serve one-year terms. The Commission shall meet regularly at times and  
32 places deemed necessary by the chair or, in the absence of the chair, by the vice-chair.
- 33        (f) Conflict of Interest. – A member of the Commission shall abstain from voting on the  
34 selection of a postsecondary constituent institution of The University of North Carolina or a  
35 private postsecondary institution operating in the State under G.S. 116-209.62(f) if the member  
36 is an officer or employee of the institution or sits as a member of the institution's board of  
37 directors.
- 38        (g) Expenses. – Commission members shall receive per diem, subsistence, and travel  
39 allowances in accordance with G.S. 138-5 or G.S. 138-6, as appropriate.
- 40        **§ 116-209.66. North Carolina Nursing Instructor Fellows Program established;**  
41 **administration.**
- 42        (a) Program. – There is established the North Carolina Nursing Instructor Fellows  
43 Program to be administered by the System Office of The University of North Carolina, in  
44 conjunction with the Authority and the Commission. The purpose of the Program is to recruit,  
45 prepare, and support eligible nursing students for preparation as highly effective instructors in  
46 qualifying nursing programs. The Program shall be used to provide forgivable loans to nursing  
47 students enrolled in Bachelor of Science in Nursing and Master of Science in Nursing Education  
48 programs who are interested in preparing to become instructors in qualifying nursing programs.
- 49        (b) Trust Fund. – There is established the North Carolina Nursing Instructor Fellows  
50 Program Trust Fund to be administered by the Authority, in conjunction with the System Office  
51 of The University of North Carolina. All funds (i) appropriated to, or otherwise received by, the

1 Program for forgivable loans and other Program purposes, (ii) received as repayment of  
2 forgivable loans, and (iii) earned as interest on these funds shall be placed in the Trust Fund. The  
3 purpose of the Trust Fund is to provide financial assistance to qualified students for completion  
4 of a Bachelor of Science degree in Nursing and a Master of Science degree in Nursing Education  
5 to fill needed positions for instructors in qualifying nursing programs.

6 (c) Uses of Monies in the Trust Fund. – The monies in the Trust Fund may be used only  
7 for (i) forgivable loans granted under the Program, (ii) administrative costs associated with the  
8 Program, including recruitment and recovery of funds advanced under the Program, (iii)  
9 mentoring and coaching support to forgivable loan recipients, and (iv) extracurricular  
10 enhancement activities of the Program in accordance with the following:

11 (1) The Authority shall transfer the greater of three hundred thousand dollars  
12 (\$300,000) or ten percent (10%) of the available funds from the Trust Fund to  
13 The University of North Carolina System Office at the beginning of each  
14 fiscal year for the following purposes:

15 a. The Program's administrative costs.

16 b. The salary of the Director of the Program and other Program staff.

17 c. Expenses of the Commission.

18 d. Extracurricular enhancement activities of the Program.

19 e. Mentoring and coaching support to forgivable loan recipients in an  
20 amount of up to two thousand two hundred dollars (\$2,200) for each  
21 Program recipient.

22 (2) The Authority may use the greater of sixty thousand dollars (\$60,000) or four  
23 percent (4%) of the funds appropriated to the Trust Fund each fiscal year for  
24 administrative costs associated with the Program.

25 (d) Director of the Program. – The Board of Governors of The University of North  
26 Carolina shall appoint a Director of the Program. The Director shall appoint staff to the  
27 Commission and shall be responsible for recruitment and coordination of the Program, including  
28 proactive, aggressive, and strategic recruitment of potential recipients. Recruitment activities  
29 shall include (i) targeting regions of the State with the greatest need for nursing instructors in  
30 qualifying nursing programs, (ii) actively engaging with registered nurses, business leaders,  
31 experts in human resources, elected officials, and other community leaders throughout the State,  
32 and (iii) attracting candidates to the Program. The Director shall report to the President of The  
33 University of North Carolina. The Authority shall provide office space and clerical support staff,  
34 as necessary, to the Director for the Program.

35 (e) Student Selection Criteria for Forgivable Loans. – The Commission shall adopt  
36 stringent standards for awarding forgivable loans based on multiple measures to ensure that only  
37 the strongest applicants receive them, including the following:

38 (1) Grade point averages.

39 (2) Performance on relevant assessments.

40 (3) Experience, accomplishments, and other criteria demonstrating qualities  
41 positively correlated with highly effective instructors in qualifying nursing  
42 programs, including excellent verbal and communication skills.

43 (4) Demonstrated commitment to serve in North Carolina.

44 (f) Program Selection Criteria. – The Authority shall administer the Program in  
45 cooperation with up to eight eligible institutions of higher education that are selected by the  
46 Commission and represent a diverse selection of up to four postsecondary constituent institutions  
47 of The University of North Carolina and up to four private postsecondary institutions operating  
48 in the State. In selecting participating institutions, the Commission shall do the following:

49 (1) Prioritize the selection of eligible institutions of higher education that have a  
50 plan to facilitate the ability of nursing instructor fellows to transition from a

1 Bachelor of Science in Nursing program to a Master of Science in Nursing  
2 Education program at that institution.

3 (2) After considering the priority described in subdivision (1) of this subsection,  
4 the Commission shall adopt stringent standards for selection of participating  
5 institutions, including the following:

6 a. Demonstrates measurable impact of prior graduates on student  
7 learning, including impact of graduates serving as instructors in  
8 qualifying nursing programs.

9 b. Demonstrates high rates of graduates passing exams required for  
10 licensure.

11 c. Provides curricular and co-curricular enhancements in leadership,  
12 facilitates learning for diverse learners, and promotes community  
13 engagement, and reflection and assessment.

14 d. Provides early and frequent internship or practical experiences.

15 (g) Awards of Forgivable Loans. – The Program shall provide forgivable loans to up to  
16 100 students each year who are enrolled in a Bachelor of Science in Nursing program at an  
17 eligible institution of higher education. Loan payments shall be provided each year for  
18 completion of the Bachelor of Science in Nursing program and a Master of Science in Nursing  
19 Education program. The student shall be eligible to receive loan payments for the Master of  
20 Science in Nursing Education program as long as the student enrolls within two years of  
21 graduation from the Bachelor of Science in Nursing program. Forgivable loans shall be awarded  
22 per academic term for up to eight academic terms in amounts of up to five thousand dollars  
23 (\$5,000) per semester or two thousand five hundred dollars (\$2,500) per summer session.  
24 Forgivable loans may be used for tuition, fees, the cost of books, and expenses related to  
25 completing a Bachelor of Science degree in Nursing and a Master of Science degree in Nursing  
26 Education.

27 (h) Administration of Forgivable Loan Awards. – Upon the naming of recipients of the  
28 forgivable loans by the Commission, the Commission shall transfer to the Authority its decisions.  
29 The Authority, in coordination with the Director, shall perform all of the administrative functions  
30 necessary to implement this Part, which functions shall include rulemaking, disseminating  
31 information, acting as a liaison with participating institutions of higher education, implementing  
32 forgivable loan agreements, loan monitoring, loan canceling through service and collection,  
33 determining the acceptability of service repayment agreements, enforcing the agreements, and  
34 all other functions necessary for the execution, payment, and enforcement of promissory notes  
35 required under this Part.

36 (i) Annual Report. – The Commission, in coordination with the Authority, the North  
37 Carolina Board of Nursing, and the selected institutions of higher education participating in the  
38 Program, shall report no later than January 1, 2026, and annually thereafter, to the Joint  
39 Legislative Education Oversight Committee regarding the following:

40 (1) Forgivable loans awarded from the Trust Fund, including the following:

41 a. Demographic information regarding recipients.

42 b. Number of recipients by institution of higher education.

43 (2) Placement and repayment rates, including the following:

44 a. Number of graduates who have been employed as instructors in  
45 qualifying nursing programs in the State within two years of  
46 graduation.

47 b. Number of graduates who have elected to do loan repayment and their  
48 years of service, if any, prior to beginning loan repayment.

49 c. Graduation rates of associate degree students taught by instructors in  
50 qualifying nursing programs who are recipients of loans under the  
51 Program.

- 1           (3) Mentoring and coaching support, including the number of forgivable loan  
2           recipients who received mentoring and coaching support.  
3           (4) Selected nurse employer outcomes by degree program, including the  
4           following:  
5           a. Turnover rate for forgivable loan graduates, including the turnover rate  
6           for graduates who also received mentoring and coaching support.  
7           b. Fulfillment rate of forgivable loan graduates.

8 **"§ 116-209.67. Terms of forgivable loans; receipt and disbursement of funds.**

9           (a) Notes. – All forgivable loans shall be evidenced by notes made payable to the  
10 Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the  
11 Authority and beginning on the first day of September after completion of the Master of Science  
12 in Nursing Education program or 90 days after graduation, whichever is later. If a forgivable loan  
13 is terminated, the note shall be made payable to the Authority 90 days after termination of the  
14 forgivable loan. The forgivable loan may be terminated upon the recipient's withdrawal from the  
15 Program or by the recipient's failure to meet the standards set by the Commission.

16           (b) Forgiveness. – For every year a qualifying nurse remains a qualifying nurse, the  
17 Authority shall forgive one-third of the total loan amount received over the course of enrollment  
18 in the Bachelor of Science degree in Nursing program and the Master of Science degree in  
19 Nursing Education program and any interest accrued on that amount. The Authority shall also  
20 forgive the loan if it finds that it is impossible for the recipient to work for up to three years,  
21 within 10 years after completion of a Master of Science in Nursing Education program, as an  
22 instructor in a qualifying nursing program, because of the death or permanent disability of the  
23 recipient. If the recipient repays the forgivable loan by cash payments, all indebtedness shall be  
24 repaid within 10 years after completion of the Master of Science in Nursing Education program  
25 supported by the forgivable loan. If the recipient completes the Master of Science in Nursing  
26 Education program, payment of principal and interest shall begin no later than the first day of  
27 September after the completion of the program. Should a recipient present extenuating  
28 circumstances, the Authority may extend the period to repay the loan in cash to no more than a  
29 total of 12 years."

30 **SECTION 8A.8.(b)** G.S. 116-204 reads as rewritten:

31 **"§ 116-204. Powers of Authority.**

32 The Authority is hereby authorized and empowered:

- 33           ...
- 34           (9) To collect loan repayments for loans awarded under the ~~Teaching Fellows~~  
35 ~~Program pursuant to G.S. 115C-363.23A following programs~~ if the loan  
36 repayment is outstanding for more than 30 ~~days~~ days:  
37           a. The Teaching Fellows Program pursuant to Part 3 of Article 23 of  
38 Chapter 116 of the General Statutes.  
39           b. The Nursing Instructor Fellows Program pursuant to Part 3A of Article  
40 23 of Chapter 116 of the General Statutes.

41           ...."

42 **SECTION 8A.8.(c)** Initial appointments to the North Carolina Nursing Instructor  
43 Fellows Commission shall be made no later than August 15, 2025. Initial appointments to the  
44 Commission shall expire July 1, 2027.

45 **SECTION 8A.8.(d)** The Commission shall establish initial selection criteria for  
46 recipients and select the eight institutions of higher education with approved nursing schools at  
47 which a recipient may use a forgivable loan no later than November 15, 2024, and shall make  
48 available applications to prospective students no later than December 31, 2024.

49 **SECTION 8A.8.(e)** The Commission shall select recipients and award the initial  
50 forgivable loans for the 2025-2026 academic year no later than April 1, 2025.

1           **SECTION 8A.8.(f)** This section becomes effective July 1, 2024, and applies  
2 beginning with applications for enrollment in the Nursing Instructor Fellows Program in the  
3 2025-2026 academic year.

4  
5 **LONGLEAF COMMITMENT COMMUNITY COLLEGE GRANT CARRYFORWARD**

6           **SECTION 8A.9.** Section 8A.7 of S.L. 2023-134 is amended by adding a new  
7 subsection to read:

8           "SECTION 8A.7.(d1) Carryforward. – The funds appropriated to the Board of Governors  
9 of The University of North Carolina in this act for the 2023-2024 fiscal year to be allocated to  
10 the State Education Assistance Authority for the Program shall not revert at the end of the  
11 2023-2024 fiscal year but shall remain available for the purposes described in this section until  
12 the end of the 2024-2025 fiscal year."

13  
14 **MILITARY-CONNECTED STUDENTS OPPORTUNITY SCHOLARSHIP**  
15 **APPLICATIONS FOR 2024-2025**

16           **SECTION 8A.10.(a)** Eligible Applications. – For scholarship grants awarded as  
17 provided in Part 2A of Article 39 of Chapter 115C of the General Statutes for the 2024-2025  
18 school year, the State Education Assistance Authority shall accept applications from July 1, 2024,  
19 until July 31, 2024, for military-connected students, as defined in G.S. 115C-407.5, who were  
20 unable to submit an application in February 2024 due to military orders. Inability to submit an  
21 application in February 2024 due to military orders shall be established by submission of  
22 documentation of one of the following:

- 23           (1) Rescinded military orders:  
24               a. Receipt of orders for reassignment outside of this State incident to  
25               active military duty on or after October 1, 2023.  
26               b. Receipt of revised assignment orders on or after March 1, 2024, to  
27               abide in this State incident to active military duty.  
28           (2) New military assignment orders:  
29               a. Prior to March 1, 2024, abided in a state incident to active military  
30               duty other than this State.  
31               b. On or after March 1, 2024, abided in this State incident to active  
32               military duty.

33           **SECTION 8A.10.(b)** Funds and Report. – Notwithstanding G.S. 115C-562.8(a), if  
34 the funds required to award scholarship grants for qualifying applications pursuant to subsection  
35 (a) of this section exceed the funds available for the distribution of those awards, the State  
36 Education Assistance Authority may allocate funds from the unencumbered cash balance in the  
37 Opportunity Scholarship Grant Fund Reserve for the 2024-2025 fiscal year to provide awards for  
38 these students in the 2024-2025 school year. If the Authority expends funds in excess of those  
39 available in the Reserve to be awarded in the 2024-2025 school year, the Authority shall submit  
40 the report required in G.S. 115C-562.7(d) as it relates to the awards provided under this section.

41           **SECTION 8A.10.(c)** Effective Date. – This section is effective when it becomes law.

42  
43 **REINSTATE AND REVISE CERTAIN TESTING REQUIREMENTS FOR NONPUBLIC**  
44 **SCHOOLS RECEIVING OPPORTUNITY SCHOLARSHIP FUNDS AND EXEMPT**  
45 **CERTAIN PESA STUDENTS FROM TESTING REQUIREMENTS**

46           **SECTION 8A.11.(a)** G.S. 115C-562.5 reads as rewritten:

47 **"§ 115C-562.5. Obligations of nonpublic schools accepting eligible students receiving**  
48 **scholarship grants.**

49           (a) A nonpublic school that accepts eligible students receiving scholarship grants shall  
50 comply with the following:

51           ...

(4) Administer, at least once in each school year, tests as provided in this subdivision. Test performance data shall be submitted to the Authority by July 15 of each year. Test performance data reported to the Authority under this subdivision is not a public record under Chapter 132 of the General Statutes. Tests shall be administered to all eligible students enrolled in grades three and higher whose tuition and fees are paid in whole or in part with a scholarship grant as follows:

a. The nationally standardized test designated by the Authority in grades three and eight.

b. The ACT in grade 11.

c. A nationally standardized test or other nationally standardized equivalent measurement selected by the chief administrative officer of the nonpublic school in all other grades four and higher, to all eligible students whose tuition and fees are paid in whole or in part with a scholarship grant enrolled in grades three and higher, except for eligible students who receive funds under subsection (b1) of G.S. 115C-592 through the North Carolina Personal Education Student Accounts for Children with Disabilities Program. For grades four through seven, eight, the nationally standardized test or other equivalent measurement selected must measure achievement in the areas of English grammar, reading, spelling, and mathematics. For grades nine, 10, and 12, nine through 12, the nationally standardized test or other equivalent measurement selected must measure either (i) achievement in the areas of English grammar, reading, spelling, and mathematics or (ii) competencies in the verbal and quantitative areas. A nonpublic school shall annually certify compliance with this subdivision and shall retain records of the test administration. Each year the Authority shall select at least four percent (4%) of nonpublic schools to verify testing administration in accordance with this subdivision.

...."

SECTION 8A.11.(b) The following are repealed:

- (1) Subsections (i) and (j) of Section 8A.6 of S.L. 2023-134.
(2) G.S. 115C-562.2(b5).
(3) G.S. 115C-562.5(c).
(4) G.S. 115C-562.7(c).

SECTION 8A.11.(c) This section applies beginning with applications and the award of scholarship funds for the 2024-2025 school year.

ADDITIONAL FUNDS FOR THE OPPORTUNITY SCHOLARSHIP PROGRAM

SECTION 8A.12. 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:

Table with 2 columns: Fiscal Year and Appropriation. Rows: 2017-2018 (\$44,840,000), 2018-2019 (\$54,840,000)

1	2019-2020	\$64,840,000
2	2020-2021	\$74,840,000
3	2021-2022	\$84,840,000
4	2022-2023	\$94,840,000
5	2023-2024	\$176,540,000
6	2024-2025	\$191,540,000
7	2025-2026	<del>\$415,540,000</del> <u>\$585,000,000</u>
8	2026-2027	<del>\$430,540,000</del> <u>\$600,000,000</u>
9	2027-2028	<del>\$445,540,000</del> <u>\$615,000,000</u>
10	2028-2029	<del>\$460,540,000</del> <u>\$630,000,000</u>
11	2029-2030	<del>\$475,540,000</del> <u>\$645,000,000</u>
12	2030-2031	<del>\$490,540,000</del> <u>\$660,000,000</u>
13	2031-2032	<del>\$505,540,000</del> <u>\$675,000,000</u>

For the 2032-2033 fiscal year and each fiscal year thereafter, there is appropriated from the General Fund to the Reserve the sum of ~~five hundred twenty million five hundred forty thousand dollars (\$520,540,000)~~ six hundred ninety million dollars (\$690,000,000) to be used for the purposes set forth in this section. When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified in this subsection, the Director of the Budget shall include the appropriated amount specified in this subsection for that fiscal year.

(e) The Authority shall make reasonable efforts to ensure the amount of scholarship grants awarded for a school year do not exceed the funds that are available for the awards to eligible students in each fiscal year. However, notwithstanding subsection (a) of this section, to ensure that as many eligible students receive scholarship grants in a timely manner as possible, the Authority may use up to thirty percent (30%) of the unencumbered cash balance in the Reserve in a fiscal year if the funds required to award scholarship grants to eligible students for a school year exceed the funds available for the distribution of those awards. If the Authority expends funds in excess of those available in the Reserve for a particular school year, the Authority shall submit the report required by ~~G.S. 115C-562.7(b1)~~.G.S. 115C-562.7(d)."

**ADDITIONAL FUNDS FOR NORTH CAROLINA PERSONAL EDUCATION STUDENT ACCOUNTS FOR CHILDREN WITH DISABILITIES PROGRAM**

**SECTION 8A.13.** G.S. 115C-600(a) reads as rewritten:

"(a) The General Assembly finds that due to the continued growth and ongoing need in this State to provide opportunity for school choice for children with disabilities, it is imperative that the State provide an increase in funds of at least one million dollars (\$1,000,000) each fiscal year for 10 years for the Personal Education Student Accounts for Children with Disabilities Program. To that end, there is appropriated from the General Fund to the Board of Governors of The University of North Carolina the following amounts each fiscal year to be allocated to the Authority for the Program in accordance with this Article:

<b>Fiscal Year</b>	<b>Appropriation</b>
2023-2024	\$48,943,166
2024-2025	\$49,943,166
2025-2026	<del>\$50,943,166</del> <u>\$75,543,166</u>
2026-2027	<del>\$51,943,166</del> <u>\$76,543,166</u>
2027-2028	<del>\$52,943,166</del> <u>\$77,543,166</u>
2028-2029	<del>\$53,943,166</del> <u>\$78,543,166</u>
2029-2030	<del>\$54,943,166</del> <u>\$79,543,166</u>
2030-2031	<del>\$55,943,166</del> <u>\$80,543,166</u>
2031-2032	<del>\$56,943,166</del> <u>\$81,543,166</u>
2032-2033 and each subsequent fiscal year thereafter	<del>\$57,943,166</del> <u>\$82,543,166</u>



1 When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified  
2 in this section, the Director of the Budget shall include the appropriated amount specified in this  
3 section for that fiscal year."  
4

5 **INCREASE PROTECTIONS FOR FUNDS HELD IN NORTH CAROLINA**  
6 **EDUCATION SAVINGS AND INVESTMENT ACCOUNTS AND NC ABLE**  
7 **ACCOUNTS FROM CLAIMS OF CREDITORS AND OTHER JUDGMENTS**

8 **SECTION 8A.14.(a)** G.S. 116-209.25 is amended by adding a new subsection to  
9 read:

10 "(c2) NC Education Savings and Investment Accounts Protected. – Notwithstanding any  
11 other provision of law, funds located in an education savings and investment account of the  
12 Parental Savings Trust Fund or withdrawn from the account and used for purposes permitted  
13 under section 529 of the Internal Revenue Code shall not be subject to liens, attachment,  
14 garnishment, levy, seizure, any involuntary sale or assignment by operation or execution of law,  
15 or the enforcement of any other judgment or claim to pay any debt or liability of any account  
16 owner, beneficiary, or contributor to a plan. This subsection shall not affect any protection from  
17 creditors under G.S. 1C-1601(a)(10) for education savings and investment accounts that are not  
18 part of the Parental Savings Trust Fund."

19 **SECTION 8A.14.(b)** G.S. 1C-1601 reads as rewritten:

20 "**§ 1C-1601. What property exempt; waiver; exceptions.**

21 (a) Exempt property. – Each individual, resident of this State, who is a debtor is entitled  
22 to retain free of the enforcement of the claims of creditors:

23 ...

24 (10) ~~Funds in a college savings plan~~ Except for funds in an education savings and  
25 investment account that is part of the Parental Savings Trust Fund, as provided  
26 in G.S. 116-209.25(c2), funds in an education savings and investment account  
27 qualified under section 529 of the Internal Revenue Code, not to exceed a  
28 cumulative limit of twenty-five thousand dollars (\$25,000), ~~but excluding~~  
29 ~~(\$25,000). This exemption excludes any funds placed in a college savings plan~~  
30 an education savings and investment account within the preceding 12 months  
31 (except to the extent any of the contributions were made in the ordinary course  
32 of the debtor's financial affairs and were consistent with the debtor's past  
33 pattern of contributions) and only to the extent that the funds are for a child of  
34 the debtor and will actually be used for ~~the child's college or university~~  
35 expenses of the child that are permitted under section 529 of the  
36 Internal Revenue Code.

37 ...."

38 **SECTION 8A.14.(c)** Article 6F of Chapter 147 of the General Statutes is amended  
39 by adding a new section to read:

40 "**§ 147-86.74. Exemption from garnishment, attachment, judgment.**

41 Notwithstanding any other provision of law, except as provided in this section, funds located  
42 in an ABLE account or withdrawn from the account and used for expenses permitted under  
43 section 529A of the Internal Revenue Code shall not be subject to liens, attachment, garnishment,  
44 levy, seizure, any involuntary sale or assignment by operation or execution of law, or the  
45 enforcement of any other judgment or claim to pay any debt or liability of any account owner,  
46 beneficiary, or contributor to a plan. This section does not prohibit the distribution of funds from  
47 the account following the death of the account owner under G.S. 147-86.73(e) or under section  
48 529A(f) of the Internal Revenue Code."

49 **SECTION 8A.14.(d)** This section becomes effective October 1, 2024, and applies  
50 to actions filed on or after that date.  
51

**PART IX. HEALTH AND HUMAN SERVICES****PART IX-A. AGING AND ADULT SERVICES****INCREASED HOME AND COMMUNITY CARE BLOCK GRANT FUNDS FOR HOUSING AND HOME IMPROVEMENT SERVICES FOR OLDER ADULTS**

**SECTION 9A.1.** Of the funds appropriated in this act to the Department of Health and Human Services, Division of Aging and Adult Services (DAAS), the sum of one million one hundred thousand dollars (\$1,100,000) in nonrecurring funds for the 2024-2025 fiscal year shall be allocated to the Home and Community Care Block Grant (HCCBG) to increase funding for housing and home improvement services. Notwithstanding G.S. 143B-181.1(a)(11) or any other State law to the contrary, (i) the DAAS shall develop a mechanism to separately track and distribute these funds to ensure the funds are allocated and used for housing and home improvement services and (ii) area agencies on aging and counties that are recipients of these HCCBG funds shall not use these funds for any purpose other than to fund housing and home improvement services to assist adults 60 years of age or older who are eligible for HCCBG services with obtaining or retaining adequate housing and basic furnishings. These funds shall be used to supplement and not supplant existing federal, State, and local funds for housing and home improvement services.

**PART IX-B. CENTRAL MANAGEMENT AND SUPPORT****USE OF DIRECTED GRANT FUNDS FOR THE NC ASSOCIATION OF FREE & CHARITABLE CLINICS**

**SECTION 9B.1.(a)** Notwithstanding any provision of S.L. 2023-134, the Committee Report described in Section 43.2 of that act, or any other law to the contrary, funds appropriated to the Department of Health and Human Services, Division of Central Management and Support, Office of Rural Health, for each year of the 2023-2025 fiscal biennium, to be allocated as a directed grant to the North Carolina Association of Free and Charitable Clinics (NCAFCC), Inc., a nonprofit organization, for distribution to its member clinics to support the provision of health care to individuals who are uninsured and underserved shall not be withheld from member clinics in which less than twenty-five percent (25%) of the total number of individuals served per year are Medicaid beneficiaries.

**SECTION 9B.1.(b)** This section becomes effective July 1, 2024, and applies to all directed grant funds distributed by the NCAFCC to its member clinics on or after that date for the purposes described in subsection (a) of this section, including any unspent funds remaining from the 2023-2024 fiscal year.

**PART IX-C. CHILD AND FAMILY WELL-BEING [RESERVED]****PART IX-D. CHILD DEVELOPMENT AND EARLY EDUCATION****CHILD CARE SUBSIDY/ADD MULTIPLIER FOR CERTIFIED DEVELOPMENTAL DAY CENTERS**

**SECTION 9D.1.** Section 9D.3(c) of S.L. 2023-134 reads as rewritten:

**"SECTION 9D.3.(c)** Payments for the purchase of child care services for low-income children shall be in accordance with the following requirements:

- (1) Religious sponsored child care facilities operating pursuant to G.S. 110-106 and licensed child care centers and homes that meet the minimum licensing standards that are participating in the subsidized child care program shall be

- 1 paid the one-star county market rate or the rate they charge privately paying  
2 parents unless prohibited by subsection (f) of this section.
- 3 (2) Licensed child care centers and homes with two or more stars shall receive the  
4 market rate for that rated license level for that age group unless prohibited by  
5 subsection (g) of this section.
- 6 (3) No payments shall be made for transportation services charged by child care  
7 facilities.
- 8 (4) Payments for subsidized child care services for postsecondary education shall  
9 be limited to a maximum of 20 months of enrollment. This shall not be  
10 determined before a family's annual recertification period.
- 11 (5) The Department of Health and Human Services shall implement necessary  
12 rule changes to restructure services, including, but not limited to, targeting  
13 benefits to employment.
- 14 (6) Certified developmental day centers shall receive the applicable county  
15 market rate plus (i) a multiplier of seventy-five one-hundredths for children  
16 with special needs and (ii) a multiplier of five-tenths for typically developing  
17 children."

### 18 **QUALITY RATING IMPROVEMENT SYSTEM (QRIS) MODERNIZATION**

19 **SECTION 9D.2.(a)** The Department of Health and Human Services, Division of  
20 Child Development and Early Education (Division), shall update and revise the quality rating  
21 improvement system (QRIS) to include alternative pathways for licensed child care facilities to  
22 earn a license of two to five stars based on program standards and education levels of staff as  
23 follows:  
24

- 25 (1) A pathway focused on program assessment.  
26 (2) A pathway focused on classroom and instructional quality.  
27 (3) A pathway focused on accreditation.  
28 (4) Any other pathway regarding updating the QRIS designated by the North  
29 Carolina Child Care Commission, in its discretion.

30 **SECTION 9D.2.(b)** Upon request, a child care facility may be awarded a star-rated  
31 license based on an accreditation from a national childhood education accreditation organization  
32 provided the facility maintains its accreditation and remains in good standing. Star-rated licenses  
33 based on accreditation shall be issued as follows:

- 34 (1) A three-star-rated license for a facility with an accreditation from any of the  
35 following:  
36 a. National Early Childhood Program Accreditation (NECPA).  
37 b. National Association for Family Child Care (NAFCC).  
38 c. American Montessori Society (AMS).  
39 d. International Montessori Council (IMC).
- 40 (2) A five-star-rated license for a facility that meets the criteria of or has an  
41 accreditation from any of the following:  
42 a. National Association for the Education of Young Children (NAEYC).  
43 b. National Accreditation Commission for Early Care and Education  
44 Programs (NAC).  
45 c. Cognia (formerly AdvanceED) that includes early learning standards.

46 **SECTION 9D.2.(c)** For accreditations earning less than five stars, there shall be  
47 additional opportunities to allow a facility to increase its star rating. The Child Care Commission  
48 (Commission) may, in its discretion, reassess an accreditation's star-rating equivalency or  
49 increase or decrease the accreditation's star rating if the standard for earning the accreditation is  
50 revised. The Commission may approve additional accreditations from national childhood  
51 education accreditation organizations and determine their star-rating equivalency upon request.

1           **SECTION 9D.2.(d)** Notwithstanding any other provision of law to the contrary, the  
2 Division of Child Development and Early Education (Division) shall not require a child care  
3 facility with a two- to five-star-rated license to undergo a QRIS reassessment until rules  
4 implementing QRIS reform become effective. However, nothing in this subsection shall prevent  
5 a child care facility with a star-rated license from electing to undergo a QRIS assessment, upon  
6 request of the Division, before rules implementing QRIS reform become effective.

7           **SECTION 9D.2.(e)** Effective February 1, 2025, if the Division of Child  
8 Development and Early Education issues any new license with a rating of two to five stars to a  
9 child care facility or any facility that elects to undergo a QRIS assessment based on a program  
10 assessment before rules implementing QRIS reform become effective, the facility shall be  
11 evaluated using "Infant/Toddler Environment Rating Scale, Third Edition," "Early Childhood  
12 Environment Rating Scale, Third Edition," "School-Age Care Environment Rating Scale,  
13 Updated Edition," or "Family Child Care Environment Rating Scale, Third Edition," as  
14 applicable.

15           **SECTION 9D.2.(f)** Notwithstanding any other provision of law to the contrary,  
16 when the Division of Child Development and Early Education (Division) issues any new license  
17 with a rating of two to five stars to a child care facility or any facility that elects to undergo a  
18 QRIS assessment before rules implementing QRIS reform become effective, if the percentage of  
19 lead teachers in the facility required to meet the "rated licensed education requirements" criteria  
20 is set at seventy-five percent (75%) for the facility to earn those "education points" toward the  
21 facility's star rating, the Division shall lower the seventy-five percent (75%) threshold to fifty  
22 percent (50%) of lead teachers.

23           **SECTION 9D.2.(g)** G.S. 110-90 reads as rewritten:

24 **"§ 110-90. Powers and duties of Secretary of Health and Human Services.**

25           The Secretary shall have the following powers and duties under the policies and rules of the  
26 Commission:

27           ...

28           (4) To issue a rated license to any child care facility which meets the standards  
29 established by this Article. ~~The rating shall be based on the following:~~ Article  
30 as follows:

31           a. ~~Before January 1, 2008, for~~ For any child care facility currently  
32 holding a license of two to five stars, ~~the rating shall be based on~~  
33 ~~program standards, education levels of staff, and compliance history~~  
34 ~~of the child care facility. By January 1, 2008, the rating shall be based~~  
35 ~~on program standards and education levels of staff.~~ stars or any new  
36 license issued to a child care facility with a rating of two to five stars,  
37 the rating shall be based on (i) program standards and (ii) education  
38 levels of staff. When evaluating program standards, the Department  
39 shall consider the facility's staff/child ratios, space requirements,  
40 continuous quality improvement standards, family and community  
41 engagement practices, environmental rating scale evaluations,  
42 curriculum, child observation and assessment, staff coaching or  
43 mentoring, or accreditation by a national or regional accrediting  
44 agency with early childhood standards. When evaluating education  
45 levels of staff, the Department shall consider any early childhood and  
46 child development coursework, early childhood education certificates,  
47 Child Development Associate credentials, associate or bachelor's  
48 degrees, continuous quality improvement standards for staff,  
49 continuing education units, early childhood education competency  
50 evaluations, work experience in child care, coaching or mentoring  
51 completed, and education standards within an accreditation award.

- 1                    b.     ~~Effective January 1, 2006, for any new license issued to a child care~~  
2                            ~~facility with a rating of two to five stars, the rating shall be based on~~  
3                            ~~program standards and education levels of staff.~~
- 4                    c.     ~~By January 1, 2008, for~~ For any child care facility to maintain a license  
5                            or Notice of Compliance, the child care facility shall have a  
6                            compliance history of at least seventy-five percent (75%), as assessed  
7                            by the Department. When a child care facility fails to maintain a  
8                            compliance history of at least seventy-five percent (75%) for the past  
9                            18 months or during the length of time the facility has operated,  
10                            whichever is less, as assessed by the Department, the Department may  
11                            issue a provisional license or Notice of Compliance.
- 12                    d.     ~~Effective January 1, 2006, for any new license or Notice of~~  
13                            ~~Compliance issued to a child care facility, the facility shall maintain a~~  
14                            ~~compliance history of at least seventy five percent (75%), as assessed~~  
15                            ~~by the Department. When a child care facility fails to maintain a~~  
16                            ~~compliance history of at least seventy five percent (75%) for the past~~  
17                            ~~18 months or during the length of time the facility has operated,~~  
18                            ~~whichever is less, as assessed by the Department, the Department may~~  
19                            ~~issue a provisional license or Notice of Compliance.~~
- 20                    e.     The Department shall provide additional opportunities for child care  
21                            providers to earn points for program standards and education levels of  
22                            staff, licensed facilities with a rating of two to five stars with an  
23                            opportunity to earn recognition or acknowledgment for voluntary  
24                            participation in other quality initiatives or specialties, including  
25                            educational and programmatic options, that are implemented in  
26                            addition to quality rating improvement system (QRIS) standards.

27                    ...."

28                    **SECTION 9D.2.(h)** Nothing in this section shall be construed as interfering with the  
29 requirements of G.S. 110-88.1 regarding the training or curriculum offered by  
30 religious-sponsored child care facilities.

31                    **SECTION 9D.2.(i)** The North Carolina Child Care Commission shall adopt, amend,  
32 or repeal any rules regarding star-rating system reform necessary to implement the provisions of  
33 this section, including any rule establishing the star rating to be automatically assessed for child  
34 care facilities designated as Head Start programs.

35                    **SECTION 9D.2.(j)** Subsections (b) through (f) of this section are effective when  
36 they become law and expire on the date rules implementing QRIS reform become effective. The  
37 remainder of this section is effective when it becomes law.

38  
39 **CHILD CARE REGULATORY REFORMS**

40                    **SECTION 9D.3.(a)** The General Assembly recognizes the need to balance  
41 maintaining critical health, safety, and welfare standards for child care, as well as a  
42 well-established rating system used for informational purposes, with the need to move toward  
43 maximizing State funds for child care and increasing the supply of child care from State-funded  
44 sources. The General Assembly further recognizes the importance of continuing the child care  
45 stabilization grants funding while weighing the need to decrease the cost of child care through  
46 deregulatory actions and at the same time maintain child care subsidy reimbursement rates. The  
47 purpose of this provision, in part, is to encourage the business community to partner with the  
48 State in achieving this goal.

49                    **SECTION 9D.3.(b)** To that end, by January 1, 2025, the Department of Health and  
50 Human Services, Division of Child Development and Early Education (Division), shall develop  
51 and implement a plan to separate the quality rating improvement system (QRIS) from the

1 requirements and payments for participation in the State subsidized child care program. The  
2 Division shall revise the child care subsidy reimbursement rates by removing the current  
3 star-rating differentials. To remain budget-neutral, the revised rates shall be weighted to reflect  
4 where enrolled children currently receive services. The Division shall continue to distinguish  
5 rates by county, age, and facility type. It is the intent of the General Assembly that implementing  
6 the revised rates shall not result in higher or lower costs to the State to serve the current  
7 enrollment of the subsidized child care program. These revised rates shall instead be a part of the  
8 progression towards implementing new rates as recommended in the next child care market rate  
9 study. After implementing the plan, licensed child care centers and homes may continue to  
10 receive star-ratings on a voluntary basis. However, the star-rating shall not impact the rate at  
11 which licensed child care centers or homes are reimbursed for subsidized child care.

12 **SECTION 9D.3.(c)** The Division of Child Development and Early Education shall  
13 ensure that the next market rate study also includes recommended rates that are not segmented  
14 by star-rating.

15 **SECTION 9D.3.(d)** Section 9D.3 of S.L. 2023-134 reads as rewritten:

16 "...

17 **"SECTION 9D.3.(c)** Payments for the purchase of child care services for low-income  
18 children shall be in accordance with the following requirements:

- 19 (1) ~~Religious sponsored child care facilities operating pursuant to G.S. 110-106~~  
20 ~~and licensed child care centers and homes that meet the minimum licensing~~  
21 ~~standards that are participating in the subsidized child care program shall be~~  
22 ~~paid the one star county market rate or the rate they charge privately paying~~  
23 ~~parents unless prohibited by subsection (f) of this section.~~ Licensed child care  
24 centers and homes, including religious sponsored child care facilities  
25 operating pursuant to G.S. 110-106, that meet the minimum licensing  
26 standards as set forth in G.S. 110-91, that are participating in the subsidized  
27 child care program shall be paid the applicable market rate or the rate they  
28 charge privately paying parents.
- 29 (2) ~~Licensed child care centers and homes with two or more stars shall receive the~~  
30 ~~market rate for that rated license level for that age group unless prohibited by~~  
31 ~~subsection (g) of this section.~~
- 32 (3) No payments shall be made for transportation services charged by child care  
33 facilities.
- 34 (4) Payments for subsidized child care services for postsecondary education shall  
35 be limited to a maximum of 20 months of enrollment. This shall not be  
36 determined before a family's annual recertification period.
- 37 (5) The Department of Health and Human Services shall implement necessary  
38 rule changes to restructure services, including, but not limited to, targeting  
39 benefits to employment.

40 ...

41 **"SECTION 9D.3.(e)** A market rate shall be calculated for child care centers and homes at  
42 ~~each rated license level for each county and for each age group or age category of enrollees and~~  
43 ~~shall be representative of fees charged to parents for each age group of enrollees within the~~  
44 ~~county. The Division of Child Development and Early Education shall also calculate a statewide~~  
45 ~~rate and regional market rate for each rated license level for each age category.~~

46 ~~**"SECTION 9D.3.(f)** The Division of Child Development and Early Education shall continue~~  
47 ~~implementing policies that improve the quality of child care for subsidized children, including a~~  
48 ~~policy in which child care subsidies are paid, to the extent possible, for child care in the higher~~  
49 ~~quality centers and homes only. The Division shall define higher quality, and subsidy funds shall~~  
50 ~~not be paid for one or two star rated facilities. For those counties with an inadequate number of~~  
51 ~~four and five star rated facilities, the Division shall continue a transition period that allows the~~

1 facilities to continue to receive subsidy funds while the facilities work on the increased star  
 2 ratings. The Division may allow exemptions in counties where there is an inadequate number of  
 3 four and five star rated facilities for non star rated programs, such as religious programs.

4 "SECTION 9D.3.(g) Facilities licensed pursuant to Article 7 of Chapter 110 of the General  
 5 Statutes and facilities operated pursuant to G.S. 110-106 may participate in the program that  
 6 provides for the purchase of care in child care facilities for minor children of needy families.  
 7 ~~Except as authorized by subsection (f) of this section, no~~ No separate licensing requirements shall  
 8 be used to select facilities to participate. In addition, child care facilities shall be required to meet  
 9 any additional applicable requirements of federal law or regulations. Child care arrangements  
 10 exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall  
 11 meet the requirements established by other State law and by the Social Services Commission.

12 County departments of social services or other local contracting agencies shall not use a  
 13 provider's failure to comply with requirements in addition to those specified in this subsection as  
 14 a condition for reducing the provider's subsidized child care rate.

15 ...."

16 SECTION 9D.3.(e) G.S. 110-90(4) is amended by adding a new sub-subdivision to  
 17 read:

18 "f. A rated license shall have no impact on the rate at which a child care  
 19 facility is reimbursed for subsidized child care."

20 SECTION 9D.3.(f) Nothing in this section shall be construed as impacting the  
 21 star-rating requirements for the NC Prekindergarten (NC Pre-K) program.

22 SECTION 9D.3.(g) The North Carolina Child Care Commission shall adopt, amend,  
 23 or repeal any rules regarding separating the star-rating system from requirements and payments  
 24 for reimbursement for subsidized child care.

25 SECTION 9D.3.(h) G.S. 110-86(5a) reads as rewritten:

26 "(5a) Lead teacher. – An individual who is responsible for planning and  
 27 implementing the daily program of activities for ~~a group~~ no more than two  
 28 groups of children in a child care facility."

29 SECTION 9D.3.(i) G.S. 110-91(7)a. reads as rewritten:

30 "a. The Commission shall adopt rules for child care centers regarding  
 31 staff-child ratios, group sizes and multi-age groupings other than for  
 32 infants and toddlers, provided that these rules shall be no less stringent  
 33 than those currently required for staff-child ratios as enacted in Section  
 34 156(e) of Chapter 757 of the 1985 Session Laws. Only one lead teacher  
 35 shall be required for every two groups.

36 1. Except as otherwise provided in this subdivision, the  
 37 staff-child ratios and group sizes for infants and toddlers in  
 38 child care centers shall be no less stringent than as follows:

Age	Ratio Staff/Children	Group Size
0 to 12 months	1/5	10
12 to 24 months	1/6	12
2 to 3 years	1/10	20.

39 No child care center shall care for more than 25 children in one  
 40 group. Child care centers providing care for 26 or more  
 41 children shall provide for two or more groups according to the  
 42 ages of children and shall provide separate supervisory  
 43 personnel and separate identifiable space for each group.

44 2. When any preschool-aged child is enrolled in a child care  
 45 center and the licensed capacity of the center is six through 12  
 46 children, the staff-child ratios shall be no less stringent than as  
 47 follows:  
 48  
 49  
 50  
 51

	Age	Ratio Staff/Children
1		
2	0 to 12 months	1/5 preschool children plus 3
3		additional school-aged children
4	12 to 24 months	1/6 preschool children plus 2
5		additional school-aged children.

The following shall also apply:

- I. There is no specific group size.
- II. When only one caregiver is required to meet the staff-child ratio, the operator shall make available to parents the name, address, and phone number of an adult who is nearby and available for emergency relief.
- III. Children shall be supervised at all times. All children who are not asleep or resting shall be visually supervised. Children may sleep or rest in another room as long as a caregiver can hear them and respond immediately."

**SECTION 9D.3.(j)** The Division of Child Development and Early Education (Division) shall submit a progress report on implementing the requirements of this section by April 1, 2025, to the Chairs of the House and Senate Appropriations Committees, the Chairs of the House and Senate Appropriations Committees on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division. The Division shall submit a final report within two months from the date the next market rate study is released and include an estimate of the cost of implementing the recommended rates.

**TRI-SHARE CHILD CARE PILOT PROGRAM EXPANSION**

**SECTION 9D.4.** Section 9D.9 of S.L. 2023-134 reads as rewritten:

**"SECTION 9D.9.(a)** Of the funds appropriated in this act to the Department of Health and Human Services, Division of Child Development and Early Education, to be allocated to the North Carolina Partnership for Children, Inc., the sum of nine hundred thousand dollars (\$900,000) in nonrecurring funds for ~~each year of the 2023-2025 fiscal biennium~~ the 2023-2024 fiscal year and the sum of one million nine hundred thousand dollars (\$1,900,000) in nonrecurring funds for the 2024-2025 fiscal year shall be used to provide the State portion of funding for the Tri-Share Child Care pilot program established by this section. Funds provided under this section shall be divided evenly in each fiscal year among the regional facilitator hubs, as described in subsection (c) of this section, selected to participate in the pilot program. Upon completion of the pilot program, any unexpended funds shall revert to the General Fund.

**"SECTION 9D.9.(b)** The Division of Child Development and Early Education (Division), in collaboration with the North Carolina Partnership for Children, Inc. (NCPC), shall establish a two-year pilot program to implement the Tri-Share Child Care program, a program that creates a public/private partnership to share the cost of child care equally between employers, eligible employees, and the State to:

- (1) Make high-quality child care affordable and accessible for working families.
- (2) Help employers retain and attract employees.
- (3) Help stabilize child care businesses across the State.

**"SECTION 9D.9.(c)** The Division and NCPC shall select up to ~~three~~ six local partnerships to serve as regional facilitator hubs to implement and administer the pilot program and act as regional intermediaries between employers, families, child care providers, and the State. The Division and NCPC shall select local partnerships to participate in the pilot program from geographically diverse areas across the State, with ~~one~~ at least two selected from a ~~tier one county~~ tier one counties, one selected from a tier two county, and one selected from a tier three



1 county. For purposes of this section, a tier ~~one~~one, tier two, and tier three county shall have the  
 2 same designation as that established by the North Carolina Department of Commerce's 2023  
 3 2024 County Tier Designations.

4 ...

5 **"SECTION 9D.9.(g)** Of the funds appropriated in this section to the Division of Child  
 6 Development and Early Education (Division) for the Tri-Share Child Care pilot program for the  
 7 2024-2025 fiscal year, the Division shall use up to one hundred thousand dollars (\$100,000) to  
 8 conduct an evaluation of the program or contract a third party to evaluate the program. Within  
 9 six months after completion of the pilot program, the Division shall submit ~~a report~~the evaluation  
 10 to the Joint Legislative Oversight Committee on Health and Human ~~Services~~Services, the Office  
 11 of State Budget and Management, and the Fiscal Research Division. The ~~report~~evaluation shall  
 12 include, at a minimum, each of the following:

- 13 (1) The number of children served, by age and county.
- 14 (2) Total pilot program costs, including any administrative costs.
- 15 (3) The amount of funds needed to expand the program statewide.
- 16 (4) The list of employers participating in the pilot program.
- 17 (4a) Statistics that describe the uptake and use of the pilot program, such as (i) the  
 18 number of applications received, (ii) the amount of funds requested, (iii) the  
 19 number of applications approved, (iv) the total amount of funds awarded, and  
 20 (v) the types of child care used by students receiving funds from the pilot  
 21 program.
- 22 (4b) An estimate of the number of families who would not otherwise access child  
 23 care services except as a result of the pilot program.
- 24 (4c) An assessment of any obstacles families and businesses faced in receiving  
 25 pilot program funds or participating in the pilot program.
- 26 (4d) Recommendations on whether to continue the pilot program and, if so, what  
 27 improvements might be made.
- 28 (5) Any other relevant information deemed appropriate."

### 30 CLARIFY LANGUAGE/COMPENSATION GRANTS FOR CHILD CARE PROGRAMS

31 **SECTION 9D.5.** Section 9L.2(b) of S.L. 2021-180, as amended by Section 9L.2(a)  
 32 of S.L. 2022-74 and Section 9D.11 of S.L. 2023-134, reads as rewritten:

33 **"SECTION 9L.2.(b)** Of the funds appropriated in this act from federal Child Care and  
 34 Development Block Grant funds received pursuant to ARPA to the Department of Health and  
 35 Human Services, Division of Child Development and Early Education, the sum of five hundred  
 36 three million seven hundred ninety-three thousand seven hundred eleven dollars (\$503,793,711)  
 37 in nonrecurring funds shall be allocated for the following in response to the COVID-19  
 38 pandemic:

- 39 (1) Up to two hundred seventy-four million dollars (\$274,000,000) of the funds  
 40 shall be used as follows:
  - 41 a. A minimum of two hundred six million dollars (\$206,000,000) ~~but no~~  
 42 ~~more than two hundred fifteen million dollars (\$215,000,000)~~ to (i)  
 43 reduce the waitlist for children eligible for subsidized child care who  
 44 are in foster care and (ii) after addressing the waitlist under item (i) of  
 45 this sub-subdivision, work toward reducing the waitlist for children  
 46 eligible for subsidized child care. Additionally, the Division shall use  
 47 a portion of these funds to extend the compensation grants portion of  
 48 the child care stabilization grants, as authorized under Section 3.2(a)  
 49 of S.L. 2021-25, until these funds are exhausted.

- 1                   b.     ~~A minimum of fifty million dollars (\$50,000,000) but no more than~~  
2                   ~~Up to fifty-nine million dollars (\$59,000,000) to modernize and~~  
3                   improve early childhood technology infrastructure.

4                   ...."

## 6     **CHILD CARE STABILIZATION GRANTS FUNDING**

7                   **SECTION 9D.6.** Of the funds appropriated in this act for the 2024-2025 fiscal year  
8 to the Department of Health and Human Services, Division of Child Development and Early  
9 Education (Division), the sum of one hundred nine million five hundred one thousand  
10 seventy-eight dollars (\$109,501,078) from State Fiscal Recovery Funds and the sum of  
11 twenty-five million four hundred ninety-eight thousand nine hundred twenty-two dollars  
12 (\$25,498,922) in nonrecurring funds from the Child Care and Development Fund Block Grant  
13 for quality and availability initiatives shall be used to continue the compensation grants portion  
14 of the child care stabilization grants. The Division shall decrease grant amounts from levels it  
15 has previously provided. The Division shall provide grants for four quarters using decreased  
16 amounts to stay within the funding limits provided in this section.

## 18    **PART IX-E. HEALTH BENEFITS**

### 20    **DURATION OF MEDICAID PROGRAM MODIFICATIONS**

21                  **SECTION 9E.1.(a)** Except for statutory changes or where otherwise specified, the  
22 Department of Health and Human Services shall not be required to maintain, after June 30, 2025,  
23 any modifications to the Medicaid program required by this Subpart.

24                  **SECTION 9E.1.(b)** Consistent with the duration of Medicaid program modifications  
25 established in subsection (a) of this section, the Department of Health and Human Services shall  
26 not be required to maintain, after June 30, 2025, any modifications to the Medicaid program  
27 required by Section 15 of S.L. 2023-129.

### 29    **MODIFY MEDICAID RECEIVABLES ACCOUNTED FOR AS NONTAX REVENUE**

30                  **SECTION 9E.2.** Section 9E.5(b) of S.L. 2023-134 reads as rewritten:

31                  **"SECTION 9E.5.(b)** For the 2023-2024 fiscal year, the Department of Health and Human  
32 Services shall deposit from its revenues one hundred sixty-four million five hundred thousand  
33 dollars (\$164,500,000) with the Department of State Treasurer to be accounted for as nontax  
34 revenue. For the 2024-2025 fiscal year, the Department of Health and Human Services shall  
35 deposit from its revenues ~~eighty-eight million four hundred thousand one hundred fifty-nine~~  
36 million five hundred thousand dollars ~~(\$88,400,000)-(\$159,500,000)~~ with the Department of  
37 State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return  
38 of advanced General Fund appropriations, nonfederal revenue, fund balances, or other resources  
39 from State-owned and State-operated hospitals that are used to provide indigent and nonindigent  
40 care services. The return from State-owned and State-operated hospitals to the Department of  
41 Health and Human Services shall be made from nonfederal resources in the following manner:

42                  ...."

### 44    **CONTINGENT TRANSFER OF FUNDS FOR CHILDREN AND FAMILIES** 45    **SPECIALTY PLAN**

46                  **SECTION 9E.3.** Funds from the Medicaid Contingency Reserve, described in  
47 G.S. 143C-4-11, shall be transferred to the Department of Health and Human Services, Division  
48 of Health Benefits (DHB), in accordance with this section. Beginning with December, 2024, for  
49 each month of the 2024-2025 fiscal year in which DHB makes capitation payments for the  
50 Children and Families Specialty Plan, as defined in G.S. 108D-1, the State Controller shall  
51 transfer five million dollars (\$5,000,000) in nonrecurring funds to DHB to be used for costs

1 associated with the operation of the Children and Families Specialty Plan. To the extent that any  
2 funds are transferred under this section, the funds are appropriated for the purpose set forth in  
3 this section.  
4

5 **TEMPORARILY EXTEND OPTION TO DECREASE MEDICAID ENROLLMENT**  
6 **BURDEN ON COUNTY DEPARTMENTS OF SOCIAL SERVICES**

7 **SECTION 9E.4.(a)** Section 1.8(a) of S.L. 2023-7 reads as rewritten:

8 "SECTION 1.8.(a) Notwithstanding G.S. 108A-54(d) and in accordance with  
9 G.S. 143B-24(b), the Department of Health and Human Services (DHHS) is authorized, on a  
10 temporary basis to conclude ~~no later than 12 months after the date approved by the Centers for~~  
11 ~~Medicare and Medicaid Services (CMS) for Medicaid coverage to begin in North Carolina for~~  
12 ~~individuals described in section 1902(a)(10)(A)(i)(VIII) of the Social Security Act, by June 30,~~  
13 2025, to utilize the federally facilitated marketplace (Marketplace), also known as the federal  
14 health benefit exchange, to make Medicaid eligibility determinations. In accordance with  
15 G.S. 108A-54(b), these eligibility determinations shall be in compliance with all eligibility  
16 categories, resource limits, and income thresholds set by the General Assembly."

17 **SECTION 9E.4.(b)** Section 1.8(g) of S.L. 2023-7 reads as rewritten:

18 "SECTION 1.8.(g) Subsection (a) of this section expires ~~12 months after the date approved~~  
19 ~~by the Centers for Medicare and Medicaid Services (CMS) for Medicaid coverage to begin in~~  
20 ~~North Carolina for individuals described in section 1902(a)(10)(A)(i)(VIII) of the Social Security~~  
21 ~~Act.~~June 30, 2025."  
22

23 **INCREASE RATES FOR SPEECH THERAPY**

24 **SECTION 9E.5.** Of the funds appropriated in this act to the Department of Health  
25 and Human Services, Division of Health Benefits, the sum of four million dollars (\$4,000,000)  
26 in recurring funds for the 2024-2025 fiscal year shall be used to increase the Medicaid rates paid  
27 for speech-language therapy and audiology therapy services.  
28

29 **INCREASE RATES FOR DURABLE MEDICAL EQUIPMENT**

30 **SECTION 9E.6.** Of the funds appropriated in this act to the Department of Health  
31 and Human Services, Division of Health Benefits, the sum of nine million dollars (\$9,000,000)  
32 in recurring funds for the 2024-2025 fiscal year shall be used to increase the Medicaid rates paid  
33 for durable medical equipment.  
34

35 **EXTEND DURABLE MEDICAL EQUIPMENT RATES IN MEDICAID MANAGED**  
36 **CARE**

37 **SECTION 9E.7.** Section 11 of S.L. 2020-88, as amended by Section 3.6 of S.L.  
38 2021-62, reads as rewritten:

39 **"DURABLE MEDICAL EQUIPMENT RATE**

40 **"SECTION 11.** For the first ~~five years~~ 10 years, ending June 30, 2031, of the ~~initial~~ standard  
41 benefit plan prepaid health plan capitated contracts required under Article 4 of Chapter 108D of  
42 the General Statutes, the reimbursement for durable medical equipment and supplies, orthotics,  
43 and prosthetics under managed care shall be set at one hundred percent (100%) of the lesser of  
44 the supplier's usual and customary rate or the maximum allowable Medicaid fee-for-service rates  
45 for durable medical equipment and supplies, orthotics, and prosthetics."  
46

47 **EXTEND PHARMACY REIMBURSEMENT RATES IN MEDICAID MANAGED CARE**

48 **SECTION 9E.8.** Section 9D.19A of S.L. 2021-180, as amended by Section 9D.8 of  
49 S.L. 2022-74, reads as rewritten:

50 **"SECTION 9D.19A.(a)** Notwithstanding G.S. 108D-65(6)b., for the prepaid health plan  
51 capitated contracts required under Article 4 of Chapter 108D of the General Statutes, the

1 reimbursement for the ingredient cost for covered outpatient drugs and the professional drug  
2 dispensing fee shall be set at one hundred percent (100%) of the Medicaid pharmacy  
3 fee-for-service reimbursement methodologies in Attachment 4.19-B of section 12 of the  
4 Medicaid State Plan under Title XIX of the Social Security Act Medicaid Assistance Program,  
5 as filed with, and approved by, the Centers for Medicare and Medicaid Services. The National  
6 Average Drug Acquisition Cost (NADAC), when applicable and as allowed under the Medicaid  
7 State Plan, plus a professional dispensing fee based on the cost of the dispensing study conducted  
8 on behalf of the North Carolina Department of Health and Human Services, Division of Health  
9 Benefits, will serve as the primary method utilized for reimbursement for retail community  
10 pharmacy claims not dispensed utilizing covered outpatient drugs acquired through the 340B  
11 drug discount program established under 42 U.S.C. § 256b. All claims utilizing drugs acquired  
12 through the 340B drug discount program shall be reimbursed in accordance with the  
13 CMS-approved Medicaid State Plan.

14 "**SECTION 9D.19A.(b)** This section is effective when it becomes law and expires June 30,  
15 ~~2026.2031.~~"

## 17 **ENSURE MEDICAID RECEIPTS FOR NC HEALTH WORKS IMPLEMENTATION** 18 **COSTS**

19 **SECTION 9E.9.(a)** For purposes of calculating the public hospital health  
20 advancement assessments and the private hospital health advancement assessments under Part 3  
21 of Article 7B of Chapter 108A of the General Statutes, for the assessment quarter in which this  
22 subsection becomes effective, any reference to "total nonfederal receipts for health advancement"  
23 in that Part shall be to the calculation in this subsection, notwithstanding the calculation under  
24 G.S. 108A-147.3(b). The amount of the total nonfederal receipts for health advancement shall be  
25 calculated by adding all of the following:

- 26 (1) The presumptive service cost component calculated under G.S. 108A-147.5.
- 27 (2) The HASP health advancement component calculated under  
28 G.S. 108A-147.6.
- 29 (3) The administration component calculated under G.S. 108A-147.7.
- 30 (4) The State retention component under G.S. 108A-147.9.
- 31 (5) The positive or negative health advancement reconciliation adjustment  
32 component calculated under G.S. 108A-147.11(a).
- 33 (6) Twelve million eight hundred thousand dollars (\$12,800,000).

34 **SECTION 9E.9.(b)** Notwithstanding the limitation on the use of funds under  
35 G.S. 108A-147.13(a), DHHS may use twelve million eight hundred thousand dollars  
36 (\$12,800,000) of the receipts collected under Part 3 of Article 7B of Chapter 108A of the General  
37 Statutes during the 2024-2025 fiscal year for the Medicaid program.

38 **SECTION 9E.9.(c)** No later than September 1, 2024, DHHS shall submit to the Joint  
39 Legislative Oversight Committee on Medicaid and the Fiscal Research Division a report that  
40 details the amount of funds that DHHS provided to each county department of social services  
41 from funding sources other than the proceeds of the health advancement assessments during the  
42 2022-2023 fiscal year and the 2023-2024 fiscal year for the implementation of NC Health Works  
43 under Section 1.1 of S.L. 2023-7 and the date that those amounts were provided to each county  
44 department of social services.

45 **SECTION 9E.9.(d)** Subsections (a) and (b) of this section are effective on the first  
46 day of the next assessment quarter after this act becomes law.

## 48 **ENSURE CERTAIN MEDICAID RECEIPTS**

49 **SECTION 9E.10.(a)** For purposes of calculating the public hospital modernized  
50 assessments and the private hospital modernized assessments under Part 2 of Article 7B of  
51 Chapter 108A of the General Statutes, for the assessment quarter in which this subsection

1 becomes effective, any reference to "total modernized nonfederal receipts" in that Part shall be  
 2 to the calculation in this subsection, notwithstanding the calculation under G.S. 108A-146.5(b).  
 3 The amount of the total modernized nonfederal receipts shall be calculated by adding all of the  
 4 following:

- 5 (1) One-fourth of the State's annual Medicaid payment as defined in  
 6 G.S. 108A-145.3.
- 7 (2) The managed care component under G.S. 108A-146.7.
- 8 (3) The fee-for-service component under G.S. 108A-146.9.
- 9 (4) The modernized HASP component under G.S. 108A-146.10.
- 10 (5) The GME component under G.S. 108A-146.11.
- 11 (6) The postpartum coverage component under G.S. 108A-146.12.
- 12 (7) Ten million seven hundred fifty thousand dollars (\$10,750,000).

13 **SECTION 9E.10.(b)** Notwithstanding the limitation on the use of funds under  
 14 G.S. 108A-146.15, the Department of Health and Human Services may use up to ten million  
 15 seven hundred fifty thousand dollars (\$10,750,000) of the receipts collected under Part 2 of  
 16 Article 7B of Chapter 108A of the General Statutes during the 2024-2025 fiscal year for the  
 17 Medicaid program.

18 **SECTION 9E.10.(c)** Subsections (a) and (b) of this section are effective on the first  
 19 day of the next assessment quarter after this act becomes law.

## 20 **MEDICAID HASP REIMBURSEMENT FOR PSYCHIATRIC HOSPITALS**

21 **SECTION 9E.11.(a)** G.S. 108A-148.1(a) reads as rewritten:

22 "(a) The healthcare access and stabilization program is a directed payment program that  
 23 provides acute care hospitals with increased reimbursements funded through hospital  
 24 assessments in accordance with this section. Upon the approval of CMS, the healthcare access  
 25 and stabilization program directed payment program shall additionally provide qualifying  
 26 freestanding psychiatric hospitals with increased reimbursements funded through hospital  
 27 assessments. A qualifying freestanding psychiatric hospital is a freestanding psychiatric hospital  
 28 as defined in G.S. 108A-145.3 that is Medicare-certified and submits Hospital Cost Report  
 29 Information System cost report data to CMS."

30 **SECTION 9E.11.(b)** The Department of Health and Human Services shall submit a  
 31 42 C.F.R. § 438.6(c) preprint requesting approval to include freestanding psychiatric hospitals in  
 32 the healthcare access and stabilization program (HASP) authorized under G.S. 108A-148.1, as  
 33 amended by subsection (a) of this section.

34 **SECTION 9E.11.(c)** G.S. 108A-145.3 reads as rewritten:

### 35 **"§ 108A-145.3. Definitions.**

36 The following definitions apply in this Article:

37 ...

38 (6c) Freestanding psychiatric hospital. – A hospital facility that is (i) licensed  
 39 under Article 2 of Chapter 122C of the General Statutes, (ii) primarily engaged  
 40 in providing to inpatients, by or under the supervision of a physician,  
 41 psychiatric services for the diagnosis and treatment of individuals with mental  
 42 illnesses, and (iii) not State-owned and State-operated.

43 (6d) HASP directed payments. – Payments made by the Department to prepaid  
 44 health plans to be used for (i) increased reimbursements to hospitals under the  
 45 HASP program and (ii) the costs to prepaid health plans from the gross  
 46 premiums tax under G.S. 105-228.5 and the insurance regulatory charge under  
 47 G.S. 58-6-25 associated with those hospital reimbursements.

48 ~~(6d)~~(6e) Healthcare access and stabilization program (HASP). – The directed  
 49 payment program providing increased reimbursements to acute care hospitals  
 50

1                   and freestanding psychiatric hospitals as approved by CMS and authorized by  
2                   G.S. 108A-148.1.

3                   ...."

4                   **SECTION 9E.11.(d)** G.S. 108A-146.1 reads as rewritten:

5                   "**§ 108A-146.1. Public hospital modernized assessment.**

6                   (a)       The public hospital modernized assessment imposed under this Part shall apply to all  
7 public acute care hospitals.

8                   (b)       The public hospital modernized assessment shall be assessed as a percentage of each  
9 public acute care hospital's hospital costs. The assessment percentage shall be calculated  
10 quarterly by the Department of Health and Human Services in accordance with this Part. The  
11 percentage for each quarter shall equal the aggregate acute care hospital modernized assessment  
12 collection amount under G.S. 108A-146.5 multiplied by the public hospital historical assessment  
13 share and divided by the total hospital costs for all public acute care hospitals holding a license  
14 on the first day of the assessment quarter."

15                   **SECTION 9E.11.(e)** G.S. 108A-146.3 reads as rewritten:

16                   "**§ 108A-146.3. Private hospital modernized assessment.**

17                   (a)       The private hospital modernized assessment imposed under this Part shall apply to all  
18 private acute care hospitals.

19                   (b)       The private hospital modernized assessment shall be assessed as a percentage of each  
20 private acute care hospital's hospital costs. The assessment percentage shall be calculated  
21 quarterly by the Department of Health and Human Services in accordance with this Part. The  
22 percentage for each quarter shall equal the aggregate acute care hospital modernized assessment  
23 collection amount under G.S. 108A-146.5 multiplied by the private hospital historical assessment  
24 share and divided by the total hospital costs for all private acute care hospitals holding a license  
25 on the first day of the assessment quarter."

26                   **SECTION 9E.11.(f)** Part 2 of Article 7B of Chapter 108A of the General Statutes is  
27 amended by adding a new section to read:

28                   "**§ 108A-146.4. Freestanding psychiatric hospital modernized assessment.**

29                   (a)       The freestanding psychiatric hospital modernized assessment imposed under this Part  
30 shall apply to all freestanding psychiatric hospitals.

31                   (b)       The freestanding psychiatric hospital modernized assessment shall be assessed as a  
32 percentage of each freestanding psychiatric hospital's hospital costs. The assessment percentage  
33 shall be calculated quarterly by the Department of Health and Human Services in accordance  
34 with this Part. The percentage for each quarter shall equal the modernized freestanding  
35 psychiatric hospital HASP component under G.S. 108A-146.10A divided by the total hospital  
36 costs for all freestanding psychiatric hospitals holding a license on the first day of the assessment  
37 quarter."

38                   **SECTION 9E.11.(g)** G.S. 108A-146.5 reads as rewritten:

39                   "**§ 108A-146.5. Aggregate acute care hospital modernized assessment collection amount.**

40                   (a)       The aggregate modernized assessment collection amount is an amount of money that  
41 is calculated by subtracting the modernized intergovernmental transfer adjustment component  
42 under G.S. 108A-146.13 from the total modernized nonfederal receipts under subsection (b) of  
43 this section and then adding the positive or negative amount of the modernized IGT actual  
44 receipts adjustment component under G.S. 108A-146.14.

45                   (b)       The total modernized nonfederal receipts is the sum of all of the following:

46                   (1)       One-fourth of the State's annual Medicaid payment.

47                   (2)       The managed care component under G.S. 108A-146.7.

48                   (3)       The fee-for-service component under G.S. 108A-146.9.

49                   (3a)      The modernized acute care hospital HASP component under  
50 G.S. 108A-146.10.

- 1           (3b) The modernized freestanding psychiatric hospital HASP component under  
 2           G.S. 108A-146.10A.  
 3           (4) The GME component under G.S. 108A-146.11.  
 4           (5) Beginning April 1, 2022, and ending March 31, 2027, the postpartum  
 5           coverage component under G.S. 108A-146.12.  
 6           (6) Beginning April 1, 2024, the home and community-based services component  
 7           under G.S. 108A-146.12A.

8           (c) The aggregate acute care hospital modernized assessment collection amount is an  
 9           amount of money equal to the aggregate modernized assessment collection amount under  
 10           subsection (a) of this section minus the modernized freestanding psychiatric hospital HASP  
 11           component under G.S. 108A-146.10A."

12           **SECTION 9E.11.(h)** G.S. 108A-146.10 reads as rewritten:

13           "**§ 108A-146.10. Modernized acute care hospital HASP component.**

14           The modernized acute care hospital HASP component is an amount of money that is  
 15           calculated each quarter by multiplying the aggregate amount of HASP directed payments due to  
 16           PHPs in the current quarter for ~~hospital~~-reimbursements to acute care hospitals that are not  
 17           attributable to newly eligible individuals by the nonfederal share for not newly eligible  
 18           individuals."

19           **SECTION 9E.11.(i)** Part 2 of Article 7B of Chapter 108A of the General Statutes is  
 20           amended by adding a new section to read:

21           "**§ 108A-146.10A. Modernized freestanding psychiatric hospital HASP component.**

22           The modernized freestanding psychiatric hospital HASP component is an amount of money  
 23           that is calculated each quarter by multiplying the aggregate amount of HASP directed payments  
 24           due to PHPs in the current quarter for reimbursements to freestanding psychiatric hospitals that  
 25           are not attributable to newly eligible individuals by the nonfederal share for not newly eligible  
 26           individuals."

27           **SECTION 9E.11.(j)** G.S. 108A-146.13 reads as rewritten:

28           "**§ 108A-146.13. Modernized presumptive IGT adjustment component.**

29           ...

30           (c) The modernized presumptive IGT adjustment component is an amount of money  
 31           equal to the sum of all of the following subcomponents:

- 32           (1) The public hospital IGT subcomponent is the total of the following amounts:  
 33           a. Sixteen and forty-three hundredths percent (16.43%) of the amount of  
 34           money that is equal to the total modernized nonfederal receipts under  
 35           G.S. 108A-146.5(b) for the current quarter minus the modernized  
 36           acute care hospital HASP component under G.S. 108A-146.10 for the  
 37           current quarter and minus the modernized freestanding psychiatric  
 38           hospital HASP component under G.S. 108A-146.10A for the current  
 39           quarter.  
 40           b. Sixty percent (60%) of the nonfederal share for not newly eligible  
 41           individuals of the aggregate amount of HASP directed payments due  
 42           to PHPs in the current quarter for reimbursements to public acute care  
 43           hospitals and that are not attributable to newly eligible individuals.  
 44           (2) The UNC Health Care System IGT subcomponent is the total of the following  
 45           amounts:  
 46           a. Four and sixty-two hundredths percent (4.62%) of the ~~difference of~~  
 47           amount of money that is equal to the total modernized nonfederal  
 48           receipts under G.S. 108A-146.5(b) for the current quarter minus the  
 49           modernized acute care hospital HASP component under  
 50           G.S. 108A-146.10 for the current quarter and minus the modernized

1 freestanding psychiatric hospital HASP component under  
2 G.S. 108A-146.10A for the current quarter.

3 b. The nonfederal share for not newly eligible individuals of the  
4 aggregate amount of HASP directed payments due to PHPs in the  
5 current quarter for reimbursements to UNC Health Care System  
6 hospitals that are not attributable to newly eligible individuals.

7 (3) The East Carolina University IGT subcomponent is the total of the following  
8 amounts:

9 a. One and four hundredths percent (1.04%) of the ~~difference of amount~~  
10 of money that is equal to the total modernized nonfederal receipts  
11 under G.S. 108A-146.5(b) for the current quarter minus the  
12 modernized acute care hospital HASP component under  
13 G.S. 108A-146.10 for the current quarter and minus the modernized  
14 freestanding psychiatric hospital HASP component under  
15 G.S. 108A-146.10A for the current quarter.

16 b. The nonfederal share for not newly eligible individuals of the  
17 aggregate amount of HASP directed payments due to PHPs in the  
18 current quarter for reimbursements to the primary affiliated teaching  
19 hospital for the East Carolina University Brody School of Medicine  
20 that are not attributable to newly eligible individuals."

21 **SECTION 9E.11.(k)** G.S. 108A-147.1 reads as rewritten:

22 **"§ 108A-147.1. Public hospital health advancement assessment.**

23 (a) The public hospital health advancement assessment imposed under this Part shall  
24 apply to all public acute care hospitals.

25 (b) The public hospital health advancement assessment shall be assessed as a percentage  
26 of each public acute care hospital's hospital costs. The assessment percentage shall be calculated  
27 quarterly by the Department in accordance with this Part. The percentage for each quarter shall  
28 equal the aggregate acute care hospital health advancement assessment collection amount  
29 calculated under G.S. 108A-147.3 multiplied by the public hospital historical assessment share  
30 and divided by the total hospital costs for all public acute care hospitals holding a license on the  
31 first day of the assessment quarter."

32 **SECTION 9E.11.(l)** G.S. 108A-147.2 reads as rewritten:

33 **"§ 108A-147.2. Private hospital health advancement assessment.**

34 (a) The private hospital health advancement assessment imposed under this Part shall  
35 apply to all private acute care hospitals.

36 (b) The private hospital health advancement assessment shall be assessed as a percentage  
37 of each private acute care hospital's hospital costs. The assessment percentage shall be calculated  
38 quarterly by the Department in accordance with this Part. The percentage for each quarter shall  
39 equal the aggregate acute care hospital health advancement assessment collection amount  
40 calculated under G.S. 108A-147.3 multiplied by the private hospital historical assessment share  
41 and divided by the total hospital costs for all private acute care hospitals holding a license on the  
42 first day of the assessment quarter."

43 **SECTION 9E.11.(m)** Part 3 of Article 7B of Chapter 108A of the General Statutes  
44 is amended by adding a new section to read:

45 **"§ 108A-147.2A. Freestanding psychiatric hospital health advancement assessment.**

46 (a) The freestanding psychiatric hospital health advancement assessment imposed under  
47 this Part shall apply to all freestanding psychiatric hospitals.

48 (b) The freestanding psychiatric hospital health advancement assessment shall be  
49 assessed as a percentage of each freestanding psychiatric hospital's hospital costs. The assessment  
50 percentage shall be calculated quarterly by the Department in accordance with this Part. The  
51 percentage for each quarter shall equal the health advancement freestanding psychiatric hospital



1 HASP component calculated under G.S. 108A-147.6A divided by the total hospital costs for all  
2 freestanding psychiatric hospitals holding a license on the first day of the assessment quarter."

3 **SECTION 9E.11.(n)** G.S. 108A-147.3 reads as rewritten:

4 "**§ 108A-147.3. Aggregate acute care hospital health advancement assessment collection**  
5 **amount.**

6 (a) The aggregate health advancement assessment collection amount is an amount of  
7 money that is calculated quarterly by adjusting the total nonfederal receipts for health  
8 advancement calculated under subsection (b) of this section by (i) subtracting the health  
9 advancement presumptive IGT adjustment component calculated under G.S. 108A-147.9, (ii)  
10 adding the positive or negative health advancement IGT actual receipts adjustment component  
11 calculated under G.S. 108A-147.10, and (iii) subtracting the positive or negative IGT share of  
12 the reconciliation adjustment component calculated under G.S. 108A-147.11(b).

13 (b) The total nonfederal receipts for health advancement is an amount of money that is  
14 calculated quarterly by adding all of the following:

15 (1) The presumptive service cost component calculated under G.S. 108A-147.5.

16 (2) The ~~HASP~~ health advancement acute care hospital HASP component  
17 calculated under G.S. 108A-147.6.

18 (2a) The health advancement freestanding psychiatric hospital HASP component  
19 calculated under G.S. 108A-147.6A.

20 (3) The administration component calculated under G.S. 108A-147.7.

21 (4) The State retention component under G.S. 108A-147.9.

22 (5) The positive or negative health advancement reconciliation adjustment  
23 component calculated under G.S. 108A-147.11(a).

24 (c) The aggregate acute care hospital health advancement assessment collection amount  
25 is an amount of money equal to the aggregate health advancement assessment collection amount  
26 under subsection (a) of this section minus the health advancement freestanding psychiatric  
27 hospital HASP component under G.S. 108A-147.6A."

28 **SECTION 9E.11.(o)** G.S. 108A-147.5 reads as rewritten:

29 "**§ 108A-147.5. Presumptive service cost component.**

30 (a) For every State fiscal quarter prior to the fiscal quarter in which G.S. 108A-54.3A(24)  
31 becomes effective, the presumptive service cost component is zero.

32 (b) For the State fiscal quarter in which G.S. 108A-54.3A(24) becomes effective, the  
33 presumptive service cost component is the product of forty-eight million seven hundred fifty  
34 thousand dollars (\$48,750,000) multiplied by the number of months in that State fiscal quarter in  
35 which G.S. 108A-54.3A(24) is effective during any part of the month.

36 (c) For the first State fiscal quarter after the State fiscal quarter in which  
37 G.S. 108A-54.3A(24) becomes effective, the presumptive service cost component is one hundred  
38 forty-six million two hundred fifty thousand dollars (\$146,250,000).

39 (d) For the second State fiscal quarter after the State fiscal quarter in which  
40 G.S. 108A-54.3A(24) becomes effective, and for each State fiscal quarter thereafter, the  
41 presumptive service cost component is an amount of money that is the greatest of the following:

42 (1) The prior quarter's presumptive service cost component amount.

43 (2) The prior quarter's presumptive service cost component amount increased by  
44 a percentage that is the sum of each monthly percentage change in the  
45 Consumer Price Index: Medical Care for the most recent three months  
46 available on the first day of the current quarter.

47 (3) The prior quarter's presumptive service cost component amount increased by  
48 the percentage change in the weighted average of the base capitation rates for  
49 standard benefit plans for all rating groups associated with newly eligible  
50 individuals compared to the prior quarter. The weight for each rating group

1 shall be calculated using member months documented in the Medicaid  
2 managed care capitation rate certification for standard benefit plans.

3 (4) The prior quarter's presumptive service cost component amount increased by  
4 the percentage change in the weighted average of the base capitation rates for  
5 BH IDD tailored plans for all rating groups associated with newly eligible  
6 individuals compared to the prior quarter. The weight for each rating group  
7 shall be calculated using member months documented in the Medicaid  
8 managed care capitation rate certification for BH IDD tailored plans.

9 (5) The amount produced from multiplying 1.15 by the highest amount produced  
10 when calculating, for each quarter that is at least two and not more than five  
11 quarters prior to the current quarter, the actual nonfederal expenditures for the  
12 applicable quarter minus the ~~HASP~~health advancement acute care hospital  
13 HASP component calculated under G.S. 108A-147.6 for the applicable  
14 quarter and minus the health advancement freestanding psychiatric hospital  
15 HASP component calculated under G.S. 108A-147.6A for the applicable  
16 quarter."

17 **SECTION 9E.11.(p)** G.S. 108A-147.6 reads as rewritten:

18 "**§ 108A-147.6. ~~HASP~~health Health advancement acute care hospital HASP component.**

19 The ~~HASP~~health advancement acute care hospital HASP component is an amount of money  
20 that is calculated by multiplying the aggregate amount of HASP directed payments due to PHPs  
21 in the current quarter for ~~hospital~~reimbursements to acute care hospitals attributable to newly  
22 eligible individuals by the nonfederal share for newly eligible individuals."

23 **SECTION 9E.11.(q)** Part 3 of Article 7B of Chapter 108A of the General Statutes  
24 is amended by adding a new section to read:

25 "**§ 108A-147.6A. Health advancement freestanding psychiatric hospital HASP component.**

26 The health advancement freestanding psychiatric hospital HASP component is an amount of  
27 money that is calculated by multiplying the aggregate amount of HASP directed payments due  
28 to PHPs in the current quarter for reimbursements to freestanding psychiatric hospitals  
29 attributable to newly eligible individuals by the nonfederal share for newly eligible individuals."

30 **SECTION 9E.11.(r)** G.S. 108A-147.11 reads as rewritten:

31 "**§ 108A-147.11. Health advancement reconciliation adjustment component.**

32 (a) The health advancement reconciliation adjustment component is a positive or  
33 negative dollar amount equal to the actual nonfederal expenditures for the quarter that is two  
34 quarters prior to the current quarter minus the sum of the following specified amounts:

35 (1) The presumptive service cost component calculated under G.S. 108A-147.5  
36 for the quarter that is two quarters prior to the current quarter.

37 (2) The positive or negative gross premiums tax offset amount calculated under  
38 G.S. 108A-147.12(b).

39 (3) The ~~HASP~~health advancement acute care hospital HASP component  
40 calculated under G.S. 108A-147.6 for the quarter that is two quarters prior to  
41 the current quarter.

42 (4) The health advancement freestanding psychiatric hospital HASP component  
43 calculated under G.S. 108A-147.6A for the quarter that is two quarters prior  
44 to the current quarter.

45 (b) The IGT share of the reconciliation adjustment component is a positive or negative  
46 dollar amount that is calculated by multiplying the health advancement reconciliation adjustment  
47 component calculated under subsection (a) of this section by the share of public hospital costs  
48 calculated under subsection (c) of this section.

49 (c) The share of public hospital costs is calculated by adding total hospital costs for the  
50 UNC Health Care System, total hospital costs for the primary affiliated teaching hospital for the  
51 East Carolina University Brody School of Medicine, and sixty percent (60%) of the total hospital

1 costs for all public acute care hospitals and dividing that sum by the total hospital costs for all  
2 acute care hospitals except for critical access hospitals."

3 **SECTION 9E.11.(s)** Subsections (c) through (r) of this section are effective on the  
4 first day of the second assessment quarter after the date this act becomes law and apply to  
5 assessments imposed on or after that date. The remainder of this section is effective when it  
6 becomes law.

7  
8 **REDUCING USE OF INAPPROPRIATE SETTINGS FOR DELIVERY OF**  
9 **BEHAVIORAL HEALTH SERVICES**

10 **SECTION 9E.12.(a)** Section 9D.22 of S.L. 2021-180, as amended by Section 9D.9  
11 of S.L. 2022-74 and Section 9E.19 of S.L. 2023-134, expires July 1, 2024.

12 **SECTION 9E.12.(b)** No later than October 1, 2024, the Department of Health and  
13 Human Services (DHHS) shall report to the Joint Legislative Oversight Committee on Health  
14 and Human Services and the Joint Legislative Oversight Committee on Medicaid on DHHS's  
15 recent efforts to address the issue of the inappropriate use of acute care hospital settings for the  
16 delivery of behavioral health services. The report shall include all of the following:

- 17 (1) Actions DHHS has taken, and plans to take, during the 2023-2025 fiscal  
18 biennium to address this issue.
- 19 (2) An analysis of any gaps that will remain once current plans are implemented,  
20 as well as any additional authority, resources, and funding needed to address  
21 those gaps.
- 22 (3) Any impact, or anticipated impact, from the implementation of behavioral  
23 health and intellectual/developmental disabilities tailored plans on this issue.
- 24 (4) The metrics DHHS uses and will use to measure the effectiveness of actions  
25 taken to address this issue.
- 26 (5) Any measurable progress toward addressing this issue.

27  
28 **EXTENDING AND CLARIFYING PRIMARY CARE PAYMENT REFORM TASK**  
29 **FORCE**

30 **SECTION 9E.13.** Section 9E.28 of S.L. 2023-134 reads as rewritten:

31 **"SECTION 9E.28.(a)** There is established the North Carolina Primary Care Payment  
32 Reform Task Force (Task Force) within the Department of Health and Human Services, Division  
33 of Health Benefits, for budgetary purposes only.

34 ...

35 **"SECTION 9E.28.(b)** The Task Force established under subsection (a) of this section shall  
36 have the following duties:

- 37 (1) Establish a definition of primary care to be utilized by the Task Force. This  
38 term should be applicable to services and care provided under the NC  
39 Medicaid program, the State Health Plan, and commercial insurance.
- 40 (2) Conduct an actuarial evaluation of the current healthcare spend on primary  
41 care services, both as it relates to the NC Medicaid program and the  
42 commercial market, including Medicare Advantage plans.
- 43 (3) Determine the adequacy of the primary care delivery system in North  
44 Carolina, including the impact this system has on the supply of the primary  
45 care providers in this State.
- 46 (4) Study the primary care payment landscape in other states, specifically  
47 considering states that have implemented a minimum primary care spend.
- 48 (5) Identify data collection and measurement systems to inform creation of a  
49 primary care investment target for the NC Medicaid program, the State Health  
50 Plan, and commercial insurance. This includes a method by which to measure  
51 improvements made toward that target.

- 1           (5a) Collect and compile data and other information related to health care spend  
2 on primary care services. Within 30 days of a request for data or information  
3 from the Task Force, all entities shall comply with the Task Force's request.  
4           (6) Evaluate the need for a permanent Primary Care Payment Reform Task Force,  
5 or other similar entity, including which State agency or body is best suited to  
6 oversee the work of that group.  
7           (7) Perform any other studies, evaluations, or determinations the Task Force  
8 considers necessary.

9           **"SECTION 9E.28.(b1)** The Department of Health and Human Services shall develop, and  
10 the Task Force and the Department of Health and Human Services shall implement, a detailed  
11 data security and safeguarding plan for the data requested pursuant to subsection (b) of this  
12 section that includes all of the following:

- 13           (1) Guidelines for authorizing access to the data, including guidelines for  
14 authentication of authorized access.  
15           (2) Privacy compliance standards.  
16           (3) Privacy and security audits.  
17           (4) Breach planning, notification, and procedures.  
18           (5) Data retention and disposition policies.  
19           (6) Data security policies, including electronic, physical, and administrative  
20 safeguards such as data encryption and training of employees.

21           **"SECTION 9E.28.(b2)** The data collected by the Task Force under subsection (b) of this  
22 section, regardless of where it is housed, shall not be considered a public record within the  
23 meaning of Chapter 132 of the General Statutes.

24           **"SECTION 9E.28.(c)** No later than April 1, 2024, and December 1, 2025, the Task Force  
25 shall submit a report with its findings and recommendations to the Joint Legislative Oversight  
26 Committee on Health and Human Services and the Joint Legislative Oversight Committee on  
27 Medicaid. These findings and recommendations shall include specific, concrete, and actionable  
28 steps to be undertaken by the State and upon which the General Assembly could act.

29           **"SECTION 9E.28.(d)** This section shall expire on May 1, 2024.2026."  
30

## 31 **PART IX-F. HEALTH SERVICE REGULATION**

### 32 **DELAY EFFECTIVE DATE OF LAW REQUIRING SWORN LAW ENFORCEMENT** 33 **OFFICERS TO BE PRESENT IN EMERGENCY DEPARTMENTS AND RELATED** 34 **REPORTS**

35           **SECTION 9F.1.** Section 8.1 of S.L. 2023-129 reads as rewritten:  
36

37           "..."

38           **"SECTION 8.1.(c)** Section 8.1(b) of this act becomes effective ~~October 1, 2024,~~ October 1,  
39 2025, and the first report is due ~~October 1, 2025.~~ October 1, 2026. Section 8.1(b) of this act  
40 expires ~~October 30, 2030.~~ October 30, 2031.

41           **"SECTION 8.1.(d)** By October 1, 2023, the Department of Health and Human Services shall  
42 notify all hospitals licensed under Article 5 of Chapter 131E of the General Statutes about the  
43 requirements of Part 3A of Article 5 of Chapter 131E of the General Statutes, including the  
44 reporting requirements required by G.S. 131E-88.2(a), as enacted by this section.

45           **"SECTION 8.1.(e)** The first data collection under G.S. 131E-88.2(a), as enacted by this  
46 section, shall occur on or before ~~September 1, 2025.~~ September 1, 2026. The first report required  
47 by G.S. 131E-88.2(c), as enacted by this section, is due on or before ~~December 1, 2025.~~ December  
48 1, 2026.

49           **"SECTION 8.1.(f)** Section 8.1(d) of this act is effective when it becomes law. The remainder  
50 of this section becomes effective ~~October 1, 2024.~~ October 1, 2025."  
51

1 **PART IX-G. MENTAL HEALTH/DEVELOPMENTAL DISABILITIES/SUBSTANCE**  
2 **USE SERVICES**

3  
4 **ALLOW TRANSFER FOR SINGLE-STREAM FUNDING FOR FISCAL YEAR**  
5 **2024-2025**

6 **SECTION 9G.1.** Section 9G.1 of S.L. 2023-134 is amended by adding a new  
7 subsection to read:

8 "SECTION 9G.1.(c) If, on or after June 1, 2025, the Office of State Budget Management  
9 (OSBM) certifies a Medicaid budget surplus and sufficient cash in Budget Code 14445 to meet  
10 total obligations for the 2024-2025 fiscal year, then DHB shall transfer to DMH/DD/SUS funds  
11 not to exceed the amount of the certified surplus or thirty million dollars (\$30,000,000),  
12 whichever is less, to be used for single-stream funding."

13  
14 **USE OF OPIOID SETTLEMENT FUNDS**

15 **SECTION 9G.2.(a)** Section 9G.8 of S.L. 2023-134 reads as rewritten:

16 **"SECTION 9G.8.(a) Definitions.** – The following definitions apply in this section:

- 17 (1) Department. – The Department of Health and Human Services.  
18 (2) Opioid Abatement Fund. – The Fund created by Section 9F.1 of S.L.  
19 2021-180, as amended by Section 9F.1 of S.L. 2022-74.  
20 (3) Opioid Abatement Reserve. – The Reserve created by Section 9F.1 of S.L.  
21 2021-180, as amended by Section 9F.1 of S.L. 2022-74.

22 **"SECTION 9G.8.(b) Funds Transferred to the Board of Governors of The University of**  
23 **North Carolina.** – The State Controller shall transfer from funds available in the Opioid  
24 Abatement Reserve to the Board of Governors of The University of North Carolina the sum of  
25 five million five hundred thousand dollars (\$5,500,000) in nonrecurring funds for the 2023-2024  
26 fiscal year and the sum of five million five hundred thousand dollars (\$5,500,000) in nonrecurring  
27 funds for the 2024-2025 fiscal year. The funds transferred are appropriated for the fiscal year in  
28 which they are transferred for allocation to the University of North Carolina at Chapel Hill for  
29 the North Carolina Collaboratory to be used as follows:

- 30 (1) Three hundred thousand dollars (\$300,000) in nonrecurring funds for the  
31 2023-2024 fiscal year to conduct the study on judicially managed  
32 accountability and recovery courts authorized by Section 8.11 of this act.  
33 (2) Five million two hundred thousand dollars (\$5,200,000) in nonrecurring funds  
34 for the 2023-2024 fiscal year and five million five hundred thousand dollars  
35 (\$5,500,000) in nonrecurring funds for the 2024-2025 fiscal year to make  
36 grants available on a competitive basis prescribed by the North Carolina  
37 Collaboratory to each campus of the constituent institutions of The University  
38 of North Carolina for opioid abatement research and development projects.

39 **"SECTION 9G.8.(c) Funds Transferred to the Department of Health and Human Services.**  
40 **–** The State Controller shall transfer from funds available in the Opioid Abatement Reserve to  
41 the Opioid Abatement Fund the sum of three million six hundred ninety-two thousand four  
42 hundred sixty-one dollars (\$3,692,461) in nonrecurring funds for the 2023-2024 fiscal year and  
43 the sum of ~~four million four hundred seventy-eight thousand four hundred sixty-two dollars~~  
44 ~~(\$4,478,462)~~ forty-one million one hundred sixty-eight thousand eight hundred twelve dollars  
45 (\$41,168,812) in nonrecurring funds for the 2024-2025 fiscal year. The funds transferred are  
46 appropriated for the fiscal year in which they are transferred to the Department of Health and  
47 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use  
48 ~~Services, Services (DMH/DD/SUS),~~ to be allocated and used as follows:

- 49 (1) The sum of three million six hundred ninety-two thousand four hundred  
50 sixty-one dollars (\$3,692,461) in nonrecurring funds for the 2023-2024 fiscal  
51 year and the sum of thirty-five million eighteen thousand eight hundred twelve

dollars (\$35,018,812) for the 2024-2025 fiscal year to be used to award directed grants according to the following schedule:

	Name of Recipient Entity	2023-2024	2024-2025
1			
2			
3			
4			
5			
6	(1) Addiction Professionals of North Carolina, Inc.	\$200,000	\$0
7	(2) Adult & Teen Challenge of Sandhills, North Carolina	\$0	\$78,462
8	<u>Ashe County</u>	\$0	\$700,000
9	<u>Bertie County</u>	\$0	\$1,000,000
10	<u>Bethel Colony of Mercy, Inc.</u>	\$0	\$700,000
11	<u>Bladen County</u>	\$0	\$1,000,000
12	(3) Bridge to Recovery, Inc.	\$1,000,000	\$0
13	<u>Brunswick County</u>	\$0	\$1,000,000
14	<u>Camden County</u>	\$0	\$1,000,000
15	<u>Charlotte Rescue Mission</u>	\$0	\$1,000,000
16	<u>Chowan County</u>	\$0	\$1,000,000
17	<u>Christian Recovery Centers, Inc.</u>	\$0	\$1,400,000
18	(4) Clay County	\$0	\$1,000,000
19	(5) Columbus Regional Healthcare System	\$0	\$1,400,000
20	<u>Dare County</u>	\$0	\$1,000,000
21	<u>Duplin County</u>	\$0	\$1,000,000
22	(6) Freedom Farm Ministries	\$950,000	\$0
23	<u>Freedom House</u>	\$0	\$500,000
24	<u>Gateway of Hope Addiction Recovery Center</u>	\$0	\$20,175
25	<u>Graham County</u>	\$0	\$900,000
26	(7) Ground 40 Ministries	\$750,000	\$0
27	<u>Halifax County</u>	\$0	\$1,000,000
28	<u>Henderson County</u>	\$0	\$1,000,000
29	<u>Hyde County</u>	\$0	\$1,000,000
30	<u>Jones County</u>	\$0	\$500,000
31	<u>Lenoir County</u>	\$0	\$1,000,000
32	<u>Macon County</u>	\$0	\$500,000
33	<u>Montgomery County</u>		\$1,500,000
34	<u>Multiply Church Global</u>	\$0	\$500,000
35	<u>New Hanover County</u>	\$0	\$1,000,000
36	<u>New Life Christian Ministries of the Carolinas, Inc.</u>	\$0	\$300,000
37	<u>North Carolina Association for the Treatment of</u>		
38	<u>Opioid Dependence</u>	\$0	\$500,000
39	<u>North Carolina Association of Pharmacists</u>	\$0	\$1,000,000
40	<u>Northampton County</u>	\$0	\$1,000,000
41	<u>Onslow County</u>	\$0	\$1,000,000
42	(8) Pamlico County	\$0	\$1,000,000
43	<u>Pasquotank County</u>	\$0	\$500,000
44	<u>Pender County</u>	\$0	\$1,000,000
45	<u>Rockingham County</u>	\$0	\$1,000,000
46	(9) Safer Communities Ministry, Inc.	\$400,000	\$0
47	<u>Teen Challenge North Carolina Adolescent Program</u>	\$0	\$500,000
48	(10) The Samaritan Colony, Inc.	\$300,000	\$0
49	(11) Solus Christus	\$92,461	\$0
50	<u>Stokes County</u>	\$0	\$1,000,000
51	(12) Surry County	\$0	\$1,000,000

1	<u>Tyrrell County</u>	<u>\$0</u>	<u>\$1,000,000</u>
2	<u>Washington County</u>	<u>\$0</u>	<u>\$1,000,000</u>
3	<u>Will's Place, Inc.</u>	<u>\$0</u>	<u>\$20,175</u>
4	(2)	<u>The sum of one million one hundred fifty thousand dollars (\$1,150,000) in</u>	
5		<u>nonrecurring funds for the 2024-2025 fiscal year to be used to fund</u>	
6		<u>remediation programs, services, and activities the DMH/DD/SUS deems</u>	
7		<u>necessary to respond to the negative impacts of the opioid epidemic within the</u>	
8		<u>State. In addition, and notwithstanding Section 9F.1(c)(1)a. of S.L. 2022-74,</u>	
9		<u>the Committee Report described in Section 43.2 of that act, or any other</u>	
10		<u>provision of law to the contrary, the sum of one million eight hundred fifty</u>	
11		<u>thousand dollars (\$1,850,000) in nonrecurring funds appropriated to the</u>	
12		<u>DMH/DD/SUS for the 2022-2023 fiscal year for the Prescription Digital</u>	
13		<u>Therapeutics Pilot Program authorized by Section 9F.2 of S.L. 2022-74 shall</u>	
14		<u>instead be used to fund remediation programs, services, and activities the</u>	
15		<u>DMH/DD/SUS deems necessary to respond to the negative impacts of the</u>	
16		<u>opioid epidemic within the State. The Department of Health and Human</u>	
17		<u>Services may use the funds allocated by this subdivision to (i) award directed</u>	
18		<u>grants, (ii) transfer funds to other divisions within the Department of Health</u>	
19		<u>and Human Services in the amounts and for the programs, services, and</u>	
20		<u>activities the Department of Health and Human Services deems necessary, or</u>	
21		<u>(iii) a combination of these options as long as any directed grants, programs,</u>	
22		<u>services, and activities funded by this subdivision are consistent with the</u>	
23		<u>purposes specified in this subdivision.</u>	
24	(3)	<u>The sum of three hundred forty thousand dollars (\$340,000) in nonrecurring</u>	
25		<u>funds for the 2024-2025 fiscal year to be used to purchase opioid antagonist</u>	
26		<u>nasal spray for local health departments. Local health departments shall</u>	
27		<u>distribute the opioid antagonist nasal spray funded by this subdivision to</u>	
28		<u>public school units. Once all public school units have received an initial</u>	
29		<u>supply of opioid antagonist nasal spray, any remaining funds allocated by this</u>	
30		<u>subdivision shall be used to purchase an additional supply of opioid antagonist</u>	
31		<u>nasal spray for local health departments to distribute to public school units</u>	
32		<u>that have used their initial supply. As used in this subdivision, the term "opioid</u>	
33		<u>antagonist nasal spray" means a disposable drug delivery system that disperses</u>	
34		<u>a solution of opioid antagonist, as defined in G.S. 90-12.7, into the respiratory</u>	
35		<u>system through the nose to provide rapid, critical first aid for persons suffering</u>	
36		<u>a potentially fatal opioid or fentanyl emergency. The Department of Health</u>	
37		<u>and Human Services may transfer these allocated funds to the Division of</u>	
38		<u>Public Health to be used as specified in this subdivision.</u>	
39	(4)	<u>The sum of four million six hundred sixty thousand dollars (\$4,660,000) in</u>	
40		<u>nonrecurring funds to be transferred to the Division of Public Health to be</u>	
41		<u>used as follows:</u>	
42	a.	<u>The sum of three million six hundred sixty thousand dollars</u>	
43		<u>(\$3,660,000) in nonrecurring funds shall be used to purchase units of</u>	
44		<u>opioid antagonist, as defined in G.S. 90-12.7, to be distributed free of</u>	
45		<u>charge statewide, prioritizing counties located in rural or underserved</u>	
46		<u>areas and law enforcement agencies serving those areas.</u>	
47	b.	<u>The sum of one million dollars (\$1,000,000) in nonrecurring funds</u>	
48		<u>shall be used to purchase units of long-acting injectable opioid</u>	
49		<u>antagonist, as defined in G.S. 90-12.7, to be distributed free of charge</u>	
50		<u>statewide to EMS providers licensed under G.S. 131E 155.1.</u>	

1 "SECTION 9G.8.(c1) Funds Transferred to the Department of Adult Correction. – The State  
2 Controller shall transfer from funds available in the Opioid Abatement Reserve to the Department  
3 of Adult Correction the sum of four million dollars (\$4,000,000) in nonrecurring funds for the  
4 2024-2025 fiscal year. The funds transferred are appropriated for the fiscal year in which they  
5 are transferred to be used to expand the use of medication-assisted treatment for opioid use  
6 disorder in correctional institutions.

7 "SECTION 9G.8.(d) Limitation on the Use of Funds. – Recipients of funds allocated under  
8 subsection (c) of this section shall not use these funds for any purpose other than to fund opioid  
9 remediation programs, services, and activities to respond to the negative impacts of the opioid  
10 epidemic within the State of North Carolina.

11 "SECTION 9G.8.(e) Reports on the Use of Funds. – By September 1, 2024, recipients of  
12 funds allocated under subsection (c) of this section for the 2023-2024 fiscal year, and by  
13 September 1, 2025, recipients of directed grant funds allocated under subsection (c) of this  
14 section for the 2024-2025 fiscal year shall report to the Department of Health and Human  
15 Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services;  
16 the Joint Legislative Oversight Committee on Health and Human Services; and the Fiscal  
17 Research Division on the use of these allocated funds. The report shall include at least all of the  
18 following for each recipient:

19 (1) An itemized list of expenditures.

20 (2) The types of opioid remediation programs, services, and activities funded,  
21 broken down by geographic location and the number of people served at each  
22 location."

23 **SECTION 9G.2.(b)** In the event that the Department of Health and Human Services  
24 is unable to begin disbursement of all of the directed grant funds authorized for the 2024-2025  
25 fiscal year by Section 9G.8(c) of S.L. 2023-134, as amended by this section, within the time  
26 frame specified in Section 5.3 of this act due to the unavailability of funds in the Opioid  
27 Abatement Fund, the Department of Health and Human Services shall, within the availability of  
28 funds in the Opioid Abatement Fund, begin disbursement of as many directed grant funds as  
29 possible within the time frame specified in Section 5.3 of this act. As additional funds are  
30 deposited into the Opioid Abatement Fund, the Department of Health and Human Services shall  
31 begin disbursement of as many additional directed grant funds as possible given the availability  
32 of funds in the Opioid Abatement Fund no later than 30 days after each additional deposit.

33 **SECTION 9G.2.(c)** Effective retroactively to July 1, 2021, and notwithstanding any  
34 other provision of law to the contrary, funds received by the State (i) as a result of a settlement,  
35 as defined in G.S. 114-2.4A, relating to claims regarding the manufacturing, marketing,  
36 distribution, dispensing, or sale of opioids or (ii) as a beneficiary of a confirmation order by a  
37 bankruptcy court relating to claims regarding the manufacturing, marketing, distribution,  
38 dispensing, or sale of opioids do not constitute State funds for the purpose of determining whether  
39 a facility is excluded from licensure under G.S. 122C-22(a)(11).

40 **SECTION 9G.2.(d)** Section 9F.2 of S.L. 2022-74 is repealed.

## 41 **PART IX-H. PUBLIC HEALTH**

### 42 **EXTENSION OF GRANT PERIOD FOR COMPETITIVE GRANTS AWARDED TO** 43 **LOCAL HEALTH DEPARTMENTS TO IMPROVE MATERNAL AND CHILD** 44 **HEALTH**

45 **SECTION 9H.1.** Section 9H.1(b) of S.L. 2023-134 reads as rewritten:

46 **"SECTION 9H.1.(b)** The plan for administering the competitive grant process shall include  
47 at least all of the following components:  
48 ...  
49 ...  
50 ...



- 1 (4) Allows grants to be awarded to local health departments for up to ~~two~~three  
2 years."  
3

4 **REPORT ON RECOMMENDATIONS FOR A PLAN TO IMPROVE MATERNAL AND**  
5 **INFANT LEVELS OF CARE IN NORTH CAROLINA**

6 **SECTION 9H.2.** By April 1, 2025, the Department of Health and Human Services,  
7 Division of Public Health, shall report to the Joint Legislative Oversight Committee on Health  
8 and Human Services and the Fiscal Research Division on recommendations for a plan to establish  
9 maternal levels of care and to update neonatal levels of care to reduce maternal and infant  
10 mortality rates within the State. The plan recommendations shall be consistent with guidelines  
11 endorsed by the American College of Obstetricians and Gynecologists, the Society for  
12 Maternal-Fetal Medicine, the American Academy of Pediatrics, the United States Centers for  
13 Disease Control and Prevention, and the Association of Women's Health, Obstetric and Neonatal  
14 Nurses. In developing these plan recommendations, the Department of Health and Human  
15 Services, Division of Public Health, shall consult with maternal and infant health stakeholders in  
16 North Carolina, including the North Carolina Healthcare Association, the North Carolina  
17 Obstetrical and Gynecological Society, the North Carolina Pediatric Society, the North Carolina  
18 Academy of Family Physicians, the North Carolina Institute of Medicine, other organizations  
19 with expertise in this area, and individuals with lived experience.  
20

21 **MODERNIZATION OF LOCAL HEALTH DIRECTOR QUALIFICATIONS**

22 **SECTION 9H.4.(a)** G.S. 130A-40 reads as rewritten:

23 **"§ 130A-40. Appointment of local health director.**

24 (a) A local board of health, after consulting with the appropriate county board or boards  
25 of commissioners, shall appoint a local health director. All persons who are appointed to the  
26 position of local health director ~~on or after January 1, 1992,~~ must possess at least one of the  
27 following described minimum education and experience requirements for that ~~position,~~ as  
28 follows:position:

- 29 (1) A medical ~~docterate;~~ doctorate.  
30 (2) A masters degree in ~~Public Health Administration,~~ public health  
31 administration, and at least one year of employment experience in health  
32 programs or health ~~services;~~ services.  
33 (3) A masters degree in a public health discipline other than public health  
34 administration, and at least three years of employment experience in health  
35 programs or health ~~services;~~ services.  
36 (4) A masters degree in public administration, and at least two years of experience  
37 in health programs or health ~~services;~~ services.  
38 (5) A masters degree in a field related to public health, and at least three years of  
39 experience in health programs or health ~~services;~~ services.  
40 (6) A bachelors degree in a field related to public health administration or public  
41 administration and at least ~~three~~seven years of experience in health programs  
42 or health ~~services.~~ services, of which at least three years includes supervisory  
43 experience.

44 (b) Before appointing a person to the position of local health director under ~~subsection~~  
45 subdivision (a)(5) or (a)(6) of this section, the local board of health shall forward the application  
46 and other pertinent materials of such candidate to the State Health Director. If the State Health  
47 Director determines that the candidate's ~~masters~~ degree is in a field not related to public health,  
48 the State Health Director shall so notify the local board of health in writing within 15 days ~~of~~  
49 after the State Health Director's receipt of the application and materials, and such candidate shall  
50 be deemed not to meet the education requirements of ~~subsection-subdivision (a)(5) or (a)(6)~~  
51 this section. If the State Health Director fails to act upon the application within 15 days ~~of~~after

1 receipt of the application and materials from the local board of health, the application shall be  
2 deemed approved with respect to the education requirements of ~~subsection-subdivision~~ (a)(5) or  
3 (a)(6) of this section, and the local board of health may proceed with the appointment process.

4 (c) The State Health Director shall review requests of educational institutions to  
5 determine whether a particular ~~masters-degree~~ offered by the requesting institution is related to  
6 public health for the purposes of ~~subsection-subdivision~~ (a)(5) or (a)(6) of this section. The State  
7 Health Director shall act upon such requests within 90 days ~~of~~ after receipt of the request and  
8 pertinent materials from the institution, and shall notify the institution of its determination in  
9 writing within the 90-day review period. If the State Health Director determines that an  
10 institution's particular ~~masters-degree~~ is not related to public health, the State Health Director  
11 shall include the reasons therefor in ~~his~~ the written determination to the institution.

12 (d) When a local board of health fails to appoint a local health director within 60 days ~~of~~  
13 after the creation of a vacancy, the State Health Director may appoint a local health director to  
14 serve until the local board of health appoints a local health director in accordance with this  
15 section."

16 **SECTION 9H.4.(b)** This section becomes effective July 1, 2024, and applies to all  
17 persons appointed to the position of local health director on or after that date.

#### 18 **STATEWIDE CONTINUUM OF CARE PROGRAM**

19 **SECTION 9H.5.(a)** Of the funds appropriated in this act from the General Fund to  
20 the Department of Health and Human Services, Division of Public Health, for the 2024-2025  
21 fiscal year, the sum of one million seven hundred thousand dollars (\$1,700,000) in nonrecurring  
22 funds shall be allocated as a directed grant to the Human Coalition, a nonprofit organization, to  
23 fund operation of the Human Coalition's statewide Continuum of Care Program, as expanded  
24 pursuant to Section 9G.6 of S.L. 2021-180. These funds are in addition to the ARPA Temporary  
25 Savings Fund funds appropriated for this program for the 2024-2025 fiscal year in Section 9H.12  
26 of S.L. 2023-134 and shall be used for nonreligious, nonsectarian purposes only.

27 **SECTION 9H.5.(b)** The Human Coalition may use up to ten percent (10%) of these  
28 allocated funds for administrative purposes.

29 **SECTION 9H.5.(c)** The Human Coalition shall include information pertaining to its  
30 use of these allocated funds in the reports due under Section 9H.12(c) of S.L. 2023-134.

#### 31 **MODIFIED USE OF STATE FISCAL RECOVERY FUNDS FOR LEAD AND** 32 **ASBESTOS REMEDIATION PROGRAMS TO BENEFIT PUBLIC SCHOOL UNITS** 33 **AND CHILD CARE FACILITIES**

34 **SECTION 9H.6.(a)** Section 9G.8 of S.L. 2021-180 reads as rewritten:

35 **"SECTION 9G.8.(a)** Of the funds appropriated in this act from the State Fiscal Recovery  
36 Fund to the Department of Health and Human Services, Division of Public Health, the sum of  
37 one hundred fifty million dollars (\$150,000,000) in nonrecurring funds for the 2021-2022 fiscal  
38 year shall be allocated and used as follows for lead and asbestos remediation and abatement  
39 programs to benefit public school units and child care facilities:

40 (1) ~~\$32,812,500 in nonrecurring funds shall be used to~~ To fund a voluntary  
41 program for the testing and remediation of lead levels in drinking water at  
42 participating public school units and child care facilities. As part of this  
43 program, participating public school units shall be required to test for lead  
44 levels in drinking water at their facilities, to the extent feasible and practical,  
45 following the same model for testing conducted in child care facilities  
46 pursuant to 15A NCAC 18A .2816. In addition, the program shall include at  
47 least the following components:

48 a. The Department of Health and Human Services (DHHS) and the  
49 Department of Public Instruction (DPI) shall develop a mechanism for  
50  
51

1 providing funding on a reimbursement basis for (i) the testing and  
2 mitigation of lead in drinking water that meets the lead poisoning  
3 hazard level, as set forth in G.S. 130A-131.7, that is identified in  
4 public school units and child care facilities, ~~including and (ii) the~~  
5 replacement of service lines, pipes, and fixtures, as needed, or ~~for~~ the  
6 installation of filters at affected faucets within public school units and  
7 child care facilities that test positive for lead in drinking water.  
8 Reimbursement under the program is contingent upon the participating  
9 public school unit or child care facility submitting to the DHHS or  
10 DPI, as appropriate, an invoice signed by one of its representatives as  
11 verification that the invoice accurately reflects the work completed.

12 ~~b. The Commission for Public Health, Child Care Commission, and State~~  
13 ~~Board of Education shall adopt rules as necessary to implement this~~  
14 ~~subdivision.~~

15 (2) ~~\$117,187,500 in nonrecurring funds shall be used to~~ To fund a voluntary  
16 program for lead paint abatement and asbestos abatement in public school  
17 units and child care facilities. As part of the program, participating public  
18 school units and child care facilities shall be required to conduct inspections  
19 for lead paint and asbestos hazards in their facilities. The program shall  
20 include at least the following components:

21 a. DHHS and DPI shall develop a mechanism for providing funding on  
22 a reimbursement basis for lead paint abatement, asbestos inspection  
23 and abatement, or ~~both both~~, in public school units and child care  
24 facilities; provided, however, that the following conditions are met:

25 1. A professional accredited in accordance with G.S. 130A-447  
26 or certified in accordance with G.S. 130A-453.03 determines  
27 that action must be taken in response to an inspection report.

28 2. Lead paint, asbestos, or both are detected as part of an  
29 inspection or as part of a capital, renovation, or repair project  
30 that meets the lead-based paint hazard level, as set forth in  
31 G.S. 130A-131.7, or that meets the definition of asbestos  
32 containing material, as set forth in G.S. 130A-444. Capital  
33 projects may include HVAC, window, or other ventilation  
34 projects related to COVID-19 mitigation, or other capital,  
35 renovation, or repair ~~projects undertaken during calendar years~~  
36 ~~2021 through 2024 projects.~~

37 3. Reimbursement under the program is contingent upon the  
38 participating public school unit or child care facility submitting  
39 to the DHHS or DPI, as appropriate, an invoice signed by one  
40 of its representatives as verification that the invoice accurately  
41 reflects the work completed.

42 b. A requirement that public school unit recipients of funds allocated  
43 under this subdivision shall provide matching funds in the amount of  
44 one dollar (\$1.00) of local funds for every two dollars (\$2.00) of State  
45 funds. This requirement does not apply to any public school unit  
46 located in a low-wealth county, defined as a county in which one or  
47 more local school administrative units was a recipient of supplemental  
48 school funding allocated pursuant to G.S. 115C-472.22 for the  
49 2021-2022 fiscal year. The DHHS shall reimburse any public school  
50 unit located in a low-wealth county for the cost of any matching funds  
51 paid pursuant to this sub-subdivision.

e. ~~The Commission for Public Health, Child Care Commission, and State Board of Education shall adopt rules as needed to implement this subdivision.~~

"SECTION 9G.8.(b) The Department of Health and Human Services, Division of Public Health (DPH), shall serve as the lead agency responsible for administering the programs authorized by subsection (a) of this section. In serving in this capacity, the DPH shall collaborate with (i) the Department of Public Instruction regarding administration of these programs for the benefit of public school units and charter schools and (ii) its Division of Child Development and Early Education regarding administration of these programs for the benefit of child care facilities. The DPH shall transfer funds to the Department of Public Instruction and to the Division of Child Development and Early Education as in the amounts necessary to accomplish the goals of these programs in an efficient and cost-effective manner.

...."

SECTION 9H.6.(b) This section becomes effective July 1, 2024, and applies to all remaining unspent State Fiscal Recovery Fund funds appropriated to the Department of Health and Human Services, Division of Public Health, for the 2021-2022 fiscal year for the lead and asbestos remediation programs authorized by Section 9G.8 of S.L. 2021-180, as amended.

**PART IX-I. SERVICES FOR THE BLIND/DEAF/HARD OF HEARING**

**AMEND CONTRACT PERIOD FOR THE PROVISION OF TELECOMMUNICATIONS RELAY SERVICE**

SECTION 9I.1.(a) G.S. 62-157(e) reads as rewritten:

"(e) Administration of Service. – The Department of Health and Human Services shall administer the statewide telecommunications relay service program, including its establishment, operation, and promotion. The Department may contract out the provision of this service for four year periods as determined by the Department to one or more service providers, using the provisions of G.S. 143-129. The Department shall administer all programs and services, including the Regional Resource Centers within the Division of Services for the Deaf and the Hard of Hearing in accordance with G.S. 143B-216.33, G.S. 143B-216.34, and Chapter 8B of the General Statutes."

SECTION 9I.1.(b) To provide for flexibility in contract administration, the Department of Health and Human Services, Division of Services for the Deaf and the Hard of Hearing, may contract out the provision of telecommunications relay service in accordance with G.S. 62-157(e), as enacted by subsection (a) of this section, for a one-year period, with options to renew the contract period for two additional years in one-year increments.

**PART IX-J. SOCIAL SERVICES**

**FOSTER CARE TRAUMA-INFORMED ASSESSMENT CORRECTIONS**

SECTION 9J.1.(a) Section 9J.12(c) of S.L. 2023-134 reads as rewritten:

"SECTION 9J.12.(c) Plan Development. – In developing the trauma-informed, standardized assessment, the partnership shall develop a rollout plan with a goal of implementing the trauma-informed, standardized assessment statewide in all 100 counties. The rollout plan shall include all of the following:

- (1) The development of the trauma-informed, standardized assessment template by ~~March 31, 2024~~, September 30, 2024.
- (2) The finalized trauma-informed, standardized assessment template by ~~September 30, 2024~~, March 31, 2025, including the standardized training curriculum, methodology for training, the selection of a vendor to manage and

1 conduct the training and determine the process for the statewide rollout, and  
 2 coordination with tribal jurisdictions.

- 3 (3) The phased-in approach of the trauma-informed, standardized assessment  
 4 beginning on ~~October 1, 2024~~, April 1, 2025, and operating statewide by  
 5 ~~September 30, 2025~~. March 31, 2026.

6 ...."

7 **SECTION 9J.1.(b)** Section 9J.12(d) of S.L. 2023-134 reads as rewritten:

8 **"SECTION 9J.12.(d)** Guidelines. – In developing the trauma-informed, standardized  
 9 assessment and the rollout plan, the Department of Health and Human Services shall ensure the  
 10 trauma-informed, standardized assessment does, at a minimum, all of the following:

- 11 (1) That juveniles between the ages of 4 and 17 being placed into foster care  
 12 receive a trauma-informed, standardized assessment within 10 working days  
 13 of their referral.  
 14 (2) That each juvenile who is included in any Medicaid children and families  
 15 specialty plan, regardless of their type of placement, receives a  
 16 trauma-informed, standardized ~~assessment~~. assessment, provided that parent  
 17 consent has been obtained when required.  
 18 (3) That each trauma-informed, standardized assessment may be administered in  
 19 a face-to-face or telehealth encounter.  
 20 (4) That the county department of social services makes the referral for a  
 21 trauma-informed, standardized assessment within five working days of a  
 22 determination of abuse or neglect of the juvenile in accordance with  
 23 ~~G.S. 7B-302~~. G.S. 7B-302 for children in foster care or within five working  
 24 days of obtaining parental consent for children who are at risk for entry into  
 25 foster care.  
 26 (5) ~~After obtaining parental consent, that~~ That a juvenile is able to receive a  
 27 trauma-informed, standardized assessment if the county department of social  
 28 services (i) makes the determination that the juvenile is at ~~imminent~~-risk for  
 29 entry into foster ~~care~~. care and (ii) obtains parental consent.  
 30 (6) Allows for individuals between the ages of 18 and 21 to receive an assessment,  
 31 if necessary.  
 32 (7) Provides an evidence-informed and standardized template and content for the  
 33 assessment.  
 34 (8) In the event the juvenile has an assigned care manager under the Medicaid  
 35 program, that the responsible care management entity is notified of the referral  
 36 for the assessment and to whom."

37 **SECTION 9J.1.(c)** This section is effective retroactively to July 1, 2023.

38  
 39 **PART IX-K. EMPLOYMENT AND INDEPENDENCE FOR PEOPLE WITH**  
 40 **DISABILITIES [RESERVED]**

41  
 42 **PART IX-L. HHS MISCELLANEOUS**

43  
 44 **CLINICAL MENTAL HEALTH COUNSELOR ACCREDITATION EXTENSION**

45 **SECTION 9L.1.(a)** G.S. 90-336 reads as rewritten:

46 **"§ 90-336. Title and qualifications for licensure.**

47 (a) Each person desiring to be a licensed clinical mental health counselor associate,  
 48 licensed clinical mental health counselor, or licensed clinical mental health counselor supervisor  
 49 shall make application to the Board upon such forms and in such manner as the Board shall  
 50 prescribe, together with the required application fee.

51 ...

(b2) The Board shall issue a license as a "licensed clinical mental health counselor associate" to an applicant who applies on or after July 1, 2022, and meets all of the following criteria:

(1) Has earned a minimum of 60 semester hours or 90 quarter hours of graduate training as defined by the Board, including a master's degree in counseling or related field from either (i) an institution of higher education that is accredited by the Council for Accreditation of Counseling and Related Educational Programs or (ii) the University of Mount Olive.

(2) Has passed an examination in accordance with rules adopted by the Board.

(c) The Board shall issue a license as a "licensed clinical mental health counselor" to an applicant who meets all of the following criteria:

(1) Has met all of the requirements under subsection (b), (b1), or (b2) of this section, as applicable.

(2) Has completed a minimum of 3,000 hours of supervised clinical mental health practice as determined by the Board.

...."

**SECTION 9L.1.(b)** Subsection (a) of this section is retroactively effective on July 1, 2022, and applies to applications for licensure as a licensed clinical mental health counselor associate and a licensed clinical mental health counselor filed on or after that date. Subsection (a) of this section expires on July 2, 2025. The remainder of this section is effective when it becomes law.

**PART IX-M. DHHS BLOCK GRANTS**

**REVISE DHHS BLOCK GRANTS**

**SECTION 9M.1.** Section 9M.1 of S.L. 2023-134, as amended by Section 3.8 of S.L. 2024-1, reads as rewritten:

**"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:

<b>TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS</b>	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>
---	---------------------	---------------------

**Local Program Expenditures**

**Division of Social Services**

01. Work First Family Assistance	\$31,328,255	\$31,259,794
02. Work First County Block Grants	80,093,566	80,093,566
03. Work First Electing Counties	2,378,213	2,378,213
04. Adoption Services – Special Children Adoption Fund	4,001,676	4,001,676
05. Child Protective Services – Child Welfare Workers for Local DSS	11,387,190	11,387,190

1	06. Child Welfare Program Improvement Plan	775,176	775,176
2			
3	07. Child Welfare Collaborative	400,000	400,000
4			
5	08. Child Welfare Initiatives	1,400,000	1,400,000
6			
7	<b>Division of Child Development and Early Education</b>		
8			
9	09. Subsidized Child Care Program	45,813,694	<del>45,813,694</del>
10			<u>52,316,626</u>
11			
12	10. Swap-Child Care Subsidy	12,600,000	12,600,000
13			
14	11. NC Pre-K Services	68,300,000	68,300,000
15			
16	<b>Division of Public Health</b>		
17			
18	12. Teen Pregnancy Prevention Initiatives	3,538,541	3,538,541
19			
20	<b>DHHS Administration</b>		
21			
22	13. Division of Social Services	2,478,284	2,478,284
23			
24	14. Division of Child and Family Well-Being	3,976	3,976
25			
26	15. Office of the Secretary	34,042	34,042
27			
28	16. Eligibility Systems – Operations and		
29	Maintenance	431,733	431,733
30			
31	17. NC FAST Implementation	428,239	428,239
32			
33	18. Division of Social Services – Workforce		
34	Innovation & Opportunity Act (WIOA)	93,216	93,216
35			
36	19. Division of Social Services TANF Modernization	1,667,571	1,667,571
37			
38	<b>Transfers to Other Block Grants</b>		
39			
40	<b>Division of Child Development and Early Education</b>		
41			
42	20. Transfer to the Child Care and		
43	Development Fund	21,773,001	21,773,001
44			
45	<b>Division of Social Services</b>		
46			
47	21. Transfer to Social Services Block		
48	Grant for Child Protective Services –		
49	Training	285,612	285,612
50			
51	22. Transfer to Social Services Block		

1	Grant for Child Protective Services	5,040,000	5,040,000
2			
3	23. Transfer to Social Services Block		
4	Grant for County Departments of		
5	Social Services for Children's Services	13,097,783	13,166,244
6			
7	24. Transfer to Social Services Block		
8	Grant – Foster Care Services	3,422,219	3,422,219
9			
10	25. Transfer to Social Services Block	1,582,000	1,582,000
11	Grant – Child Advocacy Centers		
12			
13	<b>TOTAL TEMPORARY ASSISTANCE FOR</b>		
14	<b>NEEDY FAMILIES (TANF) FUNDS</b>	<b>\$312,353,987</b>	<b><u>\$312,353,987</u></b>
15			<b><u>\$318,856,919</u></b>
16			
17	<b>TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)</b>		
18	<b>EMERGENCY CONTINGENCY FUNDS</b>		
19			
20	<b>Local Program Expenditures</b>		
21			
22	<b>Division of Child Development and Early Education</b>		
23			
24	01. Subsidized Child Care	\$34,440,000	\$35,440,000
25			
26	<b>TOTAL TEMPORARY ASSISTANCE FOR</b>		
27	<b>NEEDY FAMILIES (TANF) EMERGENCY</b>		
28	<b>CONTINGENCY FUNDS</b>	<b>\$34,440,000</b>	<b>\$35,440,000</b>
29			
30	<b>SOCIAL SERVICES BLOCK GRANT</b>		
31			
32	<b>Local Program Expenditures</b>		
33			
34	<b>Divisions of Social Services and Aging and Adult Services</b>		
35			
36	01. County Departments of Social Services	\$19,905,849	\$19,837,388
37			
38	02. County Departments of Social Services		
39	(Transfer From TANF)	13,097,783	13,166,244
40			
41	03. EBCI Tribal Public Health and Human Services	244,740	244,740
42			
43	04. Child Protective Services		
44	(Transfer From TANF)	5,040,000	5,040,000
45			
46	05. State In-Home Services Fund	1,943,950	1,943,950
47			
48	06. Adult Protective Services	2,138,404	<u>2,138,404</u>
49			<u>4,936,015</u>
50			
51	07. State Adult Day Care Fund	1,994,084	1,994,084



1			
2	08. Child Protective Services/CPS		
3	Investigative Services – Child Medical		
4	Evaluation Program	901,868	901,868
5			
6	09. Special Children Adoption Incentive Fund	462,600	462,600
7			
8	10. Child Protective Services – Child		
9	Welfare Training for Counties		
10	(Transfer From TANF)	285,612	285,612
11			
12	11. Home and Community Care Block		
13	Grant (HCCBG)	2,696,888	2,696,888
14			
15	12. Child Advocacy Centers		
16	(Transfer From TANF)	1,582,000	1,582,000
17			
18	13. Guardianship – Division of Social Services	1,802,671	1,802,671
19			
20	14. Foster Care Services		
21	(Transfer From TANF)	3,422,219	3,422,219
22	14A. Big Brothers Big Sisters of the Triangle, Inc.	350,000	350,000
23			
24	<b>Division of Mental Health, Developmental Disabilities, and Substance Use Services</b>		
25			
26	15. Mental Health Services – Adult and		
27	Child/Developmental Disabilities Program/		
28	Substance Use Services – Adult	4,149,595	4,149,595
29			
30	15A. Autism Society of North Carolina, Inc.	2,541,392	2,541,392
31			
32	15B. The Arc of North Carolina, Inc.	271,074	271,074
33			
34	15C. Easterseals UCP North Carolina & Virginia, Inc.	1,612,059	1,612,059
35			
36	<b>DHHS Program Expenditures</b>		
37			
38	<b>Division of Services for the Blind</b>		
39			
40	16. Independent Living Program & Program		
41	Oversight	3,880,429	<u>3,880,429</u>
42			<u>4,011,381</u>
43			
44	<b>Division of Health Service Regulation</b>		
45			
46	17. Adult Care Licensure Program	557,598	557,598
47			
48	18. Mental Health Licensure and		
49	Certification Program	266,158	266,158
50			
51	<b>Division of Aging and Adult Services</b>		

1			
2	19. Guardianship	3,825,443	3,825,443
3			
4	<b>DHHS Administration</b>		
5			
6	20. Division of Aging and Adult Services	743,284	743,284
7			<u>763,113</u>
8			
9	21. Division of Social Services	1,042,894	1,042,894
10			<u>1,060,787</u>
11			
12	22. Office of the Secretary/Controller's Office	639,167	639,167
13			<u>649,695</u>
14			
15	23. Legislative Increases/Fringe Benefits	293,655	587,310
16			
17	24. Division of Child Development and		
18	Early Education	13,878	13,878
19			
20	25. Division of Mental Health, Developmental		
21	Disabilities, and Substance Use Services	28,325	28,325
22			
23	26. Division of Health Service Regulation	258,960	258,960
24			<u>347,721</u>
25			
26	<b>TOTAL SOCIAL SERVICES BLOCK GRANT</b>	<b>\$75,992,579</b>	<b><u>\$76,286,234</u></b>
27			<b><u>\$79,351,808</u></b>
28			
29	<b>LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT</b>		
30			
31	<b>Local Program Expenditures</b>		
32			
33	<b>Division of Social Services</b>		
34			
35	01. Low-Income Energy Assistance		
36	Program (LIEAP)	\$67,836,069	\$67,836,069
37			<u>\$50,316,347</u>
38			
39	02. Crisis Intervention Program (CIP)	45,214,330	45,214,330
40			<u>38,699,719</u>
41			
42	<b>Local Administration</b>		
43			
44	<b>Division of Social Services</b>		
45			
46	03. County DSS Administration	8,789,246	8,789,246
47			<u>6,989,469</u>
48			
49	<b>DHHS Administration</b>		
50			
51	<b>Division of Social Services</b>		

1			
2	04. Administration	10,000	<del>10,000</del>
3			<u>6,500</u>
4			
5	05. Energy Portal (FIS Transaction Fees)	25,000	25,000
6			
7	<b>Division of Central Management and Support</b>		
8			
9	06. Office of the Secretary/Division of Information Resource		
10	Management (DIRM) (Accountable Results for		
11	Community Action (AR4CA) Replacement System)	166,750	166,750
12			
13	07. Office of the Secretary/DIRM	278,954	278,954
14			
15	08. Office of the Secretary/Controller's Office	18,378	18,378
16			
17	09. NC FAST Development	627,869	627,869
18			
19	10. NC FAST Operations and Maintenance	1,330,323	<del>1,330,323</del>
20			<u>1,830,000</u>
21			
22	<b>Transfers to Other State Agencies</b>		
23			
24	<b>Department of Environmental Quality</b>		
25			
26	11. Weatherization Program	13,220,309	<del>13,220,309</del>
27			<u>5,527,117</u>
28			
29	12. Heating Air Repair and Replacement		
30	Program (HARRP)	8,075,029	<del>8,075,029</del>
31			<u>3,375,990</u>
32			
33	13. Local Residential Energy Efficiency Service		
34	Providers – Weatherization	787,097	<del>787,097</del>
35			<u>329,068</u>
36			
37	14. Local Residential Energy Efficiency Service		
38	Providers – HARRP	437,276	<del>437,276</del>
39			<u>182,815</u>
40			
41	15. DEQ – Weatherization Administration	859,976	<del>859,976</del>
42			<u>359,537</u>
43			
44	16. DEQ – HARRP Administration	539,307	<del>539,307</del>
45			<u>225,472</u>
46			
47	<b>Department of Administration</b>		
48			
49	17. N.C. Commission on Indian Affairs	87,736	87,736
50			
51	<b>TOTAL LOW-INCOME ENERGY</b>		

1	<b>ASSISTANCE BLOCK GRANT</b>	<b>\$148,303,649</b>	<b><u>\$148,303,649</u></b>
2			<b><u>\$109,046,721</u></b>
3			
4	<b>CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT</b>		
5			
6	<b>Local Program Expenditures</b>		
7			
8	<b>Division of Child Development and Early Education</b>		
9			
10	01. Child Care Services	\$289,070,072	<u>\$289,070,072</u>
11			<u>\$282,567,140</u>
12			
13			
14	02. Smart Start Subsidy	7,392,654	7,392,654
15			
16	03. Transfer from TANF Block Grant for Child Care Subsidies	21,773,001	21,773,001
17			
18			
19	04. Quality and Availability Initiatives (TEACH Program \$3,800,000)	61,980,526	<u>61,980,526</u>
20			<u>87,479,448</u>
21			
22			
23	<b>DHHS Administration</b>		
24			
25	<b>Division of Child Development and Early Education</b>		
26			
27	05. DCDEE Administrative Expenses	9,710,886	9,710,886
28			
29	06. Indirect Cost	7,346	7,346
30			
31	<b>Division of Social Services</b>		
32			
33	07. Direct Deposit for Child Care Payments	5,000	5,000
34			
35	08. Local Subsidized Child Care Services Support	18,780,355	18,780,355
36			
37			
38	<b>Division of Central Management and Support</b>		
39			
40	09. NC FAST Operations and Maintenance	1,450,316	1,450,316
41			
42	10. DHHS Central Administration – DIRM Technical Services	979,762	<u>979,762</u>
43			<u>1,006,100</u>
44			
45			
46	11. DHHS Central Administration	68,000	68,000
47			
48	<b>Division of Child and Family Well-Being</b>		
49			
50	12. Child Care Health Consultation Contracts	62,205	62,205
51			

1	<b>TOTAL CHILD CARE AND DEVELOPMENT</b>		
2	<b>FUND BLOCK GRANT</b>	<b>\$411,280,123</b>	<b>\$411,280,123</b>
3			<b><u>\$430,302,451</u></b>
4			
5	<b>COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT</b>		
6			
7	<b>Local Program Expenditures</b>		
8			
9	01. Mental Health Services – Child	\$2,477,666	\$2,477,666
10			
11	02. Mental Health Services – Adult/Child	19,690,452	19,690,452
12			<u>21,545,678</u>
13			
14	03. Mental Health Services – First		
15	Psychotic Symptom Treatment	5,416,756	5,416,756
16			
17	04. Child Behavioral Health (Division of Child		
18	and Family Well-Being)	5,246,350	5,246,350
19			
20	<b>DHHS Administration</b>		
21			
22	<b>Division of Child and Family Well-Being</b>		
23			
24	05. Administration	140,000	140,000
25			
26	<b>Division of Mental Health, Developmental Disabilities, and Substance Use Services</b>		
27			
28	06. Crisis Services	2,877,047	2,877,047
29			
30	07. Administration	332,351	332,351
31			
32	08. Adult/Child Mental Health Services	350,150	350,150
33			
34	<b>Division of Public Health</b>		
35			
36	09. NC Detect – Behavioral Health ER	35,000	35,000
37			
38	<b>TOTAL COMMUNITY MENTAL HEALTH SERVICES</b>		
39	<b>BLOCK GRANT</b>	<b>\$36,565,772</b>	<b>\$36,565,772</b>
40			<b><u>\$38,420,998</u></b>
41			
42	<b>SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY SERVICES</b>		
43	<b>BLOCK GRANT</b>		
44			
45	<b>Local Program Expenditures</b>		
46			
47	<b>Division of Mental Health, Developmental Disabilities, and Substance Use Services</b>		
48			
49	01. Substance Abuse – IV Drug	\$2,000,000	\$2,000,000
50			<u>2,315,700</u>
51			

1	02. Substance Abuse Prevention	20,245,927	<u>20,245,927</u>
2			<u>20,746,854</u>
3			
4	03. Substance Use Services – Treatment for		
5	Children/Adults		
6	(Healing Transitions, Inc. \$200,000;		
7	Triangle Residential Options for Substance		
8	Abusers, Inc., (TROSAs) \$3,225,000;		
9	First Step Farm of WNC, Inc. \$100,000;		
10	Addiction Recovery Care Association, Inc.,		
11	(ARCA) \$2,000,000)	45,176,849	<u>45,176,848</u>
12			<u>46,738,974</u>
13			
14	<b>DHHS Program Expenditures</b>		
15			
16	<b>Division of Mental Health, Developmental Disabilities, and Substance Use Services</b>		
17			
18	04. Crisis Solutions Initiatives – Collegiate		
19	Wellness/Addiction Recovery	1,545,205	1,545,205
20			
21	05. Veterans Initiatives	250,000	250,000
22			
23	<b>DHHS Administration</b>		
24			
25	<b>Division of Mental Health, Developmental Disabilities, and Substance Use Services</b>		
26			
27	07. Administration	2,297,852	<u>2,297,852</u>
28			<u>3,275,252</u>
29			
30	08. Controlled Substance Reporting System	675,000	675,000
31			
32	<b>TOTAL SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY</b>		
33	<b>SERVICES BLOCK GRANT</b>	<b>\$72,190,833</b>	<b><u>\$72,190,832</u></b>
34			<b><u>\$75,546,985</u></b>
35			
36	<b>MATERNAL AND CHILD HEALTH BLOCK GRANT</b>		
37			
38	<b>Local Program Expenditures</b>		
39			
40	<b>Division of Child and Family Well-Being</b>		
41			
42	01. Children's Health Services		
43	(Prevent Blindness \$575,000;		
44	Nurse-Family Partnership \$1,102,308)	\$11,321,889	<u>\$11,321,889</u>
45			<u>\$11,438,221</u>
46			
47	<b>Division of Public Health</b>		
48			
49	02. Women's and Children's Health Services		
50	(March of Dimes \$350,000; Sickle Cell		
51	Centers \$100,000; Teen Pregnancy Prevention		

1	Initiatives \$650,000; Perinatal & Neonatal Outreach		
2	Coordinator Contracts \$440,000; Mountain Area		
3	Pregnancy Services \$50,000)	3,609,392	<u>3,609,392</u>
4			<u>4,538,805</u>
5			
6	03. Oral Health	51,119	<u>51,119</u>
7			<u>53,009</u>
8			
9	04. Evidence-Based Programs in Counties		
10	With the Highest Infant Mortality Rates	1,727,307	1,727,307
11			
12	<b>DHHS Program Expenditures</b>		
13			
14	05. Children's Health Services	1,344,492	<u>1,344,492</u>
15			<u>1,304,025</u>
16			
17	06. Women's Health – Maternal Health	252,695	<u>252,695</u>
18			<u>383,162</u>
19			
20	07. Women's and Children's Health – Perinatal		
21	Strategic Plan Support Position	80,669	<u>80,669</u>
22			<u>83,413</u>
23			
24	08. State Center for Health Statistics	158,583	158,583
25			
26	09. Health Promotion – Injury and		
27	Violence Prevention	87,271	87,271
28			
29	<b>DHHS Administration</b>		
30			
31	10. Division of Public Health Administration	340,646	340,646
32			
33	11. Division of Child and Family Well-Being		
34	Administration	211,925	211,925
35			
36	<b>TOTAL MATERNAL AND CHILD</b>		
37	<b>HEALTH BLOCK GRANT</b>	<b>\$19,185,988</b>	<b><u>\$19,185,988</u></b>
38			<b><u>\$20,326,367</u></b>
39			
40	<b>PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT</b>		
41			
42	<b>Local Program Expenditures</b>		
43			
44	01. Physical Activity and Prevention	\$3,081,442	<u>\$3,081,442</u>
45			<u>\$3,398,934</u>
46			
47	<b>DHHS Program Expenditures</b>		
48			
49	<b>Division of Public Health</b>		
50			
51	02. HIV/STD Prevention and		

1	Community Planning	135,063	135,063
2			
3	03. Oral Health Preventive Services	150,000	150,000
4			
5	04. Injury and Violence Prevention		
6	(Services to Rape Victims – Set-Aside)	217,935	217,935
7			
8	05. Performance Improvement and		
9	Accountability	560,182	560,182
10			
11	06. State Center for Health Statistics	48,000	48,000
12			
13	<b>DHHS Administration</b>		
14			
15	<b>Division of Public Health</b>		
16			
17	07. Division of Public Health	65,000	65,000
18			
19	<b>TOTAL PREVENTIVE HEALTH AND HEALTH</b>		
20	<b>SERVICES BLOCK GRANT</b>	<b>\$4,257,622</b>	<b><u>\$4,257,622</u></b>
21			<b><u>\$4,575,114</u></b>
22			
23	<b>COMMUNITY SERVICES BLOCK GRANT</b>		
24			
25	01. Community Action Agencies	\$22,862,029	<u>\$20,244,923</u>
26			<u>\$23,744,923</u>
27			
28	02. Limited Purpose Agencies/Discretionary Funding	457,553	504,718
29			
30	03. Office of Economic Opportunity	1,077,552	1,124,718
31			
32	04. Office of the Secretary/DIRM (Accountable Results for		
33	Community Action (AR4CA) Replacement System)	560,000	560,000
34			
35	05. Office of Economic Opportunity – Workforce		
36	Investment Opportunities Act (WIOA)	60,000	60,000
37			
38	<b>TOTAL COMMUNITY SERVICES</b>		
39	<b>BLOCK GRANT</b>	<b>\$25,017,134</b>	<b><u>\$22,494,359</u></b>
40			<b><u>\$25,994,359</u></b>
41	...		
42	<b>"SOCIAL SERVICES BLOCK GRANT</b>		
43	...		

44 "SECTION 9M.1.(s) Of the two million one hundred thirty-eight thousand four hundred  
 45 four dollars (\$2,138,404) appropriated in this act in the Social Services Block Grant to the  
 46 Division of Aging and Adult Services (Division) for Adult Protective Services for ~~each year of~~  
 47 ~~the 2023-2025 fiscal biennium, the 2023-2024 fiscal year and the four million nine hundred~~  
 48 thirty-six thousand fifteen dollars (\$4,936,015) appropriated in this act in the Social Services  
 49 Block Grant to the Division for Adult Protective Services for the 2024-2025 fiscal year, the sum  
 50 of eight hundred ninety-three thousand forty-one dollars (\$893,041) ~~for in~~ each year of the  
 51 2023-2025 fiscal biennium shall be used to increase the number of Adult Protective Services



1 workers where these funds can be the most effective. These funds shall be used to pay for salaries  
2 and related expenses and shall not be used to supplant any other source of funding for staff. These  
3 funds are also exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five  
4 percent (25%).

5 ...

#### 6 **"LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT**

7 ...

8 **"SECTION 9M.1.(u)** The sum of sixty-seven million eight hundred thirty-six thousand  
9 sixty-nine dollars (\$67,836,069) for ~~each year of the 2023-2025 fiscal biennium~~ the 2023-2024  
10 fiscal year and the sum of fifty million three hundred sixteen thousand three hundred forty-seven  
11 dollars (\$50,316,347) for the 2024-2025 fiscal year appropriated in this act in the Low-Income  
12 Energy Assistance Block Grant to the Department of Health and Human Services, Division of  
13 Social Services, shall be used for Energy Assistance Payments for the households of (i) elderly  
14 persons age 60 and above with income up to one hundred fifty percent (150%) of the federal  
15 poverty level and (ii) disabled persons eligible for services funded through the Division of Aging  
16 and Adult Services.

17 County departments of social services shall submit to the Division of Social Services an  
18 outreach plan for targeting households with 60-year-old household members no later than August  
19 1 of each year. The outreach plan shall comply with the following:

- 20 (1) Ensure that eligible households are made aware of the available assistance,  
21 with particular attention paid to the elderly population age 60 and above and  
22 disabled persons receiving services through the Division of Aging and Adult  
23 Services.
- 24 (2) Include efforts by the county department of social services to contact other  
25 State and local governmental entities and community-based organizations to  
26 (i) offer the opportunity to provide outreach and (ii) receive applications for  
27 energy assistance.
- 28 (3) Be approved by the local board of social services or human services board  
29 prior to submission.

#### 30 **"CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT**

31 ...

32 **"SECTION 9M.1.(x)** Of the sixty-one million nine hundred eighty thousand five hundred  
33 twenty-six dollars (\$61,980,526) appropriated in this act in the Child Care and Development  
34 Block Grant for ~~each year of the 2023-2025 fiscal biennium~~ the 2023-2024 fiscal year and the  
35 eighty-seven million four hundred seventy-nine thousand four hundred forty-eight dollars  
36 (\$87,479,448) appropriated in this act for the 2024-2025 fiscal year for quality and availability  
37 initiatives to the Department of Health and Human Services, Division of Child Development and  
38 Early Education, the sum of one million three hundred fifty thousand dollars (\$1,350,000) ~~for~~ in  
39 each year of the 2023-2025 fiscal biennium shall be used to establish 18 new positions. From the  
40 funds appropriated in this section for the 2024-2025 fiscal year, the sum of twenty-five million  
41 four hundred ninety-eight thousand nine hundred twenty-two dollars (\$25,498,922) shall be used  
42 to extend the compensation grants portion of the child care stabilization grants, as authorized  
43 under Section 3.2(a) of S.L. 2021-25.

44 ...

#### 45 **"SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY SERVICES** 46 **BLOCK GRANT**

47 **"SECTION 9M.1.(aa)** Of the two million two hundred ninety-seven thousand eight hundred  
48 fifty-two dollars (\$2,297,852) provided in this section in the Substance Use Prevention,  
49 Treatment, and Recovery Services Block Grant for ~~each year of the 2023-2025 fiscal biennium~~  
50 the 2023-2024 fiscal year and the three million two hundred seventy-five thousand two hundred  
51

1 fifty-two dollars (\$3,275,252) for the 2024-2025 fiscal year to the Department of Health and  
2 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use  
3 Services, for administration, the sum of nine hundred fifty-nine thousand four hundred dollars  
4 (\$959,400) in each fiscal year shall be used to support nine new positions.

5 **"SECTION 9M.1.(bb)** Notwithstanding any other provision of law or provision of the  
6 Committee Report described in Section 43.2 of S.L. 2022-74 to the contrary, the sum of one  
7 million five hundred thousand dollars (\$1,500,000) in nonrecurring funds provided to Haywood  
8 County and the sum of one million five hundred thousand dollars (\$1,500,000) in nonrecurring  
9 funds provided to Madison County under the federal Substance Abuse Prevention and Treatment  
10 Block Grant in Item 3 of Section 9L.1(a) and Section 9L.1(z2)(1) of S.L. 2021-180, as amended  
11 in Section 9L.1 of S.L. 2022-74, for the 2022-2023 fiscal year for substance use treatment shall  
12 remain available for expenditure in the ~~2023-2024~~ 2024-2025 fiscal year.

## 13 14 **"MATERNAL AND CHILD HEALTH BLOCK GRANT**

15 ...  
16 **"SECTION 9M.1.(ee)** The sum of eighty thousand six hundred sixty-nine dollars (\$80,669)  
17 for the 2023-2024 fiscal year and the sum of eighty-three thousand four hundred thirteen dollars  
18 (\$83,413) for the 2024-2025 fiscal year allocated in this section in the Maternal and Child Health  
19 Block Grant to the Department of Health and Human Services, Division of Public Health,  
20 Women and Children's Health Section, ~~for each fiscal year of the 2023-2025 fiscal biennium~~  
21 shall not be used to supplant existing State or federal funds. This allocation shall be used for a  
22 Public Health Program Consultant position assigned full-time to manage the North Carolina  
23 Perinatal Health Strategic Plan and provide staff support for the stakeholder work group.

24 ...."

## 25 26 **PART X. AGRICULTURE AND CONSUMER SERVICES**

### 27 28 **CUSTOM EXEMPT MEAT PROCESSING GRANT FUNDING INCREASE**

29 **SECTION 10.1.(a)** Section 10.6(d) of S.L. 2023-134 reads as rewritten:

30 **"SECTION 10.6.(d)** Grant Criteria. – The Department shall develop policies and procedures  
31 for the disbursement of the grants authorized by this section that include, at a minimum, the  
32 following:

33 ...

- 34 (2) Limitation. – Grants under this section shall not exceed ~~thirty-four~~ thirty thousand  
35 dollars ~~(\$30,000)~~ (\$40,000) per grantee.

36 ...."

37 **SECTION 10.1.(b)** This section is effective when it becomes law and applies to  
38 grants awarded on or after that date.

### 39 40 **TOBACCO TRUST FUND ADMINISTRATIVE CAP INCREASE**

41 **SECTION 10.2.** G.S. 143-717(i) reads as rewritten:

42 "(i) Limit on Operating and Administrative Expenses. – All administrative expenses of  
43 the Commission shall be paid from the Fund. No more than ~~three hundred seventy five thousand~~  
44 ~~dollars (\$375,000)~~ four hundred fifty thousand dollars (\$450,000) may be used each fiscal year  
45 for administrative and operating expenses of the Commission and its staff, provided that the  
46 Commission may annually adjust the administrative expense cap imposed by this subsection, so  
47 long as that any cap increase does not exceed the amount necessary to provide for statewide  
48 salary and benefit adjustments enacted by the General Assembly."

## 49 50 **PART XI. COMMERCE**

**CAREER DEVELOPMENT PLAN CONTRACT IMPLEMENTATION**

**SECTION 11.1.(a)** Of the funds appropriated to the Department of Commerce for the 2024-2025 fiscal year, the Department shall use fifty thousand dollars (\$50,000) in nonrecurring funds to contract with Year13, Inc., to integrate Year13, Inc.'s, student career planning tool with the Department's NCCareers.org website and program within 60 days from the date this section becomes law.

**SECTION 11.1.(b)** This section is effective when it becomes law.

**INCREASE FILM GRANT CAP**

**SECTION 11.2.(a)** G.S. 143B-437.02A reads as rewritten:

**"§ 143B-437.02A. The Film and Entertainment Grant Fund.**

(a) Creation and Purpose of Fund. – There is created in the Department of Commerce a special, nonreverting account to be known as the Film and Entertainment Grant Fund to provide funds to encourage the production of motion pictures, television shows, movies for television, productions intended for on-line distribution, and commercials and to develop the filmmaking industry within the State. The Department of Commerce shall adopt guidelines providing for the administration of the program. Those guidelines may provide for the Secretary to award the grant proceeds over a period of time, not to exceed three years. Those guidelines shall include the following provisions, which shall apply to each grant from the account:

- ...
- (2) The funds are not used to provide a grant in excess of any of the following:
- a. An amount more than twenty-five percent (25%) of the qualifying expenses for the production.
  - b. An amount more than ~~seven~~(i) twenty million dollars (\$7,000,000) (\$20,000,000) for a feature-length film, more than fifteen million dollars (\$15,000,000) film or for a single season of a television series, or series or (ii) two hundred fifty thousand dollars (\$250,000) for a commercial for theatrical or television viewing or on-line distribution.

...."

**SECTION 11.2.(b)** This section becomes effective July 1, 2024, and applies to grants awarded on or after that date.

**MEGASITE TECHNICAL CORRECTION**

**SECTION 11.3.** Section 11.11(c) of S.L. 2022-74, as amended by Section 11.11(b) of S.L. 2023-134, reads as rewritten:

**"SECTION 11.11.(c)** Definitions. – The following definitions apply in this section:

- ...
- (5) Megasite. – A parcel of contiguous property consisting of more than 1,000 acres that is viable for industrial development and listed in the report produced pursuant to subsection ~~(g)~~(d) of this section."

**NATURAL GAS LOCAL DISTRIBUTION COMPANIES COST RECOVERY MODIFICATIONS**

**SECTION 11.4.(a)** G.S. 62-133.4 reads as rewritten:

**"§ 62-133.4. Gas cost adjustment for natural gas local distribution companies.**

...

(c) Each natural gas local distribution company shall submit to the Commission information and data for an historical 12-month test period concerning the utility's actual cost of gas, volumes of purchased gas, sales volumes, negotiated sales volumes, and transportation volumes. This information and data shall be filed on an annual basis in the form and detail and at the time required by the Commission. The Commission, upon notice and hearing, shall

1 compare the utility's prudently incurred costs with costs recovered from all the utility's customers  
 2 that it served during the test period. If those prudently incurred costs are greater or less than the  
 3 recovered costs, the Commission shall, subject to G.S. 62-158, require the utility to refund any  
 4 overrecovery by credit to bill or through a decrement in its rates and shall permit the utility to  
 5 recover any deficiency through an increment in its rates. If the Commission finds the  
 6 overrecovery or deficiency has been or is likely to be substantially reduced, negated, or reversed  
 7 before or during the period in which it would be credited or recovered, the Commission, in its  
 8 discretion, may order the utility to make an appropriate adjustment or no adjustment to its rates,  
 9 consistent with the public interest.

10 ...

11 (d1) The utility shall not recover from ratepayers, in any rate recovery proceeding or rider,  
 12 the incremental cost of natural gas attributable to renewable energy biomass resources that  
 13 exceeds the average system cost of gas unattributable to renewable energy biomass resources  
 14 calculated and filed with the Commission pursuant to subsection (c) of this section. Each natural  
 15 gas local distribution company that incurs costs attributable to renewable energy biomass  
 16 resources shall submit the utility's actual cost thereof to the Commission monthly for purposes  
 17 of determining the total amount of natural gas costs recoverable under this section.

18 (e) As used in this section, the word "cost" or "costs" shall be defined by Commission  
 19 rule or order and may include all costs related to the purchase and transportation of natural gas  
 20 to the natural gas local distribution company's system."The following definitions apply in this  
 21 section:

- 22 (1) "Cost" or "costs" shall be defined by Commission rule or order and may  
 23 include all costs related to the production, purchase, and transportation of  
 24 natural gas to the natural gas local distribution company's system.  
 25 (2) "Domestic wastewater" means water-carried human wastes together with all  
 26 other water-carried wastes normally present in wastewater from non-industrial  
 27 processes.  
 28 (3) "Natural gas" or "gas" includes gas derived from renewable energy biomass  
 29 resources.  
 30 (4) "Renewable energy biomass resources" includes agricultural waste, animal  
 31 waste, wood waste, spent pulping liquors, organic waste, combustible  
 32 residues, combustible gases, energy crops, landfill methane, or domestic  
 33 wastewater."

34 **SECTION 11.4.(b)** G.S. 62-133.7A reads as rewritten:

35 **"§ 62-133.7A. Rate adjustment ~~mechanism~~mechanisms for natural gas local distribution**  
 36 **company rates.**

37 (a) In setting rates for a natural gas local distribution company in a general rate case  
 38 proceeding under G.S. 62-133, the Commission may adopt, implement, modify, or eliminate a  
 39 rate adjustment ~~mechanism~~mechanisms to enable the company to recover the prudently incurred  
 40 capital investment and associated costs of ~~complying any of the following, including a return~~  
 41 based on the company's then authorized return:

- 42 (1) Complying with federal gas pipeline safety requirements, including a return  
 43 based on the company's then authorized return requirements.  
 44 (2) Producing and transporting natural gas, as defined in G.S. 62-133.4(e)(3), or  
 45 consistent with the intent and purpose of G.S. 62-133.4.

46 (b) The Commission shall adopt, implement, modify, or eliminate ~~a~~any of the rate  
 47 adjustment ~~mechanism~~mechanisms authorized under this section only upon a finding by the  
 48 Commission that the mechanism is in the public interest."

50 **RURAL ELECTRIFICATION AUTHORITY/FEE UPDATE**

51 **SECTION 11.5.(a)** G.S. 117-3 reads as rewritten:

1 **"§ 117-3. Authority not granted power to fix rates or order line extensions; right of**  
 2 **suggestion and petition.**

3 ~~The Except as provided in G.S. 117-3.1(b), the~~ Authority itself shall not be a rate-making  
 4 body, and shall have no power to fix the rates or service charges, or to order the extension of  
 5 lines by the power companies. ~~The Except as provided in G.S. 117-3.1(b), the~~ function of making  
 6 rates and service charges and orders for the extension of lines shall remain in the Utilities  
 7 Commission of North Carolina, and the Authority shall only have the right of suggestion and  
 8 petition to the Utilities Commission of its opinion as to the proper rates and service charges and  
 9 line extensions, and no rate recommended or suggested by the Authority shall be effective until  
 10 approved by the Utilities Commission: Provided, that if the Utilities Commission of North  
 11 Carolina does not have the right under the existing law to fix service charges in addition to the  
 12 rates prescribed for electrical energy, and the power to order line extensions, such power and  
 13 authority is hereby granted the Utilities Commission of North Carolina to fix and promulgate  
 14 service charges in addition to rates in any community which avails itself of this Article, and form  
 15 a corporation authorized hereunder to be known as electric membership corporation, and to order  
 16 line extensions when it shall determine that the same is proper and feasible."

17 **SECTION 11.5.(b)** G.S. 117-3.1 reads as rewritten:

18 **"§ 117-3.1. Regulatory fee.**

19 ...

20 (b) Rate. – For each fiscal year, ~~year in which the General Assembly does not establish a~~  
 21 ~~rate,~~ the regulatory fee shall be the ~~greater of the following:~~

- 22 (1) ~~The rate established by the General Assembly for that year for each electric~~  
 23 ~~membership corporation's North Carolina meter connected for service and~~  
 24 ~~each telephone membership corporation's North Carolina access line~~  
 25 ~~connected for service for each quarter of the year.~~  
 26 (2) ~~Four cents (4¢) rate proposed by the Authority in accordance with this~~  
 27 ~~subsection, which shall not be more than six cents (6¢) for each electric~~  
 28 ~~membership corporation's North Carolina meter connected for service and for~~  
 29 ~~each telephone membership corporation's North Carolina access line~~  
 30 ~~connected for service for each quarter of the year.~~

31 When the Authority prepares its budget request for the upcoming fiscal year, the Authority  
 32 shall propose a rate for the regulatory fee. For fiscal years beginning in an odd-numbered year,  
 33 that proposed rate shall be included in the budget message the Governor submits to the General  
 34 Assembly pursuant to G.S. 143C-3-5. For fiscal years beginning in an even-numbered year, that  
 35 proposed rate shall be included in a special budget message the Governor shall submit to the  
 36 General Assembly. ~~If the General Assembly decides to set the regulatory fee at a rate higher than~~  
 37 ~~the rate in subdivision (2) of this subsection, it shall set the regulatory fee by law.~~

38 The regulatory fee may not exceed the amount necessary to generate funds sufficient to defray  
 39 the estimated cost of the operations of the Authority for the upcoming fiscal year, including a  
 40 reasonable margin for a reserve fund. The amount of the reserve may not exceed the estimated  
 41 cost of operating the Authority for the upcoming fiscal year. In calculating the amount of the  
 42 reserve, the General Assembly shall consider all relevant factors that may affect the cost of  
 43 operating the Authority or a possible unanticipated increase or decrease in North Carolina electric  
 44 meters and North Carolina telephone access lines.

45 ...."

46  
 47 **PART XII. ENVIRONMENTAL QUALITY**

48  
 49 **2021 WATER/SEWER PROJECTS FROM STATE FISCAL RECOVERY FUNDS**  
 50 **EXPENDITURE**

1           **SECTION 12.1.(a)** Recipients of funding from the State Fiscal Recovery Fund for  
2 water, wastewater, and stormwater projects under Sections 12.13 and 12.14 of S.L. 2021-180, as  
3 amended, shall prioritize spending those funds prior to spending funds from other State or federal  
4 sources for other water, wastewater, and stormwater projects. The Department of Environmental  
5 Quality and the Office of State Budget and Management shall not approve payments or transfer  
6 funds for new water, wastewater, and stormwater project funding through State or federal sources  
7 unless the recipient for funding is meeting all milestones necessary to spend their funding from  
8 the State Fiscal Recovery Fund prior to December 31, 2026.

9           **SECTION 12.1.(b)** Notwithstanding Section 12.13(f)(6) of S.L. 2021-180, the funds  
10 granted to the Town of Canton may be used for water and wastewater infrastructure projects.

11           **SECTION 12.1.(c)** Subsection (a) of this section does not apply to any funds  
12 appropriated or allocated to the Town of Canton for water, wastewater, or stormwater projects.  
13

#### 14 **UNION COUNTY WASTEWATER PROJECT CLARIFICATION**

15           **SECTION 12.2.** Funds allocated to Union County by Section 12.13(f)(63) of S.L.  
16 2021-180 may, notwithstanding that subdivision, be also used by the County for an expansion of  
17 the 12-Mile Creek water reclamation facility.  
18

#### 19 **2023 WATER/SEWER GENERAL FUND DEADLINES**

20           **SECTION 12.3.(a)** Deadlines for Project Completions. – Recipients of funding for  
21 projects under Section 12.2(e) of S.L. 2023-134 shall comply with the following schedule:

- 22           (1) No later than December 31, 2026, provide to the Department of  
23 Environmental Quality (Department) a completed request for funding form  
24 with a project budget that describes a project that is eligible for funding under  
25 applicable State or federal law and consistent with the purposes for the  
26 funding as set forth in Section 12.2(e) of S.L. 2023-134.
- 27           (2) No later than December 31, 2028, enter into a construction contract for the  
28 project.
- 29           (3) No later than June 30, 2031, expend all funding allocated under Section  
30 12.2(e) of S.L. 2023-134.

31           **SECTION 12.3.(b)** Extension of Deadline. – The Department may extend the  
32 applicable deadline set forth in subsection (a) of this section and set a new deadline with a date  
33 certain, if the Department finds good cause for the recipient of funding failing to meet the  
34 applicable deadline.

35           **SECTION 12.3.(c)** Reversion of Unspent Funds. – If a recipient for funding under  
36 Section 12.2(e) of S.L. 2023-134 (i) fails to meet any of the deadlines set forth in subsection (a)  
37 or (b) of this section or (ii) complies with the applicable deadline but there remains unexpended  
38 or unbudgeted funds in excess of the needs of the eligible project, then unencumbered funds shall  
39 revert in accordance with Section 12.2(c) of S.L. 2023-134 on the next business day after the  
40 applicable deadline has passed.

41           **SECTION 12.3.(d)** Reporting Requirement. – Beginning October 30, 2024, and no  
42 later than 30 days after each subsequent quarter thereafter, the Department shall report to (i) the  
43 chairs of the House Appropriations, Agriculture and Natural and Economic Resources, (ii) the  
44 chairs of the Senate Appropriations on Agriculture, Natural, and Economic Resources, (iii) each  
45 member who represents a district with an active project under Section 12.2(e) of S.L. 2023-134,  
46 and (iv) the Fiscal Research Division detailing, at a minimum, each project's progress and  
47 funding status. This reporting requirement expires when all funds are expended and those projects  
48 are completed.

49           **SECTION 12.3.(e)** Applicability. – This section only applies to funds allocated  
50 under Section 12.2(e) of S.L. 2023-134 from the General Fund.  
51

**HARVEST REPORTING SYSTEM REVISIONS**

**SECTION 12.4.(a)** Section 6(f) of S.L. 2023-137 reads as rewritten:

**"SECTION 6.(f)** Subsection (a) of this section becomes effective ~~December 1, 2024,~~  
December 1, 2025, and applies to violations committed on or after that date. Subsection (b) of  
this section becomes effective ~~December 1, 2025,~~ December 1, 2026, and applies to violations  
committed on or after that date. Subsection (c) of this section becomes effective ~~December 1,~~  
~~2026,~~ December 1, 2027, and applies to violations committed on or after that date. The remainder  
of this section is effective when it becomes law."

**SECTION 12.4.(b)** Notwithstanding any other provision of S.L. 2023-134 or of the  
Committee Report described in Section 43.2 of that act to the contrary, the sum of five million  
dollars (\$5,000,000) in nonrecurring funds appropriated to the Department of Environmental  
Quality in S.L. 2023-134 for the 2023-2024 fiscal year for a harvest reporting system for persons  
engaged in recreational and commercial harvesting of fish may be used for implementation as  
well as development of that system.

**NPDES STORMWATER GENERAL PERMIT FEE CORRECTION**

**SECTION 12.5.** G.S. 143-215.3D(a)(10) reads as rewritten:

"(10) NPDES Stormwater Permits. – The permit fee and annual fee for NPDES  
stormwater permits is as follows:

...

b. The fee for coverage under a construction ~~or industrial~~ NPDES general  
permit is ~~one hundred twenty dollars (\$120.00).~~ one hundred dollars  
(\$100.00).

b1. The fee for coverage under an industrial NPDES general permit is one  
hundred twenty dollars (\$120.00).

...."

**SMALL DAM EMERGENCY ACTION PLAN MODIFICATIONS**

**SECTION 12.6.(a)** G.S. 143-215.31 reads as rewritten:

**"§ 143-215.31. Supervision over maintenance and operation of dams.**

(a) The Commission shall have jurisdiction and supervision over the maintenance and  
operation of dams to safeguard life and property and to satisfy minimum streamflow  
requirements. The Commission may adopt standards for the maintenance and operation of dams  
as may be necessary for the purposes of this Part. The Commission may vary the standards  
applicable to various dams, giving due consideration to the minimum flow requirements of the  
stream, the type and location of the structure, the hazards to which it may be exposed, and the  
peril of life and property in the event of failure of a dam to perform its function.

(a1) The owner of a dam classified by the Department as a high-hazard dam or an  
intermediate-hazard dam shall develop an Emergency Action Plan for the dam as provided in this  
subsection:

...

(2) The Emergency Action Plan shall include, at a minimum, all of the following:

a. A description of potential emergency conditions that could occur at  
the dam, including security risks.

b. A description of actions to be taken in response to an emergency  
condition at the dam.

c. Emergency notification procedures to aid in warning and evacuations  
during an emergency condition at the dam.

d. A downstream inundation map depicting areas affected by a dam  
failure and sudden release of the impoundment. A downstream  
inundation map prepared pursuant to this section does not require

1 preparation by a licensed professional engineer or a person under the  
2 responsible charge of a licensed professional engineer unless the dam  
3 is associated with a coal combustion residuals surface impoundment,  
4 as defined by G.S. 130A-309.201.

5 (3) ~~The~~ Except as otherwise provided, the owner of the dam shall update the  
6 Emergency Action Plan annually and shall submit it to the Department and  
7 the Department of Public Safety for their review and approval within one year  
8 of the prior approval.

9 (3a) If the dam meets the criteria for exclusion under G.S. 143-215.25A(a)(6) but  
10 requires an Emergency Action Plan, then the owner of the dam shall update  
11 the Emergency Action Plan every five years and shall submit it to the  
12 Department and the Department of Public Safety for their review and approval  
13 at least one year prior to the expiration of the previous Emergency Action  
14 Plan.

15 ...."

16 **SECTION 12.6.(b)** If the Department of Environmental Quality has determined that  
17 a failure of a dam less than 25 feet in height or that has an impoundment capacity of less than 50  
18 acre-feet would result in loss of human life or significant damage to property below the dam prior  
19 to the effective date of this section, then their requirement to have an updated Emergency Action  
20 Plan every year shall be updated every five years under G.S. 143-215.31(a1)(3a), as enacted by  
21 this section, beginning after the approval date of the next Emergency Action Plan.

22 **SECTION 12.6.(c)** This section becomes effective October 1, 2024, and applies to  
23 inspections of dams that occur on or after that date.

## 24 **DAM RESILIENCE AND INFRASTRUCTURE NEEDS FUND**

25 **SECTION 12.7.(a)** Part 3 of Article 21 of Chapter 143 of the General Statutes is  
26 amended by adding a new section to read:

### 27 **"§ 143-215.32B. Dam Resilience and Infrastructure Needs Fund.**

28 (a) Establishment; Purpose. – There is established within the Department a special,  
29 nonreverting account to be known as the Dam Resilience and Infrastructure Needs Fund to  
30 receive federal funds under the United States Army Corps of Engineers Water Infrastructure  
31 Financing Program (WIFP) and any other public funds appropriated for purposes consistent with  
32 this section. This section provides to the Division of Energy, Mineral, and Land Resources of the  
33 Department of Environmental Quality all necessary authority to serve as the State Administrative  
34 Agency for this Fund. The Fund shall consist of any funds received from federal or State sources  
35 that are appropriated for dam repair, modification, removal, and other remediation efforts related  
36 to dam structural integrity and safety.

37 (b) Eligible Uses. – Funds received from the WIFP or other federal sources may be used  
38 to disburse loans to eligible subrecipients in this State, consistent with federal Program rules  
39 published in the Federal Register and State law and rule. Any funds received from other State or  
40 federal sources shall be used consistent with the purposes and restrictions from the funding  
41 source, including grants, if applicable.

42 (c) Priority. – The Department, through the Division, shall assign priority for loans from  
43 the Fund to eligible subrecipients based on the Risk-Based Prioritization Method established  
44 under the Federal Emergency Management Agency Rehabilitation of High Hazard Potential  
45 Dams Grant Program. The Department may develop priority criteria for grants from other federal  
46 or State sources, if applicable.

47 (d) Rulemaking. – The Department may adopt rules necessary to implement the  
48 provisions of this section.

49 (e) Reporting Requirement. – The Department shall submit an annual report no later than  
50 October 1 of each year to the Joint Legislative Committee on Agriculture and Natural and  
51



1 Economic Resources and the Fiscal Research Division on the previous State fiscal year's loans,  
 2 grants, or other disbursements from the Fund. The report shall include, at a minimum, the types,  
 3 amounts, and recipients of loans, grants, and disbursements. If loans are disbursed, the report  
 4 shall include (i) any defaults, (ii) interest rates, and (iii) efforts to recapture funds loaned to those  
 5 recipients in the event of delinquent payment."

6 **SECTION 12.7.(b)** The Department of Environmental Quality may use existing  
 7 funds to create up to two full-time equivalent positions to operate the Dam Resilience and  
 8 Infrastructure Needs Fund program as set forth in this section.

9  
 10 **SHALLOW DRAFT FUND AMENDMENTS**

11 **SECTION 12.8.** G.S. 143-215.73F, as amended by Section 4.12 of S.L. 2024-1,  
 12 reads as rewritten:

13 **"§ 143-215.73F. Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund.**

- 14 ...
- 15 (b) Uses of Fund. – Revenue in the Fund may only be used for the following purposes:
- 16 (1) To provide the State's share of the costs associated with any dredging project  
 17 designed to keep shallow draft navigation channels located in State waters or  
 18 waters of the State located within lakes navigable and safe.
- 19 (2) For aquatic weed control projects in waters of the State that either address (i)  
 20 a noxious aquatic weed designated under Article 15 of Chapter 113A of the  
 21 General Statutes, (ii) cyanobacteria causing harmful algal blooms or  
 22 producing cyanotoxins such as cylindrospermopsin and saxitoxins, or (iii)  
 23 other aquatic vegetation not so designated, if the vegetation obstructs public  
 24 water access or access by watercraft to public watercraft launching or docking  
 25 areas. Funding for aquatic weed control projects is limited to ~~one million~~  
 26 ~~dollars (\$1,000,000)~~ two million dollars (\$2,000,000) in each fiscal year.
- 27 (3) For administrative support of activities related to beach and inlet management  
 28 in the State, limited to ~~one hundred thousand dollars (\$100,000)~~ one hundred  
 29 twenty thousand dollars (\$120,000) in each fiscal year.
- 30 (3a) For administrative support of Fund operations, limited to one hundred  
 31 thousand dollars (\$100,000) in each fiscal year.

32 ...

33 (b2) Invoice Approval Required. – Any invoices submitted to the Secretary for  
 34 reimbursement or payment from the Fund for projects undertaken for the purpose set forth in  
 35 subdivision (1) of subsection (b) of this section shall be signed by the representative of the unit  
 36 of local government sponsoring the project.

37 ...

38 (f1) Administrative Expense Adjustment. – The Secretary may annually adjust the  
 39 administrative expense caps imposed by subdivisions (b)(3) and (b)(3a) of this section, so long  
 40 as any cap increase does not exceed the amount necessary to provide for statewide salary and  
 41 benefit adjustments enacted by the General Assembly.

42 ...."

43  
 44 **MODERNIZE WASTEWATER PERMITTING TO SUPPORT ENVIRONMENTALLY**  
 45 **SOUND ECONOMIC DEVELOPMENT**

46 **SECTION 12.9.(a)** The General Assembly finds all of the following:

- 47 (1) Residents of the State should be assured enjoyment of, and access to, proven  
 48 and reasonable methods of treating and disposing of wastewater that embrace  
 49 new technologies.
- 50 (2) As the State continues to grow and attract businesses, it is critical that  
 51 wastewater treatment and disposal facilities are provided for those businesses;

1 and adequate and affordable housing that is proximate to those businesses  
2 must be available to assure the success of those businesses.

- 3 (3) Residents of the State should be assured treatment in an equitable manner to  
4 their counterparts within other states comprising the United States  
5 Environmental Protection Agency's (USEPA) Region 4 where permits are  
6 authorized and issued for the discharge of treated wastewater from  
7 municipalities, businesses, and developments to, for example, receiving  
8 waters "in which natural flow is intermittent, or under certain circumstances  
9 non-existent" (Alabama Admin. Code r. 335-6-10-.09).
- 10 (4) The discharge of treated wastewater to low flow or zero flow receiving waters  
11 is of low risk to the environment, protects and improves water quality, and  
12 provides the most prudent use of ratepayer funds.
- 13 (5) For all these reasons, it is necessary to establish methodologies and rules for  
14 the discharge of treated domestic wastewaters with low risk following site  
15 specific criteria to surface waters of the State, including wetlands, perennial  
16 streams, and unnamed tributaries of named and classified streams and  
17 intermittent streams or drainage courses where the 7Q10 flow or 30Q2 flow  
18 of the receiving waters is estimated to be low flow or zero flow, as determined  
19 by the United States Geological Survey (USGS).
- 20 (6) This act preserves and maintains the authority of the Department of  
21 Environmental Quality (Department) for appropriate review, including  
22 opportunities for public comment, and requires the Department and the  
23 Environmental Management Commission (Commission) to seek necessary  
24 approvals from USEPA to adopt temporary and permanent rules to authorize  
25 discharges of wastewater to such receiving waters.

26 **SECTION 12.9.(b)** G.S. 143-215.1(c8) is repealed.

27 **SECTION 12.9.(c)** Section 12.9 of S.L. 2023-134 is repealed.

28 **SECTION 12.9.(d)** No later than August 1, 2024, the Department of Environmental  
29 Quality (Department) and the Environmental Management Commission (Commission) shall  
30 develop and submit to the United States Environmental Protection Agency for USEPA's approval  
31 draft rules that establish methodologies and permitting requirements for the discharge of treated  
32 domestic wastewaters with low risk following site-specific criteria to surface waters of the State,  
33 including wetlands, perennial streams, and unnamed tributaries of named and classified streams  
34 and intermittent streams or drainage courses where the 7Q10 flow or 30Q2 flow of the receiving  
35 water is estimated to be low flow or zero flow, or under certain conditions non-existent, as  
36 determined by the United States Geological Survey (USGS). Within 20 days of the date USEPA  
37 approves the draft rules submitted pursuant to this subsection, the Commission shall initiate the  
38 process for temporary and permanent rules pursuant to Chapter 150B of the General Statutes.  
39 The draft rules submitted to USEPA for approval shall include all of the following:

40 (1) Defined terms. –

- 41 a. "Treated domestic wastewater" shall mean sewage and wastewater  
42 comprised of waste and wastewater from household, commercial or  
43 light industrial operations (e.g., homes, restaurants, car washes,  
44 laundromats servicing only domestic laundry) excluding any industrial  
45 process wastewater regulated by USEPA under the Categorical  
46 Pretreatment Standards.
- 47 b. "Low-risk discharges" means discharges of 2 million gallons per day  
48 or less of treated domestic wastewater when the dissolved oxygen  
49 content (DO) of the effluent is significantly higher (1.5 mg/l or greater)  
50 than the DO of the receiving water during low flow periods and the

- 1 biological oxygen demand content (BOD) of the effluent is  
2 significantly lower (1.5 mg/l or more) than the DO of the effluent.
- 3 c. "Sag" means a reduction in the existing DO in the background surface  
4 receiving water to which treated wastewater will be discharged. Sag is  
5 typically related to nutrient elements within treated wastewater, which  
6 may promote the growth of oxygen-consuming micro-organisms,  
7 increasing the BOD, which at elevated levels may reduce DO in the  
8 background surface water body.
- 9 (2) Criteria for permitting. –
- 10 a. Applicants shall be required to demonstrate, through an analysis  
11 comparing the limits of the NPDES permit to the characteristics of the  
12 receiving water, that a proposed discharge meets criteria for a low-risk  
13 discharge as defined in this subsection. When a discharge is  
14 determined to be low-risk, the applicant shall demonstrate using  
15 simple modeling of the applicant's choosing, provided that the model  
16 chosen is utilized elsewhere in USEPA Region 4, such as the  
17 Streeter-Phelps model used in the State of Alabama, to show that the  
18 Sag, if any, in the DO of the receiving water will not exceed 0.1mg/l.
- 19 b. Discharges to low flow or zero flow receiving waters shall be subject  
20 to the following conditions:
- 21 1. The receiving waters fall within any of the following  
22 categories:
- 23 I. The 7Q10 or 32Q2 flow statistics are estimated to be  
24 zero by the USGS.
- 25 II. The drainage area of the discharge point is less than 5  
26 square miles as specified by the USGS on-line tools or  
27 other methodology that meets the standard of care for  
28 such work.
- 29 III. The 7Q10 flow is estimated to be less than 1 cubic foot  
30 per second by the USGS.
- 31 2. The proposed flow for any wastewater discharge shall be the  
32 lesser of the following:
- 33 I. No more than one-tenth of the flow generated by the  
34 one-year, 24-hour storm event given the drainage area  
35 and calculated using the rational method. The rational  
36 method shall be used to calculate the peak runoff for  
37 the one-year, 24-hour precipitation event in cubic feet  
38 per second. The peak runoff shall then be divided by 10  
39 and multiplied by 646,272 to convert the result to  
40 gallons per day of allowable discharge at the point  
41 studied.
- 42 II. Two million gallons per day.
- 43 3. All discharges shall be directed to buffer systems that utilize  
44 low-energy methodologies to function as a buffer between the  
45 discharge and the receiving waters. Buffer systems shall  
46 consist of one of the following:
- 47 I. High-rate infiltration basins that may include  
48 engineered materials to achieve high rates of  
49 infiltration, which engineered materials shall have an  
50 ASTM gradation of a fine to coarse grain sand, and  
51 angular to maintain structural integrity of the slope.

- 1 II. Constructed free-surface wetlands having a hydraulic  
2 residence time of 14 days.
- 3 III. Other suitable technologies that provide a physical or  
4 hydraulic residence time buffer, or both, between the  
5 discharge and the receiving waters.
- 6 4. Discharge to areas that are 50 feet upland of the receiving  
7 waters or wetlands at a non-erosive velocity equal to or less  
8 than 2 feet per second through an appropriately designed  
9 energy dissipater, or other applicable designs, that meet the  
10 standard of practice for professional engineers for such  
11 devices.
- 12 5. Utilize more than one outfall to the receiving stream so that no  
13 one outfall exceeds 1 cubic foot per second based on the  
14 average daily flow of the discharge. Discharges from buffer  
15 systems shall be allowed to be placed at increments along a  
16 stream or receiving waters at no less than 50 linear feet.
- 17 6. No discharge shall be permitted to classified shellfish waters  
18 (SA), tidal waters (SC), water supply waters (WS), or  
19 outstanding resource waters (ORW). Discharges to unnamed  
20 tributaries of classified shellfish waters, however, shall be  
21 authorized in compliance with requirements of this section and  
22 only when a low-risk situation is present. Discharges to  
23 nutrient sensitive waters (NSW) may require additional  
24 modeling and allocation of flow and will be at the discretion of  
25 the Department.
- 26 7. The following effluent limits shall generally apply except  
27 where (i) the applicant and Department agree to more stringent  
28 limits or (ii) complex modeling conducted pursuant to  
29 sub-sub-subdivision 8. of this sub-subdivision demonstrates  
30 that Sag in the DO content of the receiving water of 0.1 mg/l  
31 or less will occur and water quality standards are protected:
- 32 I. Biological oxygen demand (BOD<sub>5</sub>) shall not exceed 5.0  
33 mg/l monthly average.
- 34 II. NH<sub>3</sub>, 0.5 mg/l monthly average, 1.0 mg/l daily  
35 maximum.
- 36 III. Total nitrogen shall not exceed 4.0 mg/l monthly  
37 average.
- 38 IV. Total phosphorus, 1.0 mg/l monthly average, 2.0 mg/l  
39 daily maximum.
- 40 V. Fecal coliforms, 14 colonies/100ml or less.
- 41 VI. Dissolved oxygen, 7.0 mg/l or greater.
- 42 VII. Total suspended solids, 5.0 mg/l monthly average,  
43 8mg/l daily maximum.
- 44 VIII. Nitrate, 1.0 mg/l monthly average, 2.0 mg/l daily  
45 maximum.
- 46 8. If an applicant proposes less stringent effluent limits than those  
47 set forth in sub-sub-subdivision 7. of this sub-subdivision, the  
48 applicant shall conduct more complex modeling using any  
49 model accepted elsewhere in USEPA Region 4 that the  
50 applicant elects to use to confirm that a Sag in the DO content

- 1 of the receiving water of 0.1 mg/l or less will occur and water  
2 quality standards are protected.
- 3 9. The Department shall not require an applicant to obtain  
4 mapping data from the USGS as part of an application. In lieu,  
5 an engineer of record licensed in the State of North Carolina  
6 may prepare required mapping utilizing either USGS maps or  
7 other maps approved by the Department.
- 8 10. Within 30 days of the filing of an application for a wastewater  
9 discharge subject to this section, the Department shall (i)  
10 determine whether or not the application is complete and notify  
11 the applicant accordingly and (ii) if the Department determines  
12 an application is incomplete, specify all such deficiencies in  
13 the notice to the applicant. The applicant may file an amended  
14 application or supplemental information to cure the  
15 deficiencies identified by the Department for the Department's  
16 review. If the Department fails to issue a notice as to whether  
17 or not the application is complete within the requisite 30-day  
18 period, the application shall be deemed complete. Within 180  
19 days of the filing of a completed application, the Commission  
20 shall either grant or deny the permit. If the Commission fails  
21 to act in the requisite time frame, ten percent (10%) of the  
22 application fee shall be returned to the applicant for each  
23 working day beyond the 180-day period.

24 **SECTION 12.9.(e)** No later than September 1, 2024, the Department in conjunction  
25 with the North Carolina Collaboratory at the University of North Carolina at Chapel Hill  
26 (Collaboratory) shall convene a Wastewater General Permit Working Group (Working Group)  
27 consisting of Department and Collaboratory staff and a maximum of five consulting experts  
28 appointed by the Director of the Collaboratory in the fields of environmental regulation,  
29 wastewater regulation, water quality regulation, and wastewater treatment regulation, to develop  
30 the draft rules for the implementation of a Wastewater Treatment and Discharge General Permit  
31 process for the State. The Working Group shall report its findings to the Environmental Review  
32 Commission no later than March 15, 2025. Following consideration by the Environmental  
33 Review Commission, and after making any changes required by the Environmental Review  
34 Commission, the Department shall develop and submit proposed rules to USEPA for its approval.  
35 Within 20 days of the date USEPA approves the draft rules submitted pursuant to this subsection,  
36 the Commission shall initiate the process for temporary and permanent rules pursuant to Chapter  
37 150B of the General Statutes.

38 **SECTION 12.9.(f)** Beginning September 1, 2024, and quarterly thereafter until such  
39 times as permanent rules as required by subsections (d) and (e) of this section have become  
40 effective, the Department and the Environmental Management Commission shall report on their  
41 activities to implement subsections (d) and (e) of this section to the Environmental Review  
42 Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and  
43 Economic Resources, the Senate Appropriations Committee on Agriculture, Natural and  
44 Economic Resources, and the House of Representatives Appropriations Committee on  
45 Agriculture and Natural and Economic Resources of the General Assembly.

46 **SECTION 12.9.(g)** This section is effective when it becomes law.

47  
48 **PART XIII. LABOR [RESERVED]**

49  
50 **PART XIV. NATURAL AND CULTURAL RESOURCES**

**AUTHORIZE NEW TRAILS**

**SECTION 14.1.(a)** The General Assembly authorizes the Department of Natural and Cultural Resources to add the (i) First Broad River Trail in Cleveland County, (ii) Carolina Thread Trail encompassing 15 counties in the southwestern part of the State, and (iii) Watauga River Paddle Trail in Watauga County to the State Parks System as State Trails, as provided in G.S. 143B-135.54(b). The Department shall support, promote, encourage, and facilitate the establishment of trail segments on State park lands and on lands of other federal, State, local, and private landowners. On segments of those State Trails 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 for those State Trails with existing funds in the North Carolina Land and Water Fund, the Parks and Recreation Trust Fund, the federal Land and Water Conservation Fund, and other available sources of funding.

**SECTION 14.1.(b)** This section is effective when it becomes law.

**CAPACITY-BUILDING GRANTS FOR GREAT TRAILS**

**SECTION 14.2.** Of the funds appropriated in this act to the Department of Natural and Cultural Resources for the Great Trails State Program for the 2024-2025 fiscal year, the sum of one million dollars (\$1,000,000) shall be allocated as follows:

- (1) Seven hundred fifty thousand dollars (\$750,000) to be divided equally between the 15 eligible entities, as defined in Section 14.6 of S.L. 2023-134, for capacity-building grants.
- (2) Fifty thousand dollars (\$50,000) for the Saluda Grade Trails Conservancy, a nonprofit corporation, for a capacity-building grant for the Saluda Grade rail corridor. These funds shall not be disbursed to the Conservancy until the Saluda Grade rail corridor has been designated as a State Trail and conveyed to the State in accordance with the memorandum of understanding entered into under Section 14.5(d) of S.L. 2023-134.
- (3) Two hundred thousand dollars (\$200,000) to the Great Trails State Coalition, a nonprofit corporation, for (i) a time-limited position to assist and coordinate trail planning and implementation for the nonprofit organizations in the State, (ii) marketing for trail events, and (iii) promoting outdoor trail recreation.

**N.C. ZOO MODIFICATIONS**

**SECTION 14.3.(a)** G.S. 150B-1(d) reads as rewritten:

"(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

...  
(27a) The Department of Natural and Cultural Resources with respect to developing park rules and standards of etiquette governing visitors at the North Carolina Zoological Park.

...."

**SECTION 14.3.(b)** G.S. 143-341 reads as rewritten:

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

The Department of Administration has the following powers and duties:

- ...  
 (8) General Services:

...

- 1 i. To establish and operate a central motor fleet and such subsidiary
- 2 related facilities as the Secretary may deem necessary, and to that end:
- 3 ...
- 4 3. To require on a schedule determined by the Department all
- 5 State agencies to transfer ownership, custody or control of any
- 6 or all passenger motor vehicles within the ownership, custody
- 7 or control of that agency to the Department, except those motor
- 8 vehicles under the ownership, custody or control of ~~the~~the
- 9 following:
- 10 I. The North Carolina Zoological Park.
- 11 II. The North Carolina Division of Parks and Recreation
- 12 of the Department of Natural and Cultural Resources.
- 13 III. The Highway Patrol, the State Bureau of Investigation,
- 14 the State Capitol Police, or the Alcohol Law
- 15 Enforcement Division of the Department of Public
- 16 Safety, ~~the~~ Safety.
- 17 IV. The Samarcand Training ~~Academy, or the~~ Academy.
- 18 V. The constituent institutions of The University of North
- 19 Carolina which are used primarily for law-enforcement
- 20 purposes.

21 ...."

22 SECTION 14.3.(c) G.S. 121-4 reads as rewritten:

23 **"§ 121-4. Powers and duties of the Department of Natural and Cultural Resources.**

24 The Department of Natural and Cultural Resources shall have the following powers and

25 duties:

- 26 (1) To accept gifts, devises, and endowments for purposes which fall within the
- 27 general legal powers and duties of the Department. Unless otherwise specified
- 28 by the donor or testator, the Department may either expend both the principal
- 29 and interest of any gift or devises or may invest such funds in whole or in part,
- 30 by and with the consent of the State Treasurer. The Department may recognize
- 31 gifts by ~~naming~~naming, allowing the sponsorship of, or allowing logo or
- 32 advertisement placement on, exhibits, equipment, buildings, features, or other
- 33 property belonging to, or programs administered ~~by~~by, the Department.

34 ...."

35 SECTION 14.3.(d) G.S. 143B-135.209 reads as rewritten:

36 **"§ 143B-135.209. North Carolina Zoo Fund.**

37 ...

38 (c) Approval. – The Secretary may approve the use of the North Carolina Zoo Fund for

39 repair and renovation projects at the North Carolina Zoological Park that comply with the

40 following:

- 41 (1) The total project cost is less than ~~five hundred thousand dollars~~
- 42 ~~(\$500,000)~~one million dollars (\$1,000,000).
- 43 (2) The project meets the criteria to be classified as a repair or renovation under
- 44 G.S. 143C-8-13(a).
- 45 (3) The project is paid for from funds appropriated to the Fund.
- 46 (4) The project does not obligate the State to provide increased recurring funding
- 47 for operations.

48 ...."

49 SECTION 14.3.(e) G.S. 143C-8-7 reads as rewritten:

50 **"§ 143C-8-7. When a State agency may begin a capital improvement project.**

1 (a) No State agency may expend funds for the construction or renovation of any capital  
2 improvement project except as needed to comply with this Article or as otherwise authorized by  
3 (i) an act of the General Assembly or (ii) subsection (b) of this section. Funds that become  
4 available by gifts, federal or private grants, receipts becoming a part of special funds by act of  
5 the General Assembly, or any other funds available to a State agency or institution may be  
6 utilized for advanced planning through the working drawing phase of capital improvement  
7 projects, upon approval of the Director of the Budget.

8 (b) Notwithstanding any other provision of law to the contrary, the following agencies  
9 are authorized to utilize the types of funds described in subsection (a) of this section for capital  
10 improvement projects with a total project cost less than one hundred fifty thousand dollars  
11 (\$150,000) as follows:

- 12 (1) The Department of Agriculture and Consumer Services, for equipment  
13 structures that meet the description contained in G.S. 143-138(b4)(1)c. on an  
14 as-needed basis.
- 15 (2) The Wildlife Resources Commission, for equipment storage or maintenance  
16 buildings.
- 17 (3) The Department of Natural and Cultural Resources for projects at the North  
18 Carolina Zoological Park."

## 20 STATE CHILDREN'S MUSEUM

21 SECTION 14.4.(a) Chapter 145 of the General Statutes is amended by adding a new  
22 section to read:

### 23 "§ 145-52. State children's museum.

24 The Kidzu Children's Museum is adopted as the official children's museum of North  
25 Carolina."

26 SECTION 14.4.(b) This section is effective when it becomes law.

## 28 PART XV. WILDLIFE RESOURCES COMMISSION [RESERVED]

## 30 PART XVI. ADMINISTRATIVE OFFICE OF THE COURTS

### 32 REQUIRE PROSECUTOR TO EXPLAIN REDUCTION OR DISMISSAL OF CHARGE 33 IN CIVIL DISORDER CASES

34 SECTION 16.1.(a) Article 9 of Chapter 7A of the General Statutes is amended by  
35 adding a new section to read:

### 36 "§ 7A-69.2. Requirement that prosecutor explain reduction or dismissal of charge in civil 37 disorder case.

38 (a) Definition. – For purposes of this section, the term "civil disorder case" means a case  
39 involving an offense under any of the following:

- 40 (1) G.S. 14-12.7 through G.S. 14-12.10.
- 41 (2) G.S. 14-132.
- 42 (3) G.S. 14-288.2.
- 43 (4) Subdivisions (3) through (6) of subsection (a) of G.S. 14-288.4.
- 44 (5) G.S. 14-288.5.
- 45 (6) G.S. 14-288.6.
- 46 (7) G.S. 20-174.1.

47 (b) Requirement. – Any prosecutor shall enter detailed facts in the record of any civil  
48 disorder case explaining orally in open court and in writing the reasons for the prosecutor's action  
49 if the prosecutor does any of the following:

- 50 (1) Enters a voluntary dismissal.
- 51 (2) Accepts a plea of guilty or no contest to a lesser included offense.



- 1           (3)    Substitutes another charge, by statement of charges or otherwise, if the
- 2                    substitute charge carries a lesser mandatory minimum punishment.
- 3           (4)    Otherwise takes a discretionary action that effectively dismisses or reduces
- 4                    the original charge.

5           General explanations such as "interests of justice" or "insufficient evidence" are not  
 6 sufficiently detailed to meet the requirements of this section.

7           (c)    Content of Explanation. – The written explanation shall be signed by the prosecutor  
 8 taking the action on a form approved by the Administrative Office of the Courts and shall contain,  
 9 at a minimum, all of the following:

- 10           (1)    A list of all prior convictions of offenses set forth in subdivision (1) of
- 11                    subsection (a) of this section.
- 12           (2)    A statement that a check of the database of the Administrative Office of the
- 13                    Courts revealed whether any other charges against the defendant were
- 14                    pending.
- 15           (3)    The elements that the district attorney believes in good faith can be proved,
- 16                    and a list of those elements that the district attorney cannot prove and why.
- 17           (4)    The name and agency of the charging officer and whether the officer is
- 18                    available.
- 19           (5)    Any reason why the charges are dismissed.

20           (d)    Copy of Explanation. – A copy of the form required in subsection (c) of this section  
 21 shall be sent to the head of the law enforcement agency that employed the charging officer, to  
 22 the district attorney who employs the prosecutor, and filed in the court file. The Administrative  
 23 Office of the Courts shall electronically record this data in its database and make it available  
 24 upon request."

25           **SECTION 16.1.(b)** This section becomes effective October 1, 2024, and applies to  
 26 offenses committed on or after that date.

27  
 28 **ALLOW MAGISTRATES WITH CERTAIN PRIOR EXPERIENCE TO START IN**  
 29 **HIGHER SALARY STEP**

30           **SECTION 16.2.(a)** G.S. 7A-171.1(a) reads as rewritten:

31           "(a) The Administrative Officer of the Courts, after consultation with the chief district  
 32 judge and pursuant to the following provisions, shall set an annual salary for each magistrate:

- 33           ...
- 34           (3)    Notwithstanding any other provision of this ~~subsection~~, a subsection:
    - 35           a.    A magistrate who is licensed to practice law in North Carolina or any
    - 36                    other state shall receive the annual salary provided in the Table in
    - 37                    subdivision (1) of this subsection for Step 4.
    - 38           b.    A magistrate with a total of 10 or more years of experience in any
    - 39                    combination of the following positions shall receive the annual salary
    - 40                    provided in the Table in subdivision (1) of this subsection for Step 2:
      - 41                    1.    Law enforcement officer in North Carolina.
      - 42                    2.    Assistant clerk of superior court in North Carolina.
      - 43                    3.    Deputy clerk of superior court in North Carolina."

44           **SECTION 16.2.(b)** This section becomes effective July 1, 2024.

45  
 46 **ADD MAGISTRATE TO AVERY COUNTY**

47           **SECTION 16.4.** G.S. 7A-133(c) reads as rewritten:

48           "(c) Each county shall have the numbers of magistrates and additional seats of district  
 49 court, as set forth in the following table:

50  
 51                            **Magistrates**                            **Additional**

1	County	Min.	Seats of Court
2	...		
3	Avery	34	
4	...."		

## 6 AMEND RECIPIENTS OF ANNUAL REPORT ON BUSINESS COURTS

7 **SECTION 16.5.(a)** G.S. 7A-343(8a) reads as rewritten:

8 "(8a) Prepare and submit an annual report on the activities of each North Carolina  
9 business court site to the Chief Justice, the chairs of the House of  
10 Representatives Appropriations Committee on Justice and Public Safety and  
11 the Senate Appropriations Committee on Justice and Public Safety, and the  
12 chairs of the of the Joint Legislative Oversight Committee on Justice and  
13 Public Safety, and all other members of the General Assembly Safety  
14 February 1. The report shall include the following information for each  
15 business court site:

- 16 a. The number of new, closed, and pending cases for the previous three
- 17 years.
- 18 b. The average age of pending cases.
- 19 c. The number of motions pending over six months after being filed.
- 20 d. The number of cases in which bench trials have been concluded for
- 21 over six months without entry of judgment, including any
- 22 accompanying explanation provided by the Business Court.

23 The report shall include an accounting of all business court activities for the  
24 previous fiscal year, including the itemized annual expenditures."

25 **SECTION 16.5.(b)** This section is effective when it becomes law and applies to  
26 reports prepared on or after that date.

## 28 STATEWIDE MISDEMEANANT CONFINEMENT PROGRAM/REVISE REPORTING 29 DATE ON FIVE-YEAR PROJECTION

30 **SECTION 16.6.** G.S. 164-51 reads as rewritten:

### 31 "§ 164-51. Five-year projection; Statewide Misdemeanant Confinement Program.

32 The Judicial Department, through the North Carolina Sentencing and Policy Advisory  
33 Commission (Commission) and with the assistance of the North Carolina Sheriffs' Association  
34 (Sheriffs' Association), shall develop projections of available bed space in the Statewide  
35 Misdemeanant Confinement Program (Program). The projections shall cover the next five fiscal  
36 years beginning with the 2018-2019 fiscal year. All State agencies, the Sheriffs' Association, and  
37 the person having administrative control of a local confinement facility as defined in  
38 G.S. 153A-217(5) shall furnish to the Commission data related to available bed space as  
39 requested to implement this section.

40 The Commission shall report its projections to the chairs of the Senate Appropriations  
41 Committee on Justice and Public Safety and the chairs of the House Appropriations Committee  
42 on Justice and Public Safety no later than February 15, 2019, and annually ~~thereafter~~thereafter  
43 by March 15 of each year."

## 45 ADMINISTRATIVE OFFICE OF THE COURTS TO PAY THE CONTINUING LEGAL 46 EDUCATION FEES OF EMERGENCY JUSTICES, EMERGENCY APPELLATE 47 AND TRIAL COURT JUDGES, AND EMERGENCY RECALL JUDGES

48 **SECTION 16.7.(a)** G.S. 7A-52 is amended by adding a new subsection to read:

49 "(c) The Administrative Office of the Courts shall pay all continuing legal education fees  
50 required by the North Carolina State Bar for individuals actively serving as an emergency district,  
51 superior, or special superior court judge under this Article. These fees shall be those associated

1 with continuing legal education courses taken to fulfill the educational requirements of the  
2 calendar year in which an emergency district, superior, or special superior court judge actively  
3 serves.

4 Pursuant to policies and procedures created by the Administrative Office of the Courts for  
5 the purposes of this subsection, emergency district, superior, and special superior court judges  
6 shall submit to the Administrative Office the Courts at least one of the following:

7 (1) For payment of continuing legal education fees, an invoice from the State Bar  
8 delineating the fees owed.

9 (2) For reimbursement of continuing legal education fees previously paid for by  
10 the emergency district, superior, or special superior court judge, a receipt  
11 delineating the fees paid.

12 The fees paid pursuant to this subsection shall only be those required by the North Carolina  
13 State Bar, not to include other costs associated with continuing legal education courses such as  
14 travel, lodging, or meals."

15 **SECTION 16.7.(b)** Article 6 of Chapter 7A of the General Statutes is amended by  
16 adding a new section to read:

17 **"§ 7A-39.16. Continuing legal education fees of emergency justices, judges, and recall**  
18 **judges.**

19 The Administrative Office of the Courts shall pay all continuing legal education fees required  
20 by the North Carolina State Bar for individuals actively serving as emergency justices, judges,  
21 or recall judges under this Article. These fees shall be those associated with continuing legal  
22 education courses taken to fulfill the educational requirements of the calendar year in which an  
23 emergency justice, judge, or recall judge actively serves.

24 Pursuant to policies and procedures created by the Administrative Office of the Courts for  
25 the purposes of this section, emergency justices, judges, and recall judges shall submit to the  
26 Administrative Office the Courts at least one of the following:

27 (1) For payment of continuing legal education fees, an invoice from the State Bar  
28 delineating the fees owed.

29 (2) For reimbursement of continuing legal education fees previously paid for by  
30 the emergency justice, judge, or recall judge, a receipt delineating the fees  
31 paid.

32 The fees paid pursuant to this section shall only be those required by the North Carolina State  
33 Bar, not to include other costs associated with continuing legal education courses such as travel,  
34 lodging, or meals."

35 **SECTION 16.7.(c)** This section becomes effective July 1, 2024, and applies to  
36 individuals serving as emergency justices, emergency appellate and trial court judges, and  
37 emergency recall judges on or after that date.

## 38 39 **TEMPORARILY EXTEND THE MANDATORY RETIREMENT AGE OF DISTRICT** 40 **COURT JUDGES**

41 **SECTION 16.8.(a)** Article 14 of Chapter 7A of the General Statutes is amended by  
42 adding a new section to read:

43 **"§ 7A-140.2. Temporarily extend age limit of district judges in certain circumstances.**

44 (a) Notwithstanding any provision of this Article to the contrary, a district judge who  
45 attains 72 years of age before January 1, 2027, and who is in the last two years of the judge's term  
46 of office when the judge reaches that age, may continue in office until the end of the judge's term  
47 of office.

48 (b) For purposes of this section, the age of the judge at the end of the judge's term shall  
49 constitute, for that judge, the maximum age limit for service as a judge. Judges so retired pursuant  
50 to this subsection may be recalled for periods of temporary service as provided in Subchapter III  
51 of this Chapter.

1 (c) This section shall expire after December 31, 2026."

2 **SECTION 16.8.(b)** G.S. 135-57(b) reads as rewritten:

3 "(b) Any member who is a justice or judge of the General Court of Justice shall be  
4 automatically retired as of the last day of the calendar month in which the justice or judge reaches  
5 the applicable maximum age for judicial service specified under G.S. 7A-5(b), 7A-40.1, or  
6 7A-140.1, whichever is applicable. Chapter 7A of the General Statutes."

7 **SECTION 16.8.(c)** This section is effective when it becomes law and applies to  
8 justices and judges serving on or after that date.

9  
10 **PART XVII. INDIGENT DEFENSE SERVICES [RESERVED]**

11  
12 **PART XVIII. JUSTICE**

13  
14 **PROHIBIT NONCITIZENS FROM RECEIVING CERTAIN PUBLIC SAFETY**  
15 **CERTIFICATIONS**

16 **SECTION 18.1.(a)** Article 1 of Chapter 17C of the General Statutes is amended by  
17 adding a new section to read:

18 **"§ 17C-17. Prohibition against certifying noncitizens.**

19 The Commission shall not certify or recertify any person under this Chapter that is not a  
20 citizen of the United States."

21 **SECTION 18.1.(b)** G.S. 17C-10(c) reads as rewritten:

22 "(c) In addition to the requirements of subsection (b) of this section, the Commission, by  
23 rules and regulations, shall fix other qualifications for the employment, training, and retention of  
24 criminal justice officers including minimum age, education, physical and mental standards,  
25 ~~citizenship~~, good moral character, experience, and such other matters as relate to the competence  
26 and reliability of persons to assume and discharge the responsibilities of criminal justice officers.  
27 The Commission shall prescribe the means for presenting evidence of fulfillment of these  
28 requirements. The Commission shall require the administration of a psychological screening  
29 examination, including a face-to-face, in-person interview conducted by a licensed psychologist,  
30 to determine the criminal justice officer's psychological suitability to properly fulfill the  
31 responsibilities of the criminal justice officer. If face-to-face, in-person is not practicable, the  
32 face-to-face evaluation can be virtual as long as both the audio and video allow for a professional  
33 clinical evaluation in a clinical environment. The psychological screening examination shall be  
34 given (i) prior to the initial certification or (ii) prior to the criminal justice officer performing any  
35 action requiring certification by the Commission.

36 Where minimum educational standards are not met, yet the individual shows potential and a  
37 willingness to achieve the standards by extra study, they may be waived by the Commission for  
38 the reasonable amount of time it will take to achieve the standards required. Such an educational  
39 waiver shall not exceed 12 months."

40 **SECTION 18.1.(c)** Article 1 of Chapter 17E of the General Statutes is amended by  
41 adding a new section to read:

42 **"§ 17E-6.6. Prohibition against certifying noncitizens.**

43 The Commission shall not certify or recertify any person under this Chapter that is not a  
44 citizen of the United States."

45 **SECTION 18.1.(d)** G.S. 17E-7(c) reads as rewritten:

46 "(c) In addition to the requirements of subsection (b) of this section, the Commission, by  
47 rules and regulations, may fix other qualifications for the employment and retention of justice  
48 officers including minimum age, education, physical and mental standards, ~~citizenship~~, good  
49 moral character, experience, and such other matters as relate to the competence and reliability of  
50 persons to assume and discharge the responsibilities of the office. The Commission shall  
51 prescribe the means for presenting evidence of fulfillment of these requirements. The

1 Commission shall require the administration of a psychological screening examination, including  
2 a face-to-face, in-person interview conducted by a licensed psychologist, to determine the justice  
3 officer's psychological suitability to properly fulfill the responsibilities of the justice officer. If  
4 face-to-face, in-person is not practicable, the face-to-face evaluation can be virtual as long as  
5 both the audio and video allow for a professional clinical evaluation in a clinical environment.  
6 The psychological screening examination shall be given (i) prior to the initial certification or (ii)  
7 prior to the criminal justice officer performing any action requiring certification by the  
8 Commission.

9 Where minimum educational standards are not met, yet the individual shows potential and a  
10 willingness to achieve the standards by extra study, they may be waived by the Commission for  
11 the reasonable amount of time it will take to achieve the standards required. Upon petition from  
12 a sheriff, the Commission may grant a waiver of any provisions of this section (17E-7) for any  
13 justice officer serving that sheriff."

14 **SECTION 18.1.(e)** This section is effective when it becomes law and applies to  
15 certifications and recertifications awarded on or after that date.  
16

## 17 **REMOVE CERTAIN CONSTRAINTS FOR LATERAL TRANSFERS OF LAW** 18 **ENFORCEMENT OFFICERS**

19 **SECTION 18.2.(a)** Article 1 of Chapter 17C of the General Statutes is amended by  
20 adding a new section to read:

### 21 **"§ 17C-10.2. Transfer of certified officers.**

22 (a) Notwithstanding any other provision of law, the Commission, the Division, and a law  
23 enforcement agency considering the application for employment of a criminal justice officer shall  
24 be granted access to and allowed to review the applicant's personnel file maintained by any law  
25 enforcement agency holding, or who has previously held, the applicant's certification, if each of  
26 the following circumstances exists:

- 27 (1) The applicant currently holds a general or probationary certification from the  
28 Commission or the Sheriffs' Education and Training Standards Commission.
- 29 (2) The applicant has less than a 12-month break in service.
- 30 (3) The applicant is applying to obtain certification with another law enforcement  
31 agency.

32 (b) A law enforcement agency and its personnel providing access and review of a  
33 personnel file pursuant to this section shall not be held civilly or criminally liable for doing so."

34 **SECTION 18.2.(b)** Article 2 of Chapter 17E of the General Statutes is amended by  
35 adding a new section to read:

### 36 **"§ 17E-7.1. Transfer of certified officers.**

37 (a) Notwithstanding any other provision of law, the Commission, the Division, and a  
38 sheriff's office considering the application for employment of a justice officer shall be granted  
39 access to and allowed to review the applicant's personnel file maintained by any law enforcement  
40 agency holding, or who has previously held, the applicant's certification, if each of the following  
41 circumstances exist:

- 42 (1) The applicant currently holds a general or probationary certification from the  
43 Commission or the Criminal Justice Education and Training Standards  
44 Commission.
- 45 (2) The applicant has less than a 12-month break in service.
- 46 (3) The applicant is applying to obtain certification with another law enforcement  
47 agency.

48 (b) A sheriff's office and its personnel providing access and review of a personnel file  
49 pursuant to this section shall not be held civilly or criminally liable for doing so."

50 **SECTION 18.2.(c)** This section is effective when it becomes law and applies to  
51 applications for employment submitted before, on, or after that date.

1  
2 **EXEMPT CERTAIN LAW ENFORCEMENT TRAINING MATERIALS AND**  
3 **ELIGIBILITY GUIDELINE DETERMINATIONS FROM RULE MAKING**

4 **SECTION 18.3.** G.S. 150B-1(d) reads as rewritten:

5 "(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the  
6 following:

7 ...

8 (6a) The Criminal Justice Education and Training Standards Commission with  
9 respect to establishing minimum ~~standards~~ standards, all course-related  
10 materials for entry-level and in-service training for criminal justice officers  
11 under G.S. 17C-6(a)(14)-training, and all other Commission courses pursuant  
12 to G.S. 17C-6, and identifying or classifying misdemeanors for purposes of  
13 certification eligibility and continued eligibility under G.S. 17C-6(a)(3) and  
14 G.S. 17C-1.

15 (6b) The Sheriffs' Education and Training Standards Commission with respect to  
16 establishing minimum ~~standards~~ standards, all course-related materials  
17 for entry-level and in-service training for justice officers under  
18 G.S. 17E-4(a)(11)-training, and all other Commission courses pursuant to  
19 G.S. 17E-4, and identifying or classifying misdemeanors for purposes of  
20 certification eligibility and continued eligibility under G.S. 17E-4(a)(3) and  
21 G.S. 17E-9.

22 ...."

23  
24 **ALLOWING FOR EXPEDITED PROCESS IN CERTAIN LAW ENFORCEMENT**  
25 **OFFICER CERTIFICATION DETERMINATIONS**

26 **SECTION 18.4.** The Criminal Justice Education and Training Standards  
27 Commission and the Sheriffs' Education and Training Standards Commission may adopt  
28 temporary rules under G.S. 150B-21.1 to provide an expedited procedure allowing criminal  
29 justice officers and justice officers currently certified in this State or another state, or who have  
30 been certified within the previous 12-month period in this State or another state, to transfer the  
31 certification to a different criminal justice agency within this State. If either Commission adopts  
32 a temporary rule pursuant to this section, that Commission shall adopt a corresponding permanent  
33 rule by June 30, 2025.

34  
35 **PART XIX. ADULT CORRECTION [RESERVED]**

36  
37 **PART XIX-A. DEPARTMENT OF ADULT CORRECTION ADMINISTRATION**

38  
39 **AMEND REPORTING REQUIREMENTS**

40 **SECTION 19A.1.(a)** G.S. 20-196.5 is recodified as G.S. 143B-1504 and reads as  
41 rewritten:

42 "**§ 143B-1504. Report on gang prevention recommendations.**

43 The State Highway Patrol, Department of Adult Correction, in conjunction with the State  
44 Bureau of Investigation and the Governor's Crime Commission, shall develop recommendations  
45 concerning the establishment of priorities and needed improvements with respect to gang  
46 prevention and shall report those recommendations to the chairs of the House of Representatives  
47 and Senate Appropriations Committees on Justice and Public Safety and to the chairs of the Joint  
48 Legislative Oversight Committee on Justice and Public Safety on or before March 1 of each  
49 year."

50 **SECTION 19A.1.(b)** G.S. 143B-1470(c) reads as rewritten:

1 "(c) The Department of Adult Correction shall report ~~quarterly~~ annually by September 1  
 2 of each year to the Joint Legislative Oversight Committee on Justice and Public Safety and the  
 3 chairs of the Justice and Public Safety Appropriations Committees ~~on~~ on all of the following:

- 4 (1) The percentage of the total inmates requiring hospitalization or hospital  
 5 services who receive that treatment at each hospital.  
 6 ...  
 7 (4a) The volume of scheduled and emergent services listed by hospital and, of that  
 8 volume, the number of those services that are provided by contracted and  
 9 noncontracted providers.  
 10 (4b) The volume of scheduled and emergent admissions listed by hospital and, of  
 11 that volume, the percentage of those services that are provided by contracted  
 12 and noncontracted providers.  
 13 (5) The volume of inpatient medical services provided to Medicaid-eligible  
 14 inmates, the cost of treatment, the estimated savings of paying the nonfederal  
 15 portion of Medicaid for the services, and the length of time between the date  
 16 the claim was filed and the date the claim was paid.  
 17 (5a) The status of the implementation of the claims processing system and efforts  
 18 to address the backlog of unpaid claims.  
 19 (6) The hospital utilization, including the amount paid to individual hospitals, the  
 20 number of inmates served, the number of claims, and whether the hospital was  
 21 a contracted or noncontracted facility.  
 22 (7) The total cost and volume for the previous fiscal quarter for emergency room  
 23 visits originating from Central Prison and NCCIW Hospitals to UNC  
 24 Hospitals, UNC Rex Healthcare, and WakeMed Hospital.  
 25 (8) The total payments for Medicaid and nonMedicaid eligible inmates to UNC  
 26 Hospitals, UNC Rex Healthcare, and WakeMed Hospital, including the  
 27 number of days between the date the claim was filed and the date the claim  
 28 was paid.  
 29 (9) A list of hospitals under contract.  
 30 (10) The reimbursement rate for contracted providers. The Department shall  
 31 randomly audit high-volume contracted providers to ensure adherence to  
 32 billing at the contracted rate.

33 Reports ~~submitted on August 1~~ shall include totals for the previous fiscal year for all the  
 34 information requested."

35 **SECTION 19A.1.(c)** This section is effective when it becomes law and applies to  
 36 reports submitted on or after that date.  
 37

### 38 **FURTHER DELINEATE REIMBURSEMENT PROCEDURES FOR ROADWAY** 39 **CLEANUP PROGRAM**

40 **SECTION 19A.2.(a)** Section 19C.10 of S.L. 2021-180 reads as rewritten:

41 "**SECTION 19C.10.(a)** Notwithstanding G.S. 162-58, and consistent with the provisions of  
 42 Article 3 of Chapter 148 of the General Statutes, sheriffs having custody of inmates under the  
 43 Statewide Misdemeanant Confinement Program may utilize those inmates to maintain the  
 44 cleanliness of areas along local and State roadways.

45 "**SECTION 19C.10.(b)** For purposes of this section, the following definitions shall apply:

- 46 (1) Housing night. – A night spent by an individual inmate in the custody of the  
 47 sheriff pursuant to the Statewide Misdemeanant Confinement Program.  
 48 ~~(1)~~(2) Road mile. – A section of roadside equaling 1 mile in length, not including  
 49 any roadsides that are parallel to that section.  
 50 ~~(2)~~(3) Work hour. – An hour worked by an individual inmate, including time spent  
 51 traveling to and from work sites and break time taken during work efforts.

1 "SECTION 19C.10.(c) A sheriff that utilizes inmates pursuant to subsection (a) of this  
2 section shall coordinate with the Department of Transportation before and after a cleanup project  
3 to ensure that cleanup efforts are not unnecessarily duplicated by either the sheriff's office or the  
4 Department of Transportation. The sheriff shall also ensure that all inmates utilized pursuant to  
5 this subsection are appropriately guarded while working and that food, water, and bathroom  
6 facilities are accessible in reasonable amounts and times.

7 "SECTION 19C.10.(d) A sheriff that utilizes inmate labor pursuant to subsection (a) of this  
8 section for a combined total of ~~500~~-work hours in one calendar month exceeding the minimum  
9 required work hours under subsection (d1) of this section shall submit a record documenting  
10 those work hours and the corresponding road miles to the North Carolina Sheriffs' ~~Association~~  
11 ~~and Association~~. A sheriff meeting the requirements of this section shall be reimbursed by the  
12 Statewide Misdemeanant Confinement Program for caring for and housing the inmates of the  
13 Statewide Misdemeanant Confinement Program at a rate of at least ~~sixty-seventy~~ dollars (~~\$60.00~~)  
14 (\$70.00) per day, per inmate held under the Statewide Misdemeanant Confinement Program for  
15 each calendar month in which ~~500~~-the minimum required work hours were completed.  
16 Participating sheriffs shall comply with all requirements established by the Statewide  
17 Misdemeanant Confinement Program necessary to certify ~~the work hours worked~~ and housing  
18 nights and to confirm funding availability. This increased reimbursement rate shall be paid to  
19 participating sheriffs only until the funds that have been specifically appropriated by the General  
20 Assembly for this purpose are exhausted. Funds allocated under this section shall not revert but  
21 shall be available until expended.

22 "SECTION 19C.10.(d1) The minimum required work hours to be reimbursed at the  
23 increased rate per day under subsection (d) of this section shall be as follows:

- 24 (1) Fifty work hours, if the sheriff did not exceed 100 housing nights in the  
25 calendar month three months prior to the calendar month in which the work  
26 hours occur.
- 27 (2) One hundred fifty work hours, if the sheriff totals 101 to 200 housing nights  
28 in the calendar month three months prior to the calendar month in which the  
29 work hours occur.
- 30 (3) Two hundred fifty work hours, if the sheriff totals 201 to 300 housing nights  
31 in the calendar month three months prior to the calendar month in which the  
32 work hours occur.
- 33 (4) Three hundred fifty work hours, if the sheriff totals 301 to 400 housing nights  
34 in the calendar month three months prior to the calendar month in which the  
35 work hours occur.
- 36 (5) Four hundred fifty work hours, if the sheriff totals 401 to 500 housing nights  
37 in the calendar month three months prior to the calendar month in which the  
38 work hours occur.
- 39 (6) Five hundred work hours, if the sheriff exceeds 500 housing nights in the  
40 calendar month three months prior to the calendar month in which the work  
41 hours occur.

42 "SECTION 19C.10.(e) The North Carolina Sheriffs' Association shall report no later than  
43 the fifteenth day of each month to the Office of State Budget and Management and the Fiscal  
44 Research Division regarding (i) the counties with sheriffs' offices that utilized inmate labor  
45 pursuant to subsection (a) of this section, (ii) the number of total work hours performed by  
46 inmates in each participating county, ~~and~~-(iii) the number of road miles cleaned by inmates in  
47 each participating ~~county~~-county, and (iv) the number of housing nights logged in each  
48 participating county.

49 "SECTION 19C.10.(f) The North Carolina Sheriffs' Association shall report no later than  
50 October 1 of each year to the chairs of the House of Representatives Appropriations Committee  
51 on Justice and Public Safety, the chairs of the Senate Appropriations Committee on Justice and



1 Public Safety, the chairs of the Joint Legislative Oversight Committee on Justice and Public  
 2 Safety, and the chairs of the Joint Legislative Transportation Oversight Committee regarding (i)  
 3 the counties with sheriffs' offices that utilized inmate labor pursuant to subsection (a) of this  
 4 section, (ii) the number of total work hours performed by inmates in each participating county,  
 5 ~~and~~ (iii) the number of road miles cleaned by inmates in each participating ~~county~~.county, and  
 6 (iv) the number of housing nights logged in each participating county.

7 "SECTION 19C.10.(g) This section is effective when it becomes law."

8 SECTION 19A.2.(b) This section is effective when it becomes law and applies to  
 9 work hours performed in the next calendar month after this section becomes effective.

10  
 11 **PART XIX-B. PRISONS [RESERVED]**

12  
 13 **PART XIX-C. COMMUNITY SUPERVISION [RESERVED]**

14  
 15 **PART XIX-D. REHABILITATION AND REENTRY [RESERVED]**

16  
 17 **PART XIX-E. PUBLIC SAFETY [RESERVED]**

18  
 19 **PART XIX-F. DEPARTMENT OF PUBLIC SAFETY ADMINISTRATION**  
 20 **[RESERVED]**

21  
 22 **PART XIX-G. LAW ENFORCEMENT**

23  
 24 **AUTHORIZE STATE HIGHWAY PATROL TO PROVIDE ASSISTANCE TO OTHER**  
 25 **LAW ENFORCEMENT AGENCIES**

26 SECTION 19G.1. G.S. 20-195 reads as rewritten:

27 "§ 20-195. **Cooperation between Patrol and local officers.**

28 (a) The Secretary of Public Safety with the approval of the Governor, through the State  
 29 Highway Patrol, shall encourage the cooperation between the Highway Patrol and the several  
 30 municipal and county peace officers of the State for the enforcement of all traffic laws and the  
 31 proper administration of the Uniform Drivers' License Law, and arrangements for compensation  
 32 of special services rendered by such local officers out of the funds allotted to the State Highway  
 33 Patrol may be made, subject to the approval of the Director of the Budget.

34 (b) Members of the State Highway Patrol are officers of a "law enforcement agency" for  
 35 purposes of G.S. 160A-288, and the Secretary of Public Safety, with the approval of the  
 36 Governor, shall have the same authority as a city or county governing body to approve  
 37 cooperation between law enforcement agencies under that section."

38  
 39 **TECHNICAL CORRECTIONS RELATED TO MAKING THE STATE BUREAU OF**  
 40 **INVESTIGATION AN INDEPENDENT DEPARTMENT**

41 SECTION 19G.2.(a) Parts 1 through 4 of Article 27A of Chapter 14 of the General  
 42 Statutes read as rewritten:

43 "Part 1. Registration Programs, Purpose and Definitions Generally.

44 ...

45 "§ 14-208.6. **Definitions.**

46 The following definitions apply in this Article:

47 ...

48 (1e) ~~Department.—The Department of Public Safety.~~

49 ...

50 (4) Reportable conviction. – Any of the following:

- 1 a. A final conviction for an offense against a minor, a sexually violent  
 2 offense, or an attempt to commit any of those offenses unless the  
 3 conviction is for aiding and abetting. A final conviction for aiding and  
 4 abetting is a reportable conviction only if the court sentencing the  
 5 individual finds that the registration of that individual under this  
 6 Article furthers the purposes of this Article as stated in G.S. 14-208.5.
- 7 b. A final conviction in another state of an offense, which if committed  
 8 in this State, is substantially similar to an offense against a minor or a  
 9 sexually violent offense as defined by this section, or a final conviction  
 10 in another state of an offense that requires registration under the sex  
 11 offender registration statutes of that state.
- 12 c. A final conviction in a federal jurisdiction (including a court martial)  
 13 of an offense, which is substantially similar to an offense against a  
 14 minor or a sexually violent offense as defined by this section.
- 15 d. A final conviction for a violation of G.S. 14-202(d), (e), (f), (g), or (h),  
 16 or a second or subsequent conviction for a violation of G.S. 14-202(a),  
 17 (a1), or (c), only if the court sentencing the individual issues an order  
 18 pursuant to G.S. 14-202(l) requiring the individual to register.
- 19 e. A final conviction for a violation of G.S. 14-43.14, only if the court  
 20 sentencing the individual issues an order pursuant to G.S. 14-43.14(e)  
 21 requiring the individual to register.
- 22 f. A final conviction in a State court-martial proceeding imposing  
 23 confinement under G.S. 127A-48 or G.S. 127A-49 for an offense  
 24 which is substantially similar to an offense against a minor or a  
 25 sexually violent offense as defined in this section.

26 (4a) SBI. – The North Carolina State Bureau of Investigation.

- 27 (5) Sexually violent offense. – A violation of former G.S. 14-27.6 (attempted rape  
 28 or sexual offense), G.S. 14-27.21 (first-degree forcible rape), G.S. 14-27.22  
 29 (second-degree forcible rape), G.S. 14-27.23 (statutory rape of a child by an  
 30 adult), G.S. 14-27.24 (first-degree statutory rape), G.S. 14-27.25(a) (statutory  
 31 rape of a person who is 15 years of age or younger and where the defendant is  
 32 at least six years older), G.S. 14-27.26 (first-degree forcible sexual offense),  
 33 G.S. 14-27.27 (second-degree forcible sexual offense), G.S. 14-27.28  
 34 (statutory sexual offense with a child by an adult), G.S. 14-27.29 (first-degree  
 35 statutory sexual offense), G.S. 14-27.30(a) (statutory sexual offense with a  
 36 person who is 15 years of age or younger and where the defendant is at least  
 37 six years older), G.S. 14-27.31 (sexual activity by a substitute parent or  
 38 custodian), G.S. 14-27.32 (sexual activity with a student), G.S. 14-27.33  
 39 (sexual battery), G.S. 14-43.11 (human trafficking) if (i) the offense is  
 40 committed against a minor who is less than 18 years of age or (ii) the offense  
 41 is committed against any person with the intent that they be held in sexual  
 42 servitude, G.S. 14-43.13 (subjecting or maintaining a person for sexual  
 43 servitude), G.S. 14-178 (incest between near relatives), G.S. 14-190.6  
 44 (employing or permitting minor to assist in offenses against public morality  
 45 and decency), G.S. 14-190.9(a1) (felonious indecent exposure),  
 46 G.S. 14-190.16 (first degree sexual exploitation of a minor), G.S. 14-190.17  
 47 (second degree sexual exploitation of a minor), G.S. 14-190.17A (third degree  
 48 sexual exploitation of a minor), G.S. 14-202.1 (taking indecent liberties with  
 49 children), G.S. 14-202.3 (Solicitation of child by computer or certain other  
 50 electronic devices to commit an unlawful sex act), G.S. 14-202.4(a) (taking  
 51 indecent liberties with a student), G.S. 14-205.2(c) or (d) (patronizing a

1 prostitute who is a minor or has a mental disability), G.S. 14-205.3(b)  
2 (promoting prostitution of a minor or a person who has a mental disability),  
3 G.S. 14-318.4(a1) (parent or caretaker commit or permit act of prostitution  
4 with or by a juvenile), or G.S. 14-318.4(a2) (commission or allowing of sexual  
5 act upon a juvenile by parent or guardian). The term also includes the  
6 following: a solicitation or conspiracy to commit any of these offenses; aiding  
7 and abetting any of these offenses.

8 ...

9 (8) Statewide registry. – The central registry compiled by the ~~Department~~ SBI in  
10 accordance with G.S. 14-208.14.

11 ...

12 "Part 2. Sex Offender and Public Protection Registration Program.

13 **"§ 14-208.7. Registration.**

14 ...

15 (b) The ~~Department of Public Safety~~ SBI shall provide each sheriff with forms for  
16 registering persons as required by this Article. The registration form shall require all of the  
17 following:

- 18 (1) The person's full name, each alias, date of birth, sex, race, height, weight, eye  
19 color, hair color, drivers license number, and home address.
- 20 (1a) A statement indicating what the person's name was at the time of the  
21 conviction for the offense that requires registration; what alias, if any, the  
22 person was using at the time of the conviction of that offense; and the name  
23 of the person as it appears on the judgment imposing the sentence on the  
24 person for the conviction of the offense.
- 25 (2) The type of offense for which the person was convicted, the date of conviction,  
26 and the sentence imposed.
- 27 (3) A current photograph taken by the sheriff, without charge, at the time of  
28 registration.
- 29 (4) The person's fingerprints taken by the sheriff, without charge, at the time of  
30 registration.
- 31 (5) A statement indicating whether the person is a student or expects to enroll as  
32 a student within a year of registering. If the person is a student or expects to  
33 enroll as a student within a year of registration, then the registration form shall  
34 also require the name and address of the educational institution at which the  
35 person is a student or expects to enroll as a student.
- 36 (6) A statement indicating whether the person is employed or expects to be  
37 employed at an institution of higher education within a year of registering. If  
38 the person is employed or expects to be employed at an institution of higher  
39 education within a year of registration, then the registration form shall also  
40 require the name and address of the educational institution at which the person  
41 is or expects to be employed.
- 42 (7) Any online identifier that the person uses or intends to use.

43 (c) When a person registers, the sheriff with whom the person registered shall  
44 immediately send the registration information to the ~~Department of Public Safety~~ SBI in a manner  
45 determined by the ~~Department of Public Safety~~ SBI. The sheriff shall retain the original  
46 registration form and other information collected and shall compile the information that is a  
47 public record under this Part into a county registry.

48 ...

49 **"§ 14-208.8. Prerelease notification.**

1 (a) At least 10 days, but not earlier than 30 days, before a person who will be subject to  
2 registration under this Article is due to be released from a penal institution, an official of the  
3 penal institution shall do all of the following:

- 4 (1) Inform the person of the person's duty to register under this Article and require  
5 the person to sign a written statement that the person was so informed or, if  
6 the person refuses to sign the statement, certify that the person was so  
7 informed.  
8 (2) Obtain the registration information required under G.S. 14-208.7(b)(1), (2),  
9 (5), (6), and (7), as well as the address where the person expects to reside upon  
10 the person's release.  
11 (3) Send the ~~Department of Public Safety-SBI~~ and the sheriff of the county in  
12 which the person expects to reside the information collected in accordance  
13 with subdivision (2) of this subsection.

14 ...

15 **"§ 14-208.8A. Notification requirement for out-of-county employment if temporary**  
16 **residence established.**

17 ...

18 (c) Notice to ~~Department of Public Safety-SBI~~. – Upon receiving the notice required  
19 under subsection (a) of this section, the sheriff shall immediately forward the information to the  
20 ~~Department of Public Safety. The Department of Public Safety-SBI. The SBI~~ shall notify the  
21 sheriff of the county where the person is working and maintaining a temporary residence of the  
22 person's place of employment and temporary address in that county.

23 **"§ 14-208.9. Change of address; change of academic status or educational employment**  
24 **status; change of online identifier; change of name.**

25 (a) If a person required to register changes address, the person shall report in person and  
26 provide written notice of the new address not later than the third business day after the change to  
27 the sheriff of the county with whom the person had last registered. If the person moves to another  
28 county, the person shall also report in person to the sheriff of the new county and provide written  
29 notice of the person's address not later than the tenth day after the change of address. Upon receipt  
30 of the notice, the sheriff shall immediately forward this information to the ~~Department of Public~~  
31 ~~Safety-SBI~~. When the ~~Department of Public Safety-SBI~~ receives notice from a sheriff that a  
32 person required to register is moving to another county in the State, the ~~Department of Public~~  
33 ~~Safety-SBI~~ shall inform the sheriff of the new county of the person's new residence.

34 (b) If a person required to register intends to move to another state, the person shall report  
35 in person to the sheriff of the county of current residence at least three business days before the  
36 date the person intends to leave this State to establish residence in another state or jurisdiction.  
37 The person shall provide to the sheriff a written notification that includes all of the following  
38 information: the address, municipality, county, and state of intended residence.

- 39 (1) If it appears to the sheriff that the record photograph of the sex offender no  
40 longer provides a true and accurate likeness of the sex offender, then the  
41 sheriff shall take a photograph of the offender to update the registration.  
42 (2) The sheriff shall inform the person that the person must comply with the  
43 registration requirements in the new state of residence. The sheriff shall also  
44 immediately forward the information included in the notification to the  
45 ~~Department of Public Safety-SBI~~ and the ~~Department of Public Safety-SBI~~  
46 shall inform the appropriate state official in the state to which the registrant  
47 moves of the person's notification and new address.

48 (b1) A person who indicates his or her intent to reside in another state or jurisdiction and  
49 later decides to remain in this State shall, within three business days after the date upon which  
50 the person indicated he or she would leave this State, report in person to the sheriff's office to  
51 which the person reported the intended change of residence, of his or her intent to remain in this

1 State. If the sheriff is notified by the sexual offender that he or she intends to remain in this State,  
2 the sheriff shall promptly report this information to the ~~Department of Public Safety~~SBI.

3 (c) If a person required to register changes his or her academic status either by enrolling  
4 as a student or by terminating enrollment as a student, then the person shall, within three business  
5 days, report in person to the sheriff of the county with whom the person registered and provide  
6 written notice of the person's new status. The written notice shall include the name and address  
7 of the institution of higher education at which the student is or was enrolled. The sheriff shall  
8 immediately forward this information to the ~~Department of Public Safety~~SBI.

9 (d) If a person required to register changes his or her employment status either by  
10 obtaining employment at an institution of higher education or by terminating employment at an  
11 institution of higher education, then the person shall, within three business days, report in person  
12 to the sheriff of the county with whom the person registered and provide written notice of the  
13 person's new status not later than the tenth day after the change to the sheriff of the county with  
14 whom the person registered. The written notice shall include the name and address of the  
15 institution of higher education at which the person is or was employed. The sheriff shall  
16 immediately forward this information to the ~~Department of Public Safety~~SBI.

17 (e) If a person required to register changes an online identifier, or obtains a new online  
18 identifier, then the person shall, within 10 days, report in person to the sheriff of the county with  
19 whom the person registered to provide the new or changed online identifier information to the  
20 sheriff. The sheriff shall immediately forward this information to the ~~Department of Public~~  
21 ~~Safety~~SBI.

22 (f) If a person required to register changes his or her name pursuant to Chapter 101 of  
23 the General Statutes or by any other method, then the person shall, within three business days,  
24 report in person to the sheriff of the county with whom the person registered to provide the name  
25 change to the sheriff. The sheriff shall immediately forward this information to the ~~Department~~  
26 ~~of Public Safety~~SBI.

27 **"§ 14-208.9A. Verification of registration information.**

28 (a) The information in the county registry shall be verified semiannually for each  
29 registrant as follows:

- 30 (1) Every year on the anniversary of a person's initial registration date, and again  
31 six months after that date, the ~~Department of Public Safety~~SBI shall mail a  
32 nonforwardable verification form to the last reported address of the person.  
33

34 ...

35 **"§ 14-208.12A. Request for termination of registration requirement.**

36 ...

37 (a3) If the court denies the petition, the person may again petition the court for relief in  
38 accordance with this section one year from the date of the denial of the original petition to  
39 terminate the registration requirement. If the court grants the petition to terminate the registration  
40 requirement, the clerk of court shall forward a certified copy of the order to the ~~Department of~~  
41 ~~Public Safety~~SBI to have the person's name removed from the registry.

42 ...

43 **"§ 14-208.12B. Registration requirement review.**

44 ...

45 (i) No sheriff, or employee of a sheriffs' office, district attorney's office, or the ~~North~~  
46 ~~Carolina State Bureau of Investigation~~SBI shall incur any civil or criminal liability under North  
47 Carolina law as the result of the performance of official duties under this Article.

48 **"§ 14-208.13. File with Criminal Information Network.**

49 (a) The ~~Department of Public Safety~~SBI shall include the registration information in the  
50 Criminal Information Network as set forth in ~~G.S. 143B-905~~G.S. 143B-1208.15.

51 (b) The ~~Department of Public Safety~~SBI shall maintain the registration information  
permanently even after the registrant's reporting requirement expires.

1 **"§ 14-208.14. Statewide registry; ~~Department of Public Safety~~ SBI designated custodian of**  
2 **statewide registry.**

3 (a) The ~~Department of Public Safety~~ SBI shall compile and keep current a central  
4 statewide sex offender registry. The ~~Department~~ SBI is the State agency designated as the  
5 custodian of the statewide registry. As custodian the ~~Department~~ SBI has the following  
6 responsibilities:

7 (1) To receive from the sheriff or any other law enforcement agency or penal  
8 institution all sex offender registrations, changes of address, changes of  
9 academic or educational employment status, and prerelease notifications  
10 required under this Article or under federal law. The ~~Department~~ SBI shall  
11 also receive notices of any violation of this Article, including a failure to  
12 register or a failure to report a change of address.

13 (2) To provide all need-to-know law enforcement agencies (local, State, campus,  
14 federal, and those located in other states) immediately upon receipt by the  
15 ~~Department~~ SBI of any of the following: registration information, a prerelease  
16 notification, a change of address, a change of academic or educational  
17 employment status, or notice of a violation of this Article.

18 (2a) To notify the appropriate law enforcement unit at an institution of higher  
19 education as soon as possible upon receipt by the ~~Department~~ SBI of relevant  
20 information based on registration information or notice of a change of  
21 academic or educational employment status. If an institution of higher  
22 education does not have a law enforcement unit, then the ~~Department~~ SBI  
23 shall provide the information to the local law enforcement agency that has  
24 jurisdiction for the campus.

25 (3) To coordinate efforts among law enforcement agencies and penal institutions  
26 to ensure that the registration information, changes of address, change of  
27 name, prerelease notifications, and notices of failure to register or to report a  
28 change of address are conveyed in an appropriate and timely manner.

29 (4) To provide public access to the statewide registry in accordance with this  
30 Article.

31 (4a) To maintain the system for public access so that a registrant's full name, any  
32 aliases, and any legal name changes are cross-referenced and a member of the  
33 public may conduct a search of the system for a registrant under any of those  
34 names.

35 (5) To maintain a system allowing an entity to access a list of online identifiers of  
36 persons in the central sex offender registry.

37 ...

38 **"§ 14-208.15. Certain statewide registry information is public record: access to statewide**  
39 **registry.**

40 (a) The information in the statewide registry that is public record is the same as in  
41 G.S. 14-208.10. The ~~Department of Public Safety~~ SBI shall release any other relevant  
42 information that is necessary to protect the public concerning a specific person, but shall not  
43 release the identity of the victim of the offense that required registration under this Article.

44 (b) The ~~Department of Public Safety~~ SBI shall provide free public access to automated  
45 data from the statewide registry, including photographs provided by the registering sheriffs, via  
46 the Internet. The public will be able to access the statewide registry to view an individual  
47 registration record, a part of the statewide registry, or all of the statewide registry. The  
48 ~~Department of Public Safety~~ SBI may also provide copies of registry information to the public  
49 upon written request and may charge a reasonable fee for duplicating costs and mailings costs.

50 (c) Upon request of an institution of higher education, the Sheriff of the county in which  
51 the educational institution is located shall provide a report containing the registry information for

1 any registrant who has stated that the registrant is a student or employee, or expects to become a  
2 student or employee, of that institution of higher education. The ~~Department of Public Safety~~  
3 SBI shall provide each sheriff with the ability to generate the report from the statewide registry.  
4 The report shall be provided electronically without charge. The institution of higher education  
5 may receive a written report upon payment of reasonable duplicating costs and mailing costs.

6 **"§ 14-208.15A. Release of online identifiers to entity; fee.**

7 (a) The ~~Department of Public Safety~~-SBI may release registry information regarding a  
8 registered offender's online identifier to an entity for the purpose of allowing the entity to  
9 prescreen users or to compare the online identifier information with information held by the entity  
10 as provided by this section.

11 (b) An entity desiring to prescreen its users or compare its database of registered users to  
12 the list of online identifiers of persons in the statewide registry may apply to the ~~Department of~~  
13 ~~Public Safety~~-SBI to access the information. An entity that complies with the criteria developed  
14 by the ~~Department of Public Safety~~-SBI regarding the release and use of the online identifier  
15 information and pays the fee may screen new users or compare its database of registered users to  
16 the list of online identifiers of persons in the statewide registry as frequently as the ~~Department~~  
17 ~~of Public Safety~~-SBI may allow for the purpose of identifying a registered user associated with  
18 an online identifier contained in the statewide registry.

19 (c) The ~~Department of Public Safety~~-SBI may charge an entity that submits a request for  
20 the online identifiers of persons in the statewide registry an annual fee of one hundred dollars  
21 (\$100.00). Fees collected under this section shall be credited to the ~~Department of Public Safety~~  
22 SBI and applied to the cost of providing this service.

23 (d) The ~~Department of Public Safety~~-SBI shall develop standards regarding the release  
24 and use of online identifier information. The standards shall include a requirement that the  
25 information obtained from the statewide registry shall not be disclosed for any purpose other than  
26 for prescreening its users or comparing the database of registered users of the entity against the  
27 list of online identifiers of persons in the statewide registry.

28 ...

29 "Part 3. Sexually Violent Predator Registration Program.

30 ...

31 **"§ 14-208.22. Additional registration information required.**

32 ...

33 (b) The ~~Department of Public Safety~~-SBI shall provide each sheriff with forms for  
34 registering persons as required by this Article.

35 ...

36 "Part 4. Registration of Certain Juveniles Adjudicated for Committing Certain Offenses.

37 ...

38 **"§ 14-208.27. Change of address.**

39 If a juvenile who is adjudicated delinquent and required to register changes address, the  
40 juvenile court counselor for the juvenile shall provide written notice of the new address not later  
41 than the third business day after the change to the sheriff of the county with whom the juvenile  
42 had last registered. Upon receipt of the notice, the sheriff shall immediately forward this  
43 information to the ~~Department of Public Safety~~-SBI. If the juvenile moves to another county in  
44 this State, the ~~Department of Public Safety~~-SBI shall inform the sheriff of the new county of the  
45 juvenile's new residence.

46 ...

47 **"§ 14-208.31. File with Criminal Information Network.**

48 (a) The ~~Department of Public Safety~~-SBI shall include the registration information in the  
49 Criminal Information Network as set forth in ~~G.S. 143B-905~~-G.S. 143B-1208.15.

1 (b) The ~~Department of Public Safety SBI~~ shall maintain the registration information  
2 permanently even after the registrant's reporting requirement expires; however, the records shall  
3 remain confidential in accordance with Article 32 of Chapter 7B of the General Statutes.  
4 ...."

5 **SECTION 19G.2.(b)** G.S. 143B-905 is recodified as G.S. 143B-1208.15 and reads  
6 as rewritten:

7 "**§ 143B-1208.15. Criminal Information Network.**

8 (a) The ~~Department of Public Safety State Bureau of Investigation~~ is authorized to  
9 establish, devise, maintain and operate a system for receiving and disseminating to participating  
10 agencies information collected, maintained and ~~correlated under authority of G.S. 143B-902-~~  
11 ~~correlated.~~ The system shall be known as the Criminal Information Network.

12 (b) The ~~Department of Public Safety State Bureau of Investigation~~ is authorized to  
13 cooperate with the Division of Motor Vehicles, Department of Administration, and other State,  
14 local and federal agencies and organizations in carrying out the purpose and intent of this section,  
15 and to utilize, in cooperation with other State agencies and to the extent as may be practical,  
16 computers and related equipment as may be operated by other State agencies.

17 (c) The ~~Department of Public Safety, State Bureau of Investigation,~~ after consultation  
18 with participating agencies, shall adopt rules and regulations governing the organization and  
19 administration of the Criminal Information Network, including rules and regulations governing  
20 the types of information relating to the administration of criminal justice to be entered into the  
21 system, and who shall have access to such information. The rules and regulations governing  
22 access to the Criminal Information Network shall not prohibit an attorney who has entered a  
23 criminal proceeding in accordance with G.S. 15A-141 from obtaining information relevant to  
24 that criminal proceeding. The rules and regulations governing access to the Criminal Information  
25 Network shall not prohibit an attorney who represents a person in adjudicatory or dispositional  
26 proceedings for an infraction from obtaining the person's driving record or criminal history.

27 (d) The ~~Department-Bureau~~ may impose monthly fees on participating agencies. The  
28 monthly fees collected under this subsection shall be used to offset the cost of operating and  
29 maintaining the Criminal Information Network.

30 (1) The ~~Department-Bureau~~ may impose a monthly circuit fee on agencies that  
31 access the Criminal Information Network through a circuit maintained and  
32 operated by the ~~Department of Public Safety, State Bureau of Investigation.~~  
33 The amount of the monthly fee is three hundred dollars (\$300.00) plus an  
34 additional fee amount for each device linked to the Network. The additional  
35 fee amount varies depending upon the type of device. For a desktop device  
36 after the first seven desktop devices, the additional monthly fee is twenty-five  
37 dollars (\$25.00) per device. For a mobile device, the additional monthly fee is  
38 twelve dollars (\$12.00) per device.

39 (2) The ~~Department-Bureau~~ may impose a monthly device fee on agencies that  
40 access the Criminal Information Network through some other approved  
41 means. The amount of the monthly device fee varies depending upon the type  
42 of device. For a desktop device, the monthly fee is twenty-five dollars  
43 (\$25.00) per device. For a mobile device, the fee is twelve dollars (\$12.00)  
44 per device."

45 **SECTION 19G.2.(c)** G.S. 143B-901 is recodified as G.S. 143B-1208.16 and reads  
46 as rewritten:

47 "**§ 143B-1208.16. Reporting system and database on certain domestic-violence-related**  
48 **homicides; reports by law enforcement agencies required; annual report to the**  
49 **General Assembly.**

50 The ~~Department of Public Safety, State Bureau of Investigation,~~ in consultation with the  
51 North Carolina Council for Women/Domestic Violence Commission, the North Carolina



1 Sheriffs' Association, and the North Carolina Association of Chiefs of Police, shall develop a  
2 reporting system and database that reflects the number of homicides in the State where the  
3 offender and the victim had a personal relationship, as defined by G.S. 50B-1(b). The information  
4 in the database shall also include the type of personal relationship that existed between the  
5 offender and the victim, whether the victim had obtained an order pursuant to G.S. 50B-3, and  
6 whether there was a pending charge for which the offender was on pretrial release pursuant to  
7 G.S. 15A-534.1. All State and local law enforcement agencies shall report information to the  
8 ~~Department of Public Safety State Bureau of Investigation~~ upon making a determination that a  
9 homicide meets the reporting system's criteria. The report shall be made in the format adopted  
10 by the ~~Department of Public Safety State Bureau of Investigation~~. The ~~Department of Public~~  
11 ~~Safety State Bureau of Investigation~~ shall report to the chairs of the Joint Legislative Oversight  
12 Committee on Justice and Public Safety, no later than April 1 of each year, with the data collected  
13 for the previous calendar year."

14 **SECTION 19G.2.(d)** G.S. 143B-986 is recodified as G.S. 143B-1208.17.

15 **SECTION 19G.2.(e)** G.S. 143B-987 is recodified as G.S. 143B-1208.18 and reads  
16 as rewritten:

17 "**§ 143B-1208.18. Authority to designate areas for protection of public officials.**

18 (a) The Director of the State Bureau of Investigation is authorized to designate buildings  
19 and grounds which constitute temporary residences or temporary offices of any public official  
20 being protected under authority of ~~G.S. 143B-986~~, G.S. 143B-1208.17, or any area that will be  
21 visited by any such official, a public building or facility during the time of such use.

22 ...."

23 **SECTION 19G.2.(f)** G.S. 14-132(c)(3) reads as rewritten:

24 "(3) Designated by the Director of the State Bureau of Investigation in accordance  
25 with ~~G.S. 143B-987~~.G.S. 143B-1208.18."

26 **SECTION 19G.2.(g)** G.S. 143B-1325(c)(13)a. is repealed.

27 **SECTION 19G.2.(h)** Section 38.4(a) of S.L. 2023-134 reads as rewritten:

28 "**SECTION 38.4.(a)** In accordance with G.S. 143B-1325(c)(13), and notwithstanding any  
29 other provision of Article 15 of Chapter 143B of the General Statutes to the contrary, the State  
30 Highway ~~Patrol, the State Bureau of Investigation, Patrol~~ and the Division of Emergency  
31 Management within the Department of Public Safety shall continue to be entirely exempt from  
32 any and all information technology oversight by the Department of Public Safety and the  
33 Department of Information Technology. The State Highway ~~Patrol, the State Bureau of~~  
34 ~~Investigation, Patrol~~ and the Division of Emergency Management shall initiate a pilot project  
35 where those divisions shall be deemed as separate, stand-alone entities within the Department of  
36 Public Safety in all matters related to information technology, and each shall autonomously  
37 manage their own respective information technology infrastructure and all associated services  
38 without oversight from the Department of Information Technology or the Department of Public  
39 Safety. Exemption from information technology oversight includes, but is not limited to, the  
40 following:

41 ...."

42 **SECTION 19G.2.(i)** G.S. 74F-6(16) reads as rewritten:

43 "(16) Request that the State Bureau of Investigation conduct criminal history record  
44 checks of applicants for licensure and apprenticeships pursuant to  
45 ~~G.S. 143B-1209.26~~.G.S. 143B-1209.27."

46 **SECTION 19G.2.(j)** G.S. 90-356(15) reads as rewritten:

47 "(15) Request that the State Bureau of Investigation conduct criminal history record  
48 checks of applicants for licensure pursuant to  
49 ~~G.S. 143B-1209.47~~.G.S. 143B-1209.52."

50 **SECTION 19G.2.(k)** G.S. 120-32(2a) reads as rewritten:

1           "(2a) Obtain a criminal history record check of a prospective employee, volunteer,  
2           or contractor of the General Assembly and lobbyists and liaison personnel  
3           registered under Chapter 120C of the General Statutes. The criminal history  
4           record check shall be conducted by the State Bureau of Investigation as  
5           provided in ~~G.S. 143B-973~~. G.S.143B-1209.55. The criminal history report  
6           shall be provided to the Legislative Services Officer and is not a public record  
7           under Chapter 132 of the General Statutes."

8           **SECTION 19G.2.(l)** G.S. 143-143.10(b)(6) reads as rewritten:

9           "(6) To request that the State Bureau of Investigation conduct criminal history  
10          checks of applicants for licensure pursuant to  
11          ~~G.S. 143B-1209.24~~. G.S. 143B-1209.25."

12          **SECTION 19G.2.(m)** G.S. 143B-1209.50(b) reads as rewritten:

13          "(b) The State Bureau of Investigation may provide to the Executive Director of the State  
14          Board a current or prospective employee's criminal history from the State and National  
15          Repositories of Criminal Histories. The ~~Department of Public Safety Bureau~~ may provide the  
16          criminal history record check report regarding any prospective appointee for the position of  
17          Executive Director to the chair of the State Board in accordance with G.S. 163-27(a) or to the  
18          chair or chairs of each standing committee handling the legislation regarding the appointment of  
19          the Executive Director in accordance with G.S. 163-27(b). The Executive Director shall provide  
20          to the Bureau, along with the request, the fingerprints of the current or prospective employee, a  
21          form signed by the current or prospective employee consenting to the criminal record check and  
22          use of fingerprints and other identifying information required by the State and National  
23          Repositories, and any additional information required by the Bureau. The fingerprints of the  
24          current or prospective employee shall be used for a search of the State's criminal history record  
25          file, and the Bureau shall forward a set of fingerprints to the Federal Bureau of Investigation for  
26          a national criminal history record check."

27          **SECTION 19G.2.(n)** G.S. 153A-94.2 reads as rewritten:

28          "**§ 153A-94.2. Criminal history record checks of employees permitted.**

29          The board of commissioners may adopt or provide for rules and regulations or ordinances  
30          concerning a requirement that any applicant for employment be subject to a criminal history  
31          record check of State and National Repositories of Criminal Histories conducted by the State  
32          Bureau of Investigation in accordance with ~~G.S. 143B-1209.25~~. G.S. 143B-1209.26. The local  
33          or regional public employer may consider the results of these criminal history record checks in  
34          its hiring decisions."

35          **SECTION 19G.2.(o)** G.S. 153A-233 reads as rewritten:

36          "**§ 153A-233. Fire-fighting and prevention services.**

37          A county may establish, organize, equip, support, and maintain a fire department; may  
38          prescribe the duties of the fire department; may provide financial assistance to nonprofit  
39          volunteer fire departments; may contract for fire-fighting or prevention services with one or more  
40          counties, cities or other units of local government, nonprofit volunteer fire departments, or with  
41          an agency of the State government; and may for these purposes appropriate funds not otherwise  
42          limited as to use by law. A county shall ensure that any county, city or other unit of local  
43          government, or nonprofit volunteer fire department with whom the county contracts for  
44          fire-fighting or prevention services shall obtain a criminal history record check for an applicant  
45          prior to offering that applicant a paid or volunteer position providing fire-fighting or prevention  
46          services. The criminal history record check shall be conducted and evaluated as provided in  
47          ~~G.S. 143B-1209.23~~. G.S. 143B-1209.24. The county may also designate fire districts or parts of  
48          existing districts and prescribe the boundaries thereof for insurance grading purposes."

49          **SECTION 19G.2.(p)** G.S. 153A-234(b) reads as rewritten:

50          "(b) The fire marshal shall obtain a criminal history record check for an applicant prior to  
51          offering that applicant a paid or volunteer position with the fire department. The criminal history

1 record check shall be conducted and evaluated as provided in  
2 ~~G.S. 143B-1209.23~~G.S. 143B-1209.24."

3 **SECTION 19G.2.(q)** G.S. 160A-164.2 reads as rewritten:

4 "**§ 160A-164.2. Criminal history record check of employees permitted.**

5 The council may adopt or provide for rules and regulations or ordinances concerning a  
6 requirement that any applicant for employment be subject to a criminal history record check of  
7 State and National Repositories of Criminal Histories conducted by the State Bureau of  
8 Investigation in accordance with ~~G.S. 143B-1209.25~~.G.S. 143B-1209.26. The city may consider  
9 the results of these criminal history record checks in its hiring decisions."

10 **SECTION 19G.2.(r)** G.S. 160A-292(b) reads as rewritten:

11 "(b) The fire chief shall obtain a criminal history record check for an applicant prior to  
12 offering that applicant a paid or volunteer position with the fire department. The criminal history  
13 record check shall be conducted and evaluated as provided in  
14 ~~G.S. 143B-1209.23~~.G.S. 143B-1209.24."

15 **SECTION 19G.2.(s)** G.S. 163-27.2(b) reads as rewritten:

16 "(b) A criminal history record check shall be required of all current or prospective  
17 permanent or temporary employees of the State Board and all current or prospective county  
18 directors of elections, which shall be conducted by the State Bureau of Investigation as provided  
19 in ~~G.S. 143B-1209.49~~. ~~G.S. 143B-1209.49(d)~~. ~~G.S. 143B-969~~.G.S. 143B-1209.50. A criminal  
20 history record check report received in accordance with ~~G.S. 143B-969~~.G.S. 143B-1209.50 is  
21 not a public record under Chapter 132 of the General Statutes."

22 **SECTION 19G.2.(t)** G.S. 163-35(b) reads as rewritten:

23 "(b) Appointment, Duties; Termination. – Upon receipt of a nomination from the county  
24 board of elections stating that the nominee for director of elections is submitted for appointment  
25 upon majority selection by the county board of elections the Executive Director shall issue a  
26 letter of appointment of such nominee to the chairman of the county board of elections within 10  
27 days after receipt of the nomination, unless good cause exists to decline the appointment. The  
28 Executive Director may delay the issuance of appointment for a reasonable time if necessary to  
29 obtain a criminal history records check sought under ~~G.S. 143B-1209.49~~.G.S. 143B-1209.50.  
30 The Executive Director shall apply the standards provided in G.S. 163-27.2 in determining  
31 whether a nominee with a criminal history shall be selected. If the Executive Director determines  
32 a nominee shall not be selected and does not issue a letter of appointment, the decision of the  
33 Executive Director of the State Board shall be final unless the decision is, within 10 days from  
34 the official date on which it was made, deferred by the State Board. If the State Board defers the  
35 decision, then the State Board shall make a final decision on appointment of the director of  
36 elections and may direct the Executive Director to issue a letter of appointment. If an Executive  
37 Director issues a letter of appointment, the county board of elections shall enter in its official  
38 minutes the specified duties, responsibilities and designated authority assigned to the director by  
39 the county board of elections. The specified duties and responsibilities shall include adherence  
40 to the duties delegated to the county board of elections pursuant to G.S. 163-33. A copy of the  
41 specified duties, responsibilities and designated authority assigned to the director shall be filed  
42 with the State Board of Elections. In the event the Executive Director is recused due to an actual  
43 or apparent conflict of interest from rendering a decision under this section, the chair and  
44 vice-chair of the State Board shall designate a member of staff to fulfill those duties."

45 **SECTION 19G.2.(u)** G.S. 163-37.1(b) reads as rewritten:

46 "(b) The county board of elections shall require a criminal history record check of all  
47 current or prospective employees, which shall be conducted by the State Bureau of Investigation  
48 as provided in ~~G.S. 143B-1209.50~~. ~~G.S. 143B-970~~.G.S. 143B-1209.51. A criminal history  
49 record check report received in accordance with ~~G.S. 143B-970~~.G.S. 143B-1209.50(d)  
50 G.S. 143B-1209.51 is not a public record under Chapter 132 of the General Statutes."

1           **SECTION 19G.2.(v)** This section is effective when it becomes law and applies to  
2 reports submitted, applications and requests received, and fees collected, on or after that date.

3  
4 **TECHNICAL CORRECTION TO STATUTORY CROSS-REFERENCE**

5           **SECTION 19G.3.** G.S. 143B-393(a) reads as rewritten:

6           "(a) There is hereby created the North Carolina Council for Women and Youth  
7 Involvement of the Department of Administration. The Council shall perform the following  
8 functions and duties:

9           ...

10           (9) Consult with the Department of Public Safety on a reporting system and  
11 database on certain domestic violence-related homicides, as provided in  
12 ~~G.S. 143B-903~~. G.S. 143B-1208.16.

13           ...."

14  
15 **ADD STATE BUREAU OF INVESTIGATION TO LAW GOVERNING THE USE OF**  
16 **SEIZED AND FORFEITED ASSETS**

17           **SECTION 19G.4.(a)** Section 19G.2 of S.L. 2023-134 reads as rewritten:

18           "**SECTION 19G.2.(a)** Seized and forfeited assets transferred to the Department of Justice,  
19 Department of Public Safety, State Bureau of Investigation, and Department of Adult Correction  
20 during the 2023-2025 fiscal biennium pursuant to applicable federal law shall be credited to the  
21 budget of the recipient department and shall result in an increase of law enforcement resources  
22 for that department. The Department of Justice, Department of Public Safety, State Bureau of  
23 Investigation, and Department of Adult Correction shall each make the following reports to the  
24 chairs of the House of Representatives Appropriations Committee on Justice and Public Safety  
25 and the Senate Appropriations Committee on Justice and Public Safety:

26           (1) A report upon receipt of any assets.

27           (2) A report that shall be made prior to use of the assets on their intended use and  
28 the departmental priorities on which the assets may be expended.

29           (3) A report on receipts, expenditures, encumbrances, and availability of these  
30 assets for the previous fiscal year, which shall be made no later than  
31 September 1 of each year.

32           "**SECTION 19G.2.(b)** The General Assembly finds that the use of seized and forfeited assets  
33 transferred pursuant to federal law for new personnel positions, new projects, acquisition of real  
34 property, repair of buildings where the repair includes structural change, and construction of or  
35 additions to buildings may result in additional expenses for the State in future fiscal periods.  
36 Therefore, the Department of Justice, Department of Public Safety, State Bureau of Investigation,  
37 and Department of Adult Correction are prohibited from using these assets for such purposes  
38 without the prior approval of the General Assembly.

39           ...."

40           **SECTION 19G.4.(b)** This section is effective when it becomes law and applies to  
41 assets seized and forfeited on or after that date.

42  
43 **ADD STATE BUREAU OF INVESTIGATION AS SUBMITTER OF REPORT ON**  
44 **VACANT POSITIONS**

45           **SECTION 19G.5.** G.S. 120-12.1 reads as rewritten:

46           "**§ 120-12.1. Reports on vacant positions in various departments.**

47           The Judicial Department, the Department of Justice, the Department of Adult Correction, the  
48 State Bureau of Investigation, and the Department of Public Safety shall each report by February  
49 1 of each year to the Chairs of the House and Senate Appropriations Committees and the Chairs  
50 of the House and Senate Appropriations Subcommittees on Justice and Public Safety on all  
51 positions within that department that have remained vacant for 12 months or more. The report

1 shall include the original position vacancy dates, the dates of any postings or repostings of the  
2 positions, and an explanation for the length of the vacancies."  
3

4 **TRANSFER CENTER FOR SAFER SCHOOLS AND THE TASK FORCE FOR SAFER**  
5 **SCHOOLS TO THE STATE BUREAU OF INVESTIGATION**

6 **SECTION 19G.6.(a)** The Center for Safer Schools and the Task Force for Safer  
7 Schools are transferred to the State Bureau of Investigation. These transfers have all of the  
8 elements of a Type I transfer, as described in G.S. 143A-6.

9 **SECTION 19G.6.(b)** Article 13A of Chapter 143B of the General Statutes is  
10 amended by adding a new Part 3 to be entitled "The Center for Safer Schools and the Task Force  
11 for Safer Schools."

12 **SECTION 19G.6.(c)** G.S. 115C-105.57 is recodified in Part 3 of Article 13A of  
13 Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as  
14 G.S. 143B-1209.59 and reads as rewritten:

15 **"§ 143B-1209.59. Center for Safer Schools.**

16 (a) Center for Safer Schools Established. – There is established the Center for Safer  
17 Schools. The Center for Safer Schools shall be administratively located in the ~~Department of~~  
18 ~~Public Instruction~~ State Bureau of Investigation. The Center for Safer Schools shall consist of  
19 an Executive Director appointed by the ~~Superintendent of Public Instruction~~ Director of the State  
20 Bureau of Investigation and such other professional, administrative, technical, and clerical  
21 personnel as may be necessary to assist the Center for Safer Schools in carrying out its powers  
22 and duties.

23 (b) Executive Director. – The Executive Director shall report to and serve at the pleasure  
24 of the ~~Superintendent of Public Instruction~~ Director of the State Bureau of Investigation at a  
25 salary established by the ~~Superintendent~~ Director within the funds appropriated for this purpose.

26 (c) Powers and Duties. – The Center for Safer Schools shall have the following duties,  
27 and all other powers and duties provided in ~~this Article~~ Article 8C of Chapter 115C of the General  
28 Statutes;

29 ...

30 (e) Annual Census of School Resource Officers. – The Center for Safer Schools shall  
31 conduct an annual census of school resource officers located in each public school unit. As part  
32 of the census, each public school unit shall report to the Center by January 15 of each year with  
33 the following information regarding school resource officers in the unit:

34 ...

35 The Center shall compile the information submitted pursuant to this subsection and submit a  
36 report detailing this information at the statewide and local levels to the Joint Legislative  
37 Education Oversight ~~Committee~~ Committee, the State Bureau of Investigation, and the State  
38 Board of Education by March 1 of each year.

39 ...."

40 **SECTION 19G.6.(d)** G.S. 115C-105.60 is recodified in Part 3 of Article 13A of  
41 Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as  
42 G.S. 143B-1209.60 and reads as rewritten:

43 **"§ 143B-1209.60. School resource officer grants.**

44 ...

45 (b) Program; Purpose. – The ~~Superintendent of Public Instruction~~ Executive Director of  
46 the Center for Safer Schools shall establish the School Resource Officer Grants Program  
47 (Program). To the extent funds are made available for the Program, its purpose shall be to  
48 improve safety in qualifying public school units by providing grants for school resource officers.

49 (c) Grant Applications. – A qualifying public school unit may submit an application to  
50 the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools for  
51 one or more grants pursuant to this section. The application shall include an assessment, to be

1 performed in conjunction with a local law enforcement agency, of the need for improving school  
2 safety within the qualifying public school unit that would receive the funding. The application  
3 shall identify current and ongoing needs and estimated costs associated with those needs.

4 (d) Criteria and Guidelines. – By November 1, ~~2019, 2024,~~ and August 1 of each year  
5 thereafter in which funds are made available for the Program, the ~~Superintendent of Public~~  
6 ~~Instruction~~ Executive Director of the Center for Safer Schools shall develop criteria and  
7 guidelines for the administration and use of the grants pursuant to this section, including any  
8 documentation required to be submitted by applicants. In assessing grant applications, the  
9 ~~Superintendent of Public Instruction~~ Executive Director shall consider at least all of the following  
10 factors:

- 11 (1) The level of resources available to the qualifying public school unit that would  
12 receive the funding.
- 13 (2) Whether the qualifying public school unit has received other grants for school  
14 safety.
- 15 (3) The overall impact on student safety in the qualifying public school unit if the  
16 identified needs are funded.

17 (e) Award of Funds. – From funds made available for grants for school resource officers,  
18 the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools shall  
19 award grants to qualifying public school units for school resource officers in elementary and  
20 middle schools, as follows:

- 21 (1) Public school units located, in whole or in part, in a county with at least one  
22 local school administrative unit that received low-wealth supplemental  
23 funding in the previous fiscal year shall have grants matched on the basis of  
24 four dollars (\$4.00) in State funds for every one dollar (\$1.00) in non-State  
25 funds. All other public school units shall be matched on the basis of two  
26 dollars (\$2.00) in State funds for every one dollar (\$1.00) in non-State funds.
- 27 (2) Qualifying public school units may use these funds to employ school resource  
28 officers in elementary and middle schools, to train them, or both.
- 29 (3) Training shall be provided, in partnership with the qualifying public school  
30 unit, by a community college, a local law enforcement agency, or the North  
31 Carolina Justice Academy. Any training shall include instruction on research  
32 into the social and cognitive development of elementary school and middle  
33 school children.

34 ...

35 (g) Report. – No later than April 1, ~~2020, 2025,~~ and each year thereafter in which funds  
36 are made available for the Program, the ~~Superintendent of Public Instruction~~ Executive Director  
37 of the Center for Safer Schools shall report on the Program to the Joint Legislative Education  
38 Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services,  
39 the Joint Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative  
40 Commission on Governmental Operations, and the Fiscal Research Division. The report shall  
41 include the identity of each entity that received a grant through the Program, the amount of  
42 funding provided to each entity that received a grant, the use of funds by each entity that received  
43 a grant, and recommendations for the implementation of additional effective school safety  
44 measures.

45 (h) Disbursement. – The Executive Director of the Center for Safer Schools may enter  
46 into a memorandum of understanding with the Department of Public Instruction to disburse  
47 grants awarded under this section."

48 **SECTION 19G.6.(e)** G.S. 115C-105.49A is recodified in Part 3 of Article 13A of  
49 Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as  
50 G.S. 143B-1209.61.

1           **SECTION 19G.6.(f)** G.S. 115C-105.55 is recodified in Part 3 of Article 13A of  
2 Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as  
3 G.S. 143B-1209.62 and reads as rewritten:

4 **"§ 143B-1209.62. Establish Task Force for Safer Schools.**

5       (a) Task Force Established. – There is hereby created the Task Force for Safer Schools  
6 within the ~~North Carolina Department of Public Instruction~~, State Bureau of Investigation.

7       (b) Membership. – The Task Force shall consist of 25 members. The composition of the  
8 Task Force shall include all of the following:

- 9           (1) ~~The Secretary of the Department of Public Safety~~ Director of the State Bureau  
10 of Investigation or the ~~Secretary's~~ Director's designee.

11       ...."

12           **SECTION 19G.6.(g)** G.S. 115C-105.56 is recodified in Part 3 of Article 13A of  
13 Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as  
14 G.S. 143B-1209.63 and reads as rewritten:

15 **"§ 143B-1209.63. Task Force for Safer Schools; powers and duties.**

16       The Task Force shall have all of the following duties:

- 17           (1) To serve as an advisory board to the Center for Safer Schools.  
18           (2) To provide guidance and recommendations to the Governor, Superintendent  
19 of Public Instruction, and the General Assembly to improve statewide policy  
20 to enhance statewide and local capacities to create safer schools.  
21           (3) To encourage interagency collaboration among State and local government  
22 agencies to achieve effective policies and streamline efforts to create safer  
23 schools.  
24           (4) To Assist the Center for Safer Schools in collecting and disseminating  
25 information on recommended best practices and community needs related to  
26 creating safer schools in North Carolina.  
27           (5) Other duties as assigned by the ~~State Board of Education~~, Director of the State  
28 Bureau of Investigation."

29           **SECTION 19G.6.(h)** Section 7.36 of S.L. 2023-134 reads as rewritten:

30       "...

31       **"SECTION 7.36.(b)** Program; Purpose. – The ~~Superintendent of Public Instruction~~  
32 Executive Director of the Center for Safer Schools shall establish the School Safety Grants  
33 Program (Program) for the ~~2023-2025 fiscal biennium~~, 2024-2025 fiscal year. The purpose of  
34 the Program shall be to improve safety in public school units by providing grants in ~~each fiscal~~  
35 ~~year of the 2023-2025 fiscal biennium~~ the 2024-2025 fiscal year for (i) services for students in  
36 crisis, (ii) school safety training, (iii) safety equipment in schools, and (iv) subsidizing the School  
37 Resource Officer Grants Program.

38       **"SECTION 7.36.(c)** Grant Applications. – A public school unit may submit an application  
39 to the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools  
40 for one or more grants pursuant to this section in ~~each year of the 2023-2025 fiscal biennium~~, the  
41 2024-2025 fiscal year. The application shall include an assessment, to be performed in  
42 conjunction with a local law enforcement agency, of the need for improving school safety within  
43 the public school unit that would receive the funding or services. The application shall identify  
44 current and ongoing needs and estimated costs associated with those needs.

45       **"SECTION 7.36.(d)** Criteria and Guidelines. – ~~By January 15, 2024, the Superintendent of~~  
46 ~~Public Instruction~~ The Executive Director of the Center for Safer Schools shall develop criteria  
47 and guidelines for the administration and use of the grants pursuant to this section, including any  
48 documentation required to be submitted by applicants. In assessing grant applications, the  
49 ~~Superintendent of Public Instruction~~ Executive Director shall consider at least all of the following  
50 factors:

- 1 (1) The level of resources available to the public school unit that would receive
- 2 the funding.
- 3 (2) Whether the public school unit has received other grants for school safety.
- 4 (3) The overall impact on student safety in the public school unit if the identified
- 5 needs are funded.

6 **"SECTION 7.36.(e)** Grants for Students in Crisis. – Of the funds appropriated to the  
7 ~~Department of Public Instruction~~ by this act for the grants provided in this section, the  
8 ~~Superintendent of Public Instruction, Executive Director of the Center for Safer Schools,~~ in  
9 consultation with the Department of Health and Human Services, shall award grants to public  
10 school units to contract with community partners to provide or pay for the provision of any of  
11 the following crisis services:

- 12 (1) Crisis respite services for parents or guardians of an individual student to
- 13 prevent more intensive or costly levels of care.
- 14 (2) Training and expanded services for therapeutic foster care families and
- 15 licensed child placement agencies that provide services to students who (i)
- 16 need support to manage their health, welfare, and safety and (ii) have any of
- 17 the following:
  - 18 a. Cognitive or behavioral problems.
  - 19 b. Developmental delays.
  - 20 c. Aggressive behavior.
- 21 (3) Evidence-based therapy services aligned with targeted training for students
- 22 and their parents or guardians, including any of the following:
  - 23 a. Parent-child interaction therapy.
  - 24 b. Trauma-focused cognitive behavioral therapy.
  - 25 c. Dialectical behavior therapy.
  - 26 d. Child-parent psychotherapy.
- 27 (4) Any other crisis service, including peer-to-peer mentoring, that is likely to
- 28 increase school safety. Of the funds appropriated to the ~~Department of Public~~  
29 ~~Instruction~~ by this act for the grants provided in this section, the  
30 ~~Superintendent~~ Executive Director shall use no more than three hundred fifty  
31 thousand dollars (\$350,000) in each year of the ~~2023-2025 fiscal biennium~~ the  
32 2024-2025 fiscal year for the services identified in this subdivision.

33 **"SECTION 7.36.(f)** Grants for Training to Increase School Safety. – Of the funds  
34 appropriated to the ~~Department of Public Instruction~~ by this act for the grants provided in this  
35 section, the ~~Superintendent of Public Instruction, Executive Director of the Center for Safer~~  
36 Schools, in consultation with the Department of Health and Human Services, shall award grants  
37 to public school units to contract with community partners to address school safety by providing  
38 training to help students develop healthy responses to trauma and stress. The training shall be  
39 targeted and evidence-based and shall include any of the following services:

- 40 (1) Counseling on Access to Lethal Means (CALM) training for school health
- 41 support personnel, local first responders, and teachers on the topics of suicide
- 42 prevention and reducing access by students to lethal means.
- 43 (2) Training for school health support personnel on comprehensive and
- 44 evidence-based clinical treatments for students and their parents or guardians,
- 45 including any of the following:
  - 46 a. Parent-child interaction therapy.
  - 47 b. Trauma-focused cognitive behavioral therapy.
  - 48 c. Behavioral therapy.
  - 49 d. Dialectical behavior therapy.
  - 50 e. Child-parent psychotherapy.



- 1 (3) Training for students and school employees on community resilience models  
2 to improve understanding and responses to trauma and significant stress.
- 3 (4) Training for school health support personnel on Modular Approach to  
4 Therapy for Children with Anxiety, Depression, Trauma, or Conduct  
5 problems (MATCH-ADTC), including any of the following components:  
6 a. Trauma-focused cognitive behavioral therapy.  
7 b. Parent and student coping skills.  
8 c. Problem solving.  
9 d. Safety planning.
- 10 (5) Any other training, including the training on the facilitation of peer-to-peer  
11 mentoring, that is likely to increase school safety. Of the funds appropriated  
12 ~~to the Department of Public Instruction~~ by this act for the grants provided in  
13 this section, the ~~Superintendent-Executive Director~~ shall use no more than  
14 three hundred fifty thousand dollars (\$350,000) in ~~each year of the 2023-2025~~  
15 ~~fiscal biennium~~ the 2024-2025 fiscal year for the services identified in this  
16 subdivision.

17 **"SECTION 7.36.(g)** Grants for Safety Equipment. – Of the funds appropriated ~~to the~~  
18 ~~Department of Public Instruction~~ by this act for the grants provided in this section, the  
19 ~~Superintendent of Public Instruction-Executive Director of the Center for Safer Schools~~ shall  
20 award grants to public school units for (i) the purchase of safety equipment for school buildings  
21 and (ii) training associated with the use of safety equipment purchased pursuant to this  
22 subsection. Notwithstanding G.S. 115C-218.105(b), charter schools may receive grants for  
23 school safety equipment pursuant to this subsection.

24 **"SECTION 7.36.(h)** Artificial Intelligence (AI) Pilot. – Of the funds appropriated to the  
25 Department of Public Instruction by this act for the grants provided in this section for the  
26 2023-2024 fiscal year, the Department shall allocate (i) three million two hundred thousand  
27 dollars (\$3,200,000) as a directed grant to New Hanover County Schools and (ii) two million  
28 dollars (\$2,000,000) as a directed grant to Davidson County Schools for an AI School Safety  
29 Pilot Program. In conducting the Pilot Program, participating public school units shall comply  
30 with the following:

- 31 (1) Funds allocated for the Pilot Program shall be used for the implementation of  
32 a school safety system that integrates AI technology into existing access  
33 controls, alerting protocols, and intercom systems.
- 34 (2) No later than January 15, 2025, the participating public school units, in  
35 coordination with the ~~Department of Public Instruction, Center for Safer~~  
36 ~~Schools~~, shall report to the Joint Legislative Education Oversight Committee  
37 the following information:  
38 a. The schools that participated in the Pilot Program.  
39 b. How grant funds were spent.  
40 c. The impact the Pilot Program had on school safety outcomes.  
41 d. Any noted capabilities of the AI system that could not be accomplished  
42 by more traditional safety measures.  
43 e. Any other information the participating public school units or the  
44 Department deem relevant to the report.

45 **"SECTION 7.36.(i)** Subsidizing School Resource Officer Grants Program. – If the  
46 ~~Superintendent of Public Instruction-Executive Director of the Center for Safer Schools~~ receives  
47 applications for grants for school resource officers under ~~G.S. 115C-105.60~~ G.S. 143B-1208.20  
48 in excess of the amount of funding appropriated for school resource officer grants in the  
49 ~~2023-2025 fiscal biennium, 2024-2025 fiscal year~~, the ~~Superintendent-Executive Director~~ may  
50 use the funds appropriated ~~to the Department of Public Instruction~~ for the grants provided for in  
51 this section to cover the unmet need for school resource officer grants.

1 ...

2 "**SECTION 7.36.(k)** Administrative Costs. – Of the funds appropriated to the Department  
3 of Public Instruction by this act for the grants provided in this section, the Superintendent of  
4 Public Instruction Executive Director of the Center for Safer Schools may retain a total of up to  
5 one hundred thousand dollars (\$100,000) in each fiscal year of the 2023-2025 fiscal biennium  
6 the 2024-2025 fiscal year for administrative costs associated with the Program.

7 "**SECTION 7.36.(k1)** Disbursement. – The Executive Director of the Center for Safer  
8 Schools may enter into a memorandum of understanding with the Department of Public  
9 Instruction to disburse grants awarded under this section.

10 "**SECTION 7.36.(l)** Nonrevert. – Notwithstanding any provision of law to the contrary, the  
11 nonrecurring funds appropriated to the Department of Public Instruction in the 2022-2023 fiscal  
12 year for the 2021-2023 School Safety Grants Program under Section 7.19 of S.L. 2021-180 and  
13 the nonrecurring funds appropriated by this act for the 2023-2025 School Safety Grants Program  
14 shall not revert to the General Fund but shall remain available for the purposes for which they  
15 were appropriated until June 30, 2025.

16 "**SECTION 7.36.(m)** Program Report. – No later than April 1 of each fiscal year in which  
17 funds are awarded pursuant to this section, April 1, 2025, the Superintendent of Public Instruction  
18 Executive Director of the Center for Safer Schools shall report on the Program to the Joint  
19 Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on  
20 Health and Human Services, the Joint Legislative Oversight Committee on Justice and Public  
21 Safety, the Joint Legislative Commission on Governmental Operations, the Senate  
22 Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Fiscal  
23 Research Division. The report shall include at least the following information:

- 24 (1) The identity of each public school unit and community partner that received  
25 grant funds through the Program.
- 26 (2) The amount of funding received by each entity identified pursuant to  
27 subdivision (1) of this subsection.
- 28 (3) The services, training, and equipment purchased with grant funds by each  
29 entity that received a grant.
- 30 (4) Recommendations for the implementation of additional effective school  
31 safety measures.

32 ...."

33 **SECTION 19G.6.(i)** G.S. 115C-105.51 reads as rewritten:

34 "**§ 115C-105.51. Anonymous tip lines and monitoring and response applications.**

35 ...

36 (b) The Department of Public Instruction and the Center for Safer Schools, in  
37 collaboration with the Department of Public Instruction and the Department of Public Safety,  
38 Division of Emergency Management, shall implement and maintain an anonymous safety tip line  
39 application available statewide for purposes of receiving anonymous student information on  
40 internal or external risks to the school population, school buildings, and school-related activities.  
41 Public secondary schools shall inform students about the application and provide opportunities  
42 for students to learn about its purpose and function. The governing body of each public secondary  
43 school shall work with the Department of Public Instruction, Division of School Operations, and  
44 the Center for Safer Schools Schools, in collaboration with the Department of Public Instruction,  
45 Division of School Operations, to ensure that employees of the public secondary schools receive  
46 adequate training in its operation.

47 ...

48 (d) The Department of Public Instruction and the Department of Public Safety shall  
49 ensure that the anonymous safety tip line application is integrated with and supports the statewide  
50 School Risk and Response Management System (SRRMS) as provided in G.S. 115C-105.49A.  
51 G.S. 143B-1209.61. Where technically feasible and cost efficient, the Department of Public

1 Instruction and the Department of Public Safety are encouraged to implement a single solution  
2 supporting both the anonymous safety tip line application and panic alarm system.

3 ...."

4 **SECTION 19G.6.(j)** G.S. 115C-105.52(a) reads as rewritten:

5 "(a) ~~The Department of Public Instruction and the~~ Center for Safer Schools, in  
6 consultation with the Department of Public Instruction and the Department of Public Safety, shall  
7 develop and adopt policies on the placement of school crisis kits in schools and on the contents  
8 of those kits. The kits shall include, at a minimum, basic first-aid supplies and communications  
9 devices."

10 **SECTION 19G.6.(k)** G.S. 115C-105.53(b) reads as rewritten:

11 "(b) ~~The Department of Public Instruction and the~~ Center for Safer Schools, in  
12 consultation with the Department of Public Instruction and the Department of Public Safety, shall  
13 develop standards and guidelines for the preparation and content of schematic diagrams and  
14 necessary updates. Public school units and participating nonpublic schools may use these  
15 standards and guidelines to assist in the preparation of their schematic diagrams."

16 **SECTION 19G.6.(l)** G.S. 115C-105.65 reads as rewritten:

17 "§ 115C-105.65. Threat assessment teams.

18 ...

19 (b) The Center for Safer Schools shall develop guidance for threat assessment teams for  
20 public school units and all public school units shall have access to the guidance. The Center shall  
21 develop the guidance by (i) collecting information and best practices from schools with existing  
22 threat assessment teams and (ii) consulting with the Department of Public Instruction, the Task  
23 Force for Safer Schools, Disability Rights North Carolina, the North Carolina School Psychology  
24 Association, the State Bureau of Investigation, and relevant State government agencies. This  
25 guidance shall not reference or reveal any information that has been excluded as a public record  
26 under G.S. 115C-47(40), Part 2 of Article 8C of this Chapter, or any other relevant statute. The  
27 guidance shall include, at a minimum, the best practices for the following:

28 ...

29 (f) Any information shared among members of the threat assessment team pursuant to  
30 this ~~subsection~~ section shall remain confidential, shall not be a public record subject to Chapter  
31 132 of the General Statutes, and shall only be released in connection with an emergency under  
32 the standards established by the Family Educational Rights and Privacy Act in 20 U.S.C. §  
33 1232g(b)(1)(I).

34 ...."

35 **SECTION 19G.6.(m)** G.S. 115C-12(40) reads as rewritten:

36 "(40) Adopt School Risk Management Plans. – Each local board of education shall,  
37 in coordination with local law enforcement and emergency management  
38 agencies, adopt a School Risk Management Plan (SRMP) relating to incidents  
39 of school violence for each school in its jurisdiction. In constructing and  
40 maintaining these plans, local boards of education and local school  
41 administrative units shall utilize the School Risk and Response Management  
42 System (SRRMS) established pursuant to ~~G.S. 115C-105.49A.~~  
43 G.S. 143B-1209.61. These plans are not a public record as the term "public  
44 record" is defined under G.S. 132-1 and shall not be subject to inspection and  
45 examination under G.S. 132-6."

46 **SECTION 19G.6.(n)** G.S. 115C-12(47) reads as rewritten:

47 "(47) Duty Regarding Child Abuse and Neglect. – The State Board of Education, in  
48 consultation with the Superintendent of Public Instruction, shall adopt a rule  
49 requiring information on child abuse and neglect, including age-appropriate  
50 information on sexual abuse, to be provided by public school units to students  
51 in grades six through 12. This rule shall also apply to high schools under the

1 control of The University of North Carolina. Information shall be provided in  
2 the form of (i) a document provided to all students at the beginning of each  
3 school year, (ii) a display posted in visible, high-traffic areas throughout each  
4 public secondary school, and (iii) a video, produced in accordance with  
5 ~~G.S. 115C-105.57(e)(2a)~~, ~~G.S. 143B-1209.59(c)(2a)~~, shown to all students no  
6 more than five days after the first day of the school year. The document,  
7 display, and video shall include, at a minimum, the following information:

- 8 a. Likely warning signs indicating that a child may be a victim of abuse  
9 or neglect, including age-appropriate information on sexual abuse.
- 10 b. The telephone number used for reporting abuse and neglect to the  
11 department of social services in the county in which the school is  
12 located, in accordance with G.S. 7B-301.
- 13 c. A statement that information reported pursuant to sub-subdivision b.  
14 of this subdivision shall be held in the strictest confidence, to the extent  
15 permitted by law, pursuant to G.S. 7B-302(a1).
- 16 d. Repealed by Session Laws 2023-65, s. 7.2(a), effective June 29, 2023,  
17 and applicable beginning with the 2023-2024 school year."

18 **SECTION 19G.6.(o)** G.S. 115C-150.12C(17)a. reads as rewritten:

- 19 "a. School Risk Management Plan. – The board of trustees, in  
20 coordination with local law enforcement agencies, shall adopt a  
21 School Risk Management Plan (SRMP) relating to incidents of school  
22 violence. In constructing and maintaining these plans, the board of  
23 trustees shall utilize the School Risk and Response Management  
24 System established pursuant to ~~G.S. 115C-105.49A~~  
25 ~~G.S. 143B-1209.61~~. These plans are not considered a public record as  
26 the term "public record" is defined under G.S. 132-1 and shall not be  
27 subject to inspection and examination under G.S. 132-6."

28 **SECTION 19G.6.(p)** G.S. 115C-551(b)(1) reads as rewritten:

- 29 "(1) School Risk Management Plan. – In coordination with local law enforcement  
30 agencies, adopt a School Risk Management Plan (SRMP) relating to incidents  
31 of school violence. In constructing and maintaining these plans, the school  
32 may utilize the School Risk and Response Management System (SRRMS)  
33 established pursuant to ~~G.S. 115C-105.49A~~, ~~G.S. 143B-1209.61~~. These plans  
34 are not considered a public record as the term "public record" is defined under  
35 G.S. 132-1 and shall not be subject to inspection and examination under  
36 G.S. 132-6."

37 **SECTION 19G.6.(q)** G.S. 115C-559(b)(1) reads as rewritten:

- 38 "(1) School Risk Management Plan. – In coordination with local law enforcement  
39 agencies, adopt a School Risk Management Plan (SRMP) relating to incidents  
40 of school violence. In constructing and maintaining these plans, the school  
41 may utilize the School Risk and Response Management System (SRRMS)  
42 established pursuant to ~~G.S. 115C-105.49A~~, ~~G.S. 143B-1209.61~~. These plans  
43 are not considered a public record as the term "public record" is defined under  
44 G.S. 132-1 and shall not be subject to inspection and examination under  
45 G.S. 132-6."

46 **SECTION 19G.6.(r)** G.S. 166A-19.12(22) reads as rewritten:

- 47 "(22) Serving as the lead State agency for the implementation and maintenance of  
48 the statewide School Risk and Response Management System (SRRMS)  
49 under ~~G.S. 115C-105.49A~~, ~~G.S. 143B-1209.61~~."

50 **SECTION 19G.6.(s)** The Department of Public Instruction shall transfer to the State  
51 Bureau of Investigation any funds that did not revert under Section 7.36(l) of S.L. 2023-134 that

1 are to be used for any grant program administered by the Center for Safer Schools. Nothing in  
2 this subsection shall be construed as abrogating or amending the date set forth in Section 7.36(l)  
3 of S.L. 2023-134 by which the funds shall revert to the General Fund.

4 **SECTION 19G.6.(t)** Grant funds awarded under Section 7.36 of S.L. 2023-134 and  
5 G.S. 115C-105.60 before the effective date of this act are not abated or affected by this act, and  
6 the statutes that would be applicable but for this act remain applicable to those grant funds.

7 **SECTION 19G.6.(u)** Except as otherwise prohibited by federal law, the Department  
8 of Public Instruction shall transfer to the State Bureau of Investigation any federal funds received  
9 by the Department for any program administered by the Center for Safer Schools.

10  
11 **PART XIX-H. JUVENILE JUSTICE [RESERVED]**

12  
13 **PART XIX-I. EMERGENCY MANAGEMENT AND NATIONAL GUARD [RESERVED]**

14  
15 **PART XX. ADMINISTRATION [RESERVED]**

16  
17 **PART XXI. ADMINISTRATIVE HEARINGS [RESERVED]**

18  
19 **PART XXII. OFFICE OF STATE AUDITOR [RESERVED]**

20  
21 **PART XXIII. BUDGET AND MANAGEMENT**

22  
23 **OSBM/ADMINISTER VETERANS LIFE CENTER CHALLENGE GRANT**

24 **SECTION 23.1.** G.S. 143B-1218 reads as rewritten:

25 **"§ 143B-1218. Veterans Life Center; challenge grant to provide rehabilitation and**  
26 **reintegration services to veterans.**

27 (a) There is hereby established in the ~~Department of Military and Veterans Affairs Office~~  
28 of State Budget and Management (hereinafter "OSBM") a challenge grant program for the  
29 Veterans Life Center (hereinafter "Center"), a nonprofit corporation, which shall be administered  
30 by the ~~Department~~ OSBM as provided in this section. Funds appropriated by the General  
31 Assembly for the challenge grant program shall be used to allocate funds to the Center for the  
32 purpose of providing rehabilitation and reintegration services and support to veterans across the  
33 State, and those funds shall not be used for any other purpose without the express authorization  
34 of the General Assembly.

35 (b) The maximum amount of State funds that may be disbursed to the Center under this  
36 section is seven hundred fifty thousand dollars (\$750,000) in each fiscal year. The ~~Department~~  
37 OSBM shall disburse State funds on a dollar-for-dollar basis each quarter so that the Center will  
38 receive a State dollar for each non-State dollar raised by the Center each quarter, but in no case  
39 shall the ~~Department~~ OSBM disburse State funds to the Center if the Center has not raised  
40 non-State funds in that quarter of the fiscal year. The Center shall demonstrate, to the satisfaction  
41 of the ~~Department~~ OSBM, that it has raised the non-State funds required by this subsection prior  
42 to the disbursement of State funds. The Center shall not supplant, shift, or reallocate Center funds  
43 for the purpose of achieving the non-State dollars required by this subsection.

44 (b1) Notwithstanding the provisions of subsection (b) of this section, if the OSBM does  
45 not disburse grant funds to the Veterans Life Center in a fiscal year because the Center did not  
46 satisfy the requirements of the grant contract between the OSBM and the Center on or before  
47 June 30 of that fiscal year, the grant funds shall not revert on June 30 but shall remain available  
48 to the OSBM to disburse to the Center in the following fiscal year as long as the Center satisfies  
49 the grant contract requirements. In such a case, the OSBM is authorized to disburse grant funds  
50 to the Veterans Life Center in an amount greater than seven hundred fifty thousand dollars

1 (\$750,000) in a fiscal year because the amount disbursed is for both the prior fiscal year and the  
2 current fiscal year.

3 (c) Not later than July 1 of each year, the ~~Department~~ OSBM shall submit a written report  
4 to the Joint Legislative Oversight Committee on General Government and the Fiscal Research  
5 Division on all of the following information, and the Center shall provide the information to the  
6 ~~Department~~ OSBM in the manner and time period requested by the ~~Department~~ OSBM for  
7 purposes of preparing the report:

- 8 (1) The total number of veterans served.
- 9 (2) The types of services provided to veterans, and the number of veterans who  
10 received each type of service.
- 11 (3) Demographics of the veterans served, including each veteran's county of  
12 residence.
- 13 (4) Average length of stay for veterans, and the average number of veterans in the  
14 Center facility on a daily basis.
- 15 (5) The total number of veterans who completed the care program, and the  
16 number who received postgraduate mentoring from the Center."  
17

## 18 OSBM/ADMINISTER GRANT PROGRAM FOR COUNTY VETERANS OFFICES

19 **SECTION 23.2.(a)** Section 33.13 of S.L. 2023-134 is repealed.

20 **SECTION 23.2.(b)** Notwithstanding the provisions of Section 33.13 of S.L.  
21 2023-134 or any other provision of S.L. 2023-134 or the Committee Report described in Section  
22 43.2 of that act to the contrary, the sum of one million five hundred thousand dollars (\$1,500,000)  
23 in nonrecurring funds appropriated to the Department of Military and Veterans Affairs for the  
24 2023-2024 fiscal year shall not be used for that purpose and shall not revert to the General Fund  
25 on June 30, 2024, but shall instead be appropriated to the Office of State Budget and Management  
26 – Special Appropriations to be used as provided in subsection (c) of this section.

27 **SECTION 23.2.(c)** Of the funds appropriated in this act to the Office of State Budget  
28 and Management – Special Appropriations, the sum of three million dollars (\$3,000,000) in  
29 nonrecurring funds for the 2024-2025 fiscal year shall be used to establish and administer a grant  
30 program for existing county veterans offices (hereinafter "CVO") to provide services to veterans.  
31 The following shall apply to the grant program:

- 32 (1) The CVO must be located in a county in which there are eight or less certified  
33 veteran service officers (hereinafter "VSO"). The VSO may be an employee  
34 with the federal government, State of North Carolina, county, or an entity in  
35 the county, including a nonprofit organization. The CVO shall provide proof,  
36 as required by the OSBM, that there are eight or less certified VSOs working  
37 in the county.
- 38 (2) Each grant recipient shall receive an equal amount.
- 39 (3) Only one grant may be awarded to a CVO in the 2024-2025 fiscal year.
- 40 (4) Applicants are not required to provide a match for the grant funds.
- 41 (5) Applications must be received by the deadline set by OSBM.
- 42 (6) Grants shall be made as soon as practicable.

43 **SECTION 23.2.(d)** Not later than September 1, 2025, the OSBM shall report to the  
44 Joint Legislative Oversight Committee on General Government, the House Appropriations  
45 Committee on General Government, the Senate Appropriations Committee on General  
46 Government and Information Technology, and the Fiscal Research Division on all of the  
47 following:

- 48 (1) The name of each CVO that received a grant and the amount of the grant.
- 49 (2) The number of veterans served by each CVO, by county.
- 50 (3) A description of the services that were provided to veterans using the grant  
51 funds, by county.

**PART XXIV. BUDGET AND MANAGEMENT – SPECIAL APPROPRIATIONS****REVERSION OF DARE COUNTY AFFORDABLE HOUSING FUNDS**

**SECTION 24.1.** Notwithstanding any provision of S.L. 2022-74 or the Committee Report referenced in Section 43.2 of that act or any other provision of law to the contrary, the directed grant in the sum of thirty-five million dollars (\$35,000,000) in nonrecurring funds for the 2022-2023 fiscal year to be provided by the Office of State Budget and Management – Special Appropriations to Dare County to construct affordable housing shall not be used for that purpose but shall instead revert to the Housing Trust Fund on June 30, 2024. The authority granted to Dare County to use the funds to construct affordable housing was repealed in Section 6.5 of S.L. 2024-1.

**PART XXV. OFFICE OF STATE CONTROLLER****STATE AGENCIES REQUIRED TO ACCEPT ELECTRONIC PAYMENTS**

**SECTION 25.1.(a)** G.S.147-86.10 reads as rewritten:

**"§ 147-86.10. Statement of policy.**

It is the policy of the State of North Carolina that all agencies, institutions, departments, bureaus, boards, commissions, and officers of the State, whether or not subject to the State Budget Act, Chapter 143C of the General Statutes, shall devise techniques and procedures for the receipt, deposit, and disbursement of moneys coming into their control and custody which are designed to maximize interest-bearing investment of cash, and to minimize idle and nonproductive cash balances. This policy shall apply to the General Court of Justice as defined in Article IV of the North Carolina Constitution, the public school units as defined in G.S. 147-86.12, and the community colleges with respect to the receipt, deposit, and disbursement of moneys required by law to be deposited with the State Treasurer and with respect to moneys made available to them for expenditure by warrants drawn on the State Treasurer. This policy shall include the acceptance of electronic payments in accordance with ~~G.S. 147-86.22 to the maximum extent possible consistent with sound business practices.~~G.S. 147-86.22."

**SECTION 25.1.(b)** G.S. 147-86.11 reads as rewritten:

**"§ 147-86.11. Cash management for the State.**

...  
(e) Elements of Plan. – For moneys received or to be received, the statewide cash management plan shall provide at a minimum that:

...  
(6) State agencies shall accept payment by electronic payment in accordance with ~~G.S. 147-86.22 to the maximum extent possible consistent with sound business practices.~~G.S. 147-86.22.

...."

**SECTION 25.1.(c)** G.S. 147-86.22 reads as rewritten:

**"§ 147-86.22. Statewide accounts receivable program.**

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

The State Controller shall establish policies that allow accounts receivable to be payable ~~under certain conditions~~ by electronic payment. These policies shall be established with the

1 concurrence of the State Treasurer. In addition, any policies that apply to debts payable to or  
2 through the office of a clerk of superior court or a magistrate shall be established with the  
3 concurrence of the Administrative Officer of the Courts. The Administrative Officer of the Courts  
4 may also establish policies otherwise authorized by law that apply to these debts as long as those  
5 policies are not inconsistent with the Controller's policies. Notwithstanding the provisions of this  
6 subsection, the State Controller, with the concurrence of the State Treasurer or the Administrative  
7 Officer of the Courts, as applicable, may exempt State agencies from the requirement to allow  
8 accounts receivable to be payable by electronic payment if deemed advisable.

9 A condition of payment by electronic payment is receipt by the appropriate State agency of  
10 the full amount of the account receivable owed to the State agency. ~~A Notwithstanding the~~  
11 ~~provisions of this section or any other provision of law, a State agency may enter into a contract~~  
12 ~~with a payment processor that authorizes the processor to retain their fee for providing the~~  
13 ~~processing service at the time each transaction is made. The terms of any contract executed under~~  
14 ~~this subsection shall be approved by the State Controller with the concurrence of the State~~  
15 ~~Treasurer and the Administrative Officer of the Court, as applicable. In the absence of a contract~~  
16 ~~with a processor to retain service fees, the State agency may charge a debtor who pays by~~  
17 ~~electronic payment may be required to pay any a fee or charge associated with the use of~~  
18 ~~electronic payment. Fees to cover the costs incurred in accepting the payment electronically, but~~  
19 ~~in no event shall the debtor be required to pay a fee that is greater than four percent (4%) of the~~  
20 ~~electronic payment. If the State agency does not require the debtor to pay a fee associated with~~  
21 ~~processing electronic payments payments, the fee may be paid out of the General Fund and~~  
22 ~~Highway Fund if the payment of the fee by the State is economically beneficial to the State and~~  
23 ~~the payment of the fee by the State has been approved by the State Controller and State Treasurer.~~

24 The State Controller and State Treasurer shall consult with the Joint Legislative Commission  
25 on Governmental Operations before establishing policies that allow accounts receivable to be  
26 payable by electronic payment and before authorizing fees associated with electronic payment to  
27 be paid out of the General Fund and Highway Fund.

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

31 ...

32 (d) Annual Report. – The State Controller shall report annually to the Joint Legislative  
33 Commission on Governmental Operations and the Fiscal Research Division on the revenue  
34 deposited into Special Reserve Account 24172 and the disbursement of that revenue."

## 35 CONFORMING CHANGES

36 **SECTION 25.1.(d)** G.S. 18B-404 reads as rewritten:

37 **"§ 18B-404. Additional provisions for purchase and transportation by mixed beverage**  
38 **permittees.**

39 ...

40 (e) Electronic Payment. – A local board shall accept electronic payments for any  
41 spirituous liquor purchased by a mixed beverages permittee. A local board may ~~not~~ charge a fee  
42 for accepting electronic payments under this subsection. ~~For purposes of this subsection, the term~~  
43 ~~"electronic payment" means payment by debit card or by electronic funds transfer as defined in~~  
44 ~~G.S. 105-228.90, but does not include payment by charge card or credit card.~~subsection as  
45 provided in G.S. 147-86.22(b).

46 (f) Delivery Service. – A local board shall offer delivery service to mixed beverage  
47 permittees. In providing delivery of purchased products to mixed beverage permittees, the local  
48 board may use its employees or contract with one or more independent contractors and may  
49 charge a fee to the permittee. A local board in a Tier 1 or Tier 2 county, as defined in  
50 G.S. 143B-472.35(a2)(18), may request an exemption to this requirement from the ABC  
51



1 Commission. The Commission shall grant the request if the local board can show evidence of  
2 unreasonable hardship or difficulty incurred by implementing delivery service."

3 **SECTION 25.1.(e)** G.S. 18B-907 reads as rewritten:

4 "**§ 18B-907. Allow electronic submission of payments and forms.**

5 ...

6 (c) Fee. – The Commission may charge a fee to be used to cover costs incurred by the  
7 Commission in processing forms electronically and accepting payments electronically. The fee  
8 authorized under this subsection to cover costs incurred by the Commission in processing forms  
9 electronically may not exceed five dollars ~~(\$5.00)-(\$5.00)~~, and the fee for accepting payments  
10 electronically shall be determined as provided in G.S. 147-86.22(b)."

11 **SECTION 25.1.(f)** G.S. 20-4.05 reads as rewritten:

12 "**§ 20-4.05. Authority of Division to charge transaction fee on electronic payments.**

13 (a) When the Division accepts electronic payment, as that term is defined in  
14 G.S. 147-86.20, for any cost, fee, fine, or penalty imposed pursuant to this Chapter, the Division  
15 may add a transaction fee to each electronic payment transaction to offset the service charge the  
16 Division pays for electronic payment service. The Division's transaction fee shall ~~not exceed two~~  
17 ~~percent (2%) of the electronic payment.~~ be determined as provided in G.S. 147-86.22(b).

18 ...."

19 **SECTION 25.1.(g)** G.S. 58-3-145 reads as rewritten:

20 "**§ 58-3-145. Solicitation, negotiation or payment of premiums on insurance policies.**

21 ...

22 (b) An insurer or insurance producer accepting electronic payment by credit or debit card  
23 may charge the person using electronic payment a convenience fee in an amount ~~not to exceed~~  
24 ~~four percent (4%) of the electronic payment.~~ to be determined as provided in G.S. 147-86.22(b)."

25 **SECTION 25.1.(h)** G.S. 66-58.12 reads as rewritten:

26 "**§ 66-58.12. Agencies may provide access to services through electronic and digital**  
27 **transactions; fees authorized.**

28 ...

29 (b) An agency may charge a fee to cover its costs of permitting a person to complete a  
30 transaction through the ~~World Wide Web or other means of electronic access.~~ Internet. The fee  
31 may be applied on a per transaction basis and may be calculated either as a flat fee or a percentage  
32 fee, as determined under an agreement between a person and a public agency. The fee may be  
33 collected by the agency or by its third party agent. This subsection shall not apply to electronic  
34 payment processing fees under Article 6A and Article 6B of Chapter 147 of the General Statutes.

35 ...."

36  
37 **PART XXVI. ELECTIONS [RESERVED]**

38  
39 **PART XXVII. GENERAL ASSEMBLY [RESERVED]**

40  
41 **PART XXVIII. GOVERNOR [RESERVED]**

42  
43 **PART XXIX. HOUSING FINANCE AGENCY**

44  
45 **HFA/EMERGENCY RENTAL ASSISTANCE FUNDS**

46 **SECTION 29.1.** Notwithstanding any provision of law to the contrary, the Office of  
47 State Budget and Management shall transfer all remaining Emergency Rental Assistance funds  
48 allocated in Section 5 of S.L. 2021-1, Section 1.4 of S.L. 2021-3, and Section 3.4 of S.L. 2021-25,  
49 as amended, and any interest earned on those funds, Budget Code 23021, Fund Codes 214050  
50 and 214051, totaling the sum of fifty-eight million five hundred ninety-four thousand four  
51 hundred thirty-three dollars (\$58,594,433) in nonrecurring funds, as follows:

- 1 (1) Thirty-five million dollars (\$35,000,000) to the Workforce Housing Loan  
2 Program in the Housing Finance Agency to assist with the development of  
3 multifamily affordable housing units across the State. These funds will replace  
4 the appropriation of thirty-five million dollars (\$35,000,000) for the  
5 2023-2024 fiscal year from the Housing Reserve to the Workforce Housing  
6 Loan Program.
- 7 (2) Twenty-three million five hundred ninety-four thousand four hundred  
8 thirty-three dollars (\$23,594,433) to the Housing Trust Fund. Projects under  
9 both subdivisions (1) and (2) of this section shall comply with the United  
10 States Department of the Treasury's Emergency Rental Assistance guidelines  
11 and those funds are hereby appropriated for that purpose.  
12

### 13 HFA/INCREASE BOND DEBT LIMIT

14 SECTION 29.2. G.S. 122A-8 reads as rewritten:

#### 15 "§ 122A-8. Bonds and notes.

16 The Agency is hereby authorized to provide for the issuance, at one time or from time to time,  
17 of bonds and notes of the Agency to carry out and effectuate its corporate purposes. The Agency  
18 also is hereby authorized to provide for the issuance, at one time or from time to time of (i) bond  
19 anticipation notes in anticipation of the issuance of such bonds and (ii) construction loan notes  
20 to finance the making or purchase of mortgage loans to sponsors of residential housing for the  
21 construction, rehabilitation or improvement of residential housing. The total amount of bonds,  
22 bond anticipation notes, and construction loan notes outstanding at any one time shall not exceed  
23 ~~three billion dollars (\$3,000,000,000)~~ twelve billion dollars (\$12,000,000,000) excluding  
24 therefrom any bond anticipation notes for the payment of which bonds have been issued. The  
25 principal of and the interest on such bonds or notes shall be payable solely from the funds herein  
26 provided for such payment. Any such notes may be made payable from the proceeds of bonds or  
27 renewal notes or, in the event bond or renewal note proceeds are not available, such notes may  
28 be paid from any available revenues or assets of the Agency. The bonds or notes of each issue  
29 shall be dated and may be made redeemable before maturity at the option of the Agency at such  
30 price or prices and under such terms and conditions as may be determined by the Agency. Any  
31 such bonds or notes shall bear interest at such rate or rates as may be determined by the Local  
32 Government Commission of North Carolina with the approval of the Agency. Notes shall mature  
33 at such time or times not exceeding 10 years from their date or dates and bonds shall mature at  
34 such time or times not exceeding 43 years from their date or dates, as may be determined by the  
35 Agency. The Agency shall determine the form and manner of execution of the bonds or notes,  
36 including any interest coupons to be attached thereto, and shall fix the denomination or  
37 denominations and the place or places of payment of principal and interest, which may be any  
38 bank or trust company within or without the State. In case any officer whose signature or a  
39 facsimile of whose signature shall appear on any bonds or notes or coupons attached thereto shall  
40 cease to be such officer before the delivery thereof, such signature or such facsimile shall  
41 nevertheless be valid and sufficient for all purposes the same as if he had remained in office until  
42 such delivery. The Agency may also provide for the authentication of the bonds or notes by a  
43 trustee or fiscal agent. The bonds or notes may be issued in coupon or in registered form, or both,  
44 as the Agency may determine, and provision may be made for the registration of any coupon  
45 bonds or notes as to principal alone and also as to both principal and interest, and for the  
46 reconversion into coupon bonds or notes of any bonds or notes registered as to both principal and  
47 interest, and for the interchange of registered and coupon bonds or notes. Upon the filing with  
48 the Local Government Commission of North Carolina of a resolution of the Agency requesting  
49 that its bonds and notes be sold, such bonds or notes may be sold in such manner, either at public  
50 or private sale, and for such price as the Commission shall determine to be for the best interest

1 of the Agency and best effectuate the purposes of this Chapter, as long as the sale is approved by  
2 the Agency.  
3 ...."

4  
5 **HFA/DOCUMENTS RELATED TO VICTIMS OF DOMESTIC VIOLENCE, SEXUAL  
6 ASSAULT, AND HUMAN TRAFFICKING NOT PUBLIC RECORD**

7 **SECTION 29.3.** Chapter 122A of the General Statutes is amended by adding a new  
8 section to read:

9 **"§ 122A-22.1. Housing for victims of domestic violence, sexual assault, human trafficking;  
10 records confidential.**

11 A public record, as defined in G.S. 132-1, does not include documents, papers, letters,  
12 photographs, or any other information provided to or compiled by the Housing Finance Agency  
13 for the purpose of financing housing for victims of domestic violence, sexual assault, and human  
14 trafficking."

15  
16 **PART XXIX-A. OFFICE OF STATE HUMAN RESOURCES [RESERVED]**

17  
18 **PART XXX. INSURANCE**

19  
20 **CONTINUE WORK ON PROPOSAL FOR A STATE-BASED HEALTH BENEFITS  
21 EXCHANGE**

22 **SECTION 30.1.(a)** Notwithstanding G.S. 143B-24(b), the Commissioner of the  
23 Department of Insurance (Commissioner) shall build upon the detailed plan for the development  
24 of a state-based health benefits exchange that meets the requirements of the federal Patient  
25 Protection and Affordable Care Act, P.L. 111-148, as amended, that was submitted on May 15,  
26 2024, as required by Section 30.9 of S.L. 2023-134. In continuing the work on this plan, the  
27 Commissioner shall take the following actions:

- 28 (1) Develop a realistic and detailed time line for implementation no earlier than  
29 November 2027 of a state-based exchange operating on the federal platform,  
30 as required by federal regulation to occur for at least one year prior to approval  
31 for operating a fully state-based exchange. The following assumptions may be  
32 used by the Commissioner in the development of this time line and the  
33 required updated to the plan previously developed in accordance with Section  
34 30.9 of S.L. 2023-134 but shall not be construed as binding with regard to any  
35 potential development of a state-based exchange:
  - 36 a. The state-based exchange is housed in a State agency.
  - 37 b. User fees will be collected and used to cover the full cost to the State  
38 of the state-based exchange operating on the federal platform once the  
39 transition to the state-based exchange operating on the federal platform  
40 is complete, resulting in a revenue-neutral program. The cost to the  
41 State of any fully state-based exchange would also be covered by the  
42 user fees.
  - 43 c. A 1332 Waiver will not be pursued simultaneously with the initial  
44 implementation of a state-based exchange operating on the federal  
45 platform.
  - 46 d. The State will not develop its own information technology platform  
47 for the state-based exchange and will either (i) contract with a  
48 company that has already developed a platform to be used as an  
49 ongoing platform for a fully state-based exchange or that will develop  
50 an individualized platform for purchase by the State after the initial

- 1 contract period expires or (ii) remain on the federal platform,  
2 whichever is determined to be in the State's best interest.
- 3 (2) Determine a detailed and specific plan for any additional staff that may be  
4 required by the Commissioner to operate a state-based exchange operating on  
5 the federal platform, as well as the fully state-based exchange. The detailed  
6 and specific plan should include administrative staff as well as staff for the  
7 call center required under federal law. The number of staff, as well as the time  
8 line for hiring and training the staff, the general position description of the  
9 staff members, and the anticipated cost of the staff shall be included in the  
10 detailed and specific plan.
- 11 (3) Estimate the anticipated user fee imposed by the State through the first year  
12 of operation of the state-based exchange operating on the federal platform and  
13 through the first three years of the fully state-based exchange, assuming the  
14 State is approved to move to a fully operational state-based exchange after one  
15 year of operation of the state-based exchange.
- 16 (4) Conduct a full analysis of the final rule 89 FR 26218 issued by the Centers for  
17 Medicare and Medicaid Services that takes effect June 1, 2024, and that makes  
18 several changes to the standards for state-based exchanges, insurers, and the  
19 qualified health plans offered on the exchanges, including changes to the  
20 evaluation of network adequacy standards for qualified health plans. In  
21 conducting this full analysis, the Commissioner shall determine whether the  
22 flexibility afforded to the State to manage a state-based benefits exchange and  
23 to regulate the qualified health plans offered on that exchange remains  
24 unchanged from the analysis in the report submitted by the Commissioner on  
25 May 15, 2024, as required by Section 30.9 of S.L. 2023-134. The full analysis  
26 shall also include any impacts moving to a state-based exchange would have  
27 on health benefit plans offered in the individual market in the State that would  
28 be otherwise unimpacted if the State remained a participant in the federally  
29 facilitated marketplace.
- 30 (5) Collaborate with the Secretary of the Department of Health and Human  
31 Services (Secretary) to determine what steps and procurements may be  
32 necessary to ensure that the state-based exchange operating on the federal  
33 platform, as well as the fully state-based exchange, is able to meet all  
34 requirements necessary to fully integrate with the Medicaid eligibility  
35 determination process and handle any other needs of the Medicaid program.  
36 As part of this collaboration, the Commissioner and the Secretary shall  
37 estimate the anticipated costs to the Department of Insurance and the  
38 Department of Health and Human Services for this integration and a general  
39 time line of when those costs are anticipated to be incurred. In determining  
40 the necessary steps, procurements, and costs under this subdivision, the  
41 Commissioner and the Secretary shall prioritize a seamless experience for  
42 Medicaid beneficiaries as well as accuracy of eligibility determinations made  
43 by the state-based exchange, regardless of the operating platform utilized.
- 44 (6) Engage stakeholders in the State individual health benefit plan market to  
45 determine interest in or concerns with moving to a state-based exchange  
46 operating on the federal platform or a fully state-based exchange. Upon  
47 learning of any concerns insurers may have, the Commissioner shall  
48 determine whether these concerns need to be and are able to be addressed by  
49 the Commissioner or require legislative action.
- 50 (7) Using the time line developed under this subsection and including costs  
51 identified to be estimated under this subsection as well as any other anticipated

1 expenses, provide a detailed assessment of the total cost to the State to  
 2 implement the initial state-based exchange on the federal platform before any  
 3 user fees may be imposed by the State and the time frame in which the costs  
 4 will be incurred.

5 (8) Determine what legislation may be necessary to implement a state-based  
 6 exchange operating on the federal platform with the intent to move to a fully  
 7 state-based exchange under the realistic and detailed time line developed in  
 8 accordance with this section. The Commissioner may collaborate with the  
 9 Legislative Drafting Division for the purposes of this subdivision.

10 (9) No later than March 1, 2025, submit to the Joint Legislative Oversight  
 11 Committee on General Government, the Joint Legislative Oversight  
 12 Committee on Health and Human Services, and the Fiscal Research Division  
 13 an update to the report submitted on May 15, 2024, as required by Section  
 14 30.9 of S.L. 2023-134. This updated report shall include, at a minimum, a  
 15 detailed report on the information developed or obtained as part of carrying  
 16 out the actions required under this section, including any information provided  
 17 for inclusion in the report in accordance with subsection (b) of this section.

18 **SECTION 30.1.(b)** The Secretary of the Department of Health and Human Services  
 19 (Secretary) shall collaborate with the Commissioner of the Department of Insurance to determine  
 20 what steps and procurements may be necessary to ensure that a state-based exchange operating  
 21 on the federal platform, as well as the fully state-based exchange, is able to meet all requirements  
 22 necessary to fully integrate with the Medicaid eligibility determination process and handle any  
 23 other needs of the Medicaid program. No later than January 1, 2025, the Secretary shall provide  
 24 to the Commissioner an estimate of the anticipated costs to the Department of Health and Human  
 25 Services for this integration and a general time line of when those costs are anticipated for use in  
 26 the report required under subsection (a) of this section. Any additional information that the  
 27 Secretary deems necessary to be included in that required report, including any costs or impacts  
 28 to county departments of social services, shall also be provided to the Commissioner by January  
 29 1, 2025, and the Commissioner shall include that information when making the required report.

30 **SECTION 30.1.(c)** Neither the Commissioner of the Department of Insurance nor  
 31 the Secretary of the Department of Health and Human Services shall submit an Exchange  
 32 Blueprint or any similar information to the federal Centers for Medicare and Medicaid Services  
 33 that specifically seeks approval for, or signals approval by the General Assembly of, a state-based  
 34 health benefits exchange operating on the federal platform or a fully state-based health benefits  
 35 exchange.

## 36 **OFFICE OF STATE FIRE MARSHAL EXPENSES**

37 **SECTION 30.2.** G.S. 58-6-25 reads as rewritten:

38 **"§ 58-6-25. Insurance regulatory charge.**

39 ...

40 (d) Use of Proceeds. – The Insurance Regulatory Fund is created as an interest-bearing  
 41 special fund to which the proceeds of the charge levied in this section and all fees collected under  
 42 Articles 69 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the General  
 43 Statutes shall be credited. Moneys in the Fund may be spent only pursuant to appropriation by  
 44 the General Assembly, and the Fund is subject to the provisions of the State Budget Act. All  
 45 money credited to the Fund shall be used to reimburse the General Fund for the following:

46 ...

47 (7) Money appropriated to the Department of Insurance and the Office of the State  
 48 Fire Marshal in the Department of Insurance to pay its expenses incurred in  
 49 connection with providing staff support for State boards and commissions,  
 50 including the North Carolina Manufactured Housing Board, State Fire and  
 51

1 Rescue Commission, North Carolina Building Code Council, North Carolina  
 2 Code Officials Qualification Board, Public Officers and Employees Liability  
 3 Insurance Commission, North Carolina Home Inspector Licensure Board, and  
 4 the Volunteer Safety Workers' Compensation Board.

5 ...

6 (12) Money appropriated to the Office of the State Fire Marshal in the Department  
 7 of Insurance to pay its expenses incurred in the direct and indirect regulation  
 8 of insurance, including the operation and maintenance of facilities to train  
 9 emergency personnel to respond to fires and other events that may affect  
 10 insurance rates and regulations.

11 ... ."

## 13 VOLUNTEER FIRE DEPARTMENTS/APPARATUS TIRE REPLACEMENT

14 **SECTION 30.3.** Article 87 of Chapter 58 of the General Statutes is amended by  
 15 adding a new section to read:

### 16 "**§ 58-87-8. Fire apparatus tire replacement grants.**

17 (a) Grants Authorized. – There is hereby established in the Office of the State Fire  
 18 Marshal a grant program to provide grants in an amount of not more than ten thousand dollars  
 19 (\$10,000) to eligible fire departments under G.S. 58-87-1(b) and stand-alone "rescue units" or  
 20 "rescue squads" as defined in G.S. 58-87-5(c) for the purpose of replacing fire apparatus tires.  
 21 Funds appropriated by the General Assembly for the grant program shall be used as provided in  
 22 this section. Grants shall be awarded only to applicants who certify in writing the need to remove  
 23 fire apparatus tires from service because of any of the following reasons: (i) tread wear beyond  
 24 the minimum tread depth, (ii) fire conditions that caused damage to the tires, such as coming into  
 25 contact with fire retardant and/or running over glass, debris, oil, or chemicals, (iii) tire damage,  
 26 such as cuts, bulges, and cracks, and (iv) evidence of dry rot or sidewall cracking. Applicants  
 27 shall use the grant funds only for the purpose of replacing fire apparatus tires and shall not use  
 28 the funds for any other purpose. Applicants are not required to provide a match for the grant  
 29 funds. Each applicant may be awarded only one grant in a fiscal year.

30 (b) Distribution of Grant Funds. – In awarding grants under this section, the Office of the  
 31 State Fire Marshal shall, to the extent possible, select applicants from all parts of the State. Grants  
 32 shall be made as soon as practicable. If, in any fiscal year, the Office of the State Fire Marshal  
 33 has not disbursed all the grant funds appropriated for the grant program authorized by subsection  
 34 (a) of this section, the Office of the State Fire Marshal shall allow applicants who have not  
 35 received grant funds in that fiscal year to apply for a grant. Grants authorized by this section shall  
 36 be awarded in addition to and shall not supplant any amount of the grant awarded to an eligible  
 37 fire department under G.S. 58-87-1 and G.S. 87-5. Any funds appropriated for the grant program  
 38 authorized by subsection (a) of this section that are unencumbered on June 30 of the fiscal year  
 39 shall not revert to the Volunteer Fire Department Fund but shall remain available for providing  
 40 grants as authorized by this section.

41 (c) Report. – Not later than September 1 of each fiscal year, the Office of the State Fire  
 42 Marshal shall submit a written report to the Senate Appropriations Committee on General  
 43 Government and Information Technology, the House of Representatives Appropriations  
 44 Committee on General Government, the Joint Legislative Oversight Committee on General  
 45 Government, and the Fiscal Research Division which shall include all of the following:

46 (1) The total number of grants awarded, by county.

47 (2) The name of each eligible fire department and rescue unit or rescue squad to  
 48 which a grant was awarded, by county and by city, if applicable.

49 (3) The amount of the grant awarded to each eligible fire department and rescue  
 50 unit or rescue squad."

**CREATE PUBLIC PROPERTY INSURANCE ENTERPRISE FUND**

**SECTION 30.4.(a)** Effective May 1, 2025, Chapter 58 of the General Statutes is amended by adding a new Article 31B to be entitled "Public Property Protection Against All Perils."

**SECTION 30.4.(b)** Effective May 1, 2025, Article 31B of Chapter 58 of the General Statutes, as enacted by subsection (a) of this section, is amended by adding a new Part 1 to be entitled "Public Property Insurance Enterprise Fund."

**SECTION 30.4.(c)** Effective May 1, 2025, G.S. 58-31-2 is recodified as G.S. 58-31B-40.

**SECTION 30.4.(d)** Effective May 1, 2025, Article 31B of Chapter 58 of the General Statutes, as enacted by subsection (a) of this section and as amended by subsections (b) and (c) of this section, reads as rewritten:

"Article 31B.

"Public Property Protection Against All Perils.

"Part 1. Public Property Insurance Enterprise Fund.

**§ 58-31B-1. Definitions.**

For purposes of this Article, the following definitions apply:

- (1) Reserved for future codification purposes.
- (2) Enterprise Fund. – The Public Property Insurance Enterprise Fund established under G.S. 58-31B-2.
- (3) Insurance Fund. – The State Public Education Property Insurance Fund established under G.S. 58-31A-20.
- (4) Peril. – Any of the following perils, risks, or hazards:
  - a. Fire.
  - b. Lightning.
  - c. Hurricane, tornado, or other windstorm.
  - d. Hail.
  - e. Explosion.
  - f. Aircraft or other vehicle causing damage to property as a result of a crash or other act.
  - g. Riot or other civil commotion.
  - h. Smoke.
  - i. Vandalism.
  - j. Sprinkler leakage or malfunction.
  - k. Sinkhole collapse.
  - l. Volcanic action or earthquake.
  - m. Falling object.
  - n. Weight of snow, ice, sleet, or other weather event.
  - o. Flood.
  - p. Water damage.
- (5) Reserved for future codification purposes.
- (6) Self-insurance Fund. – The State Property Self-insurance Fund established under G.S. 58-31B-20.
- (7) State property. – Real property, and any fixtures or appurtenances found in or attached to that real property, owned by the State or a department, agency, or institution of the State.

**§ 58-31B-2. Public Property Insurance Enterprise Fund.**

(a) Creation. – The Public Property Insurance Enterprise Fund is created as a nonreverting enterprise fund, as defined in G.S. 143C-1-3, in the Department of Insurance and to which funds, receipts, transfers, appropriations, contributions, investment earnings, and other income, except for amounts necessary to pay any allowable administration costs or costs

1 associated with payable claims under this Article or Part 1 of Article 31A of this Chapter  
2 belonging to the Self-insurance Fund and the Insurance Fund shall be deposited.

3 (b) Investments. – The assets of the Enterprise Fund shall be invested in accordance with  
4 the provisions of G.S. 147-69.2 and G.S. 147-69.3.

5 (c) Purpose of Enterprise Fund. – All funds held in the Enterprise Fund are for the  
6 purpose of paying claims for damage or loss as a result of any perils for which the Insurance  
7 Fund or the Self-insurance Fund is liable. No funds in the Enterprise Fund shall be utilized to  
8 purchase any commercial insurance or reinsurance product.

9 (d) Assets. – The assets of the Enterprise Fund shall be used only for the exclusive benefit  
10 of the Insurance Fund, the Self-insurance Fund, and entities that have property that is protected  
11 against damage or loss by the Insurance Fund or the Self-insurance Fund.

12 **"§ 58-31B-5. Actuarial analysis of funds.**

13 (a) Annually, the Department shall conduct an actuarial analysis of the Enterprise Fund,  
14 the Insurance Fund, and the Self-insurance Fund for the purposes of setting contribution amounts  
15 under G.S. 58-31B-30 and premium rates under G.S. 58-31A-40. The Commissioner may  
16 contract with a third party or enter into an agreement with another State department, agency, or  
17 institution to conduct the actuarial analysis.

18 (b) No later than March 1, a copy of the actuarial analysis conducted under this section  
19 shall be submitted to the Joint Legislative Oversight Committee on General Government and the  
20 Fiscal Research Division. This analysis shall be provided upon request to any public education  
21 board that participates in the Insurance Fund or any State department, agency, or institution that  
22 participates in the Self-insurance Fund.

23 **"§ 58-31B-10. Transfers from the Enterprise Fund.**

24 Funds shall be transferred from the Public Property Insurance Enterprise Fund to either the  
25 Insurance Fund or the Self-insurance Fund, as applicable, upon the processing of a claim in  
26 accordance with this Article or Part 1 of Article 31A of this Chapter.

27 "Part 2. Requirements for State Property.

28 **"§ 58-31B-20. State Property Self-insurance Fund.**

29 (a) Self-Insurance Fund. – The State Property Self-insurance Fund is established as a  
30 nonreverting special fund in the Department of Insurance.

31 (b) Source of Funds. – The State Property Self-insurance Fund shall consist of the  
32 following funds:

33 (1) Contributions made by each State department, agency, and institution that is  
34 required under this Article to contribute to the Self-insurance Fund.

35 (2) Transfers from the Enterprise Fund to the Self-insurance Fund for the purpose  
36 of paying claims for damage or loss to State property resulting from any peril  
37 that are submitted by a State department, agency, or institution in accordance  
38 with this Part.

39 (3) Any funds appropriated to the Self-insurance Fund.

40 (c) Utilization of Funds. – The Commissioner is authorized to utilize the funds in the  
41 Self-insurance Fund solely for the following purposes:

42 (1) Administration of the Self-insurance Fund and the Enterprise Fund. – No more  
43 than ten percent (10%) of the amount collected in contributions under this Part  
44 in any State fiscal year may be used for the purposes of administering the  
45 Self-insurance Fund and the Enterprise Fund and carrying out duties under  
46 this Article.

47 (2) Payments to the Enterprise Fund. – Quarterly, any funds in the Self-insurance  
48 Fund that are not to be utilized for the administrative purposes authorized  
49 under this section or to pay out any claims that have been previously submitted  
50 under this Part by a State department, agency, or institution shall be  
51 transferred to the Enterprise Fund.



1 (d) Prohibited Use of Funds. – No funds in the Self-insurance Fund shall be utilized to  
2 purchase any commercial insurance or reinsurance product.

3 **"§ 58-31B-25. Contributions to Self-insurance Fund required.**

4 (a) For the purposes of providing coverage of State property in the event of damage or  
5 loss resulting from any peril, unless otherwise provided by this Article, every State department,  
6 agency, and institution shall contribute to the State Property Self-insurance Fund in accordance  
7 with this Article.

8 (b) Nothing in this Article shall prohibit a State department, agency, or institution from  
9 purchasing any insurance product authorized under Article 31 of this Chapter. A State  
10 department, agency, or institution shall not purchase commercial property insurance or  
11 reinsurance for any State property covered under this Article.

12 **"§ 58-31B-30. Determination and adjustment of required contribution amount.**

13 (a) The Commissioner shall determine the contribution amount to be paid by each State  
14 department, agency, and institution required to submit contributions to the Self-insurance Fund  
15 under this Part. Contribution amounts shall be adjusted annually.

16 (b) In setting the contribution amounts under this section, all of the following shall be  
17 considered:

18 (1) The reasonable administrative expenses of the Self-insurance Fund and the  
19 Enterprise Fund.

20 (2) The need to maintain adequate reserves in the Enterprise Fund to pay claims  
21 under this Part for State property loss or damage resulting from perils.

22 (3) The results of the actuarial analysis conducted under G.S. 58-31B-5.

23 (c) If the balance of the assets held in the Enterprise Fund equals at least five percent  
24 (5%) of the combined replacement value of all State property covered by the Self-insurance Fund  
25 and all public education property, as that term is defined in G.S. 58-31A-1, insured in the  
26 Insurance Fund, then the required contribution amounts shall be proportionately decreased to an  
27 annual amount that is sufficient to maintain the assets held in the Enterprise Fund at five percent  
28 (5%) of the combined replacement value of all State property covered by the Self-insurance Fund  
29 and all public education property insured in the Insurance Fund.

30 **"§ 58-31B-35. Payment of contributions.**

31 (a) The Commissioner shall set the intervals at which payment for the contributions to  
32 the Self-insurance Fund under this Part shall be made by a State department, agency, or  
33 institution. The Commissioner and shall provide notification to each State department, agency,  
34 or institution as to the contribution amount due at each interval. Within 30 days of notice of an  
35 amount due for contributions under this Part, the State department, agency, or institution shall  
36 pay the contribution amount due.

37 (b) Any contributions not paid within the time period required under this section shall  
38 bear interest at the rate of six percent (6%) per annum.

39 (c) Upon receipt of payment of the contribution amount due under this Part, the payment  
40 shall be deposited in the Self-insurance Fund.

41 **"§ 58-31B-40. ~~Certain buildings of North Carolina Global TransPark exempt.~~ exemptions**  
42 **to participation in Self-insurance Fund.**

43 The following entities are exempt from the requirement to contribute to the Self-insurance  
44 Fund and shall not submit claims under this Part for a loss or damage occurring as a result of any  
45 peril:

46 ~~(a)~~(1) A building located on State lands that is privately owned or privately leased,  
47 and located within the North Carolina Global TransPark, is exempt from  
48 application of this Article provided that (i) the TransPark if all of the following  
49 conditions are met:

50 a. The North Carolina Global TransPark Authority requires a private  
51 owner or private lessee to obtain adequate insurance to cover fire

1 losses and damages to underlying and surrounding real property  
2 owned by the State, ~~(ii) State and~~ the private owner or private lessee  
3 obtains and maintains adequate insurance naming the Authority and  
4 the Department of Transportation as an additional insured for fire  
5 losses, and (iii) the losses and damages. The minimum amount of  
6 insurance required under this sub-subdivision is one million dollars  
7 (\$1,000,000) per occurrence and two million dollars (\$2,000,000)  
8 aggregate per occurrence.

9 b. The North Carolina Global TransPark Authority discloses to the  
10 private owner or private lessee that the State of North Carolina shall  
11 not reinsure that building and the building is exempt from the State  
12 Property Fire Insurance Fund coverage for fires losses. Self-insurance  
13 Fund and is not authorized to submit claims under this Part for any  
14 losses or damages occurring as a result of any peril.

15 ~~(b) The minimum amount of insurance that will be required under subsection (a) of this~~  
16 ~~section is one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000)~~  
17 ~~aggregate per occurrence.~~

18 ~~(e)c.~~ The North Carolina Global TransPark Authority shall notify has  
19 notified the Commissioner and the Office of State Fire Marshal in  
20 writing that the Authority is entering into a contract or modifying a  
21 contract for which the exemption under this section would apply at  
22 least 30 days prior to entering into or modifying that contract. The  
23 Authority shall consult with the Office of State Fire Marshal  
24 Commissioner regarding the adequacy of insurance for fire losses and  
25 damages required by this section-subdivision during this period.

26 (2) Reserved for future codification purposes.

27 **"§ 58-31B-45. Claims submission and adjudication.**

28 (a) A State department, agency, or institution required under this Part to make  
29 contributions to the Self-insurance Fund shall submit a claim to the Self-insurance Fund when  
30 that department, agency, or institution experiences loss or damage to State property as a result of  
31 a peril. The Self-insurance Fund shall process all claims submitted under this Part. The  
32 Self-insurance Fund shall pay claims associated with loss or damage in an amount not exceeding  
33 the amount that it would cost to repair or replace the property with material of like kind and  
34 quality within a reasonable time after the loss or damage.

35 (b) The amount to be paid for a claim under this section is determined by the  
36 Commissioner and the official designated by the State department, agency, or institution  
37 controlling the State property for which the claim was submitted. If an agreement as to the extent  
38 of the loss or damage related to that claim cannot be reached between these two parties, then the  
39 amount of the loss or damage shall be determined by three appraisers and no claim amount in  
40 dispute shall be paid until the completion of that determination. The three appraisers shall be  
41 disinterested persons who are qualified from experience to appraise and value property and shall  
42 be selected as follows:

43 (1) The Commissioner shall select one appraiser.

44 (2) The official designated by the State department, agency, or institution  
45 controlling the property for which the claim was submitted shall select one  
46 appraiser.

47 (3) The two appraisers selected by the Commissioner and the designated official  
48 shall select a third appraiser. If the appraisers selected by the Commissioner  
49 and the designated office fail to agree upon a third appraiser within 15 days of  
50 their selection, then, on request of the Commissioner or the designated

official, a third appraiser shall be selected by the Secretary of the Department of Administration.

(c) The appraisers selected and required under this section shall file their written report within 90 days of the selection of all three required appraisers detailing the loss or damage with the Commissioner and with the State department, agency, or institution that submitted the claim.

(d) The costs of any appraisal required under this section shall be paid by, and considered an administrative expense of, the Self-insurance Fund.

(e) Upon the determination of the loss or damage to the State property made by the appraisers selected and required under this section, the Self-insurance Fund shall pay the claim in full to the applicable State department, agency, or institution.

(f) Notwithstanding G.S. 58-2-75 or any other provision of this Chapter to the contrary, the determination of the loss or damage to State property by the appraisers under this section is not appealable and not a contested case under Article 3 of Chapter 150B of the General Statutes."

**SECTION 30.4.(e)** Effective May 1, 2025, Part 1 of Article 31A of Chapter 58 of the General Statutes, as amended by Section 6.4(c) of S.L. 2024-1, reads as rewritten:

"Article 31A.

"State Insurance for Public Education.

"Part 1. Public Education Property.

**"§ 58-31A-1. Definitions.**

The following definitions shall apply in this Part:

(1) Enterprise Fund. – The Public Property Insurance Enterprise Fund established under G.S. 58-31B-2.

(1a) ~~Insurable hazards. – A minimum list of perils, risks, or hazards which must be insured against loss, which includes the following: fire, lightning, windstorm, hail, explosion, aircraft or vehicles, riot or civil commotion, smoke, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, weight of snow, ice or sleet, or water damage. All perils defined under G.S. 58-31B-1.~~

(1b) Insurance Fund. – The State Public Education Property Insurance Fund established under G.S. 58-31A-20.

(2) ~~Public education board. – A local board of education of a local school administrative unit, as defined in G.S. 115C 5(5), a board of trustees of a regional school, as defined in G.S. 115C 238.63, The governing body of any public school unit, as those terms are defined in G.S. 115C-5, or a board of trustees of a community college, as defined in G.S. 115D-12.~~

(3) ~~Public education property. – Property Real property, and any fixtures or appurtenances found in or attached to that real property, owned by a local board of education, a regional school board of directors, or a community college board of trustees.~~ public education board.

**"§ 58-31A-5. ~~Duty of the State Fire Marshal to operate~~ Operation of insurance system for public education property.**

(a) ~~The State Fire Marshal shall have the duty to~~ Commissioner shall manage and operate a system of insurance for public education property. The State Fire Marshal may offer a system of property insurance to any charter schools approved pursuant to G.S. 115C 218.5 against damage or loss resulting from all insurable hazards to public education property in accordance with this Part.

(b) The system of insurance under this Part shall be operated at a low cost to public education boards and to the State while also ensuring the solvency of the Insurance Fund and the Enterprise Fund.

...

1 **"§ 58-31A-20. State Public Education Property Insurance Fund; decrease of premiums**  
2 **when fund reaches five percent of total insurance in force. Fund.**

3 (a) ~~There is established a~~ Creation. – The State Public Education Property Insurance Fund  
4 (~~Fund~~) is established as a nonreverting special fund in the State treasury for the purpose of  
5 providing a reserve against property loss of public education boards. The State Treasurer shall  
6 be the custodian of the Fund and shall invest its assets in accordance with the provisions of  
7 G.S. 147-69.2 and G.S. 147-69.3. All funds paid over to the State Treasurer by the State Fire  
8 Marshal for premiums on insurance by public education boards and all money received from  
9 interest or from loans and deposits and from any other source connected with the insurance of  
10 the property shall be held by the State Treasurer in the Fund for the purpose of paying all  
11 insurable hazards for which the Fund shall be liable and the expenses necessary for the proper  
12 conduct of the insurance of such property, together with such premiums for reinsurance that the  
13 State Fire Marshal may deem necessary to reinsure as provided by this Article. Department of  
14 Insurance.

15 (b) ~~When the balance of the Fund reaches the sum of five percent (5%) of the total~~  
16 ~~insurance in force, then annually thereafter the State Fire Marshal shall proportionately decrease~~  
17 ~~the premiums on insurance to an amount which will be sufficient to maintain the Fund at five~~  
18 ~~percent (5%) of the total insurance in force, and in the event in the judgment of the State Fire~~  
19 ~~Marshal the income from the investments of the Fund are sufficient to maintain the same at five~~  
20 ~~percent (5%) of the total insurance in force, no premium shall be charged for the ensuing year.~~  
21 ~~However, no public education board shall cease to pay premiums until five annual payments of~~  
22 ~~premiums have been made on a building or property insured whether or not through such~~  
23 ~~payments the Fund shall be increased beyond five percent (5%) of the total insurance in force,~~  
24 ~~unless such building or property shall cease to be insurable under this Article within such~~  
25 ~~five-year period.~~

26 (c) Source of Funds. – The Insurance Fund shall consist of the following funds:

27 (1) The premium payments made by each public education board that participates  
28 in the insurance program operated under this Part.

29 (2) Transfers from the Enterprise Fund to the Insurance Fund for the purpose of  
30 paying claims for damage or loss to public education property resulting from  
31 any insurable hazard that are submitted by a public education board in  
32 accordance with this Part.

33 (3) Any funds appropriated to the Insurance Fund.

34 (d) Utilization of Funds. – The Commissioner is authorized to utilize the funds in the  
35 Insurance Fund solely for the following purposes:

36 (1) Administration of the Insurance Fund and the Enterprise Fund. – No more  
37 than ten percent (10%) of the amount collected in premiums in any State fiscal  
38 year may be used for the purposes of administering the Insurance Fund and  
39 the Enterprise Fund and carrying out duties under this Part.

40 (2) Payments to the Enterprise Fund. – Quarterly, any funds in the Insurance Fund  
41 that are not to be utilized for the administrative purposes authorized under this  
42 section or to pay out any claims that have been previously submitted under  
43 this Part by a public education board shall be transferred to the Enterprise  
44 Fund.

45 (e) Prohibited Use of Funds. – No funds in the State Public Education Property Insurance  
46 Fund shall be utilized to purchase any commercial insurance or reinsurance product.

47 **"§ 58-31A-25. Insurance-Optional insurance of property by public education boards; notice**  
48 **of election to insure and information to be furnished; outstanding policies.**

49 (a) All public education boards may insure in the Insurance Fund as part of the program  
50 of insurance operated under this Part all public education property titled to that board against the  
51 direct loss or damage by insurable hazards in public education buildings and other public

1 education properties in the Fund. Any property covered by an insurance policy in effect on the  
2 date when the property of a public education board is insured in the Fund shall be insured by the  
3 Fund as of the expiration of the policy hazards, subject to the requirements of this Part.

4 (b) Each public education board shall give notice of its election to insure public education  
5 property in the Insurance Fund under this Part at least 90 days prior to such insurance in the  
6 Insurance Fund becoming effective and effective. As part of the required notice, the public  
7 education board shall furnish to the State Fire Marshal Commissioner a full and complete list of  
8 all outstanding property insurance policies, giving in complete detail the or reinsurance policies.  
9 This list shall include all of the following information in complete detail:

10 (1) The name of the insurers, the insurer operating each commercial property  
11 insurance or reinsurance policy.

12 (2) The amount of the insurance and expirations thereof. While the said insurance  
13 policies remain in effect, the Fund shall act as coinsurer of the properties  
14 covered by such insurance to the same extent and in the same manner as is  
15 provided for coinsurance under the provisions of the standard form of property  
16 insurance as provided by law, and in the event of loss shall have the same  
17 rights and duties as required by participating insurance companies each  
18 insurance or reinsurance policy.

19 (3) The date each insurance or reinsurance policy expires.

20 (c) No public education property shall be insured by the Insurance Fund if that property  
21 is covered by a commercial insurance or reinsurance policy. Both of the following shall apply:

22 (1) Any public education property covered by a commercial insurance or  
23 reinsurance policy that is in effect on the date when a public education board  
24 elects to insure property in the Insurance Fund as part of the program of  
25 insurance operated under this Part shall not be insured by the Insurance Fund  
26 until the expiration of the commercial insurance or reinsurance policy. On the  
27 date of the expiration of the applicable policy, the public education property  
28 shall be considered insured by the Insurance Fund.

29 (2) If a public education board obtains a commercial insurance or reinsurance  
30 policy for any public education property that is currently insured by the  
31 Insurance Fund, then, on the date the commercial insurance or reinsurance  
32 policy is to take effect, any property covered by that commercial insurance or  
33 reinsurance policy, to any degree, shall no longer be insured by the Insurance  
34 Fund and the certification of insurance issued under this Article shall be  
35 considered null and void on that date.

36 **"§ 58-31A-30. Inspections of insured public education properties.**

37 (a) The State Fire Marshal In addition to the inspections required under  
38 G.S. 115C-525(b), the Commissioner shall provide for periodic inspections of all public  
39 education properties in the State of North Carolina insured under the provisions of this Article,  
40 in addition to the inspections required by G.S. 115C-525(b). The person making inspections  
41 required under G.S. 115C-525(b) shall furnish a copy to the State Fire Marshal, and the local  
42 superintendent shall furnish to the State Fire Marshal their corrective action plan. in the Insurance  
43 Fund as part of the program of insurance operated under this Part. Each public education property  
44 shall be inspected under this section no less than every five years. The Commissioner shall ensure  
45 the State Fire Marshal is provided a copy of each inspection conducted under this section.

46 (b) The inspections required under this section shall be include inspections related to the  
47 prevention of insurable hazards and for safety of buildings and particularly buildings used to  
48 provide instruction to students. The inspections shall be the basis for offering such engineering  
49 advice as may be thought to be necessary making recommendations to safeguard students in  
50 public education buildings from death and injury from school fires or explosions and the  
51 insurable hazards and to protect the properties from loss, loss or damage from insurable hazards.

1 The public education properties boards shall be required so far as possible, and reasonable, to  
2 carry out and put into effect any recommendations made by the State Fire Marshal/Marshal, in  
3 accordance with G.S. 115C-525, as a result of these inspections and as a condition of the  
4 applicable public education property remaining insured in the Insurance Fund.

5 **"§ 58-31A-35. Information to be furnished prior to insuring in Fund; providing for**  
6 **payment of premiums.Fund.**

7 Public-At least 90 days prior to the date that the applicable public education property is  
8 insured in the Insurance Fund as part of the program of insurance operated under this Part, a  
9 public education boards shall, at least 90 days before insuring in the Fund, board shall furnish to  
10 the State Fire Marshal-Commissioner a complete and detailed list of all public education  
11 buildings and contents of those buildings and other insurable public education property, together  
12 with property under that board's control and an estimate of the present value of the property.  
13 Valuation for purposes of insuring in the Fund shall be reached by agreement in accordance with  
14 the procedure established for adjustment of losses. Public education boards and the tax-levying  
15 authority shall be required to provide for the payment of premiums for insurance on the school  
16 properties of each public education board, respectively, to the extent of not less than eighty  
17 percent (80%) of the current insurable value of the said properties, including the insurance in  
18 property insurance companies and the insurance provided by the Fund.that property provided by  
19 an appraiser selected by the public education board.

20 **"§ 58-31A-40. Determination and adjustment of premium rates; certificate as to insurance**  
21 **carried; no lapse; notice as to premiums required, and payments of**  
22 **premiums.rates.**

23 (a) The State Fire Marshal-Commissioner shall determine the annual premium rate to be  
24 charged for insurance of public education properties pursuant to this Article, and rates in the  
25 Insurance Fund as part of the program of insurance operated under this Part. Premium rates shall  
26 be adjusted from time to time so as to provide insurance against damage or loss resulting from  
27 insurable hazards to public education buildings and properties of the public education boards at  
28 the lowest cost possible in keeping with the payment of cost of administration under this Article,  
29 and the creation of adequate reserves to pay losses which may be incurred. The State Fire Marshal  
30 shall furnish to each public education board annually and, at such times as changes may require,  
31 a certificate showing the amount of insurance carried on each item of insurable property. This  
32 insurance shall not lapse but shall remain in force until the public education board requests that  
33 the insurance be canceled or until such property becomes uninsurable in the manner set out in  
34 G.S. 58-31A-45. From time to time, the public education board shall be notified as to the amount  
35 of the premiums required to be paid for insurance and the amounts to be provided for in the  
36 annual budget of the public education board. The tax-levying authorities shall provide by taxation  
37 or otherwise a sum sufficient to pay the required premiums.annually.

38 (b) The public education board shall, within 30 days from notice of the rate of the  
39 premium, pay to the State Fire Marshal the amount of the premiums on the insurance, and in the  
40 event that there are no funds available to make a payment on the premiums as required by this  
41 subsection, the premium shall be paid out of the first funds available to the public education  
42 board. Delayed payments shall bear interest at the rate of six percent (6%) per annum.

43 (c) In setting the premium rates under this section, all of the following shall be  
44 considered:

- 45 (1) The duty to provide insurance against damage or loss resulting from insurable  
46 hazards to public education property at a low cost while also ensuring the  
47 solvency of the Insurance Fund and the Enterprise Fund.  
48 (2) The reasonable administrative expenses of the Insurance Fund and the  
49 Enterprise Fund.

1           (3)    The need to maintain adequate reserves in the Enterprise Fund to pay claims  
2                   under this Part for public education property damage or loss resulting from  
3                   insurable hazards.

4           (4)    The results of the actuarial analysis conducted under G.S. 58-31B-5.

5           (d)    If the balance of the assets held in the Enterprise Fund equals at least five percent  
6                   (5%) of the combined replacement value of all public education property insured in the State  
7                   Insurance Fund and all State property, as that term is defined in G.S. 58-31B-1, covered by the  
8                   Self-insurance Fund, then the required contribution amounts shall be proportionately decreased  
9                   to an annual amount that is sufficient to maintain the assets held in the Enterprise Fund at five  
10                   percent (5%) of the combined replacement value of all public education property insured in the  
11                   Insurance Fund and all State property covered by the Self-insurance Fund.

12    **"§ 58-31A-41. Certificate of insurance.**

13           On no less than an annual basis, and as the need requires, the Commissioner shall furnish to  
14                   each public education board a certificate showing the amount of insurance carried on each public  
15                   education property insured as part of the program of insurance operated under this Part. This  
16                   insurance shall not lapse but shall remain in force unless the public education board requests the  
17                   insurance be canceled or the public education property becomes uninsurable, as determined by  
18                   the appraisers under G.S. 58-31A-45 or by the Commissioner.

19    **"§ 58-31A-43. Payment of premiums.**

20           (a)    The Commissioner shall set the interval at which payments for premiums under this  
21                   Part shall be made by a public education board. Intervals shall be set in a manner that takes into  
22                   account the necessity of the amount due for premiums under this Part to be provided for in the  
23                   annual budget of public education boards. The Commissioner shall provide notification to each  
24                   public education board as to the premium amount due at each interval. Within 30 days of notice  
25                   of an amount due for premiums under this Part, the public education board shall pay the amount  
26                   due.

27           (b)    The tax-levying authorities associated with a public education board shall provide by  
28                   taxation or otherwise a sum sufficient to pay the required premiums due under this Part. If there  
29                   are no funds available to a public education board to make a payment required by this section,  
30                   then the amount due shall be paid out of the first funds available to the public education board.  
31                   Delayed payments shall bear interest at the rate of six percent (6%) per annum.

32           (c)    Upon receipt of a payment for any premium due under this Part, the payment shall be  
33                   deposited in the State Public Education Property Insurance Fund.

34    **"§ 58-31A-45. ~~Adjustment of losses; determination and report of appraisers; payment of~~**  
35                   **~~amounts to treasurers of local school administrative units; disbursement of~~**  
36                   **~~funds.~~Claims submission and adjudication.**

37           (a)    In the event of loss or damage by insurable hazards to a public education buildings  
38                   and properties for the public education boards, the property insured in the Insurance Fund as part  
39                   of the program of insurance operated under this Part, a public education board shall submit a  
40                   claim to the Insurance Fund. The Insurance Fund shall process all claims submitted under this  
41                   Part. The Insurance Fund shall pay claims associated with the loss (i) in the same proportion as  
42                   the amount of insurance carried bore to the valuation of the property at the time it was insured,  
43                   but or damage in an amount not exceeding the amount which that it would cost to repair or replace  
44                   the property with material of like kind and quality within a reasonable time after the loss, (ii) not  
45                   in excess of the amount of insurance provided for the property, and (iii) not in excess of the  
46                   amount of the loss that the Fund is required to pay in participation with property insurance  
47                   companies having policies of insurance in force on the properties at the time of the loss or  
48                   damage. The Fund shall not be liable for a greater proportion of any loss than the amount of  
49                   insurance shall bear to the whole insurance covering the property against the peril involved.  
50                   loss or damage.

1 (b) ~~In the event of loss or damage by insurable hazards to public education buildings and~~  
2 ~~properties of the public education boards, to the property insured, when~~ The amount to be paid  
3 for a claim under this section is determined by the Commissioner and the public education board  
4 controlling the public education property for which the claim was submitted. If an agreement as  
5 to the extent of the loss or damage cannot be arrived at between the State Fire Marshal  
6 Commissioner and the public education board with control charge of the controlling the property,  
7 then the amount of the loss or damage shall be determined by three appraisers-appraisers. The  
8 three appraisers shall be disinterested persons who are qualified from experience to appraise and  
9 value property and shall be selected as follows: ~~the State Fire Marshal~~

10 (1) The Commissioner shall select one appraiser, the appraiser.

11 (2) The public education board in control of controlling the property for which  
12 the claim was submitted shall select one appraiser, and the appraiser.

13 (3) The two appraisers selected by the State Fire Marshal Commissioner and the  
14 public education board shall select a third appraiser. The selected appraisers  
15 shall be disinterested persons and shall be qualified from experience to  
16 appraise and value the property. If the appraisers appointed by the State Fire  
17 Marshal Commissioner and the public education board shall fail to agree upon  
18 a third appraiser within 15 days of their selection, then, on request of the State  
19 Fire Marshal Commissioner or the public education board, a third appraiser  
20 shall be selected by any regular resident superior court judge of the superior  
21 court district or set of districts as defined in G.S. 7A-41.1 in which the  
22 property is located.

23 (c) ~~The selected appraisers selected and required under this section shall file their written~~  
24 report within 90 days of the selection of all three required appraisers detailing the damage or loss  
25 with the State Fire Marshal Commissioner and with the public education board. board that  
26 submitted the claim. If the appraisers determine that, after the loss or damage, the public  
27 education property is no longer insurable, then this determination shall be included in the report.

28 (d) ~~The costs of the any appraisal required under this section shall be paid from by, and~~  
29 considered an administrative expense of, the State Education Public Property Insurance Fund.

30 (e) ~~Upon the determination of the loss or damage to the public education property made~~  
31 by the appraisers, appraisers selected and required under this section, the State Fire Marshal  
32 Insurance Fund shall pay the claim in the full amount of the loss or damage to the education  
33 property to the finance officer of the public education board, upon proper warrant of the State  
34 Fire Marshal. The funds shall be paid out by the finance officer for the disbursement of the funds  
35 to the applicable public education board.

36 **"§ 58-31A-50. Maintenance of inspection and engineering service; cancellation and**  
37 **prohibition of insurance.**

38 (a) ~~The State Fire Marshal is authorized and empowered to Commissioner may maintain~~  
39 an inspection and engineering service deemed by it to be appropriate and necessary to reduce the  
40 risk of insurable hazards of fire in public education buildings insured in the Fund and to expend  
41 for such purpose not in excess of ten percent (10%) of the annual premiums collected from the  
42 public education boards. Insurance Fund as part of the program of insurance operated under this  
43 Part. This service shall be considered an administrative expense and subject to the fund utilization  
44 limitations of G.S. 58-31A-20(d).

45 (b) ~~The State Fire Marshal Commissioner is authorized and empowered to cancel any~~  
46 insurance on or prohibit the insurance of any public education property when, in his or her  
47 opinion, in the Insurance Fund if, because of dilapidation and depreciation of the property, the  
48 property is not insurable or becomes no longer insurable.

49 (c) ~~The public education board shall be notified at least 30 days prior to cancellation, and~~  
50 in the event any cancellation under this section. If the public education board demonstrates the  
51 property can be subject to cancellation has been restored to insurable condition, then the State



~~Fire Marshal-Commissioner may continue insurance coverage, provided, that the findings and results of the inspection of public education property by the agents of the State Fire Marshal shall be reported to the public education board and to the tax-levying authority for that public education board that carry insurance with the Fund at least 30 days prior to finalization of a local budget for that fiscal year to ensure that all public education property shall be properly taken care of and made safe from fire hazards or resume insuring that property in the Insurance Fund in accordance with this Part.~~

...."

**SECTION 30.4.(f)** G.S. 150B-1(d) reads as rewritten:

"(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

...

(35) The Department of Insurance with respect to Part 1 of Article 31A of Chapter 58 of the General Statutes."

**SECTION 30.4.(g)** Effective May 1, 2025, G.S. 150B-1(d)(35), as enacted by subsection (f) of this section, reads as rewritten:

"(35) The Department of Insurance with respect to Article 31B and Part 1 of Article 31A of Chapter 58 of the General Statutes."

**SECTION 30.4.(h)** Effective May 1, 2025, the following are repealed:

- (1) G.S. 58-31-1.
- (2) G.S. 58-31-5.
- (3) G.S. 58-31-10.
- (4) G.S. 58-31-12.
- (5) G.S. 58-31-15.
- (6) G.S. 58-31-35.
- (7) G.S. 58-31-45.
- (8) G.S. 58-31A-10.
- (9) G.S. 58-31A-15.
- (10) G.S. 58-31A-55.
- (11) G.S. 147-69.2(a)(12).

**SECTION 30.4.(i)** The Department of Insurance shall not maintain any commercial insurance or reinsurance policy or coverage to protect the State Property Fire Insurance Fund and State Public Education Property Insurance Fund beyond May 1, 2025, or the earliest date that does not breach any current contract with any insurer or reinsurer, whichever is later. The prorated refund, if any, on insurance or reinsurance premiums shall be transferred to the Public Property Insurance Enterprise Fund, established under G.S. 58-31B-2, as enacted by this section. Beginning May 1, 2025, no State property shall be covered by the State Property Fire Insurance Fund and instead shall be covered by the State Property Self-insurance Fund.

**SECTION 30.4.(j)** There is appropriated from the State Emergency Response and Disaster Relief Fund to the Public Property Insurance Enterprise Fund, established under G.S. 58-31B-2, as enacted by this section, the sum of two hundred million dollars (\$200,000,000) in nonrecurring funds for the 2024-2025 fiscal year to be used for the initial capitalization of the Enterprise Fund. Until May 1, 2025, up to the total of one million five hundred thousand dollars (\$1,500,000) of these funds may be used for administrative purposes to implement this section.

**SECTION 30.4.(k)** On May 1, 2025, the following funds shall be transferred to the Public Property Insurance Enterprise Fund, established under G.S. 58-31B-2, as enacted by this section:

- (1) All funds in the State Public Education Property Insurance Fund as of April 30, 2025, that are not associated with a premium payment due for insurance in the State Public Education Property Insurance Fund on or after May 1, 2025.

1 (2) All funds in State Property Fire Insurance Fund.

2 **SECTION 30.4.(l)** As efficiently as practicable, the Department of Insurance shall  
3 develop policies and procedures related to the implementation of Article 31B of Chapter 58 of  
4 the General Statutes and the changes to Article 31A of Chapter 58 of the General Statutes, as  
5 enacted by this section.

6 **SECTION 30.4.(m)** The Department of Administration and the Department of  
7 Insurance shall enter into a memorandum of understanding for the transfer of funds from the  
8 State Property Self-insurance Fund to be used to cover the costs to the Department of  
9 Administration for two full-time positions to assist with the appraisal of State property in  
10 conjunction with the Facilities Assessment Condition Program for State property. Funds  
11 transferred for this purpose shall be considered an administrative expense of the State Property  
12 Self-insurance Fund.

13 **SECTION 30.4.(n)** Effective May 1, 2025, G.S. 115C-523.1 reads as rewritten:

14 "**§ 115C-523.1. Duty to insure public school property.**

15 (a) The local board of education of every local school administrative unit in the public  
16 school system of this State, ~~in order to safeguard the investment made in public schools,~~  
17 ~~shall:~~ State shall do all of the following:

18 ...

19 (3) Provide to the Commissioner of Insurance a list of all of its insurable  
20 buildings, the equipment and contents of the buildings, and their insurable  
21 values by October 1 of each year.

22 ...

23 (c) Local boards of education ~~may purchase~~ shall satisfy the minimum insurance  
24 requirements of subsection (a) of this section by doing either of the following, or some  
25 combination of the two:

26 (1) Purchasing insurance from companies duly licensed and authorized to sell  
27 insurance in this State or may obtain insurance in accordance with the  
28 provisions of Article 31A of Chapter 58 of the General Statutes, "State  
29 Insurance of Public Education Property." State. If a local board of education  
30 purchases insurance from a company duly licensed and authorized to sell  
31 insurance in this State for any insurable building, its equipment, or its  
32 contents, then the local board of education shall provide the Commissioner  
33 with a copy of the policy of insurance. If the policy of insurance is cancelled,  
34 terminated, or changed for any reason, then the local board of education shall  
35 notify the Commissioner within five days of the effective date of the  
36 cancellation, termination, or change.

37 (2) Insuring public education property against loss from all insurable hazards, as  
38 that term is defined in G.S. 58-31A-1, in the program of insurance operated  
39 under Part 1 of Article 31A of Chapter 58 of the General Statutes.

40 ...."

41 **SECTION 30.4.(o)** Effective May 1, 2025, G.S. 115C-523.2 reads as rewritten:

42 "**§ 115C-523.2. Flood insurance.**

43 (a) The local board of education of every local school administrative unit in the public  
44 school system of this State, in order to safeguard the investment made in public schools, shall  
45 insure and keep insured to the extent of not less than eighty percent (80%) of the current insurable  
46 value, as determined by the insurer and the insured, of each of its insurable buildings against  
47 flood when that property is located, or becomes located in, an area identified on the latest Flood  
48 Insurance Rate Map produced by the Federal Emergency Management Agency as area that will  
49 be inundated by the flood event having a one percent (1%) chance of being equaled or exceeded  
50 in any given year. The local board of education shall provide to the Commissioner of Insurance

1 a list of all of its insurable buildings against flood and their insurable values by October 1 of each  
 2 year.

3 ...

4 (c) Local boards of education ~~may purchase~~ shall satisfy the minimum insurance  
 5 requirements of subsection (a) of this section by doing either of the following, or some  
 6 combination of the two:

7 (1) Purchasing insurance from companies duly licensed and authorized to sell  
 8 insurance in this State ~~or may obtain insurance in accordance with the~~  
 9 ~~provisions of Article 31A of Chapter 58 of the General Statutes, "State~~  
 10 ~~Insurance of Public Education Property." State.~~ If a local board of education  
 11 purchases insurance from a company duly licensed and authorized to sell  
 12 insurance in this State for any insurable building against flood, then the local  
 13 board of education shall provide the Commissioner with a copy of the policy  
 14 of insurance. If the policy of insurance is cancelled, terminated, or changed  
 15 for any reason, then the local board of education shall notify the  
 16 Commissioner within five days of the effective date of the cancellation,  
 17 termination, or change.

18 (2) Insuring public education property against loss from all insurable hazards, as  
 19 that term is defined in G.S. 58-31A-1, in the program of insurance operated  
 20 under Part 1 of Article 31A of Chapter 58 of the General Statutes.

21 ...."

22 SECTION 30.4.(p) Effective May 1, 2025, G.S. 115D-58.11 reads as rewritten:

23 "§ 115D-58.11. Fire and casualty insurance on institutional buildings and contents.

24 (a) The board of trustees of each institution, ~~in order to safeguard the investment in~~  
 25 ~~institutional buildings and their contents, shall:~~institution shall do all of the following:

26 ...

27 (3) Provide to the Commissioner of Insurance a list of all of its institution's  
 28 insurable buildings, the equipment and contents of the buildings, and their  
 29 insurable values by October 1 of each year.

30 ...

31 (c) Boards of trustees ~~may purchase~~ shall satisfy the minimum insurance requirements of  
 32 subsection (a) of this section by doing either of the following, or some combination of the two:

33 (1) Purchasing insurance from companies duly licensed and authorized to sell  
 34 insurance in this State ~~or may obtain insurance in accordance with the~~  
 35 ~~provisions of Article 31A of Chapter 58 of the General Statutes, "State~~  
 36 ~~Insurance of Public Education Property." State.~~ If the board of trustees of an  
 37 institution purchases insurance from a company duly licensed and authorized  
 38 to sell insurance in this State for any insurable building, its equipment, or its  
 39 contents, then the board of trustees shall provide the Commissioner with a  
 40 copy of the policy of insurance. If the policy of insurance is cancelled,  
 41 terminated, or changed for any reason, then the board of trustees shall notify  
 42 the Commissioner within five days of the effective date of the cancellation,  
 43 termination, or change.

44 (2) Insuring public education property against loss from all insurable hazards, as  
 45 that term is defined in G.S. 58-31A-1, in the program of insurance operated  
 46 under Part 1 of Article 31A of Chapter 58 of the General Statutes.

47 ...."

48 SECTION 30.4.(q) Effective May 1, 2025, G.S. 115D-58.11A reads as rewritten:

49 "§ 115D-58.11A. Flood insurance.

50 (a) The board of trustees of each institution, in order to safeguard the investment in  
 51 institutional buildings and their contents, shall insure and keep insured to the extent of not less

1 than eighty percent (80%) of the current insurable value, as determined by the insurer and the  
 2 insured, of each of its insurable buildings against flood when that property is located, or becomes  
 3 located in, an area identified on the latest Flood Insurance Rate Map produced by the Federal  
 4 Emergency Management Agency as area that will be inundated by the flood event having a one  
 5 percent (1%) chance of being equaled or exceeded in any given year. The board of trustees of  
 6 each institution shall provide to the Commissioner of Insurance a list of all of its institution's  
 7 insurable buildings against flood and their insurable values by October 1 of each year.

8 ...

9 (c) ~~The board of trustees may purchase~~ shall satisfy the minimum insurance requirements  
 10 of subsection (a) of this section by doing either of the following, or some combination of the two:

- 11 (1) Purchasing insurance from companies duly licensed and authorized to sell  
 12 insurance in this State or may obtain insurance in accordance with the  
 13 provisions of Article 31A of Chapter 58 of the General Statutes, "State  
 14 Insurance of Public Education Property." State. If the board of trustees of an  
 15 institution purchases insurance from a company duly licensed and authorized  
 16 to sell insurance in this State for any insurable building against flood, the  
 17 board of trustees shall provide the Commissioner with a copy of the policy of  
 18 insurance. If the policy of insurance is cancelled, terminated, or changed for  
 19 any reason, the board of trustees shall notify the Commissioner within five  
 20 days of the effective date of the cancellation, termination, or change.
- 21 (2) Insuring public education property against loss from all insurable hazards, as  
 22 that term is defined in G.S. 58-31A-1, in the program of insurance operated  
 23 under Part 1 of Article 31A of Chapter 58 of the General Statutes.

24 ...."

25 **SECTION 30.4.(r)** Effective May 1, 2025, G.S. 58-2-40 is amended by adding two  
 26 new subdivisions to read:

27 "(11) Administer the State Public Education Property Insurance Fund under Part 1  
 28 of Article 31A of this Chapter.

29 "(12) Administer the Public Property Insurance Enterprise Fund and the State  
 30 Property Self-insurance Fund under Article 31B of this Chapter."

31 **SECTION 30.4.(s)** Effective May 1, 2025, Article 31 of Chapter 58 of the General  
 32 Statutes is amended by adding a new section to read:

33 "**§ 58-31-16. Coverage for property not included in the State Property Self-insurance Fund.**

34 (a) The Commissioner is authorized to acquire coverage for any property under the  
 35 control of a State department, agency, or institution that is either exempt from Part 2 of Article  
 36 31B of this Chapter or for which there is no coverage under Article 31B of this Chapter.

37 (b) The cost for any coverage acquired for a State department, agency, or institution under  
 38 this section shall be paid in full by that State department, agency, or institution."

39 **SECTION 30.4.(t)** G.S. 58-31-20, as amended by Section 6.4(a) of S.L. 2024-1,  
 40 reads as rewritten:

41 "**§ 58-31-20. Use and occupancy and business interruption insurance.**

42 (a) ~~Upon~~ The Commissioner may acquire use and occupancy or business interruption  
 43 insurance upon the request of any State department, agency, or institution, use and occupancy  
 44 and business interruption insurance shall be provided on state-owned institution for specifically  
 45 designated State-owned property of such that department, agency, or institution which is insured  
 46 by the State Property Fire Insurance Fund. Institution.

47 (b) ~~Premiums for such~~ any use and occupancy or business interruption insurance  
 48 coverage requested under this section shall be paid by each requesting department, agency  
 49 agency, or institution in accordance with rates fixed by the State Fire Marshal. Losses covered  
 50 by such insurance may be paid for out of the State Property Fire Insurance Fund in the same  
 51 manner as fire losses. Commissioner that covers the costs of the insurance in full.

1       (c) ~~The State Fire Marshal, Commissioner, with the approval of the Governor and~~  
2 ~~Council of State, is authorized and empowered to shall~~ purchase from insurers admitted to do  
3 business in North Carolina ~~such use and occupancy or business interruption insurance or~~  
4 ~~reinsurance products~~ as may be necessary ~~to protect the State Property Fire Insurance Fund~~  
5 ~~against loss with respect to such insurance coverage to meet the coverage requested by a State~~  
6 ~~department, agency, or institution under this section.~~"

7       **SECTION 30.4.(u)** G.S. 63A-24(a)(4) reads as rewritten:

8       "(4) Article ~~31-31B~~ of Chapter 58 of the General Statutes shall not apply to a  
9 building located on State lands that is (i) privately owned or privately leased  
10 and (ii) located within the North Carolina Global TransPark, provided the  
11 requirements of ~~G.S. 58-31-2~~ G.S. 58-31B-40 are met."

12       **SECTION 30.4.(v)** Except as otherwise provided, this section is effective July 1,  
13 2024.

14  
15 **PART XXXI. INSURANCE – INDUSTRIAL COMMISSION [RESERVED]**

16  
17 **PART XXXII. LIEUTENANT GOVERNOR [RESERVED]**

18  
19 **PART XXXIII. MILITARY AND VETERANS AFFAIRS**

20  
21 **NORTH CAROLINA VETERANS CEMETERY TRUST FUND/CODIFY LANGUAGE**

22       **SECTION 33.1.** Article 8A of Chapter 65 of the General Statutes is amended by  
23 adding a new section to read:

24 **"§ 65-45. North Carolina Veterans Cemeteries Trust Fund.**

25       (a) There is hereby established the North Carolina Veterans Cemeteries Trust Fund  
26 (hereinafter "Fund"), a special fund within the Department of Military and Veterans Affairs. The  
27 Fund shall be maintained as a special fund and shall be administered by the Department to carry  
28 out the operations and maintenance of the State's veterans' cemeteries. Interest accruing from the  
29 monies in the Fund shall be credited to the Fund. The Fund shall consist of the following sources  
30 of funding:

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

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

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

41  
42 **AMENDING THE LAWS RELATING TO STATE VETERANS CEMETERIES AND**  
43 **DMVA**

44       **SECTION 33.2.(a)** Article 8A of Chapter 65 of the General Statutes is amended by  
45 adding a new section to read:

46 **"§ 65-45. Burial service.**

47 Graveside services are not permitted at State veterans cemeteries. Committal services shall  
48 be held in the chapel on the cemetery grounds or at a committal shelter on the cemetery grounds.  
49 Committal services may last up to 60 minutes. Family members and other attendees are required  
50 to exit the cemetery grounds when the service ends. Family members may return to the gravesite

1 after the burial of the casket or urn is completed and the area is cleared of all equipment and  
2 materials."

3 **SECTION 33.2.(a1)** G.S. 65-43 reads as rewritten:

4 "**§ 65-43. Definitions.**

5 For purposes of this Article, the following definitions shall apply, unless the context requires  
6 otherwise:

- 7 ...
- 8 (2) ~~A "legal resident" of a state means a person whose principal residence or~~  
9 ~~abode is in that state, who uses that state to establish his or her right to vote~~  
10 ~~and other rights in a state, and who intends to live in that state, to the exclusion~~  
11 ~~of maintaining a legal residence in any other state.~~
- 12 (3) A "qualified veteran" means a veteran who ~~meets the requirements of~~  
13 ~~sub-subdivisions a. and b. of this subdivision:~~
- 14 a. ~~A veteran who served an honorable military service or who served a~~  
15 ~~period of honorable nonregular service and is any of the following:~~
- 16 1.a. A veteran who is entitled to retired pay for nonregular service under  
17 10 U.S.C. §§ 12731-12741, as amended.
- 18 2.b. A veteran who would have been entitled to retired pay for nonregular  
19 service under 10 U.S.C. §§ 12731-12741, as amended, but for the fact  
20 that the person was under 60 years of age.
- 21 3.c. A veteran who is eligible for interment in a national cemetery under  
22 38 U.S.C. § 2402, as amended.
- 23 b. ~~Who is a legal resident of North Carolina:~~
- 24 1. ~~At the time of death, or~~
- 25 2. ~~For a period of at least 10 years, or~~
- 26 3. ~~At the time he or she entered the Armed Forces of the United~~  
27 ~~States."~~

28 **SECTION 33.2.(a2)** G.S. 65-43.2 reads as rewritten:

29 "**§ 65-43.2. Proof of eligibility.**

30 ...

31 (b) The survivors or legal representative of the deceased shall notify the funeral director  
32 that the deceased is to be interred in a veterans cemetery. The survivor or legal representative  
33 shall furnish the funeral director with documentary evidence of the veteran's honorable military  
34 ~~service and evidence to establish that the veteran is a legal resident of North Carolina.~~ service.  
35 The funeral director shall notify the superintendent of the nearest State veterans cemetery to  
36 arrange for the interment and convey to the superintendent all evidence to establish the veteran's  
37 eligibility."

38 **SECTION 33.2.(b)** Article 14 of Chapter 143B of the General Statutes reads as  
39 rewritten:

40 "Article 14.

41 "Department of Military and Veterans Affairs

42 "Part 1. General Provisions.

43 "**§ 143B-1210. Organization.**

44 (a) There is established the Department of Military and Veterans Affairs. The head of the  
45 Department of Military and Veterans Affairs is the Secretary of Military and Veterans Affairs,  
46 who shall be known as the Secretary.

47 (b) ~~The powers and duties of the deputy secretaries and the divisions and directors of the~~  
48 ~~Department shall be subject to the direction and control of the Secretary of Military and Veterans~~  
49 ~~Affairs.~~

50 "**§ 143B-1211. Powers and duties of the Department of Military and Veterans Affairs.**

1 It shall be the duty of the Department of Military and Veterans Affairs to do all of the  
 2 following:

3 ...  
 4 (10) Manage and maintain the State's veterans nursing homes and cemeteries and  
 5 their associated assets to the standard befitting those who have worn the  
 6 uniform of the Armed Forces according to federal guidelines. Plan for  
 7 expansion and grow the capacity of these facilities and any new ~~facilities as~~  
 8 ~~required pending the availability of designated funds.~~ facilities. Funds to  
 9 perform the duties required by this subdivision shall be spent pursuant to  
 10 appropriation by the General Assembly; provided, however, the expenditure  
 11 of funds for the State's veterans nursing homes shall be in accordance with  
 12 G.S. 143B-1294(c). The Department may enter into contracts to perform the  
 13 duties required by this subdivision.

14 ...  
 15 (12) ~~Provide administrative, organizational, and funding support to the Governor's~~  
 16 ~~Working Group for Veterans.~~

17 ...  
 18 (25) Report to the Joint Legislative Oversight Committee on General Government  
 19 and the Fiscal Research Division no later than February 1 of each year the  
 20 name of each county that applied for funds under subdivision (24) of this  
 21 section and the amount of funds provided to each county.

22 **"§ 143B-1217. Military Presence Stabilization Fund.**

23 ...  
 24 (b) Notwithstanding the provisions of G.S. 143B-1214 and subsection (a) of this section,  
 25 funds appropriated to the Military Presence Stabilization Fund may be used for the following  
 26 purposes:

27 ...  
 28 (8) ~~Fully fund a position at the North Carolina Economic Development Center.~~

29 ...  
 30 "Part 2. Veterans' Affairs Commission.

31 ...  
 32 **"§ 143B-1224. Definitions.**

33 As used in this Part the terms defined in this section shall have the following meaning:

34 ...  
 35 (2) "Armed Forces" means the United States Army, Navy, Marine Corps, Air  
 36 Force, Space Force, and Coast Guard, including their reserve components.

37 ...  
 38 "Part 8. Miscellaneous Provisions.

39 ...  
 40 **"§ 143B-1276. Korean and Vietnam veterans; benefits and privileges.**

41 (a) All benefits and privileges now granted by the laws of this State to veterans of World  
 42 War I and World War II and their dependents and next of kin are hereby extended and granted  
 43 to veterans of the Korean Conflict and their dependents and next of kin.

44 For the purposes of this section, the term "veterans of the Korean Conflict" means those  
 45 persons serving in the Armed Forces of the United States during the period beginning on June  
 46 27, 1950, and ending on January 31, 1955.

47 (b) All benefits and privileges now granted by the laws of this State to veterans of World  
 48 War I, World War II, the Korean Conflict, and their dependents and next of kin are hereby  
 49 extended and granted to veterans of the Vietnam era and their dependents and next of kin.

50 For purposes of this section, the term "veterans of the Vietnam era" means those persons  
 51 serving in the Armed Forces of the United States during the period beginning August 5, 1964,

1 and ending on such date as shall be prescribed by Presidential proclamation or concurrent  
 2 resolution of the Congress. May 7, 1975.

3 ...

4 "Part 9. Priority in Employment Assistance for Veterans of the Armed Forces of the United  
 5 States.

6 ...

7 **"§ 143B-1285. Implementation and performance measures.**

8 ~~The North Carolina Commission on Workforce Preparedness~~ NC Works Commission shall:

9 ...

10 "Part 10. State Veterans Home.

11 ...

12 **"§ 143B-1291. ~~Establishment.~~ Establishment of State veterans homes; closing homes.**

13 (a) Establishment. – The State of North Carolina shall construct, maintain, and operate  
 14 veterans homes for the aged and infirm veterans resident in this State under the administrative  
 15 authority and control of the Department of Military and Veterans Affairs. There is vested in the  
 16 Department ~~any and all the~~ powers and authority ~~that may be~~ necessary to enable it to establish  
 17 and operate the ~~homes and to~~ homes; provided, however, funds to construct, maintain, and  
 18 operate the homes shall be pursuant to appropriation by the General Assembly except as provided  
 19 in G.S. 143B-1294(c). The Department shall issue rules necessary to operate the homes in  
 20 compliance with applicable State and federal statutes and regulations. The Department may enter  
 21 into contracts to construct and maintain veterans homes in accordance with the provisions of  
 22 Articles 3, 3C, 3D, and 8 of Chapter 143 of the General Statutes and procedures established by  
 23 the Division of Purchase and Contract and the Office of State Construction. The Department may  
 24 enter into contracts to operate veterans homes as provided in G.S. 143B-1295.

25 (b) Report Condition Assessment Results. – If the Department determines, based upon  
 26 an assessment conducted by the Office of State Construction, the Department, or an entity with  
 27 whom the Department has contracted to conduct the assessment, that a State veterans home  
 28 requires repair in order to maintain the home in a safe and habitable condition, the Department  
 29 shall, not later than three calendar days after receiving the assessment report, submit a report of  
 30 the assessment findings to the Joint Legislative Oversight Committee on General Government,  
 31 the House Appropriations Committee on General Government, the Senate Appropriations  
 32 Committee on General Government and Information Technology, and the Fiscal Research  
 33 Division. The report shall, at a minimum, include the name of the State agency or other entity  
 34 that conducted the assessment, the reason for the assessment, the dangerous conditions found,  
 35 the Department's recommendations for remedying the dangerous conditions, and the estimated  
 36 costs of remedying the dangerous conditions.

37 ...

38 **"§ 143B-1293. North Carolina Veterans Home Trust Fund.**

39 ...

40 (c) Use of Fund. – The trust fund created in subsection (a) of this section shall be used  
 41 by the Department of Military and Veterans Affairs to do the following:

- 42 (1) To pay for the care of veterans in said State veterans homes;
- 43 (2) To pay the general operating expenses of the State veterans homes, including  
 44 the payment of salaries and wages of officials and employees of said homes;  
 45 and
- 46 (3) To pay the costs to remodel, repair, construct, modernize, or add  
 47 improvements to buildings and facilities at the homes.

48 ...

49 **"§ 143B-1294. Funding.**

50 ...



1 (c) All funds received by the Department shall be deposited in the North Carolina  
2 Veterans Home Trust Fund, except for any funds deposited into special agency accounts  
3 established pursuant to G.S. 143B-1293(d)(3). The Veterans' Affairs Commission shall authorize  
4 the expenditure of all funds from the North Carolina Veterans Home Trust ~~Fund.~~ Fund pursuant  
5 to appropriation by the General Assembly; provided, however, notwithstanding any provision of  
6 Chapter 143C of the General Statutes, the Veterans' Affairs Commission is authorized to expend  
7 up to one million dollars (\$1,000,000) in each fiscal year for capital projects or improvements at  
8 State veterans nursing homes without appropriation by the General Assembly. The Veterans'  
9 Affairs Commission may may, by majority vote, delegate authority to the Assistant-Secretary of  
10 the Department of Military and Veterans Affairs for the expenditure of funds to expend funds, as  
11 provided in this subsection, from the North Carolina Veterans Home Trust Fund for operations  
12 of the State ~~Veterans Nursing Homes.~~ veterans nursing homes. The delegation of authority shall  
13 apply only to the person holding the office of Secretary of the Department at the time the vote is  
14 undertaken, and a new vote to delegate authority must be undertaken by the Commission each  
15 time a person is appointed to serve as Secretary or designated to serve as chair of the Commission  
16 under G.S. 143B-1221.

17 **"§ 143B-1295. Contracted operation of homes.**

18 The Department of Military and Veterans Affairs, in consultation with the Veterans' Affairs  
19 Commission ~~Commission,~~ may contract with persons or other nongovernmental entities to  
20 operate each State veterans home. Contracts for the procurement of services to manage,  
21 administer, and operate any State veterans home shall be awarded on a competitive basis through  
22 the solicitation of proposals and through the procedures established by statute and the Division  
23 of Purchase and Contract. A contract may be awarded to the vendor whose proposal is most  
24 advantageous to the State, taking into consideration cost, program suitability, management plan,  
25 excellence of program design, key personnel, corporate or company resources, financial  
26 condition of the vendor, experience and past performance, and any other qualities deemed  
27 necessary by the ~~Veterans' Affairs Commission~~ Department and set out in the solicitation for  
28 proposals. Any contract awarded under this section shall not exceed five years in length. The  
29 ~~Veterans' Affairs Commission~~ Department is not required to select or recommend the vendor  
30 offering the lowest cost proposal but shall select or recommend the vendor who, in the opinion  
31 of the ~~Commission,~~ Department, offers the proposal most advantageous to the veterans and the  
32 State of North Carolina.

33 **"§ 143B-1296. Program staff.**

34 The Department shall appoint and fix the salary of ~~an Administrative Officer~~ a Program  
35 Director for the State veterans home program. The ~~Administrative Officer~~ Program Director shall  
36 be an honorably discharged veteran who has served in active military service in the Armed Forces  
37 of the United States for other than training purposes. The ~~Administrative Officer~~ Program  
38 Director shall direct the establishment of the State veterans home program, coordinate the master  
39 planning, land acquisition, and construction of all State veterans homes under the procedures of  
40 established by the Office of State Construction, and oversee the ongoing operation of said the  
41 veterans homes. The ~~Division~~ Department may hire any required additional administrative staff  
42 to help assist with administrative and operational responsibilities at each established State  
43 veterans home.

44 ...

45 **"§ 143B-1298. Eligibility and priorities.**

46 (a) To be eligible for admission to a State veterans home, an applicant shall meet the  
47 following requirements:

48 ...

49 (3) The veteran shall be disabled by age, disease, or other reason as determined  
50 through a physical examination by a ~~State veterans home licensed~~ physician;  
51 and

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**"§ 143B-1299. ~~Deposit required.~~Cost of maintaining residence in State veterans home.**

Each resident of any State veterans home shall pay to the Department of Military and Veterans Affairs the cost of maintaining his or her residence at the home. ~~This deposit~~ Funds collected from residents under this section shall be placed in the North Carolina Veterans Home Trust Fund and shall be in an amount and in the form prescribed by the Veterans' Affairs Commission in consultation with the ~~Assistant Secretary for~~ Department of Military and Veterans Affairs.

**"§ 143B-1300. Report and budget.**

(a) ~~The Assistant Secretary for Veterans Affairs shall report annually to the Secretary of the Department of Military and Veterans Affairs and shall report annually to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division~~ on the activities of the State Veterans Homes Program. This report shall contain an accounting of all monies received and expended, statistics on residents in the homes during the year, recommendations to the Secretary, the Governor, Governor and the General Assembly as to the program, on ways to improve the services provided by the homes, and such other matters as may be deemed pertinent.

...

**"§ 143B-1301. Detailed annual report.**

By March 1 of odd-numbered years and September 1 of even-numbered years, the Department of Military and Veterans Affairs shall report to the Joint Legislative Oversight Committee on General Government, the Senate Appropriations Committee on General Government and Information Technology, the House of Representatives Appropriations Committee on General Government, and the Fiscal Research Division on the status of the State Veterans Homes program by providing a general overview of the State Veterans Homes and a specific description of each facility which shall include, at a minimum, all of the following:

...

- (1a) Facility condition assessment, including any structural, mechanical, plumbing, electrical, or other issue that affects the integrity of the facility that should be repaired or replaced within the 12 months immediately following submission of the report required by this section.

...

"Part 11. North Carolina Military Affairs Commission.

...

**"§ 143B-1311. Membership.**

...

(b) The voting members of the Commission shall be appointed as follows:

- (1) Thirteen members appointed by the Governor, consisting of:

...

- d. One person residing near ~~Ft. Bragg, Fort Liberty,~~ who is retired from the military and is actively involved in a military affairs organization, or a person who is involved in military issues through civic, commercial, or governmental relationships.

...

- h. One person who is a resident of North Carolina with a long-term connection to the State and who is a current or retired member of a reserve component of the United States Air Force, Army, Navy, Space Force, or Marines-Marine Corps and who is involved in a military affairs organization or involved in military issues through civic, commercial, or governmental relationships.

- (2) Five members appointed by the Speaker of the House of Representatives, consisting of:

1 ...

2 e. One person residing near ~~Ft. Bragg, Fort Liberty~~, who is retired from  
3 the military and is actively involved in a military affairs organization,  
4 or a person who is involved in military issues through civic,  
5 commercial, or governmental relationships.

6 (3) Five members appointed by the President Pro Tempore of the Senate,  
7 consisting of:

8 ...

9 e. One person residing near ~~Ft. Bragg, Fort Liberty~~, who is retired from  
10 the military and is actively involved in a military affairs organization,  
11 or a person who is involved in military issues through civic,  
12 commercial, or governmental relationships.

13 ...

14 (h) The initial meeting of the Commission shall be within 30 days of the effective date of  
15 this act at a time and place to be determined by the Secretary of Commerce. The first order of  
16 business at the initial meeting of the Commission shall be the adoption of bylaws and  
17 establishment of committees, after which the Commission shall meet upon the call of the  
18 ~~Chairman or the Secretary of the Department of Military and Veterans Affairs.~~ chair. The  
19 members shall receive no compensation for attendance at meetings, except a per diem expense  
20 reimbursement. Members of the Commission who are not officers or employees of the State shall  
21 receive reimbursement for subsistence and travel expenses at rates set out in G.S. 138-5 from  
22 funds made available to the Commission. Members of the Commission who are officers or  
23 employees of the State shall be reimbursed for travel and subsistence at the rates set out in  
24 G.S. 138-6 from funds made available to the Commission. Members of the Commission who are  
25 also members of the General Assembly shall receive subsistence and travel expenses as  
26 authorized by G.S. 120-3.1. The Department of Military and Veterans Affairs shall use funds  
27 within its budget for the per diem, subsistence, and travel expenses authorized by this  
28 subsection."

29 **SECTION 33.2.(c)** Part 3 and Part 6 of Article 14 of Chapter 143B of the General  
30 Statutes are repealed.

31 **SECTION 33.2.(d)** This section is effective when it becomes law.

32  
33 **PART XXXIV. REVENUE [RESERVED]**

34  
35 **PART XXXV. SECRETARY OF STATE [RESERVED]**

36  
37 **PART XXXVI. TREASURER**

38  
39 **CLARIFY AUTHORITY TO MODIFY LOAN**

40 **SECTION 36.1.(a)** G.S. 53-180 is amended by adding a new subsection to read:

41 "(l) Loan Modification or Restructuring. – A loan contract may be modified or  
42 restructured so long as the interest rate after the original maturity date does not exceed the eight  
43 percent (8%) per annum limitation set forth in G.S. 53-173(d). A modification or restructuring  
44 may provide for a reduction of interest rate, reduction of principal, reduction in the amount of  
45 accrued interest, suspension of or modification of payment amounts, extension of the term of the  
46 loan, or any combination of these terms. A modification of payment amounts for the term of a  
47 loan modification or restructuring is not subject to subsection (a) of this section but shall not  
48 provide for a balloon payment. A licensee shall document the terms of any agreement to modify  
49 or restructure an existing loan contract by setting forth the terms of the modified or restructured  
50 loan in its loan records and shall provide to the borrower a written notice of the changes. A  
51 licensee shall not charge a borrower a fee to modify or restructure a loan unless authorized by

1 G.S. 53-177(c). A licensee shall not require additional collateral as a condition for a loan  
2 modification or restructuring."

3 **SECTION 36.1.(b)** This section becomes effective October 1, 2024, and applies to  
4 loan contracts modified or restructured on or after that date.

## 6 **TECHNICAL CORRECTION TO CONSUMER FINANCE ACT**

7 **SECTION 36.2.(a)** G.S. 53-178 reads as rewritten:

8 "**§ 53-178. No further charges; no splitting contracts; certain contracts void.**

9 No further or other charges or insurance commissions shall be directly or indirectly  
10 contracted for or received by any licensee, affiliate, parent, subsidiary, or licensee under the same  
11 ownership, management, or control, whether partial or complete, except those specifically  
12 authorized by this Article, by the Commissioner under G.S. 53-172 or any other statute. No  
13 licensee shall divide into separate parts any contract made for the purpose of or with the effect  
14 of obtaining interest or charges in excess of those authorized by this Article. All balances due to  
15 a licensee from any person as a borrower or as an endorser, guarantor or surety for any borrower  
16 or otherwise jointly or severally, shall be considered a part of any loan being made by a licensee  
17 to such person for the purpose of computing interest or charges, or exceeding the maximum loan  
18 amount of fifteen thousand dollars (\$15,000) established in G.S. 53-176(a)."

19 **SECTION 36.2.(b)** This section is effective when it becomes law.

## 21 **PART XXXVII. GENERAL GOVERNMENT – MISCELLANEOUS**

### 23 **INCREASE HOUR REQUIREMENT FOR MASSAGE THERAPY LICENSURE**

24 **SECTION 37.1.(a)** G.S. 90-629 reads as rewritten:

25 "**§ 90-629. Requirements for licensure to practice.**

26 Upon application to the Board and the payment of the required fees, an applicant may be  
27 licensed as a massage and bodywork therapist if the applicant meets all of the following  
28 qualifications:

- 29 (1) Has obtained a high school diploma or equivalent.
- 30 (2) Is 18 years of age or older.
- 31 (3) Is of good moral character as determined by the Board.
- 32 (4) Has successfully completed a training program consisting of a minimum of  
33 ~~500~~ 650 in-class hours of supervised instruction at a Board-approved school.
- 34 (5) Has passed a competency assessment examination that meets generally  
35 accepted psychometric principles and standards and is approved by the Board.
- 36 (6) Has submitted fingerprint cards in a form acceptable to the Board at the time  
37 the license application is filed and consented to a criminal history record check  
38 by the State Bureau of Investigation.
- 39 (7) Demonstrates satisfactory proof of proficiency in the English language."

40 **SECTION 37.1.(b)** This section becomes effective July 1, 2024, and applies to  
41 licenses issued on or after that date.

## 43 **PART XXXVIII. INFORMATION TECHNOLOGY**

### 45 **STATE AGENCY INCIDENT RESPONSE/ENHANCE DIT RISK MANAGEMENT**

46 **SECTION 38.1.(a)** Of the funds appropriated in this act to the Department of  
47 Information Technology (DIT), Information Technology Fund, the sum of twenty million dollars  
48 (\$20,000,000) for the 2024-2025 fiscal year shall be used to enhance DIT's capabilities with  
49 respect to each of the following areas:

- 1 (1) State agency adherence to plans and policies related to cybersecurity incident,  
2 security alert, advisory response, and security awareness and agency  
3 cybersecurity training protocols.
- 4 (2) Monitoring and ensuring State agency adherence to risk assessment policy for  
5 identification and remediation of critical security vulnerabilities, including,  
6 but not limited to, significant cybersecurity incidents.
- 7 (3) Review of State agency incident response plans to ensure security standards  
8 are met with respect to cybersecurity incidents.

9 **SECTION 38.1.(a1)** The funds allocated in subsection (a) of this section shall be  
10 used to fund these projects and purposes:

- 11 (1) Office of the State Controller. – Cloud based security position.
- 12 (2) Department of Insurance. – Departmentwide cybersecurity.
- 13 (3) Office of State Human Resources. – Time-limited position for information  
14 technology security.
- 15 (4) Office of the Secretary of State. – Cybersecurity and infrastructure  
16 enhancement administration.
- 17 (5) Department of Public Instruction. – K-12 cybersecurity service endpoint.
- 18 (6) Department of Public Instruction. – Cybersecurity regional support.
- 19 (7) Department of Public Instruction. – Cyber capacity expansion project.
- 20 (8) State Bureau of Investigation. – Cybersecurity upgrades.

21 **SECTION 38.1.(b)** Beginning with the 2025-2027 fiscal biennium, the costs of  
22 DIT's enhanced role in enterprise-wide cybersecurity shall be established as part of the Internal  
23 Service Fund rates charged to agencies pursuant to G.S. 143B-1333.

24 **SECTION 38.1.(c)** G.S. 143B-1378 reads as rewritten:

25 "**§ 143B-1378. Assessment of agency compliance with cybersecurity ~~standards, plans and~~**  
26 **standards; reporting requirements.**

27 (a) At a minimum, the State CIO shall annually assess the ability of each State agency,  
28 and each agency's contracted vendors, to comply with the current cybersecurity enterprise-wide  
29 set of standards established pursuant to this section. The assessment shall include, at a minimum,  
30 the rate of compliance with the enterprise-wide security standards and an assessment of security  
31 organization, security practices, security information standards, network security architecture,  
32 and current expenditures of State funds for information technology security. The assessment of  
33 a State agency shall also estimate the initial cost to implement the security measures needed for  
34 agencies to fully comply with the standards as well as the costs over the lifecycle of the State  
35 agency information system. Each State agency shall submit information required by the State  
36 CIO for purposes of this assessment. The State CIO shall include the information obtained from  
37 the assessment in the State Information Technology Plan. The State CIO shall consider an  
38 agency's noncompliance with cybersecurity plans and standards when reviewing agency requests  
39 under Part 3 (Information Technology Projects and Management) and Part 4 (Information  
40 Technology Procurement) of this Article.

41 (b) Beginning March 1, 2025, and then annually thereafter, the State CIO shall report  
42 each agency that is not complying with agency or statewide cybersecurity plans or standards to  
43 the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research  
44 Division."

45 **SECTION 38.1.(d)** The following definitions apply in this section:

- 46 (1) Cybersecurity incident. – As defined by G.S. 143B-1320(4a).
- 47 (2) Significant cybersecurity incident. – As defined by G.S. 143B-1320(16a).
- 48 (3) State agency or agency. – As defined by G.S. 143B-1320(17).

## 50 GDAC/ESTABLISH SCHOLARPATH PLATFORM

51 **SECTION 38.2.(a)** Section 7.48 of S.L. 2023-134 is repealed.

1           **SECTION 38.2.(b)** G.S. 143B-1385(b)(3) reads as rewritten:

2           "(3) Powers and duties. – The State CIO shall, through the GDAC, do all of the  
3           following:

4           ...

5           o. Implement the online platform creating a twelfth-grade transition  
6           program for all high school students. The program shall include an  
7           education planning and communication platform that helps students  
8           and parents prepare for transition to twelfth grade."

9           **SECTION 38.2.(c)** Of the funds appropriated in this act to the Department of  
10 Information Technology (DIT), the Government Data Analytics Center (GDAC) shall use up to  
11 five million dollars (\$5,000,000) in nonrecurring funds for the 2024-2025 fiscal year to contract  
12 with MyScholar, LLC, to implement the ScholarPath platform to create the Twelfth Grade  
13 Transition Program for all high school students. The GDAC shall implement and manage the  
14 Program, which shall consist of the following:

- 15           (1) An education planning and communication platform that helps students and  
16           parents prepare for transition to twelfth grade, regardless of public school unit  
17           participation.
- 18           (2) Utilize O\*NET data and additional student surveys to connect and match  
19           students to pathways that meet the interests of the students, current workforce  
20           initiatives, and opportunities in high demand careers.
- 21           (3) Give students the ability to be connected to colleges, the workforce, and the  
22           military, while protecting student data through deindividualized and  
23           encrypted methods.
- 24           (4) Include a platform accessible by single sign-on through any North Carolina  
25           school provided email.

26           The data collected shall be able to be housed in the State and shall be used to help  
27 identify the workforce needs in the State. MyScholar, LLC, shall provide requested information  
28 to the Economic Development Partnership of North Carolina, the Department of Labor, and the  
29 Department of Public Instruction.

30           **SECTION 38.2.(d)** Notwithstanding the Committee Report described in Section  
31 43.2 of S.L. 2023-134 or any other provision of law to the contrary, funds appropriated to the  
32 Department of Public Instruction in the amount of two million five hundred thousand dollars  
33 (\$2,500,000) in nonrecurring funds for the 2023-2024 fiscal year shall instead be appropriated to  
34 the Government Data Analytics Center (Budget Fund 104414) for the purposes described in  
35 subsections (b) and (c) of this section. The funds appropriated for the purposes described in this  
36 section shall be considered an information technology project within the meaning of  
37 G.S. 143C-1-2.

38           **SECTION 38.2.(e)** Subsection (d) of this section becomes effective June 30, 2024.  
39 The remainder of this section becomes effective July 1, 2024.

#### 40 **MIDDLE MILE BROADBAND REDUNDANCY**

41           **SECTION 38.3.(a)** The Department of Information Technology shall use up to  
42 twenty million dollars (\$20,000,000) in unencumbered funds from the Growing Rural Economies  
43 with Access to Technology Fund established in G.S. 143B-1373(b) for the purpose of funding  
44 any submitted middle mile grant applications under the federal National Telecommunications  
45 and Information Administration (NTIA) Middle Mile Grant Program impacting tier 1 and tier 2  
46 counties that are unfunded by the Department. The funding shall be used for any middle mile  
47 projects that close a fiber loop to create redundancies for areas consisting of barrier islands or  
48 any area where an outage results in downstream outages. Special consideration shall be given to  
49 those projects with a significant impact on public safety and the maintenance of emergency  
50 communication during natural disasters and public emergency events. A grant recipient under  
51

1 this section shall provide matching funds of up to one million dollars (\$1,000,000). State funding  
 2 for any single grant under this section shall not exceed twenty million dollars (\$20,000,000).

3 **SECTION 38.3.(b)** This section expires on June 30, 2025.  
 4

5 **COMPLETING ACCESS TO BROADBAND PROGRAM CHANGES**

6 **SECTION 38.4.(a)** Notwithstanding the county project cost responsibility in  
 7 G.S. 143B-1373.1(d) and (e), of the funds appropriated to the Department of Information  
 8 Technology (Department) from the State Fiscal Recovery Fund and the Coronavirus Capital  
 9 Projects Fund for projects under the Completing Access to Broadband grant program (Program)  
 10 in G.S. 143B-1373.1, the Department shall utilize up to one hundred ninety million dollars  
 11 (\$190,000,000) to provide the county project cost responsibility required in G.S. 143B-1373.1(e)  
 12 and the State project cost responsibility for the 37 counties that have committed to the  
 13 Department to participate in the Program and provide the county match as of May 1, 2024. A  
 14 county may decline to accept any portion of the county project cost responsibility funding from  
 15 the Department described in this subsection by notifying the Department within 30 days of the  
 16 effective date of this section.

17 **SECTION 38.4.(b)** G.S. 143B-1373.1 reads as rewritten:

18 "**§ 143B-1373.1. Completing Access to Broadband program.**

19 ...

20 (d) A broadband service provider selected for a project under this section ~~may shall~~  
 21 provide ~~up to~~ thirty percent (30%) of the total estimated project cost. ~~The Office may commit up~~  
 22 ~~to thirty five percent (35%) of the total estimated project cost from monies in the CAB Fund.~~  
 23 ~~The county requesting the project shall be responsible for at least thirty five percent (35%) of the~~  
 24 ~~total estimated project cost and shall utilize federal American Reseue Plan Act (P.L. 117-2) funds~~  
 25 ~~or nonrestricted general funds for that purpose.~~ In the event CAB Fund monies are insufficient  
 26 to fund a project, ~~a county may increase its share of the total estimated project cost, or the Office~~  
 27 may adjust the scope of the project to meet the level of available funding. No county may receive  
 28 more than eight million dollars (\$8,000,000) in aggregate funding from the CAB Fund in any  
 29 single fiscal year.

30 (e) ~~Notwithstanding the project cost responsibility allocations in subsection (d) of this~~  
 31 ~~section, for a county receiving from the federal government less than an aggregate of eight~~  
 32 ~~million dollars (\$8,000,000) in federal American Rescue Plan Act (P.L. 117-2) funds, a~~  
 33 ~~broadband service provider selected for a project shall provide not less than fifteen percent (15%)~~  
 34 ~~of the total estimated project cost. If a broadband service provider provides more than fifteen~~  
 35 ~~percent (15%) of the total estimated project cost, the State and county cost responsibilities shall~~  
 36 ~~be equally apportioned. The following cost responsibility allocations for counties meeting the~~  
 37 ~~requirements of this subsection and the State apply:~~

<del>Direct Federal Funds Received</del>	<del>County Responsibility</del>	<del>State Responsibility</del>
<del>\$250,000, up to \$4,000,000</del>	<del>5%, minimum</del>	<del>Up to 80%</del>
<del>\$4,000,000, up to \$8,000,000</del>	<del>10%, minimum</del>	<del>Up to 75%</del>

41 (f) A broadband service provider selected for a project under this section shall enter into  
 42 an agreement with the Office that shall include the project description, time lines, benchmarks,  
 43 proposed broadband speeds, and any other information and documentation the Office deems  
 44 necessary. All proposed broadband speeds must meet or exceed the federal guidelines for use of  
 45 American Rescue Plan Act (P.L. 117-2) funds. ~~Upon execution of an agreement, the county shall~~  
 46 ~~provide its portion of the total estimated project costs to the Office to be combined with CAB~~  
 47 ~~Funds awarded for the project and placed in a separate project account.~~ The Office shall provide  
 48 project oversight, and, upon completion of established benchmarks in the project agreement, the  
 49 Office shall disburse funds ~~from the project account~~ to the broadband service provider. The  
 50 forfeiture provisions in G.S. 143B-1373(l) shall apply to agreements entered into under this  
 51 section."

1           **SECTION 38.4.(c)** Subsection (b) of this section becomes effective July 1, 2024,  
2 and applies to grant funding requests submitted on or after that date. The remainder of this section  
3 becomes effective July 1, 2024.  
4

5           **CONSTITUENT ENGAGEMENT ENHANCEMENT/DEPARTMENT OF SECRETARY**  
6           **OF STATE**

7           **SECTION 38.5.** With the funds appropriated in this act to the Department of  
8 Information Technology for constituent engagement enhancement, the Department shall submit  
9 a request for proposals for constituent engagement software to be implemented with the  
10 Department of Secretary of State. The constituent engagement software shall be designed to  
11 ensure that critical agency online services are optimized and automated and be used to increase  
12 efficiency by automating and improving agency constituent processes.  
13

14           **ENTERPRISE-WIDE CYBERSECURITY PLAN**

15           **SECTION 38.6.(a)** Findings. – The General Assembly finds that it is in the best  
16 interests of the State for the Department of Information Technology (DIT) to lead the State's  
17 cybersecurity efforts comprehensively rather than having State agencies handle cybersecurity  
18 individually in a fragmentary way.

19           **SECTION 38.6.(b)** State Cybersecurity Plan. – During the 2024-2025 fiscal year:

- 20           (1) The DIT shall begin planning for implementation of an enterprise-wide  
21 cybersecurity program for State government to protect the State's digital assets  
22 and mitigate risks and damage, across State agencies, from cyberattacks such  
23 as data breaches, ransomware attacks, social engineering, and software  
24 vulnerabilities. The DIT may issue requests for information and proposals.
- 25           (2) The initial planning phase may consist of risk assessment, investment  
26 calculation, protection recommendations, and cost-efficiency analysis, or  
27 other considerations, as appropriate, across State agencies, relative to the  
28 following cybersecurity policies:
- 29           a. Access control.
  - 30           b. Cloud.
  - 31           c. Data protection.
  - 32           d. Data retention.
  - 33           e. Email.
  - 34           f. Information.
  - 35           g. Network.
  - 36           h. Physical.
  - 37           i. Privacy.
  - 38           j. Website.

39           **SECTION 38.6.(c)** Report. – By March 1, 2025, the DIT shall report to the Joint  
40 Legislative Oversight Committee on Information Technology and the Fiscal Research Division  
41 on (i) its assessment of the efficacy of various technologies, tactics, and processes used by State  
42 agencies to protect State digital assets against unauthorized use, abuse, or infiltration by threat  
43 actors, (ii) its requirements for running enterprise-wide cybersecurity and how program costs can  
44 be built into the rate structure, and (iii) any requests for information or proposals issued for  
45 implementation of the State's enterprise-wide cybersecurity plan.  
46

47           **DMV DATA ASSESSMENT**

48           **SECTION 38.7.** With the funds appropriated in this act for DMV Data Assessment,  
49 the Friday Institute for Educational Innovation at North Carolina State University (Friday  
50 Institute), in collaboration with the Department of Information Technology, shall study the  
51 feasibility of modernizing the customer service experience at Division of Motor Vehicles (DMV)



1 locations by expanding the availability and use of customer self-service kiosks at DMV locations.

2 The study shall consider the following:

- 3 (1) Hardware and software needs, including printers, scanning technology, and  
4 broadband access.
- 5 (2) Potential impact on staffing, including staff time, staff duties and  
6 responsibilities, and staffing needs.
- 7 (3) Potential cost-savings.
- 8 (4) Potential reductions in wait times for DMV customers.
- 9 (5) Assessment of available technology and an analysis of procurement options  
10 and partnerships with third-party vendors.
- 11 (6) Assessment of best practices from other states that have implemented similar  
12 systems.
- 13 (7) Recommendations on funding needs and potential legislation from the  
14 General Assembly.

15 The Friday Institute shall submit a report containing the findings of the study  
16 described in this section on or before March 1, 2025, to the Joint Legislative Oversight  
17 Committee on Information Technology and the Fiscal Research Division.

### 18 **DIGITAL IDENTITY VERIFICATION STUDY**

19 **SECTION 38.8.** The Department of Information Technology shall study the benefits  
20 of utilizing a common platform for digital identity verification to securely access State services  
21 and sensitive information in a way that improves the citizen experience and reduces the risk of  
22 fraud. In doing so, the Department shall consider utilizing a credential service provider that  
23 minimizes the frequency of identity verification events while enabling use of a portable and  
24 reusable credential across State government agencies. The Department shall report its findings  
25 to the Joint Oversight Committee on Information Technology and the Fiscal Research Division  
26 by February 1, 2025.

### 27 **RURAL CENTER BROADBAND MAP ASSISTANCE**

28 **SECTION 38.9.** Notwithstanding G.S. 143B-1373, from the funds received by the  
29 Department of Information Technology for the Growing Rural Economies with Access to  
30 Technology grant program, the Department of Information Technology shall, no later than  
31 August 1, 2024, provide the sum of one million dollars (\$1,000,000) in the form of a grant to the  
32 NC Rural Center (Rural Center) to support the Rural Center as it continues its efforts to assist  
33 development tier one and tier two areas, in advance of the upcoming challenge process for the  
34 federal Broadband Equity, Access, and Deployment (B.E.A.D.) grant program, with the  
35 following:

- 36 (1) Surveying and identifying unserved, underserved, and underrepresented  
37 communities and other areas not accurately reflected on current broadband  
38 maps.
- 39 (2) Assisting the Department of Information Technology in mapping assets to  
40 catalogue broadband adoption, affordability, equity, access, and deployment  
41 activities.
- 42 (3) Assisting the Department of Information Technology in meeting federal local  
43 coordination requirements.
- 44 (4) Assisting local governments in the preparation and submission of challenges  
45 to the broadband maps as a part of the upcoming challenge process for the  
46 federal B.E.A.D. grant program.

### 47 **BEAD GRANT PROGRAM**

- 1           **SECTION 38.10.(a)** Definitions. – As used in this section, the following definitions  
2 apply:
- 3           (1)     BEAD. – Broadband Equity, Access, and Deployment.
- 4           (1a)    Broadband service. – For the purposes of this section, a terrestrially deployed  
5 mass-market retail service by wire or radio that provides the capability to  
6 transmit data to and receive data from all or substantially all internet  
7 endpoints, including any capabilities that are incidental to and enable the  
8 operation of the communications service, but excluding dial-up internet access  
9 service.
- 10          (2)     Broadband serviceable location (BSL). – A location where broadband service  
11 is or could be installed, as identified by the Federal Communications  
12 Commission for purposes of its Broadband DATA Maps.
- 13          (3)     Community anchor institution (CAI). – A school, library, health clinic, health  
14 center, hospital or other medical provider, public safety entity, institution of  
15 higher education, public housing organization, or community support  
16 organization that facilitates greater use of broadband service by vulnerable  
17 populations, including, but not limited to, low-income individuals,  
18 unemployed individuals, and aged individuals.
- 19          (4)     Department. – The Department of Information Technology.
- 20          (5)     Eligible location. – An unserved or underserved BSL not located in a protected  
21 area or a CAI where qualifying broadband service is not available.
- 22          (6)     Eligible project. – A discrete and specific project intended to construct and  
23 deploy qualifying broadband service to an eligible location or to a  
24 combination of eligible locations. A "project" may constitute a single  
25 unserved or underserved BSL, or a grouping of BSLs in which not less than  
26 eighty percent (80%) of BSLs served by the project are unserved or  
27 underserved locations, provided that the Office may not award funding under  
28 this section to construct and deploy infrastructure for the provision of  
29 qualifying broadband service to any served BSL.
- 30          (7)     Extremely high cost per location threshold. – A BEAD subsidy cost per  
31 location above which the Office may decline to select a proposal if use of an  
32 alternative technology meeting the BEAD program's technical requirements  
33 is necessitated by the fact that selection of an eligible project proposing to  
34 provision service via end-to-end fiber-optic facilities to each end-user  
35 premises would be cost prohibitive. The Office will develop a methodology  
36 for calculating this threshold in a manner that maximizes use of the best  
37 available technology while ensuring that the program can, at a minimum, meet  
38 the prioritization requirements. The Office will post the methodology for  
39 public comment before implementation. The Office shall not, unless it is  
40 determined that it does not have sufficient funding to select each  
41 highest-scoring application in the initial round described in this section, utilize  
42 the extremely high cost per location threshold in the initial round.
- 43          (7a)    FCC. – The Federal Communications Commission.
- 44          (8)     High-cost outlier. – Any unserved or underserved location that an applicant  
45 identifies as a risk to disproportionately affect the cost of an applicant's project  
46 budget.
- 47          (9)     IIJA. – Infrastructure Investment and Jobs Act (P.L. 117-58).
- 48          (9a)    Infrastructure. – Facilities, equipment, materials, and structures that an entity  
49 installs either for its core business or public enterprise purposes. Examples  
50 include, but are not limited to, copper wire, coaxial cable, optical cable, loose  
51 tube cable, communication huts, conduits, vaults, patch panels, mounting

- 1 hardware, poles, generators, battery and cabinet, network nodes, network  
2 routers, network switches, microwave relay, microwave receivers, site  
3 routers, outdoor cabinets, towers, easements, rights-of-way, and buildings or  
4 structures owned by the entity that are made available for location or  
5 collocation purposes.
- 6 (10) Infrastructure costs. – Costs related to the construction of broadband  
7 infrastructure for the extension of broadband service for an eligible project,  
8 including installation, acquiring or updating easements, backhaul  
9 infrastructure, and testing costs. The term also includes engineering and any  
10 other costs associated with securing a lease to locate or collocate infrastructure  
11 on public or private property or structures, but not including the actual  
12 monthly lease payment. The term does not include overhead or administrative  
13 costs.
- 14 (11) Low-cost broadband service option. – A broadband service offered to  
15 low-income households that meets the eligibility requirements for the federal  
16 Affordable Connectivity Program, or similar replacement program, in the  
17 project area for at least the length of time defined by federal requirements. A  
18 low-cost broadband service option must be made available and include the  
19 following elements:
- 20 a. Provide typical download speeds of at least 100 Mbps and typical  
21 upload speeds of at least 20 Mbps.
- 22 b. Provide typical latency measurements of no more than 100  
23 milliseconds.
- 24 c. Not be subject to nongovernmental imposed surcharges and be subject  
25 only to the same acceptable use policies to which subscribers to all  
26 other broadband internet access service plans offered to home  
27 subscribers by the participating subgrantee must adhere.
- 28 d. Shall be offered at a price that does not exceed the highest price listed  
29 in the FCC's 2024 Urban Rate Survey data for Fixed Broadband  
30 Service for a service offering in North Carolina that provides a  
31 download speed of 100 Mbps, upload speed of 20 Mbps, and an  
32 unlimited capacity allowance. The price may be adjusted by the  
33 subgrantee based on the Consumer Price Index, as defined by the  
34 United States Bureau of Labor Statistics, beginning with an adjustment  
35 in the first new calendar year after the date of enactment of this section.
- 36 e. In the event the provider later increases the speeds of one of its  
37 low-cost plans, it will permit eligible subscribers that are subscribed  
38 to that plan to upgrade to those new speeds at no more than a  
39 commensurate change in cost.
- 40 (12) Multi-dwelling units (MDUs). – Multiple separate residential units within a  
41 single or several buildings.
- 42 (13) NTIA. – The National Telecommunications and Information Administration  
43 of the United States Department of Commerce.
- 44 (14) Office. – The Broadband Infrastructure Office in the Department of  
45 Information Technology.
- 46 (15) Protected areas. – BSLs subject to an enforceable commitment as defined in  
47 the NTIA Notice of Funding Opportunity or where a broadband service  
48 provider has been designated to receive funds through other State- or federally  
49 funded programs designed specifically for the deployment of qualifying  
50 broadband service if such funding is intended to result in construction of  
51 broadband to the location within 18 months or for the duration of the federal

1 funding program, or if the broadband service provider is otherwise in good  
2 standing with the funding agency's regulations governing the funding  
3 program. Any CAI where a private provider submits documentation  
4 satisfactory to the Department that such provider currently offers broadband  
5 service that will be scalable to a qualifying broadband service after the  
6 conclusion of the challenge process shall be also considered protected. Upon  
7 submission of documentation satisfactory to the Office, a protected area shall  
8 remain protected until project completion.

9 (16) Qualifying broadband service. – A reliable broadband service meeting the  
10 following criteria:

11 a. To a location that is not a CAI with a speed of not less than 100 Mbps  
12 for downloads and not less than 20 Mbps for uploads.

13 b. To a CAI with a speed of not less than 1 Gbps for downloads and  
14 uploads.

15 (17) Reliable broadband service. – Terrestrial-based broadband service (i) with  
16 ninety-five percent (95%) of latency measurements during testing windows  
17 falling at or below 100 milliseconds round-trip time and (ii) which is designed  
18 to ensure that network outages should not exceed, on average, 48 hours over  
19 any 365-day period except in the case of natural disasters or other force  
20 majeure occurrences. Locations served exclusively by satellite, terrestrial  
21 fixed wireless services utilizing entirely licensed spectrum, using a hybrid of  
22 licensed and unlicensed spectrum, or a technology not specified by the FCC  
23 for purposes of its Broadband DATA Maps, do not meet the definition of  
24 "reliable broadband service" and will be considered "unserved" for the  
25 purposes of determining eligible locations.

26 (18) Secretary. – The Secretary of Information Technology.

27 (19) Subgrantee. – An eligible recipient who receives BEAD funds for an eligible  
28 project.

29 (20) Underserved. – A BSL that has access to reliable broadband service equal to  
30 or greater than 25 Mbps download and 3 Mbps upload but less than 100 Mbps  
31 download and 20 Mbps upload. Unless otherwise determined by the  
32 Department based on competent findings of fact, locations that the FCC's  
33 Broadband DATA Maps show to have available qualifying broadband service  
34 delivered via (i) DSL or (ii) terrestrial fixed wireless services utilizing entirely  
35 licensed spectrum, or using a hybrid of licensed and unlicensed spectrum,  
36 shall be considered "underserved" for the purpose of determining eligible  
37 locations.

38 (21) Unserved. – A BSL that does not have access to reliable broadband service  
39 with transmission speeds of at least 25 Mbps download and at least 3 Mbps  
40 upload.

41 **SECTION 38.10.(b)** Consistency With Federal Law. – Except as defined in this  
42 section, terms in this section shall have the meaning prescribed to them in the IJA and in the  
43 Notice of Funding Opportunity for the BEAD Program (BEAD NOFO) published by NTIA on  
44 May 13, 2022, including any subsequent guidance issued by NTIA with respect to the program  
45 after the issuance of the BEAD NOFO. In the event of any actual conflict between this section  
46 and legal requirements contained in the IJA, the provisions of the IJA shall take precedence.  
47 Should any instances of actual conflict arise, the Department shall report to the Joint Legislative  
48 Oversight Committee on Information Technology and the Fiscal Research Division any actions  
49 taken to conform with federal law.

50 **SECTION 38.10.(c)** Consistency With State Policy. – Consistent with the policy of  
51 the State, the Office shall not prescribe the rates of service which applicants may deliver, nor

1 shall the Office indirectly regulate the rates of service which applicants may deliver by affording  
2 any preference or differentiated scoring weight based on the specific rate of service which an  
3 applicant may deliver. The Office shall not make mandatory any optional conditions contained  
4 in Section IV.C.1.e. of the BEAD NOFO.

5 **SECTION 38.10.(d)** GREAT 3.0 Fund. – The Growing Rural Economies with  
6 Access to Technology for Broadband Equity, Access, and Deployment Fund (GREAT 3.0 Fund)  
7 is established as a special revenue fund in the Department of Information Technology. Except as  
8 otherwise provided in this section, federal funds received by the State under the IJA for the  
9 BEAD Program are hereby appropriated to the GREAT 3.0 Fund for the purposes described in  
10 this section. The Secretary may award subgrants from the GREAT 3.0 Fund to eligible recipients  
11 for eligible projects. The State shall not be obligated for funds committed for project costs from  
12 the GREAT 3.0 Fund in excess of those sums appropriated by the General Assembly to the  
13 GREAT 3.0 Fund. The funds shall be used by the eligible recipient to pay for infrastructure costs  
14 associated with an eligible project. State and federal funds appropriated to this Fund shall be  
15 considered an information technology project within the meaning of G.S. 143C-1-2. The grants  
16 shall be considered fixed amount subawards for purposes of the federal requirements within the  
17 meaning of the Policy Notice on Tailoring the Application of the Uniform Guidance to the BEAD  
18 Program issued by the NTIA. The Office shall further make available to awardees all options  
19 available under the BEAD Letter of Credit Waiver issued by NTIA.

20 **SECTION 38.10.(e)** Priority. – The Office shall prioritize projects proposed to  
21 address the following in order:

- 22 (1) Unserved BSLs.
- 23 (2) Underserved BSLs.
- 24 (3) Community anchor institutions.

25 **SECTION 38.10.(f)** Project Proposals; Use of Funds. – The Office may seek  
26 proposals to serve unserved BSLs, underserved BSLs, and community anchor institutions  
27 collectively or separately, provided that it prioritizes awarding projects that address, at minimum,  
28 all unserved BSLs. Once the Office reports that projects will address all unserved BSLs, it shall  
29 prioritize projects that address, at minimum, all underserved BSLs. If the Department has entered  
30 into subgrant agreements for deployment of service to all unserved and underserved locations in  
31 the State, it may use any remaining funds in the GREAT 3.0 Fund for digital literacy and  
32 awareness or other purposes consistent with nondeployment activities described in the BEAD  
33 NOFO.

34 **SECTION 38.10.(g)** Challenge Process. – The Office shall develop and implement  
35 a formal challenge process that conforms with the published regulations and guidelines of the  
36 BEAD program, including the requirement that challenges based upon speed tests must be  
37 conducted and submitted in conformance with the specifications of the NTIA's speed test  
38 guidance and may not be submitted by an individual subscriber. In developing the challenge  
39 process, the Office shall solicit input from stakeholders and consider the adaptability of the  
40 challenge process to fit existing State broadband grant programs and all applicable federal  
41 requirements. The challenge process shall be open to submissions from internet providers, county  
42 and municipal government entities, and community anchor institutions and shall establish  
43 procedures that allow a period of at least 30 calendar days of the opening of the challenge window  
44 to submit challenges, and a period of at least 30 calendar days from notification of any challenge  
45 to the classification of a location determined to be valid by the Office during the challenge phase  
46 for the submission of rebuttal evidence. Prior to selecting subgrantees, the Office shall publish a  
47 statewide map indicating eligible locations that may be included in an eligible project.

48 **SECTION 38.10.(h)** Prequalification. – The Office shall develop a prequalification  
49 process to identify potential subgrantees with the financial, managerial, operational, and  
50 technical capacity to complete an eligible project. The Office shall prequalify broadband service  
51 providers based on the minimum eligibility criteria in the GREAT 3.0 program. Information

1 submitted by a broadband service provider as part of the prequalification process may be  
2 considered during the subgrantee selection process. Information contained in an application that  
3 is identified as proprietary by an applicant for a subgrant pursuant to the prequalification process  
4 shall not be considered a public record.

5 **SECTION 38.10.(i) Applications.** – The Office shall develop a subgrantee selection  
6 process that shall be administered in multiple rounds. Applications for subgrants will be  
7 submitted at times designated by the Office and will include, at a minimum, the following  
8 information:

- 9 (1) The identity of the applicant and its qualifications and experience with  
10 broadband deployment and administration of federal subgrants.
- 11 (2) The total cost and duration of the proposed project.
- 12 (3) The amount to be funded by the applicant. The applicant shall fund a  
13 minimum of twenty-five percent (25%) of the cost of the project unless the  
14 project is in an NTIA-defined high-cost area or a waiver is granted pursuant  
15 to the BEAD Program guidelines as set forth by NTIA.
- 16 (4) A list of the eligible locations that will have access to qualifying broadband  
17 service as a result of the project.
- 18 (5) The proposed construction time line, not to exceed four years, unless the  
19 Department extends the four-year deadline if (i) the subgrantee has a specific  
20 plan for use of the grant funds, with project completion expected by a specific  
21 date not more than one year after the four-year deadline, (ii) the construction  
22 project is underway, or (iii) extenuating circumstances require an extension of  
23 time to allow the project to be completed.
- 24 (6) A description of the services to be provided, including the proposed upload  
25 and download broadband speeds to be delivered.
- 26 (7) A description of proposed cost tiers available to customers upon completion  
27 of the proposed project.
- 28 (8) A description of the applicant's proposed low-cost broadband service option  
29 applicable to eligible subscribers in BEAD-funded areas. The Office may not  
30 impose additional requirements on qualifying low-cost service options as a  
31 condition of grant eligibility.
- 32 (9) Technology type of the proposed service.
- 33 (10) Any other information or supplementary documentation requested by the  
34 Office. The Office shall ensure that subgrant applications contain sufficient  
35 information to allow the Office to reasonably evaluate subgrantees' ability to  
36 comply with all program requirements, including all subgrantee qualifications  
37 and conditions required under federal law.

38 **SECTION 38.10.(j) Competitive Subgrantee Selection Process.** – The Office shall  
39 implement a competitive subgrantee selection process that conforms with published regulations  
40 and guidelines under the BEAD Program under the IIJA. Applications receiving the highest score  
41 shall receive priority status for the awarding of subgrants pursuant to this section. As a means of  
42 breaking a tie for applications receiving the same score, the Office shall give priority to the  
43 application proposing to serve the highest number of new unserved and underserved locations.  
44 Applications shall be scored on an objective 100-point scale that is published prior to the  
45 submission of applications for subgrants. The Office shall determine whether or not a subgrantee  
46 has the capacity to perform multiple projects and shall not be required to award multiple projects  
47 to a prequalified subgrantee that has failed to demonstrate its ability to perform.

48 **SECTION 38.10.(k) Subgrant Award Agreements.** – Applicants awarded subgrants  
49 pursuant to this section shall enter into an agreement with the Office. Selections are contingent  
50 until an agreement is executed. The agreement shall contain all of the elements outlined in  
51 subsection (i) of this section and any other provisions the Office may require; provided, however,

1 the Department may not impose requirements or contract conditions requiring that broadband  
2 service be offered at a specific price or that otherwise constitutes rate regulation. The agreement  
3 shall contain a provision governing the time line, milestones, and minimum requirements and  
4 thresholds for disbursement of grant funds measured by the progress of the project or disbursed  
5 on any other basis that may be necessary to effectuate every option made available in the BEAD  
6 Letter of Credit Waiver issued by NTIA on November 1, 2023. If applicable, the agreement shall  
7 identify the amount of matching funds the subgrantee must contribute to the project. The Office  
8 shall monitor the project to ensure (i) that the subgrantee is making adequate progress towards  
9 project completion by the required deadline, (ii) compliance with all relevant and applicable  
10 federal, State, and local laws, rules, and regulations, and (iii) compliance with all NTIA  
11 guidelines for the BEAD Program and any guidelines developed by the Office.

12 **SECTION 38.10.(l)** Letter of Credit. – The Office shall require a letter of credit or  
13 an alternative form of satisfactory performance security, such as a performance bond, from the  
14 subgrantee to secure the subgrantee's performance of its obligations under the grant contract  
15 consistent with the federal requirements. The Office shall give full effect to the NTIA BEAD  
16 Letter of Credit Waiver as a means of enabling a subgrantee to satisfy the requirements of this  
17 subsection. Subject to further waiver from NTIA to the extent the same may be required, the  
18 Office shall permit an alternative means of satisfying the requirement of this subsection for a  
19 subgrantee that demonstrates that it has more than one hundred million dollars (\$100,000,000)  
20 in telecommunications or electric plant in production in the State.

21 **SECTION 38.10.(m)** Annual Report. – The Department of Information Technology  
22 shall submit an annual report to the Joint Legislative Oversight Committee on Information  
23 Technology and the Fiscal Research Division upon completion of each funding round. The report  
24 shall contain at least all of the following:

- 25 (1) The number of subgrant projects applied for and the number of grant  
26 agreements entered into.
- 27 (2) A time line for each subgrant agreement and the number of households and  
28 businesses expected to benefit from each agreement.
- 29 (3) The amount of matching funds required for each agreement and the total  
30 amount of investment.
- 31 (4) A summary of areas receiving subgrants that are now being provided  
32 broadband service and the advertised broadband speeds for those areas.
- 33 (5) Any breaches of agreements, grant fund forfeitures, or subsequent reductions  
34 or refunds of matching funds.
- 35 (6) Any recommendations for the GREAT 3.0 program, including better sources  
36 and methods for improving outcomes and accountability.

37 **SECTION 38.10.(n)** Progress Report. – Upon completion of two rounds of  
38 subgrantee selection, the Department shall report to the Joint Legislative Oversight Committee  
39 on Information Technology and the Fiscal Research Division the following:

- 40 (1) The number of remaining unserved and underserved locations in the State.
- 41 (2) The amount of remaining funding for the GREAT 3.0 program.
- 42 (3) The estimated amount of subgrant funding needed to award projects serving  
43 all remaining unserved and underserved locations in the State.
- 44 (4) The amount of funding available for nondeployment activities.

45 **SECTION 38.10.(o)** Retention of Funds. – In administering the IJA for the BEAD  
46 Program, the Department may utilize up to two percent (2%) of allocated BEAD grant funds for  
47 planning and administrative purposes.

## 49 **PART XXXIX. SALARIES AND BENEFITS**

**ELIGIBLE STATE-FUNDED EMPLOYEES AWARDED LEGISLATIVE SALARY INCREASE/FOUR PERCENT (4%), EFFECTIVE JULY 1, 2024**

**SECTION 39.1.** Effective July 1, 2024, Section 39.1(a1) of S.L. 2023-134 reads as rewritten:

"**SECTION 39.1.(a1)** Effective July 1, 2024, except as provided by subsection (b) of this section, a person (i) whose salary is set by this Part, pursuant to the North Carolina Human Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded position on June 30, 2024, is awarded:

- (1) A legislative salary increase in the amount of ~~three percent (3%)~~ four percent (4%) of annual salary in the 2024-2025 fiscal year.
- (2) Any salary adjustment otherwise allowed or provided by law."

**GOVERNOR AND COUNCIL OF STATE**

**SECTION 39.2.(a)** Effective July 1, 2024, G.S. 147-11(a) reads as rewritten:

"(a) The salary of the Governor shall be ~~two hundred three thousand seventy-three dollars (\$203,073)~~ two hundred five thousand fifty-four dollars (\$205,054) annually, payable monthly."

**SECTION 39.2.(b)** Section 39.4(b1) of S.L. 2023-134 reads as rewritten:

"**SECTION 39.4.(b1)** Effective July 1, 2024, the annual salaries for members of the Council of State, payable monthly, are set as follows:

<b>Council of State</b>	<b>Annual Salary</b>
Lieutenant Governor	<del>\$168,384</del> <u>\$169,958</u>
Attorney General	<del>168,384</del> <u>169,958</u>
Secretary of State	<del>168,384</del> <u>169,958</u>
State Treasurer	<del>168,384</del> <u>169,958</u>
State Auditor	<del>168,384</del> <u>169,958</u>
Superintendent of Public Instruction	<del>168,384</del> <u>169,958</u>
Agriculture Commissioner	<del>168,384</del> <u>169,958</u>
Insurance Commissioner	<del>168,384</del> <u>169,958</u>
Labor Commissioner	<del>168,384</del> <u>169,958</u> "

**CERTAIN EXECUTIVE BRANCH OFFICIALS**

**SECTION 39.3.** Section 39.5(b) of S.L. 2024-134 reads as rewritten:

"**SECTION 39.5.(b)** Effective July 1, 2024, the annual salaries, payable monthly, for the following executive branch officials for the 2024-2025 fiscal year are as follows:

<b>Executive Branch Officials</b>	<b>Annual Salary</b>
Chairman, Alcoholic Beverage Control Commission	<del>\$140,844</del> <u>\$142,212</u>
State Controller	<del>196,119</del> <u>198,023</u>
Commissioner of Banks	<del>158,076</del> <u>159,611</u>
Chair, Board of Review, Division of Employment Security	<del>155,055</del> <u>156,561</u>
Members, Board of Review, Division of Employment Security	<del>153,160</del> <u>154,647</u>
Chairman, Parole Commission	<del>155,055</del> <u>156,561</u>
Full-time Members of the Parole Commission	<del>143,364</del> <u>144,756</u>
Chairman, Utilities Commission	<del>175,765</del> <u>177,472</u>
Members of the Utilities Commission	<del>158,076</del> <u>159,611</u>
Executive Director, North Carolina Agricultural Finance Authority	<del>137,161</del> <u>138,493</u>
State Fire Marshal	<del>139,050</del> <u>140,400</u> "



**JUDICIAL BRANCH**

**SECTION 39.4.(a)** Effective July 1, 2024, Section 39.6(a1) of S.L. 2023-134, as amended by Section 8.3(b) of S.L. 2024-1, reads as rewritten:

"**SECTION 39.6.(a1)** Effective July 1, 2024, the annual salaries, payable monthly, for the following judicial branch officials for the 2024-2025 fiscal year are as follows:

<b>Judicial Branch Officials</b>	<b>Annual Salary</b>
Chief Justice, Supreme Court	\$ <del>203,073</del> <u>\$205,054</u>
Associate Justice, Supreme Court	<del>197,802</del> <u>199,732</u>
Chief Judge, Court of Appeals	<del>194,674</del> <u>196,573</u>
Judge, Court of Appeals	<del>189,621</del> <u>191,471</u>
Judge, Senior Regular Resident Superior Court	<del>174,250</del> <u>175,950</u>
Judge, Superior Court	<del>169,125</del> <u>170,775</u>
Chief Judge, District Court	<del>167,548</del> <u>169,183</u>
Judge, District Court	<del>162,620</del> <u>164,207</u>
<del>Chief Administrative Law Judge</del>	<del>144,736</del>
District Attorney	<del>167,337</del> <u>168,944</u>
Assistant Administrative Officer of the Courts	<del>151,815</del> <u>152,552</u>
Public Defender	<del>167,337</del> <u>168,944</u>
Director of Indigent Defense Services	<del>168,565</del> <u>170,210</u> "

**SECTION 39.4.(a1)** Effective July 1, 2024, G.S. 7A-751(a) reads as rewritten:

"(a) The head of the Office of Administrative Hearings is the Chief Administrative Law Judge, who shall serve as Director of the Office. The Chief Administrative Law Judge has the powers and duties conferred on that position by this Chapter and the Constitution and laws of this State and may adopt rules to implement the conferred powers and duties.

The salary of the Chief Administrative Law Judge shall be ~~set in the Current Operations Appropriations Act~~ the same as that fixed from time to time for district court judges. The salary of a Senior Administrative Law Judge shall be ninety-five percent (95%) of the salary of the Chief Administrative Law Judge.

In lieu of merit and other increment raises, the Chief Administrative Law Judge and any Senior Administrative Law Judge shall receive longevity pay on the same basis as is provided to employees of the State who are subject to the North Carolina Human Resources Act."

**SECTION 39.4.(b)** Effective July 1, 2024, Section 39.6(b1) of S.L. 2023-134 reads as rewritten:

"**SECTION 39.6.(b1)** The district attorney of a judicial district, with the approval of the Administrative Officer of the Courts, and the public defender of a judicial district, with the approval of the Commission on Indigent Defense Services, shall set the salaries of assistant district attorneys and assistant public defenders in that district such that the average salary of those assistants in that district, for the 2024-2025 fiscal year, does not exceed ~~one hundred one thousand two hundred ninety-nine dollars (\$101,299)~~ one hundred two thousand two hundred seventy-three dollars (\$102,273) and the minimum salary of any assistant is at least ~~fifty-four thousand three hundred sixty-nine dollars (\$54,369)~~ fifty-four thousand eight hundred ninety-two dollars (54,892), effective July 1, 2024."

**CLERKS OF SUPERIOR COURT**

**SECTION 39.5.** Effective July 1, 2024, G.S. 7A-101(a) reads as rewritten:

"(a) The clerk of superior court is a full-time employee of the State and shall receive an annual salary, payable in equal monthly installments, based on the number of State-funded assistant and deputy clerks of court as determined by the Administrative Office of Court's workload formula, according to the following schedule:

Assistants and Deputies	Annual Salary
0-19	\$ <del>111,726</del> <u>\$112,811</u>

1	20-29	<u>123,488</u> <u>124,687</u>
2	30-49	<u>135,248</u> <u>136,561</u>
3	50-99	<u>147,010</u> <u>148,437</u>
4	100 and above	<u>149,949</u> <u>151,405</u>

5 If the number of State-funded assistant and deputy clerks of court as determined by the  
 6 Administrative Office of Court's workload formula changes, the salary of the clerk shall be  
 7 changed, on July 1 of the fiscal year for which the change is reported, to the salary appropriate  
 8 for that new number, except that the salary of an incumbent clerk shall not be decreased by any  
 9 change in that number during the clerk's continuance in office."

10  
 11 **ASSISTANT AND DEPUTY CLERKS OF COURT**

12 **SECTION 39.6.** Effective July 1, 2024, G.S. 7A-102(c1) reads as rewritten:

13 "(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time deputy  
 14 clerk serving as head bookkeeper per county, shall be paid an annual salary subject to the  
 15 following minimum and maximum rates:

16	Assistant Clerks and Head Bookkeeper	Annual Salary
17	Minimum	<u>\$40,482</u> <u>\$40,875</u>
18	Maximum	<u>74,792</u> <u>75,519</u>
19		
20	Deputy Clerks	Annual Salary
21	Minimum	<u>\$36,315</u> <u>36,667</u>
22	Maximum	<u>58,740</u> <u>59,310</u> "

23  
 24 **MAGISTRATES**

25 **SECTION 39.7.** Effective July 1, 2024, G.S. 7A-171.1(a)(1) reads as rewritten:

26 "(1) A full-time magistrate shall be paid the annual salary indicated in the table set  
 27 out in this subdivision. A full-time magistrate is a magistrate who is assigned  
 28 to work an average of not less than 40 hours a week during the term of office.  
 29 The Administrative Officer of the Courts shall designate whether a magistrate  
 30 is full-time. Initial appointment shall be at the entry rate. A magistrate's salary  
 31 shall increase to the next step every two years on the anniversary of the date  
 32 the magistrate was originally appointed for increases to Steps 1 through 3, and  
 33 every four years on the anniversary of the date the magistrate was originally  
 34 appointed for increases to Steps 4 through 6:

35 *Table of Salaries of Full-Time Magistrates*

36	<b>Step Level</b>	<b>Annual Salary</b>
37	Entry Rate	<u>\$47,228</u> <u>\$47,686</u>
38	Step 1	<u>\$50,714</u> <u>\$51,206</u>
39	Step 2	<u>\$54,475</u> <u>\$55,004</u>
40	Step 3	<u>\$58,457</u> <u>\$59,024</u>
41	Step 4	<u>\$63,228</u> <u>\$63,841</u>
42	Step 5	<u>\$68,973</u> <u>\$69,643</u>
43	Step 6	<u>\$75,415</u> <u>\$76,147</u> ."

44  
 45 **LEGISLATIVE EMPLOYEES**

46 **SECTION 39.8.** Effective July 1, 2024, Section 39.10(a1) of S.L. 2023-134 reads as  
 47 rewritten:

48 "**SECTION 39.10.(a1)** Effective July 1, 2024, the annual salaries of the Legislative Services  
 49 Officer and of nonelected employees of the General Assembly in effect on June 30, 2024, shall  
 50 be legislatively increased by ~~three percent (3%)~~ four percent (4%)."  
 51

**GENERAL ASSEMBLY PRINCIPAL CLERKS**

**SECTION 39.9.** Effective July 1, 2024, G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of ~~one hundred thirty-three thousand nine hundred thirty-six dollars (\$133,936)~~, one hundred thirty-five thousand two hundred thirty-six dollars (\$135,236), payable monthly. Each principal clerk shall also receive such additional compensation as approved by the Speaker of the House of Representatives or the President Pro Tempore of the Senate, respectively, for additional employment duties beyond those provided by the rules of their House. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

**SERGEANTS-AT-ARMS AND READING CLERKS**

**SECTION 39.10.** Effective July 1, 2024, G.S. 120-37(b) reads as rewritten:

"(b) The sergeant at arms and the reading clerk in each house shall be paid a salary of ~~five hundred twenty-eight dollars (\$528.00)~~ five hundred thirty-four dollars (\$534.00) per week plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants at arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

**COMMUNITY COLLEGES**

**SECTION 39.11.(a)** Effective July 1, 2024, Section 39.13(a) of S.L. 2023-134 reads as rewritten:

"**SECTION 39.13.(a)** Community college personnel shall receive the following legislative salary increases:

- ...
- (2) Effective July 1, 2024, the State Board of Community Colleges shall provide community college faculty and non-faculty personnel with an across-the-board salary increase in the amount of ~~three percent (3%)~~ four percent (4%)."

**SECTION 39.11.(b)** Effective July 1, 2024, Section 39.13(b1) of S.L. 2023-134 reads as rewritten:

"**SECTION 39.13.(b1)** Effective July 1, 2024, the minimum salaries for nine-month, full-time curriculum community college faculty for the 2024-2025 fiscal year are as follows:

<b>Education Level</b>	<b>Minimum Salary 2024-2025</b>
Vocational Diploma/Certificate or Less	<del>\$43,120</del> <u>\$43,539</u>
Associate Degree or Equivalent	<del>43,720</del> <u>44,145</u>
Bachelor's Degree	<del>46,321</del> <u>46,771</u>
Master's Degree or Education Specialist	<del>48,629</del> <u>49,102</u>
Doctoral Degree	<del>51,956</del> <u>52,461</u> "

**THE UNIVERSITY OF NORTH CAROLINA**

**SECTION 39.12.** Effective July 1, 2024, Section 39.14(2) of S.L. 2023-134 reads as rewritten:

"(2) Effective July 1, 2024, the Board of Governors of The University of North Carolina shall provide SHRA employees, EHRA employees, and teachers employed by the North Carolina School of Science and Mathematics with an across-the-board salary increase in the amount of ~~three percent (3%)~~ four percent (4%)."

**CORRECTIONAL OFFICERS/YOUTH COUNSELORS/YOUTH COUNSELOR TECHNICIANS/YOUTH SERVICES BEHAVIORAL SPECIALISTS – SALARY SCHEDULE**

**SECTION 39.13.** Effective July 1, 2024, Section 39.15(b) of S.L. 2023-134, as amended by Section 8.2 of S.L. 2024-1, reads as rewritten:

"**SECTION 39.15.(b)** The following annual salary schedule applies under subsections (a) and (a1) of this section for the ~~2023-2025 fiscal biennium, effective for each year on July 1, 2023, and July 1, 2024, respectively;~~ 2024-2025 fiscal year, effective July 1, 2024:

**FY 2024-25**

**Experience**

	<b>COI</b>	<b>COII</b>	<b>COIII</b>
0	<del>\$37,621</del> <u>\$40,908</u>	<del>\$38,859</del> <u>\$42,254</u>	<del>\$41,558</del> <u>\$45,910</u>
1	<del>\$40,253</del> <u>\$43,771</u>	<del>\$41,578</del> <u>\$45,211</u>	<del>\$44,468</del> <u>\$48,354</u>
2	<del>\$42,670</del> <u>\$46,398</u>	<del>\$44,117</del> <u>\$47,972</u>	<del>\$47,137</del> <u>\$51,256</u>
3	<del>\$44,803</del> <u>\$48,718</u>	<del>\$46,277</del> <u>\$50,320</u>	<del>\$49,494</del> <u>\$53,818</u>
4	<del>\$46,594</del> <u>\$50,665</u>	<del>\$48,128</del> <u>\$52,333</u>	<del>\$51,473</del> <u>\$55,971</u>
5	<del>\$47,993</del> <u>\$52,186</u>	<del>\$49,571</del> <u>\$53,902</u>	<del>\$53,017</del> <u>\$57,650</u>
6+	<del>\$48,953</del> <u>\$53,230</u>	<del>\$50,563</del> <u>\$54,981</u>	<del>\$54,078</del> <u>\$58,803</u> "

**STATE LAW ENFORCEMENT OFFICER SALARY SCHEDULE/INCREASES**

**SECTION 39.14.(a)** Effective July 1, 2024, Section 39.16(b) of S.L. 2023-134 reads as rewritten:

"**SECTION 39.16.(b)** The following annual salary schedule applies under subsection (a) of this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1, 2024, for each respective fiscal year:

<b>Years of Experience</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>
0	53,477	<del>53,477</del> <u>54,012</u>
1	56,954	<del>56,954</del> <u>57,524</u>
2	60,656	<del>60,656</del> <u>61,263</u>
3	64,599	<del>64,599</del> <u>65,245</u>
4	68,798	<del>68,798</del> <u>69,486</u>
5	73,270	<del>73,270</del> <u>74,003</u>
6+	78,033	<del>78,033</del> <u>78,813</u> "

**SECTION 39.14.(b)** Effective July 1, 2024, the annual salaries of employees of the State Bureau of Investigation compensated under Section 39.16(c) of S.L. 2023-134 shall be legislatively increased by one percent (1%).

**SECTION 39.14.(c)** Effective July 1, 2024, the annual salaries of employees of Alcohol Law Enforcement compensated under Section 39.16(d) of S.L. 2023-134 shall be legislatively increased by one percent (1%).

**STATE HIGHWAY PATROL/SALARY SCHEDULE/INCREASE**

**SECTION 39.15.(a)** Effective July 1, 2024, Section 39.17(b) of S.L. 2023-134 reads as rewritten:

"SECTION 39.17.(b) The following annual salary schedule applies under subsection (a) of this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1, 2024, for each respective fiscal year:

Years of Experience	FY 2023-24	FY 2024-25
0	55,000	<del>55,000</del> 55,550
1	58,575	<del>58,575</del> 59,161
2	62,382	<del>62,382</del> 63,006
3	66,437	<del>66,437</del> 67,101
4	70,755	<del>70,755</del> 71,463
5	75,354	<del>75,354</del> 76,108
6+	80,252	<del>80,252</del> 81,055"

SECTION 39.15.(b) Effective July 1, 2024, the annual salaries of employees of the State Highway Patrol compensated under Section 39.17(c) of S.L. 2023-134 shall be legislatively increased by one percent (1%).

SECTION 39.15.(c) Effective July 1, 2024, the annual salaries of employees of State Highway Patrol compensated under Section 39.17(d) of S.L. 2023-134 shall be legislatively increased by one percent (1%).

**PROBATION AND PAROLE OFFICERS/JUVENILE COURT COUNSELORS – SALARY SCHEDULE**

SECTION 39.16. Effective July 1, 2024, Section 39.18(b) of S.L. 2023-134 reads as rewritten:

"SECTION 39.18.(b) The following annual salary schedule applies under subsections (a) and (a1) of this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1, 2024, for each respective fiscal year:

Years of Experience	FY 2023-24	FY 2024-25
0	44,099	<del>45,422</del> 49,391
1	46,965	<del>48,374</del> 52,601
2	50,019	<del>51,520</del> 56,021
3	53,270	<del>54,868</del> 59,662
4	56,733	<del>58,435</del> 63,541
5	60,420	<del>62,233</del> 67,670
6+	64,348	<del>66,278</del> 72,070"

**STATE AGENCY TEACHERS**

SECTION 39.17. For the 2023-2025 fiscal biennium, employees of schools operated by the Department of Health and Human Services, the Department of Public Safety, the Department of Adult Correction, and the State Board of Education who are paid on the Teacher Salary Schedule shall be paid as authorized under this act.

**UPDATED SALARY-RELATED CONTRIBUTIONS**

SECTION 39.18. Section 39.26(c) of S.L. 2023-134 reads as rewritten:

"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	State	ORPs	CJRS	LRS
----------	-------	------	------	-----

	and State	LEOs				
	Employees					
1						
2						
3	Retirement	<del>16.79%</del> 17.41%	<del>16.79%</del> 17.41%	6.84%	<del>37.00%</del> 37.24%	
4		<del>22.00%</del> 20.54%				
5	Disability	0.13%	0.13%	0.13%	0.00%	0.00%
6	Death	0.13%	0.13%	0.00%	0.00%	0.00%
7	Retiree Health	6.99%	6.99%	6.99%	6.99%	6.99%
8	NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%
9						
10	<b>Total Contribution</b>					
11	<b>Rate</b>	<del>24.04%</del> 24.66%	<del>29.04%</del> 29.66%	13.96%	<del>43.99%</del> 44.23%	
12		<del>28.99%</del> 27.53%				

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."

**ONE-TIME SUPPLEMENT FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM**

**SECTION 39.19.(a)** G.S. 135-5 is amended by adding a new subsection to read:

"(aaaa) On or before October 31, 2024, a one-time cost-of-living supplement payment shall be made to, or on account of, beneficiaries who are living as of September 1, 2024, and whose retirement commenced on or before September 1, 2024. The payment shall be two percent (2%) of the beneficiary's annual retirement allowance payable as of September 1, 2024, and shall not be prorated for date of retirement commencement. If the beneficiary dies before the payment is made, then the payment shall be payable to the member's legal representative. No beneficiary shall have a vested right to any future supplemental payments under this Article."

**SECTION 39.19.(b)** G.S. 135-65 is amended by adding a new subsection to read:

"(ll) On or before October 31, 2024, a one-time cost-of-living supplement payment shall be made to, or on account of, beneficiaries who are living as of September 1, 2024, and whose retirement commenced on or before September 1, 2024. The payment shall be two percent (2%) of the beneficiary's annual retirement allowance payable as of September 1, 2024, and shall not be prorated for date of retirement commencement. If the beneficiary dies before the payment is made, then the payment shall be payable to the member's legal representative. No beneficiary shall have a vested right to any future supplemental payments under this Article."

**SECTION 39.19.(c)** G.S. 120-4.22A is amended by adding a new subsection to read:

"(ff) In accordance with subsection (a) of this section, on or before October 31, 2024, a one-time cost-of-living supplement payment shall be made to, or on account of, beneficiaries who are living as of September 1, 2024, and whose retirement commenced on or before September 1, 2024. The payment shall be two percent (2%) of the beneficiary's annual retirement allowance payable as of September 1, 2024, and shall not be prorated for date of retirement commencement. If the beneficiary dies before the payment is made, then the payment shall be payable to the member's legal representative. No beneficiary shall have a vested right to any future supplemental payments under this Article."

**BENEFITS PAYABLE UNDER NORTH CAROLINA NATIONAL GUARD PENSION FUND**

**SECTION 39.20.** G.S. 127A-40 reads as rewritten:

**"§ 127A-40. Pensions for the members of the North Carolina National Guard.**

(a) Every member and former member of the North Carolina National Guard who meets the requirements of this section shall receive, commencing at age 60, a pension of one hundred ~~five-eight~~ dollars (~~\$105.00~~-\$108.00) per month for 20 years' creditable military service with an

1 additional ten dollars and ~~fifty cents (\$10.50)~~ eighty cents (\$10.80) per month for each additional  
 2 year of ~~such creditable military~~ service; provided, however, that the total pension shall not exceed  
 3 two hundred ~~ten sixteen~~ dollars (\$210.00) ~~(\$216.00)~~ per month. ~~The requirements for~~

4 (a1) To receive a pension are that under this section, each member shall:shall meet all of  
 5 the following requirements:

- 6 (1) ~~Have~~ The individual served and qualified for at least 20 years' creditable  
 7 military service, including National Guard, reserve and active duty, under the  
 8 same requirement specified for entitlement to retired pay for nonregular  
 9 service under Chapter 67, Title 10, United States Code.
- 10 (2) ~~Have at~~ At least 15 years of the ~~forementioned~~ service required under  
 11 subdivision (1) of this subsection was as a member of the North Carolina  
 12 National Guard.
- 13 (3) ~~Have~~ The individual received an honorable discharge from the North Carolina  
 14 National Guard.

15 ...."

16  
 17 **ENHANCE BENEFITS UNDER NORTH CAROLINA FIREFIGHTERS' AND RESCUE**  
 18 **SQUAD WORKERS' PENSION FUND AND MAKE TECHNICAL CHANGES TO**  
 19 **THE RELATED STATUTES**

20 **SECTION 39.21.(a)** G.S. 58-86-55 reads as rewritten:

21 "**§ 58-86-55. Monthly pensions upon attaining the age of 55 years.**

22 (a) The monthly pension benefit under this section is one hundred seventy-five dollars  
 23 (\$175.00) and is payable per month from the Pension Fund, unless otherwise provided.

24 (a1) Any member who has served 20 years as an "eligible firefighter" or "eligible-eligible  
 25 firefighter or eligible rescue squad worker" ~~worker~~ in the State of North Carolina, as provided in  
 26 ~~G.S. 58-86-25 and G.S. 58-86-30, this Article~~ and who has attained the age of 55 years is entitled  
 27 to be paid a monthly pension ~~from this fund. The monthly pension shall be in the amount of one~~  
 28 ~~hundred seventy dollars (\$170.00) per month. Any retired firefighter receiving a pension shall,~~  
 29 ~~effective July 1, 2008, receive a pension of one hundred seventy dollars (\$170.00) per~~  
 30 ~~month.~~ benefit under this section.

31 (b) ~~Members shall pay ten dollars (\$10.00) per month as required by G.S. 58-86-35 and~~  
 32 ~~G.S. 58-86-40 for a period of no longer than 20 years. No "eligible rescue squad member" shall~~  
 33 ~~receive a pension prior to July 1, 1983.~~

34 (c) A member who is totally and permanently disabled while in the discharge of the  
 35 member's official duties as a result of bodily injuries sustained or as a result of extreme exercise  
 36 or extreme activity experienced in the course and scope of those official duties and who leaves  
 37 the fire or rescue squad service because of this disability shall be entitled to be paid ~~from the fund~~  
 38 ~~a monthly benefit in an amount of one hundred seventy dollars (\$170.00) per month~~ a monthly  
 39 pension benefit under this section beginning the first month after the member's fifty-fifth  
 40 birthday. All applications for disability are subject to the approval of the ~~board who~~ Board, and  
 41 the Board may appoint physicians to examine and evaluate the disabled member prior to approval  
 42 of the application, and annually thereafter. ~~Any G.S. 58-58-41 shall not apply to a disabled~~  
 43 ~~member shall not be required to make the monthly payment of ten dollars (\$10.00) as required~~  
 44 ~~by G.S. 58-86-35 and G.S. 58-86-40.~~ member.

45 (d) A member who is totally and permanently disabled for any ~~cause,~~ cause other than  
 46 ~~line of duty, those under subsection (c) of this section,~~ who leaves the fire or rescue squad service  
 47 because of this ~~disability~~ disability, and who has at least 10 years of service with the ~~pension~~  
 48 ~~fund,~~ Pension Fund may be permitted to continue making a monthly contribution ~~of ten dollars~~  
 49 ~~(\$10.00) in the amount required under G.S. 58-86-41~~ to the fund until the member has made  
 50 contributions for a total of 240 months. ~~The~~ Upon attaining the age of 55, that member shall upon  
 51 attaining the age of 55 years be entitled to receive a pension as provided by this section. ~~monthly~~

1 pension benefit under this section. All applications for disability are subject to the approval of  
2 the ~~board who~~ Board, and the Board may appoint physicians to examine and evaluate the disabled  
3 member prior to approval of the ~~application~~ application, and annually thereafter.

4 (d1) Benefits payable from the Pension Fund shall be paid in the following manner when  
5 a member is killed in the line of duty and the requirements of Article 12A of Chapter 143 of the  
6 General Statutes are met:

7 (1) If the member had been receiving a monthly pension ~~fund~~ benefit under this  
8 section prior to being killed in the line of duty, then there shall be paid to the  
9 member's principal beneficiary, if only one principal beneficiary is eligible  
10 and has not accepted a return of contributions, ~~an amount of one hundred~~  
11 ~~seventy dollars (\$170.00) per month~~ the monthly pension benefit amount  
12 beginning the month following the member's month of death, payable until  
13 the beneficiary's death. If the member became a member prior to July 1, 2018,  
14 and had not designated a principal beneficiary prior to being killed in the line  
15 of duty, there shall be paid to the member's living spouse upon the spouse's  
16 application to the Board, ~~an amount of one hundred seventy dollars (\$170.00)~~  
17 ~~per month~~ the monthly pension benefit amount beginning the month following  
18 the member's month of death, payable until the spouse's death.

19 (2) If the member had been receiving a monthly pension ~~fund~~ benefit under this  
20 section prior to being killed in the line of duty and the beneficiary is not  
21 payable as described in subdivision (1) of this subsection, then a lump sum  
22 payment equal to the difference between the amount paid into the member's  
23 separate account by or on behalf of the member and the amount received by  
24 the member as a pensioner ~~will~~ shall be paid to the eligible beneficiaries, or if  
25 there are no eligible beneficiaries, shall be paid to the member's estate.

26 (3) If the member had not yet begun receiving a monthly pension benefit under  
27 this section prior to being killed in the line of duty, then there shall be paid to  
28 the member's principal beneficiary, if only one principal beneficiary is eligible  
29 and has not accepted a return of contributions, ~~an amount of one hundred~~  
30 ~~seventy dollars (\$170.00) per month~~ the monthly pension benefit amount  
31 beginning the month following the month the member would have attained  
32 age 55, or if the member had already attained age 55, beginning the month  
33 following the member's month of death, payable until the beneficiary's death.  
34 If the member became a member prior to July 1, 2018, and had not designated  
35 a principal beneficiary prior to being killed in the line of duty, then there shall  
36 be paid to the member's living spouse upon the spouse's application to the  
37 Board, ~~an amount of one hundred seventy dollars (\$170.00) per month~~ the  
38 monthly pension benefit amount beginning the month following the month the  
39 member would have attained age 55, or if the member had attained age 55,  
40 beginning the month following the member's month of death, payable until  
41 the spouse's death.

42 (4) If the member had not yet begun receiving a monthly ~~benefit~~ pension under  
43 this section prior to being killed in the line of duty and the beneficiary is not  
44 payable as described in subdivision (3) of this subsection, then a lump sum  
45 payment equal to the member's contributions will be paid to the eligible  
46 beneficiaries, or if there are no eligible beneficiaries, a return of the  
47 contributions shall be paid to the member's estate.

48 ~~A beneficiary under this subsection shall not be required to make the monthly payment of ten~~  
49 ~~dollars (\$10.00) as required by G.S. 58-86-35 and G.S. 58-86-40~~ G.S. 58-86-41 shall not apply  
50 after the member has been killed in the line of duty.



1       ~~(e) A member who, because the~~ If a member has at least 10 years of service with the  
2 Pension Fund and that member's (i) residence is annexed by a city under Part 2 or Part 3 of Article  
3 4A of Chapter 160A of the General Statutes, or whose (ii) department is closed because of an  
4 annexation by a city under Part 2 or Part 3 of Article 4A of Chapter 160A of the General Statutes,  
5 or whose (iii) volunteer department is taken over by a city or county, and because of such that  
6 annexation or takeover the member is unable to perform as a firefighter or rescue squad worker  
7 of any status, and if the member has at least 10 years of service with the pension fund, may then  
8 the member shall be permitted to continue making a monthly contribution of ten dollars (\$10.00)  
9 in the amount required under G.S. 58-86-41 to the fund until the member has made contributions  
10 for a total of 240 months. The Upon completion of the total 240 months of contributions, and  
11 upon a member upon attaining the age of 55 years and completion of such contributions age 55,  
12 the member shall be entitled to receive a monthly pension as provided by benefit under this  
13 section. Any application to make monthly contributions under this section shall be subject to a  
14 finding of eligibility by the Board of Trustees upon application of the member.

15       (f) ~~The pensions benefits provided under this Article shall be in addition to all other~~  
16 ~~pensions or benefits under any other statutes of the State of North Carolina or the United States,~~  
17 ~~notwithstanding any exclusionary provisions of other pensions or retirement systems provided~~  
18 ~~by law."~~

19       **SECTION 39.21.(b)** Article 86 of Chapter 58 of the General Statutes is amended by  
20 adding a new section to read:

21 **"§ 58-86-41. Amount due for membership; payments credited to separate member**  
22 **accounts.**

23       (a) Unless otherwise provided under this Article, each member of the Pension Fund shall  
24 pay the sum of fifteen dollars (\$15.00) per month to the Pension Fund for membership in the  
25 fund for a period not to exceed 20 years.

26       (b) Unless otherwise provided under this Article, all payments due in any calendar year  
27 shall be made no later than March 31 subsequent to the end of the calendar year in which the  
28 payment was due.

29       (c) The Pension Fund shall not award fully credited service based on payments received  
30 later than March 31 subsequent to the end of the calendar year in which the month occurred  
31 unless the payment is applied as provided in G.S. 58-86-45(a1).

32       (d) Payments made in accordance with this section shall be credited to the separate  
33 account of the member and shall be kept by the custodian in a manner that allows the payments  
34 to be made available upon a member's withdrawal from membership or retirement."

35       **SECTION 39.21.(c)** G.S. 58-86-35 reads as rewritten:

36 **"§ 58-86-35. Firefighters' application for membership in fund; monthly payments by**  
37 **members; payments credited to separate accounts of members; Pension Fund;**  
38 **termination of membership.**

39       (a) ~~Those firefighters~~ Firefighters who are eligible for membership in the Pension Fund  
40 pursuant to G.S. 58-86-25 may apply to the ~~board~~ Board for membership. ~~Each firefighter upon~~  
41 ~~becoming a member of the fund shall pay the director of the fund the sum of ten dollars (\$10.00)~~  
42 ~~per month; each payment shall be made no later than March 31 subsequent to the end of the~~  
43 ~~calendar year in which the month occurred. The Pension Fund shall not award fully credited~~  
44 ~~service based on payments received later than March 31 subsequent to the end of the calendar~~  
45 ~~year in which the month occurred unless the payment is applied as provided in G.S. 58-86-45(a1).~~  
46 ~~The monthly payments shall be credited to the separate account of the member and shall be kept~~  
47 ~~by the custodian so it is available for payment on withdrawal from membership or retirement.~~

48       (b) A member may elect to terminate membership in the ~~fund~~ Pension Fund at any time  
49 and request the refund of payments previously made to the fund. ~~However, a~~ A member's  
50 delinquency in making the monthly payments required by this ~~section~~ Article does not result in

1 the termination of membership without ~~such an election to terminate membership in the Pension~~  
2 Fund made by the member."

3 **SECTION 39.21.(d)** G.S. 58-86-40 reads as rewritten:

4 "**§ 58-86-40. Rescue squad worker's application for membership in funds; ~~monthly~~**  
5 **~~payments by members; payments credited to separate accounts of members;~~**  
6 **Pension Fund; termination of membership.**

7 (a) ~~Those rescue~~ Rescue squad workers eligible for membership in the Pension Fund  
8 pursuant to G.S. 58-86-30 may apply to the ~~board~~ Board for membership. ~~Each eligible rescue~~  
9 ~~squad worker upon becoming a member shall pay the director of the fund the sum of ten dollars~~  
10 ~~(\$10.00) per month; each payment shall be made no later than March 31 subsequent to the end~~  
11 ~~of the calendar year in which the month occurred. The Pension Fund shall not award fully~~  
12 ~~credited service based on payments received later than March 31 subsequent to the end of the~~  
13 ~~calendar year in which the month occurred unless the payment is applied as provided in~~  
14 ~~G.S. 58-86-45(a1). The monthly payments shall be credited to the separate account of the~~  
15 ~~member and shall be kept by the custodian so it is available for payment on withdrawal from~~  
16 ~~membership or retirement.~~

17 (b) A member may elect to terminate membership in the ~~fund~~ Pension Fund at any time  
18 and request the refund of payments previously made to the fund. ~~However, a~~ A member's  
19 delinquency in making the monthly payments required by this ~~section~~ Article does not result in  
20 the termination of membership without ~~such an election to terminate membership in the Pension~~  
21 Fund made by the member."

22 **SECTION 39.21.(e)** G.S. 58-86-45 reads as rewritten:

23 "**§ 58-86-45. Additional retroactive membership.**

24 (a1) Any firefighter or rescue squad worker who is 35 years of age or older and who is a  
25 current or former member of a fire department or rescue squad chartered by the State of North  
26 Carolina may purchase credit for any periods of service to any chartered fire department or rescue  
27 squad not otherwise creditable by making a lump sum payment to the Annuity Savings Fund  
28 equal to the full liability of the service credits calculated on the basis of the assumptions used for  
29 purposes of the actuarial valuation of the system's liabilities, which payment shall take into  
30 account the retirement allowance arising on account of the additional service credit commencing  
31 at the earliest age at which the member could retire on a retirement allowance, as determined by  
32 the board of trustees upon the advice of the consulting actuary, plus an administrative fee to be  
33 set by the board of trustees. This provision for the payment of a lump sum for service "not  
34 otherwise creditable" shall apply, inter alia, to all purchases of service credits for months as to  
35 which timely payments were not previously made ~~pursuant to G.S. 58-86-35 or G.S. 58-86-40,~~  
36 whichever is applicable in accordance with G.S. 58-86-41.

37 (b) An eligible firefighter or rescue squad worker who is not yet 35 years old may apply  
38 to the ~~board of trustees~~ Board for membership in the ~~fund~~ Pension Fund at any time. Upon  
39 becoming a member, the worker may make a lump sum payment ~~of ten dollars (\$10.00) per~~  
40 ~~month in the amount required under G.S. 58-86-41 at the time of the payment for each month~~  
41 retroactively to the time the worker first became eligible to become a member, plus interest at an  
42 annual rate to be set by the ~~board~~ Board upon advice from actuary for each year of retroactive  
43 payments. Upon making this lump sum payment, the worker shall be given credit for all prior  
44 service in the same manner as if the worker had applied for membership upon first becoming  
45 eligible.

46 (c) A member of the Pension Fund who is not yet 35 years old may receive credit for the  
47 prior service upon making a lump sum payment ~~of ten dollars (\$10.00) in the amount required~~  
48 under G.S. 58-86-41 at the time of the payment for each month since the worker first became  
49 eligible, plus interest at an annual rate to be set by the ~~board~~ Board for each year of retroactive  
50 payments. Upon making this lump sum payment, the date of membership shall be the same as if  
51 the worker had applied for membership upon first becoming eligible. This provision for the

1 payment of a lump sum for service "not otherwise creditable" shall apply, inter alia, to all  
 2 purchases of service credits for months as to which timely payments were not previously made  
 3 pursuant to G.S. 58-86-35 or G.S. 58-86-40, whichever is applicable, for any firefighter or rescue  
 4 squad worker who is not yet 35 years of age or older and who is a current or former member of  
 5 a fire department or rescue squad chartered by the State of North Carolina."

6 **SECTION 39.21.(f)** The Revisor of Statutes shall replace the phrase "G.S. 58-86-35  
 7 or G.S. 58-86-40" with the phrase "G.S. 58-56-41" in each instance it appears in G.S. 58-86-2.

8 **SECTION 39.21.(g)** This section applies to membership contributions due to the  
 9 North Carolina Firefighters' and Rescue Squad Workers' Pension Fund (Pension Fund) on or after  
 10 January 1, 2025. Any membership contribution payments made to the Pension Fund on or before  
 11 March 31, 2025, for service in the 2024 calendar year shall be in the amount of ten dollars  
 12 (\$10.00) per month of service.

13 **SECTION 39.21.(h)** This section applies to pension benefit amounts payable from  
 14 the Pension Fund due to a member or beneficiary on or after January 1, 2025. If a member or  
 15 beneficiary becomes eligible to receive a pension benefit from the Pension Fund on or before  
 16 December 31, 2024, but the pension benefit amount is paid from the Pension Fund on or after  
 17 January 1, 2025, then the pension amount benefit due to the member or beneficiary shall be the  
 18 amount applicable to the pension benefit amount that was effective for each respective month to  
 19 which the benefit applies.

20 **SECTION 39.21.(i)** This section is effective January 1, 2025.

21  
 22 **PART XL. CAPITAL**

23  
 24 **CAPITAL IMPROVEMENT & REPAIRS AND RENOVATIONS APPROPRIATIONS**

25 **SECTION 40.1.** Section 40.1 of S.L. 2023-134, as amended by Section 9.1 of S.L.  
 26 2024-1, reads as rewritten:

27 "**SECTION 40.1.(a)** The following agency capital improvement projects have been assigned  
 28 a project code for reference to allocations in this Part, past allocations, and for intended project  
 29 support by the General Assembly for future fiscal years:

<b>Agency Capital Improvement Project</b>	<b>Project Code</b>
Department of Agriculture and Consumer Services	
Tidewater Research Station–Swine Unit Replacements	DACS21-2
NCFS–Region 1 Headquarters	DACS21-4
Troxler Science Building–Overflow Parking	DACS23-1
Western NC Farmers Market	DACS23-2
Raleigh State Farmers Market–Improvements	DACS23-3
Pesticide Storage, Loading, & Cleaning Facilities	DACS23-4
Cherry Research Station–Administrative Office	DACS23-5
Griffith Forest Center–Central Warehouse & Office	DACS23-6
D-6 HQ (Cumberland Co.)–Maintenance Shop Replacement	DACS23-7
Research Stations–New Maintenance Shop Facilities	DACS23-8
Piedmont Research Station–Bridge	DACS23-9
Research Stations–Multipurpose Facilities	DACS23-10
NCFS–New County Offices, Region 3	DACS23-11
Tuttle Educational State Forest–Office & Education Center	DACS23-12
D-12–New Headquarters & Shop	DACS23-13
NCFS–Property Purchase	DACS23-14
<u>NCFS–Cherokee County Office</u>	<u>DACS24-1</u>
<u>State Fair Lunch Facility Renovation</u>	<u>DACS24-2</u>
<u>Western NC Ag Center Capital Improvements</u>	<u>DACS24-3</u>

1	Department of Environmental Quality	
2	Reedy Creek Laboratory	DEQ21-1
3		
4	Department of Health and Human Services	
5	Walter B. Jones–New Medical Office Bldg.	DHHS23-1
6	Broughton Hospital–New Maintenance & Warehouse Facility	DHHS23-2
7	Cherry Hospital–New Maintenance Bldg.	DHHS23-3
8	South Piedmont Medical Examiner	DHHS23-4
9		
10	Department of Natural and Cultural Resources	
11	Fort Fisher Aquarium–Aquarium Expansion	DNCR21-5
12	NC Museum of History–Expansion	DNCR21-13
13	Zoo–New Aviary	DNCR23-1
14	NC Museum of Art at Winston-Salem/SECCA	DNCR23-2
15	Stone Mountain State Park–Parking Lot	DNCR23-4
16	North Carolina Maritime Museum at Beaufort	DNCR23-5
17	Town Creek Indian Mound State Historic Site–	
18	Visitor Center & Exhibit Improvements	DNCR23-6
19	State Historic Sites–Three New Visitor Centers	DNCR23-7
20	Thomas Day House–Site Development	DNCR23-8
21	Lake Waccamaw State Park–New Campground	DNCR23-12
22	Lumber River State Park–Wire Pasture Access Development	DNCR23-13
23	NC Maritime Museum at Southport	DNCR23-14
24	NC Transportation Museum	DNCR23-15
25	Fort Fisher Historic Site	DNCR23-16
26		
27	Department of Administration	
28	State Government Executive Headquarters	DOA22-1
29	Department of Instruction Building Renovation	DOA22-3
30	Service Campus	DOA23-1
31	State Agency Lease	DOA23-2
32	Archdale Building Demolition	DOA23-3
33	Caswell Square Demolition	DOA23-4
34	Parking Deck–Wilmington Street	DOA23-5
35	Albemarle Building Facility Improvements	DOA23-6
36		
37	Department of Commerce	
38	Wanchese Marine Industrial Park–Covered Workspace	COMM23-1
39		
40	Department of Adult Correction	
41	Stun Fencing	DAC23-1
42	DARTCenter–Exterior Envelope Repairs	DAC23-2
43	Sampson CC–Gatehouse	DAC23-3
44	Gaston CC–Modular Medical Office	DAC23-4
45	Storage Buildings	DAC23-6
46		
47	Department of Public Safety	
48	State Highway Patrol–	
49	Viper Building	DPS21-6
50	Auditorium	DPS23-3
51	Training Academy Facilities Enhancement–Phases 3-6	DPS23-4

1	Training Center Cadet Dorm & Training Bldg.	DPS23-7
2	State Bureau of Investigation–	
3	Headquarters & Building 12 Renovation	DPS21-9
4	Logistics Building–Phase 1	DPS23-11
5	Juvenile Justice–	
6	Richmond YDC	DPS21-1
7	New Youth Detention Center	DPS23-1
8	Cabarrus YDC–Perimeter Fence Modifications	DPS23-5
9	Cabarrus–New Modular Office	DPS23-6
10	Emergency Management–	
11	Badin Logistics Support Center Shed	DPS23-8
12	Badin Warehouse Expansion	DPS23-9
13	Badin Lot Acquisition	DPS23-10
14	National Guard–	
15	NCNG Matching Fund	NG23-1
16	Ballentine Building/NCNG Museum	NG23-2
17	Constable Building	NG23-3
18	Rocky Mount Complex/MILCON	NG23-4
19	Special Forces Complex	NG23-5
20	Winston Salem Storage Buildings	NG23-6
21	Louisburg Readiness Center	NG23-9
22		
23	Department of Public Instruction	
24	Center for the Advancement of Teaching	DPI21-1
25	<u>NC School for the Deaf Renovation</u>	<u>DPI24-1</u>
26		
27	Department of Insurance	
28	Office of State Fire Marshal–	
29	Land Development & Training Center	DOI21-1
30		
31	Department of Transportation	
32	North Carolina Global TransPark Authority–	
33	Aircraft Maintenance Repair & Overhaul Facility	TRAN23-1
34	DOT– New County Buildings	TRAN23-2
35		
36	General Assembly	
37	Education Campus Project	NCGA21-3
38	Education Campus Parking Deck	NCGA23-1
39	Education Campus Demolition	NCGA23-2
40		
41	The University of North Carolina	
42	Appalachian State University–	
43	Peacock Hall/Business	UNC/ASU21-1
44	Hickory Campus	UNC/ASU22-1
45	Walker Hall–Interior Renovation	UNC/ASU23-1
46	<u>Wey Hall–Renovation</u>	<u>UNC/ASU24-1</u>
47	University of North Carolina at Charlotte–	
48	Smith Hall–Comprehensive Renovation	UNC/CLT23-1
49	Colvard Hall–Comprehensive Renovation	UNC/CLT23-2
50	Esports	UNC/CLT23-3
51	Stadium Upgrades	UNC/CLT23-4

1	<u>NC Solar &amp; Battery Energy Recycling Initiative</u>	<u>UNC/CLT24-1</u>
2	University of North Carolina at Chapel Hill–	
3	Business School	UNC/CH20-1
4	Nursing School Renovation	UNC/CH20-2
5	Gardner Hall–Comprehensive Renovation	UNC/CH23-1
6	<u>S.T.E.M. Building</u>	<u>UNC/CH24-1</u>
7	Elizabeth City State University–	
8	<u>Sky Bridge</u>	<u>UNC/ECS21-2</u>
9	Flight School	UNC/ECS21-4
10	Infrastructure Repairs–Phase 3	UNC/ECS23-1
11	Jenkins Hall/Dixon Hall–Labs/Classroom/Bldg. Renovation	UNC/ECS23-2
12	<u>Statesville Flight School</u>	<u>UNC/ECS24-1</u>
13	East Carolina University–	
14	Brody School of Medicine	UNC/ECU21-1
15	Howell Science Building North–Comprehensive Renovation	UNC/ECU23-1
16	Leo Jenkins Building/Health Sciences–Comprehensive Renovation	UNC/ECU23-2
17	Medical Examiner Office	UNC/ECU23-3
18	Regional Children's Behavioral Health Facility	UNC/ECU23-4
19	Dental School Planning	UNC/ECU23-5
20	Fayetteville State University–	
21	College of Education	UNC/FSU21-2
22	Butler Targeted Renovation	UNC/FSU23-1
23	H.L. Cook Building–Renovation & Addition	UNC/FSU23-2
24	North Carolina Agricultural & Technical State University–	
25	Marteen Hall–Renovation, Phase 2	UNC/A&T23-1
26	Health and Human Sciences Bldg.	UNC/A&T23-2
27	North Carolina Central University–	
28	Dent Building–Comprehensive Renovation	UNC/NCC23-1
29	Edmonds Classroom Building–Comprehensive Renovation	UNC/NCC23-2
30	University Theater Renovation	UNC/NCC23-3
31	North Carolina State University–	
32	S.T.E.M. Building	UNC/NCS20-1
33	Mann Hall–Renovation, Phase 2	UNC/NCS23-1
34	Dabney Hall–Renovation, Phase 2	UNC/NCS23-2
35	Polk Hall–Renovation, Phase 2	UNC/NCS23-3
36	Veterinary School–Large Animal Hospital	UNC/NCS23-4
37	Engineering Classroom Building	UNC/NCS23-5
38	Nuclear Study	UNC/NCS23-6
39	Business School	UNC/NCS23-7
40	<u>Poe Hall</u>	<u>UNC/NCS24-1</u>
41	North Carolina School of Science and Math–	
42	Morganton Campus	
43	Wellness Center	UNC/SSM23-1
44	Durham Campus	
45	Renovation of Residence Halls	UNC/SSM23-2
46	Academic Commons Addition	UNC/SSM23-4
47	University of North Carolina at Asheville–	
48	Lipinsky Hall–Comp. Modernization/Addition	UNC/AVL23-1
49	Sherrill Center	UNC/AVL23-2
50	Gateway Signage	UNC/AVL23-3
51	Repairs & Renovations	UNC/AVL23-4

1	<u>Public Safety Enhancements</u>	<u>UNC/AVL24-1</u>
2	University of North Carolina at Greensboro–	
3	Moore Building–Renovation	UNC/GBO23-1
4	University of North Carolina at Pembroke–	
5	Health Sciences Center	UNC/PEM21-1
6	Givens Performing Arts Center–Renovation or Replacement	UNC/PEM23-1
7	University of North Carolina School of the Arts–	
8	Stevens Center–Renovation, Phase 2	UNC/SA23-1
9	New High School Residence Hall	UNC/SA23-2
10	University of North Carolina at Wilmington–	
11	Cameron Hall–Comprehensive Renovation/Expansion	UNC/WIL23-1
12	Kenan Auditorium–Comprehensive Renovation/Expansion	UNC/WIL23-2
13	DeLoach Hall–Modernization	UNC/WIL23-3
14	Health Education Bldg.	UNC/WIL23-4
15	Western Carolina University–	
16	Replacement Engineering Building	UNC/WCU23-1
17	Winston-Salem State University–	
18	K.R. Williams Auditorium	UNC/WSS21-1
19	Eller Hall–Renovation & Elevator Addition	UNC/WSS23-1
20	Pegram Hall–Renovation & Elevator Addition	UNC/WSS23-2
21	Campus Police Improvements	UNC/WSS23-3
22	UNC Board of Governors–	
23	UNC Lease Funds	UNC/BOG21-1
24	NC Care Health Clinics	UNC/BOG23-1
25	NC Care Hospital Investment	UNC/BOG23-2
26	Children's Hospital	UNC/BOG23-3
27	<u>System Office Personnel Increase</u>	<u>UNC/BOG24-1</u>
28	PBS North Carolina	UNC/PBS23-1

29		
30	Repairs and Renovations–The University of North Carolina	UNC/R&R21
31	Repairs and Renovations–State Agencies (non-UNC)	R&R21
32	SCIF-Related Personnel	PERS21
33	OSBM Flexibility Funds	FLEX21
34	Debt Payoff	DST23-1
35	Wildlife Resources Commission–Setzer Hatchery Revision	WRC23-1

36 **"SECTION 40.1.(b)** This subsection authorizes the following capital projects in the  
 37 2023-2025 fiscal biennium based upon projected cash flow needs for the authorized projects. The  
 38 authorizations provided in this subsection represent the maximum amount of funding from the  
 39 State Capital and Infrastructure Fund that may be expended on each project and do not reflect  
 40 authorizations from other non-State Capital and Infrastructure Fund sources. An additional action  
 41 by the General Assembly is required to increase the maximum authorization for any of the  
 42 projects listed:

43	<b>Capital Improvements–</b>		
44	<b>State Capital and</b>	<b>Previous</b>	<b>New/Updated</b>
45	<b>Infrastructure Fund</b>	<b>Project Authorization</b>	<b>Project Authorization</b>
46	DACS21-2	\$3,518,000	\$7,018,000
47	DACS21-4	4,000,000	8,100,000
48	DACS23-1	N/A	2,500,000
49	DACS23-2	N/A	200,000
50	DACS23-3	N/A	13,000,000
51	DACS23-4	N/A	1,750,000

1	DACS23-5	N/A	749,000
2	DACS23-6	N/A	750,000
3	DACS23-7	N/A	4,000,000
4	DACS23-8	N/A	5,000,000
5	DACS23-9	N/A	750,000
6	DACS23-10	N/A	6,200,000
7	DACS23-11	N/A	3,000,000
8	DACS23-12	N/A	4,000,000
9	DACS23-13	N/A	5,000,000
10	DACS23-14	N/A	12,000,000
11	<u>DACS24-1</u>	<u>N/A</u>	<u>1,250,000</u>
12	<u>DACS24-2</u>	<u>N/A</u>	<u>4,000,000</u>
13	<u>DACS24-3</u>	<u>N/A</u>	<u>5,000,000</u>
14	DEQ21-1	55,000,000	68,300,000
15	DHHS23-1	N/A	1,352,000
16	DHHS23-2	N/A	5,983,000
17	DHHS23-3	N/A	5,405,000
18	DHHS23-4	N/A	20,000,000
19	DNCR21-5	15,000,000	45,000,000
20	DNCR21-13	60,000,000	180,000,000
21	DNCR23-1	N/A	60,000,000
22	DNCR23-2	N/A	15,000,000
23	DNCR23-4	N/A	620,000
24	DNCR23-5	N/A	10,000,000
25	DNCR23-6	N/A	5,500,000
26	DNCR23-7	N/A	16,721,240
27	DNCR23-8	N/A	4,000,000
28	DNCR23-12	N/A	3,000,000
29	DNCR23-13	N/A	2,500,000
30	DNCR23-14	N/A	2,000,000
31	DNCR23-15	N/A	5,000,000
32	DNCR23-16	N/A	2,800,000
33	DOA22-1	88,000,000	88,000,000
34	DOA22-3	15,000,000	60,000,000
35	DOA23-1	N/A	33,744,000
36	DOA23-2	N/A	
37	<del>4,500,000</del> <u>6,500,000</u>		
38	DOA23-3	N/A	11,000,000
39	DOA23-4	N/A	15,000,000
40	DOA23-5	N/A	45,000,000
41	DOA23-6	N/A	5,000,000
42	COMM23-1	N/A	250,000
43	DAC23-1	N/A	23,992,000
44	DAC23-2	N/A	2,960,212
45	DAC23-3	N/A	1,521,000
46	DAC23-4	N/A	1,078,000
47	DAC23-6	N/A	3,488,000
48	DPS21-1	10,702,952	14,702,952
49	DPS21-6	7,139,374	10,634,998
50	DPS23-1	N/A	40,450,000



1	DPS23-3	N/A	
2	<u>35,000,000</u> <u>41,000,000</u>		
3	DPS23-4	N/A	194,000,000
4	DPS23-5	N/A	886,000
5	DPS23-6	N/A	690,000
6	DPS23-7	N/A	43,336,785
7	DPS23-8	N/A	527,000
8	DPS23-9	N/A	5,048,828
9	DPS23-10	N/A	4,198,414
10	DPS23-11	N/A	13,883,000
11	NG23-2	N/A	12,500,000
12	NG23-3	N/A	16,428,582
13	NG23-4	N/A	8,500,000
14	NG23-5	N/A	8,000,000
15	NG23-6	N/A	550,000
16	NG23-9	N/A	3,666,667
17	DPI21-1	23,416,952	30,416,952
18	<u>DPI24-1</u>	<u>N/A</u>	<u>1,500,000</u>
19	DOI21-1	3,500,000	58,500,000
20	TRAN23-1	N/A	350,000,000
21	TRAN23-2	N/A	3,400,000
22	NCGA21-3	269,000,000	320,000,000
23	NCGA23-1	N/A	65,000,000
24	NCGA23-2	N/A	10,000,000
25	UNC/ASU21-1	25,000,000	40,000,000
26	UNC/ASU22-1	9,000,000	50,000,000
27	UNC/ASU23-1	N/A	18,000,000
28	<u>UNC/ASU24-1</u>	<u>N/A</u>	<u>7,000,000</u>
29	UNC/CLT23-1	N/A	36,000,000
30	UNC/CLT23-2	N/A	45,000,000
31	UNC/CLT23-3	N/A	1,500,000
32	UNC/CLT23-4	N/A	25,000,000
33	<u>UNC/CLT24-1</u>	<u>N/A</u>	<u>5,000,000</u>
34	UNC/CH20-1	75,000,000	89,250,000
35	UNC/CH20-2	65,200,000	87,900,000
36	UNC/CH23-1	N/A	25,000,000
37	<u>UNC/CH24-1</u>	<u>N/A</u>	<u>17,500,000</u>
38	<u>UNC/ECS21-2</u>	<u>2,500,000</u>	<u>7,500,000</u>
39	UNC/ECS21-4	34,000,000	54,000,000
40	UNC/ECS23-1	N/A	20,000,000
41	UNC/ECS23-2	N/A	12,500,000
42	<u>UNC/ECS24-1</u>	<u>N/A</u>	<u>3,000,000</u>
43	UNC/ECU21-1	215,000,000	265,000,000
44	UNC/ECU23-1	N/A	46,000,000
45	UNC/ECU23-2	N/A	18,900,000
46	UNC/ECU23-3	N/A	35,000,000
47	UNC/ECU23-4	N/A	50,000,000
48	UNC/ECU23-5	N/A	1,000,000
49	UNC/FSU23-1	N/A	20,750,000
50	UNC/FSU23-2	N/A	10,000,000
51	UNC/A&T23-1	N/A	9,700,000

1	UNC/A&T23-2	N/A	125,500,000
2	UNC/NCC23-1	N/A	12,073,798
3	UNC/NCC23-2	N/A	12,999,424
4	UNC/NCC23-3	N/A	8,500,000
5	UNC/NCS23-1	N/A	30,000,000
6	UNC/NCS23-2	N/A	80,000,000
7	UNC/NCS23-3	N/A	63,000,000
8	UNC/NCS23-4	N/A	120,000,000
9	UNC/NCS23-5	N/A	200,000,000
10	UNC/NCS23-6	N/A	3,000,000
11	UNC/NCS23-7	N/A	4,500,000
12	<u>UNC/NCS24-1</u>	<u>N/A</u>	<u>180,000,000</u>
13	UNC/SSM23-1	N/A	12,000,000
14	UNC/SSM23-2	N/A	28,988,042
15	UNC/SSM23-4	N/A	10,000,000
16	UNC/AVL23-1	N/A	26,150,000
17	UNC/AVL23-2	N/A	5,000,000
18	UNC/AVL23-3	N/A	1,000,000
19	UNC/AVL23-4	N/A	4,000,000
20	<u>UNC/AVL24-1</u>	<u>N/A</u>	<u>2,000,000</u>
21	UNC/GBO23-1	N/A	24,200,000
22	UNC/PEM23-1	N/A	61,000,000
23	UNC/SA23-1	N/A	51,000,000
24	UNC/SA23-2	N/A	24,500,000
25	UNC/WIL23-1	N/A	40,050,000
26	UNC/WIL23-2	N/A	21,600,000
27	UNC/WIL23-3	N/A	12,150,000
28	UNC/WIL23-4	N/A	8,000,000
29	UNC/WCU23-1	N/A	95,300,000
30	UNC/WSS23-1	N/A	10,800,000
31	UNC/WSS23-2	N/A	16,000,000
32	UNC/WSS23-3	N/A	4,000,000
33	UNC/BOG21-1	15,000,000	18,750,000
34	UNC/BOG23-1	N/A	210,000,000
35	UNC/BOG23-2	N/A	150,000,000
36	UNC/BOG23-3	N/A	319,746,392
37	<u>UNC/BOG24-1</u>	<u>N/A</u>	<u>4,000,000</u>
38	UNC/PBS23-1	N/A	49,500,000
39	FLEX21	100,000,000	175,000,000
40	WRC/23-1	N/A	20,000,000
41	...."		
42			

**SIX-YEAR INTENDED PROJECT ALLOCATION SCHEDULE**

**SECTION 40.2.** Section 40.2 of S.L. 2023-134 reads as rewritten:

**"SECTION 40.2.** It is the intent of the General Assembly to fund capital improvement projects on a cash flow basis and to plan for future project funding based upon projected availability in the State Capital and Infrastructure Fund. Nothing in this section shall be construed (i) to appropriate funds or (ii) as an obligation by the General Assembly to appropriate funds for the projects listed in future years. The following schedule lists capital improvement projects that will begin or be completed in fiscal years outside of the 2023-2025 fiscal biennium and estimated amounts (in thousands) needed for completion of those projects:

	Project Code	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
1							
2							
3							
4	UNC/R&R21	280,503	250,000	200,000	200,000	200,000	200,000
5	R&R21	200,000	200,000	298,384.5	200,000	200,000	200,000
6	DACS21-2	N/A	2,000	1,500	N/A	N/A	N/A
7	DACS21-4	750	1,850	1,500	N/A	N/A	N/A
8	DACS23-3	N/A	3,000	2,000	4,000	4,000	N/A
9	DACS23-7	N/A	N/A	4,000	N/A	N/A	N/A
10	DACS23-8	N/A	N/A	2,000	1,000	1,000	1,000
11	DACS23-9	N/A	N/A	750	N/A	N/A	N/A
12	DACS23-10	N/A	N/A	2,000	2,000	2,200	N/A
13	DACS23-11	N/A	N/A	N/A	1,500	1,500	N/A
14	DACS23-12	N/A	N/A	N/A	4,000	N/A	N/A
15	DACS23-13	N/A	N/A	N/A	5,000	N/A	N/A
16	DEQ21-1	3,325	28,650	17,075	N/A	N/A	N/A
17	DNCR21-13	15,000	24,250	86,800	30,950	N/A	N/A
18	DNCR23-1	3,000	3,000	30,000	24,000	N/A	N/A
19	DNCR23-7	2,000	7,721.24	7,000	N/A	N/A	N/A
20	DOA22-1	N/A	N/A	8,800	22,000	35,200	22,000
21	DOA22-3	N/A	N/A	N/A	N/A	21,000	N/A
22	DOA23-1	500	N/A	N/A	N/A	1,000	20,244
23	DOA23-2	2,900	800	800	N/A	N/A	N/A
24	DOA23-3	N/A	N/A	N/A	N/A	N/A	11,000
25	DOA23-4	N/A	N/A	15,000	N/A	N/A	N/A
26	DOA23-5	2,000	3,000	40,000	N/A	N/A	N/A
27	DOI21-1	5,500	13,750	49,500	22,000	N/A	N/A
28	DAC23-1	4,776.39	9,607.8	9,607.8	N/A	N/A	N/A
29	DAC23-6	N/A	449	2,439	600	N/A	N/A
30	DPS21-6	N/A	836.88	2,658.75	N/A	N/A	N/A
31	DPS21-9	3,268.05	30,000	19,793.24	N/A	N/A	N/A
32	DPS23-1	N/A	600	10,000	29,850	N/A	N/A
33	DPS23-3	N/A	4,400	8,500	13,600	8,500	N/A
34	DPS23-4	N/A	N/A	N/A	N/A	N/A	19,000
35	DPS23-7	2,000	4,333.68	10,834.2	17,334.71	8,834.2	N/A
36	DPS23-9	1,000	2,024.4	2,024.4	N/A	N/A	N/A
37	DPS23-11	2,028.5	5,927.25	5,927.25	N/A	N/A	N/A
38	NG23-1	4,000	6,000	6,000	N/A	N/A	N/A
39	NG23-2	1,500	6,000	5,000	N/A	N/A	N/A
40	NG23-4	N/A	2,000	6,500	N/A	N/A	N/A
41	NG23-5	N/A	N/A	800	4,000	3,200	N/A
42	NG23-9	N/A	666.7	3,000	N/A	N/A	N/A
43	TRAN23-1	50,000	125,000	125,000	50,000	N/A	N/A
44	NCGA21-3	N/A	N/A	65,250	74,750	N/A	N/A
45	NCGA23-1	6,500	16,250	26,000	16,250	N/A	N/A
46	WRC23-1	8,000	6,000	6,000	N/A	N/A	N/A
47	UNC/ASU21-1	N/A	7,500	7,500	N/A	N/A	N/A
48	UNC/ASU22-1	N/A	4,100	19,003.7	12,300	21,996.3	14,350
49	UNC/ASU23-1	N/A	1,800	6,300	9,900	N/A	N/A
50	UNC/CLT23-1	N/A	3,600	N/A	5,449.1	12,600	26,950.9
51	UNC/CLT23-2	N/A	N/A	N/A	N/A	4,500	N/A

1	UNC/CH20-2	N/A	15,756.95	17,693.05	N/A	N/A	N/A
2	UNC/CH23-1	N/A	N/A	N/A	N/A	2,500	10,000
3	UNC/ECS21-4	N/A	30,827.27	9,172.73	N/A	N/A	N/A
4	UNC/ECS23-1	N/A	2,000	8,000	10,000	N/A	N/A
5	UNC/ECS23-2	N/A	N/A	N/A	N/A	1,250	N/A
6	UNC/ECU21-1	N/A	20,000	84,007.3	85,742.72	N/A	N/A
7	UNC/ECU23-1	N/A	4,600	13,800	16,100	11,500	N/A
8	UNC/ECU23-2	N/A	N/A	N/A	N/A	1,890	N/A
9	UNC/ECU23-3	8,750	17,500	8,750	N/A	N/A	N/A
10	UNC/FSU21-2	N/A	36,376.1	6,573.9	N/A	N/A	N/A
11	UNC/FSU23-1	N/A	N/A	N/A	N/A	2,075	N/A
12	UNC/FSU23-2	1,000	3,500	5,500	N/A	N/A	N/A
13	UNC/A&T23-1	970	3,395	5,335	N/A	N/A	N/A
14	UNC/A&T23-2	N/A	N/A	N/A	N/A	2,000	18,825
15	UNC/NCC23-1	1,207.4	N/A	4,829.5	6,036.9	N/A	N/A
16	UNC/NCC23-2	N/A	1,299.94	N/A	4,549.8	7,149.68	N/A
17	UNC/NCC23-3	N/A	850	N/A	2,975	4,675	N/A
18	UNC/NCS20-1	N/A	6,025.2	22,224.8	N/A	N/A	N/A
19	UNC/NCS23-1	N/A	3,000	27,000	N/A	N/A	N/A
20	UNC/NCS23-2	N/A	8,000	24,000	56,741.72	28,000	15,258.32
21	UNC/NCS23-3	N/A	6,300	18,900	42,814.32	22,050	13,885.71
22	UNC/NCS23-4	N/A	N/A	7,000	35,000	33,942.93	35,000
23	UNC/NCS23-5	N/A	N/A	N/A	20,000	60,000	60,000
24	UNC/NCS24-1	N/A	5,000	N/A	N/A	87,500	87,500
25	UNC/SSM23-2	N/A	12,750	3,500	11,663.5	N/A	4,574.61
26	UNC/SSM23-4	N/A	N/A	N/A	N/A	1,000	12,738.42
27	UNC/AVL23-1	2,615	6,537.5	11,767.5	5,230	N/A	N/A
28	UNC/GBO23-1	N/A	2,420	N/A	8,470	13,310	N/A
29	UNC/PEM21-1	N/A	N/A	N/A	N/A	26,927	36,400
30	UNC/PEM23-1	N/A	6,100	24,400	30,500	N/A	32,223
31	UNC/SA23-1	5,100	12,750	22,950	N/A	10,200	13,321.2
32	UNC/SA23-2	N/A	N/A	N/A	N/A	N/A	19,828.8
33	UNC/WIL23-1	N/A	4,005	10,012.5	16,020	10,012.5	N/A
34	UNC/WIL23-2	N/A	2,160	5,400	8,640	5,400	N/A
35	UNC/WIL23-3	N/A	1,215	4,860	6,075	N/A	N/A
36	UNC/WCU23-1	N/A	2,000	N/A	9,530	33,355	50,415
37	UNC/WSS21-1	N/A	N/A	37,050	N/A	22,800	N/A
38	UNC/WSS23-1	N/A	800	1,080	N/A	3,780	14,250
39	UNC/WSS23-2	N/A	800	1,600	N/A	5,600	N/A
40	UNC/BOG21-1	3,750	3,750	3,750	3,750	N/A	8,000
41	UNC/BOG23-1	25,000	80,000	105,000	N/A	N/A	N/A
42	UNC/BOG23-3	143,864.4	72,382	103,500	N/A	N/A	N/A
43	UNC/BOG24-1	N/A	1,000	1,000	1,000	1,000	N/A
44	UNC/PBS23-1	N/A	4,950	N/A	17,325	27,225	N/A

**NON-GENERAL FUND/NON-SCIF CAPITAL PROJECT AUTHORIZATIONS**

**SECTION 40.3.** Section 40.4(a) of S.L. 2023-134 reads as rewritten:

"**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:

**Amount of Non-General Fund/Non-SCIF**

1	Name of Project	Funding Authorized	
		FY 2023-2024	FY 2024-2025
2			
3			
4	Department of Natural and Cultural Resources		
5	Electric Vehicle Fast Chargers	\$2,000,000	\$0
6	Brunswick Town State Historic Site–		
7	Historical Restorations	150,000	0
8	<u>Mary Ann Brittain Education Center</u>	0	2,200,000
9	<u>Fort Fisher Aquarium Energy Efficiency System</u>	0	2,000,000
10	<u>Jennette's Pier Weather Station Upgrades</u>	0	100,000
11	Department of Agriculture and Consumer Services		
12	Arena and Barn Replacement	1,900,000	0
13	ASC Lab Renovation	400,000	0
14	Grain Storage and Drying Improvements	370,000	0
15	Equipment Shelters Replacement	0	300,000
16	NCFS Facility and Infrastructure Improvements	1,000,000	0
17	PTFM Facility and Infrastructure Improvements	1,000,000	0
18	Raleigh FM Facility and Infrastructure Improvements	1,000,000	0
19	RS Infrastructure Repairs and Renovations	1,250,000	0
20	State Fair Gate 8 Restroom Renovation	1,500,000	0
21	State Fair Infrastructure Improvements	20,000,000	0
22	State Fair Lunch Facility Renovation	25,500,000	0
23	Vet Infrastructure Repairs and Renovations	250,000	0
24	WNCAGCTR Facility and Infrastructure Improvements	1,250,000	0
25	<u>State Fair Flower Show Building</u>	0	2,250,000
26	<u>Piedmont Aviary</u>	0	2,000,000
27	<u>Raleigh State Farmers Market Improvements</u>	0	5,000,000
28	Department of Public Safety		
29	Alcoholic Beverage Control–		
30	Warehouse Precast Repair	275,000	0
31	ABC New Campus–Advanced Planning	4,700,000	0
32	Department of Adult Correction		
33	Old Craggy Laundry Wastewater/Stormwater Repl.	742,000	0
34	Wildlife Resources Commission		
35	Land Acquisition	5,000,000	5,000,000
36	Game Land Improvements	2,000,000	0
37	Caswell Depot Expansion	2,460,000	0
38	Mills River Equipment Storage	355,000	0
39	Morganton Depot Equipment Storage	340,000	0
40	Rhems Depot Equipment Storage	415,000	0
41	Troy Depot Office/Shop & Storage	1,900,000	0
42	Shooting Range Office & Classroom Constr.	3,100,000	0
43	Mount Holly Depot	0	2,400,000
44	Marion Aquaculture Building	0	600,000
45	<u>Sykes Depot Greenhouse</u>	0	60,000
46	<u>D7 Storage Building</u>	0	400,000
47	<u>Caswell Shooting Range Expansion</u>	0	3,850,000
48	<u>Coastal Restoration &amp; Resiliency</u>	0	500,000
49	<u>Washington Baum Bridge Public Fishing Access</u>	0	875,000
50	Department of Military and Veterans Affairs		
51	<u>Sandhills State Veterans Cemetery</u>	0	2,307,236

1	<u>Eastern Carolina State Veterans Cemetery</u>	<u>0</u>	<u>507,150</u>
2	<u>Coastal Carolina State Veterans Cemetery</u>	<u>0</u>	<u>771,750</u>
3	<u>Salisbury State Veterans Home</u>	<u>0</u>	<u>11,438,910</u>

4  
5 **TOTAL AMOUNT OF NON-GENERAL**  
6 **FUND/NON-SCIF CAPITAL PROJECTS**  
7 **AUTHORIZED**

**\$78,857,000**                      **\$8,300,000**  
**\$42,560,046"**

9  
10 **VARIOUS CAPITAL CHANGES & CORRECTIONS**

11           **SECTION 40.4.(a)** Section 40.1(i) of S.L. 2023-134 is repealed.

12           **SECTION 40.4.(b)** Notwithstanding G.S. 143C-8-11, the funding allocated for the  
13 repairs and renovations of the historic Superintendent's House located on the campus of North  
14 Carolina School for the Deaf described in Section 40.1(c1)(5) of S.L. 2021-180 shall not revert  
15 and the project authorization shall not lapse until the project has been completed.

16           **SECTION 40.4.(c)** Notwithstanding Section 23.12(g) of S.L. 2006-66 and Section  
17 31.22 of S.L. 2015-241, or any other provision of law to the contrary, the Department of Adult  
18 Correction may use up to one million six hundred twelve thousand four hundred eighty-one  
19 dollars (\$1,612,481) from the projects described in Section 23.12(g) of S.L. 2006-66 and Section  
20 31.22 of S.L. 2015-241 to finance capital facility costs of HVAC projects at State facilities. No  
21 additional special indebtedness may be issued or incurred to finance these projects. The use of  
22 funds authorized by this subsection shall not require further approval by the Council of State  
23 pursuant to Chapter 142 of the General Statutes.

24           **SECTION 40.4.(d)** Section 40.1(a) of S.L. 2023-134 reads as rewritten:

25           **"SECTION 40.1.(a)** The following agency capital improvement projects have been assigned  
26 a project code for reference to allocations in this Part, past allocations, and for intended project  
27 support by the General Assembly for future fiscal years:

28 ...

29       East Carolina University–

30           Brody School of Medicine	UNC/ECU21-1
31           Howell Science Building North–Comprehensive Renovation	UNC/ECU23-1
32           Leo Jenkins Building/Health Sciences–Comprehensive Renovation	UNC/ECU23-2
33           Medical Examiner Office	UNC/ECU23-3
34           Regional <del>Children's</del> Behavioral Health Facility	UNC/ECU23-4
35           Dental School Planning	UNC/ECU23-5

36 ...

37       University of North Carolina at Wilmington–

38           Cameron Hall–Comprehensive Renovation/Expansion	UNC/WIL23-1
39           Kenan Auditorium–Comprehensive Renovation/Expansion	UNC/WIL23-2
40           DeLoach Hall–Modernization	UNC/WIL23-3
41 <del>Health Education</del> <u>S.T.E.M. Bldg.</u>	UNC/WIL23-4

42 ...."

43           **SECTION 40.4.(e)** Notwithstanding the Committee Report described in Section 43.2  
44 of S.L. 2023-134 or any provision of law to the contrary, the funding allocated from the State  
45 Capital and Infrastructure Fund to the University of North Carolina at Wilmington in the sum of  
46 eight million dollars (\$8,000,000) in nonrecurring funds for the 2023-2024 fiscal year shall be  
47 used to for the planning and construction of the S.T.E.M. building and related capital  
48 improvements or equipment.

49           **SECTION 40.4.(f)** Notwithstanding the Committee Report described in Section 43.2  
50 of S.L. 2023-134 or any other provision of law to the contrary, the funding allocated from the  
51 State Capital and Infrastructure Fund to East Carolina University in the sum of fifty million

1 dollars (\$50,000,000) in nonrecurring funds for the 2023-2024 fiscal year shall be used to  
2 construct a Regional Behavioral Health facility in Greenville.

#### 3 4 **DOWNTOWN GOVERNMENT COMPLEX**

5 **SECTION 40.5.(a)** The Department of Administration shall sell the property situated  
6 on the parcel of land in the City of Raleigh, with Wake County real estate ID# 0179265,  
7 commonly known as 304 N. Dawson Street, for fair market value. No service charge into the  
8 State Land Fund shall be deducted from or levied against the proceeds of the sale of the property  
9 listed in this subsection. Notwithstanding G.S. 146-30, the proceeds of the sale of the property  
10 listed in this subsection shall be handled in accordance with the following priority:

- 11 (1) First, in accordance with the provisions of any trust or other instrument of title  
12 whereby title to the subject real property was acquired by the State.
- 13 (2) Second, to reimburse the Department of Administration for any funds  
14 expended in the sale of the subject real property.
- 15 (3) Third, to be deposited into the State Capital and Infrastructure Fund,  
16 established in G.S. 143C-4-3.1.

17 The Department of Administration shall obtain an appraisal assessing the value for  
18 the property listed in this subsection according to their best and highest use and shall submit the  
19 appraisal to the Joint Legislative Oversight Committee on Capital Improvements and the Fiscal  
20 Research Division no later than January 1, 2025.

21 **SECTION 40.5.(b)** The Department of Administration shall prepare a plan that,  
22 within 18 months of the effective date of this section, would consolidate and move the offices of  
23 the State Records Center and any storage or satellite facilities related to the State Records Center  
24 to another location outside of the downtown government complex. The Department of  
25 Administration shall consider options for lease or purchase and shall submit its plan and cost  
26 estimates to the Joint Legislative Oversight Committee on Capital Improvements and the Fiscal  
27 Research Division no later than March 1, 2025.

28 **SECTION 40.5.(c)** This section is effective when it becomes law.

#### 29 30 **UNC SYSTEM OFFICE APPROVAL OF PLANNING EXPENDITURES**

31 **SECTION 40.6.** G.S. 143C-8-12 reads as rewritten:

32 **"§ 143C-8-12. Capital improvement projects from sources other than the General Fund.**

33 (a) University Projects. – Notwithstanding any other provision of this Chapter, the Board  
34 of Governors of The University of North Carolina may approve any of the following:

- 35 (1) Expenditures to plan a capital improvement project of The University of North  
36 Carolina, the planning for which is to be funded entirely with non-General  
37 Fund and non-State Capital and Infrastructure Fund monies.
- 38 (2) Expenditures for a capital improvement project of The University of North  
39 Carolina that is to be funded and operated entirely with non-General Fund and  
40 non-State Capital and Infrastructure Fund monies.
- 41 (3) A change in the scope of any previously approved capital improvement project  
42 of The University of North Carolina provided that both the project and change  
43 in scope are funded entirely with non-General Fund and non-State Capital and  
44 Infrastructure Fund monies.

45 For projects authorized by an act of the General Assembly and funded with an allocation  
46 from the State Capital and Infrastructure Fund, expenditures to a non-State third-party on project  
47 planning, project management, or other consulting services by a constituent institution of The  
48 University of North Carolina shall be subject to approval by The University of North Carolina  
49 System Office. Nothing in this subsection shall be construed to prohibit expenditures for planning  
50 for a project that has been authorized by an act of the General Assembly and funded with an  
51 allocation from the State Capital and Infrastructure Fund.

(b) Carryforward Funds. – For purposes of this section, the term "non-General Fund and non-State Capital and Infrastructure Fund monies" includes funds carried forward from one fiscal year to another pursuant to G.S. 116-30.3 and G.S. 116-30.3B. These funds shall only be used for projects listed in G.S. 143C-8-13(a).

(c) National Guard Projects. – Notwithstanding any other provision of this Chapter, the North Carolina National Guard may approve expenditures for a capital project of the North Carolina National Guard if (i) the project will be funded entirely with federal funds and (ii) any operating costs associated with the project will be paid entirely with federal funds.

(d) Reporting. – The Board of Governors and the National Guard shall report any expenditure made pursuant to this section to the Office of State Budget and Management and to the Joint Legislative Commission on Governmental Operations."

**PART XLI. TRANSPORTATION**

**CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**

**SECTION 41.1.(a)** Subsections (b) and (c) of Section 41.1 of S.L. 2023-134 are repealed.

**SECTION 41.1.(b)** The General Assembly authorizes and certifies anticipated revenues for the Highway Fund as follows:

For Fiscal Year 2025-26	\$3,275.8 million
For Fiscal Year 2026-27	\$3,290.5 million
For Fiscal Year 2027-28	\$3,356.5 million
For Fiscal Year 2028-29	\$3,513.1 million
For Fiscal Year 2029-30	\$3,583.1 million

**SECTION 41.1.(c)** The General Assembly authorizes and certifies anticipated revenues for the Highway Trust Fund as follows:

For Fiscal Year 2025-26	\$2,496.3 million
For Fiscal Year 2026-27	\$2,544.6 million
For Fiscal Year 2027-28	\$2,616.8 million
For Fiscal Year 2028-29	\$2,682.5 million
For Fiscal Year 2029-30	\$2,745.6 million

**SECTION 41.1.(d)** The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop a 10-year revenue forecast. The 10-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 2024-2025 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



1 report on the use of these funds to the Joint Legislative Transportation Oversight Committee and  
2 the Fiscal Research Division.

#### 3 4 **BUDGET ALIGNMENT AND TRANSPARENCY**

5 **SECTION 41.3.(a)** The Chief Financial Officer of the Department of Transportation  
6 (CFO), in consultation with the Office of State Budget and Management, Office of the State  
7 Controller, and the Fiscal Research Division, shall align the internal ledger and business practices  
8 of the Department of Transportation with the Department's certified budget in accordance with  
9 the standards established by the Governmental Accounting Standards Board (GASB). For this  
10 purpose, the CFO shall use the State Accounting System to guide the development and adoption  
11 of procedures to ensure that budget compliance, including the movement of appropriations across  
12 fiscal years, is clearly documented. The requirements of this section shall be completed by July  
13 1, 2025.

14 **SECTION 41.3.(b)** Beginning October 1, 2024, and every quarter thereafter until  
15 the completion date set forth in subsection (a) of this section, the CFO shall submit progress  
16 reports on the implementation of this section to the Joint Legislative Transportation Oversight  
17 Committee (JLTOC) and the Fiscal Research Division.

#### 18 19 **DOT RECLASSIFICATION AUTHORITY FOR CERTAIN POSITIONS**

20 **SECTION 41.4.** Notwithstanding any other provision of law to the contrary, the  
21 Department of Transportation shall reclassify a sufficient number of positions to fund the  
22 following positions. The Department may only reclassify a position if the position has been  
23 vacant for more than 365 days. Reclassification under the authority of this section shall be in  
24 accordance with the classification system established by the State Human Resources  
25 Commission. The positions are as follows:

- 26 (1) Up to 20 full-time equivalent (FTE) positions in the Division of Motor  
27 Vehicles for Driver License Examiner I positions.
- 28 (2) One FTE Title VI Program Coordinator and one FTE Work Force Program  
29 Coordinator in the Office of Civil Rights.

#### 30 31 **MODIFICATION TO MONTHLY STATEMENT REPORT**

32 **SECTION 41.5.** The Department of Transportation shall modify its monthly  
33 financial statement report, as required by G.S. 143C-6-11(q), by separating electric vehicle  
34 registration fees from staggered registration in the "Statement of Fees, Taxes, and Other" for the  
35 Highway Fund.

#### 36 37 **CORRECT BASE BUDGET TO ACCURATELY REFLECT DMV ELECTRONIC 38 PAYMENT TRANSACTION FEES IN THE BASE BUDGET**

39 **SECTION 41.6.** The Division of Motor Vehicles (Division) of the Department of  
40 Transportation (Department) and the Financial Management Division of the Department shall  
41 work with the Office of State Budget and Management to ensure the Base Budget for Budget  
42 Fund 801176 accurately reflects the projected requirements and receipts needed to ensure that  
43 credit card transaction fees the Division pays to its vendor for electronic payment processing are  
44 fully receipt supported. The Division shall adjust receipt projections in accordance with  
45 G.S. 143C-3-5(b)(2)c. and shall adjust Base Budget requirements to match those projected  
46 receipts. In calculating the Base Budget requirements, the Department of Transportation shall  
47 only include transaction fees directly collected by the Division to cover service charges paid by  
48 the Division to vendors for credit card transaction fees.

#### 49 50 **REPEAL OVERSIGHT EXEMPTION FOR DMV MODERNIZATION PROJECTS/RFP 51 FOR DMV MODERNIZATION**

1           **SECTION 41.8.(a)** Section 11 of S.L. 2021-134 is repealed, and the provisions of  
2 Part 4 of Article 15 of Chapter 143B of the General Statutes shall apply to the Department of  
3 Information Technology's (DIT) procurement of information technology under this section,  
4 including the provisions related to the issuance of requests for proposals.

5           **SECTION 41.8.(b)** The Department of Transportation shall:

6           (1) Immediately terminate any non-contractually binding memorandum of  
7 understanding or memorandum of agreement entered into pursuant to the  
8 exemption created by Section 11 of S.L. 2021-134.

9           (2) Allow to expire and not renew any contract entered into pursuant to the  
10 exemption created by Section 11 of S.L. 2021-134.

11           **SECTION 41.8.(c)** It is the intent of the General Assembly to modernize the  
12 Information Technology (IT) systems of the Division of Motor Vehicles of the Department of  
13 Transportation (DMV) by contracting for the replacement of all DMV IT functions currently  
14 supported by the DMV's mainframe system. DIT shall develop and issue a Request for Proposal  
15 (RFP) no later than October 1, 2024, to contract with a third-party vendor (contractor) to develop  
16 replacements for the DMV's IT functions, including all of the following systems: (i) the State  
17 Titling and Registration System; (ii) the State Automated Driver License System; (iii) the  
18 Liability Insurance Tracking and Enforcement System; (iv) all IT systems supporting the  
19 enforcement of emission and safety inspection requirements; and (v) the North Carolina Crash  
20 Reporting System. DIT shall contract with the contractor for the complete modernization and  
21 replacement of these systems, notwithstanding any currently pending contracts. Current  
22 functions of the DMV's mainframe system may be exempted from this RFP if the functions  
23 supported by those systems are no longer necessary for DMV's operations. No later than January  
24 1, 2025, DIT shall select a contractor with a demonstrated ability to replace and modernize  
25 DMV's IT functions in an expeditious, efficient, and cost-effective manner.

26           **SECTION 41.8.(d)** No later than January 1, 2025, DIT shall report the RFP issued  
27 and the contractor selected. Every six months thereafter, DIT shall report on the contractor's  
28 progress in replacing and Modernizing DMV's IT systems, including a report detailing  
29 completion of the IT modernization and replacement project. The reports required by this  
30 subsection shall be distributed to the Fiscal Research Division and the chairs of all of the  
31 following:

32           (1) The Joint Legislative Transportation Oversight Committee.

33           (2) The Joint Legislative Oversight Committee on Information Technology.

34           (3) The House and Senate Transportation Appropriations Committees.

35           (4) The Senate Appropriations Committee on General Government and  
36 Information Technology.

37           (5) The House Appropriations Committee on General Government.

38           **SECTION 41.8.(e)** This section expires upon submission of the final  
39 post-completion report required under subsection (d) of this section or January 1, 2026,  
40 whichever is earlier.

## 41 42 **APPOINTMENT OF COMMISSIONER OF MOTOR VEHICLES**

43           **SECTION 41.9.(a)** G.S. 20-2 reads as rewritten:

44           "**§ 20-2. Commissioner of Motor Vehicles; rules.**

45           ~~Commissioner and Assistants.~~ Commissioner. – The Division of Motor Vehicles shall  
46 be administered by the Commissioner of Motor Vehicles, who shall be appointed by and serve  
47 at the pleasure of the ~~Secretary of the Department of Transportation.~~ Governor. The  
48 Commissioner's appointment shall be subject to confirmation by the General Assembly by joint  
49 resolution. If a vacancy arises or exists pursuant to this subsection when the General Assembly  
50 is not in session, the Governor may appoint a Commissioner to serve on an interim basis pending  
51 confirmation by the General Assembly. For the purposes of this subsection, the General

1 Assembly is not in session only (i) prior to convening of the Regular Session, (ii) during any  
2 adjournment of the Regular Session for more than 10 days, and (iii) after sine die adjournment  
3 of the Regular Session.

4 (a1) Commissioner Salary. – The Commissioner shall be paid an annual salary to be fixed  
5 by the Governor and allowed traveling expenses as allowed by law.

6 (a2) Assistants. – In any action, proceeding, or matter of any kind, to which the  
7 Commissioner of Motor Vehicles is a party or in which he may have an interest, all pleadings,  
8 legal notices, proof of claim, warrants for collection, certificates of tax liability, executions, and  
9 other legal documents, may be signed and verified on behalf of the Commissioner of Motor  
10 Vehicles by the Assistant Commissioner of Motor Vehicles or by any director or assistant director  
11 of any section of the Division of Motor Vehicles or by any other agent or employee of the  
12 Division so authorized by the Commissioner of Motor Vehicles.

13 (b) Rules. – The Commissioner may adopt rules to implement this Chapter. Chapter 150B  
14 of the General Statutes governs the adoption of rules by the Commissioner."

15 **SECTION 41.9.(b)** This section is effective when it becomes law.  
16

### 17 **FERRY DRY DOCK USE OF FUNDS REPORT**

18 **SECTION 41.10.** No later than October 1, 2024, and quarterly thereafter until the  
19 funds are expended, the Ferry Division shall submit a progress report to the Joint Legislative  
20 Transportation Oversight Committee and the Fiscal Research Division on the use of funds  
21 appropriated by this act to the Ferry Division for marine vessel dry docking. The report shall  
22 include the following information by fiscal year:

- 23 (1) A list of all marine vessels scheduled or under contract for dry docking.
- 24 (2) The estimated cost of the work to be completed for each marine vessel sent to  
25 a private shipyard for dry dock.
- 26 (3) The actual cost of the work and the total funds used as of the report date.  
27

### 28 **WAKE AND JONES COUNTY MAINTENANCE YARDS**

29 **SECTION 41.11.(a)** Jones County. – Notwithstanding subdivision (1) of Section 1.7  
30 of S.L. 2019-251, of the remaining funds from the thirty million dollars (\$30,000,000)  
31 appropriated for Hurricane Dorian debris removal and highway infrastructure repair, twenty-five  
32 million two hundred thousand dollars (\$25,200,000) shall be used by the Department of  
33 Transportation to fund relocation of the Jones County maintenance yard. Any remaining funds  
34 shall be transferred to the General Fund.

35 **SECTION 41.11.(b)** Wake County. – The Department of Transportation and the  
36 Department of Agriculture and Consumer Services shall extend the period in which the  
37 Department of Transportation must relocate the Wake County maintenance yard by one year  
38 from the date of their current agreement.  
39

### 40 **REQUIRE PRIVATE ENTITY TO ADMINISTER LOGO SIGN PROGRAM**

41 **SECTION 41.12.(a)** G.S. 136-89.56 reads as rewritten:

42 "**§ 136-89.56. Commercial enterprises.**

43 (a) No commercial enterprises or activities shall be authorized or conducted by the  
44 Department of Transportation, or the governing body of any city or town, within or on the  
45 property acquired for or designated as a controlled-access facility, as defined in this Article,  
46 except for:

- 47 (1) Materials displayed at welcome centers which shall be directly related to  
48 travel, accommodations, tourist-related activities, tourist-related services, and  
49 attractions. The Department of Transportation shall issue rules regulating the  
50 display of these materials. These materials may contain advertisements for  
51 real estate; and

1 (2) Vending machines permitted by the Department of Transportation and placed  
2 by the Division of Services for the Blind, Department of Health and Human  
3 Services, as the State licensing agency designated pursuant to Section 2(a)(5)  
4 of the Randolph-Sheppard Act (20 USC 107a(a)(5)). The Department of  
5 Transportation shall regulate the placing of the vending machines in highway  
6 rest areas and shall regulate the articles to be dispensed. In order to permit the  
7 establishment of adequate fuel and other service facilities by private owners  
8 or their lessees for the users of a controlled-access facility, the Department of  
9 Transportation shall permit access to service or frontage roads within the  
10 publicly owned right-of-way of any controlled-access facility established or  
11 designated as provided in this Article, at points which, in the opinion of the  
12 Department of Transportation, will best serve the public interest. The location  
13 of such fuel and other service facilities may be indicated to the users of the  
14 controlled-access facilities by appropriate signs, the size, style, and  
15 specifications of which shall be determined by the Department of  
16 Transportation.

17 (b) The location of fuel, gas, food, lodging, camping, and attraction facilities may be  
18 indicated to the users of the controlled-access facilities by appropriate logos placed on signs  
19 owned, controlled, and erected within the right-of-way of fully and partially controlled-access  
20 highways by the Department of Transportation.

21 (c) The Department shall contract with a private entity to administer the erection of signs  
22 and placement of logos, as authorized by this section (Logo Sign Program). The responsibilities  
23 of the private entity shall include the following: acquisition and erection of signs; design,  
24 manufacture, and placement of logos on signs; maintenance of signs and logos; receipt and  
25 response to information request concerning the program; and management of the financial  
26 transactions related to the program. The owners, operators or lessees of fuel, gas, food, lodging,  
27 camping, and attraction facilities who wish to place a logo identifying their business or service  
28 on a sign shall furnish a logo meeting the size, style and specifications determined by the  
29 Department of Transportation and shall pay ~~the Department of Transportation~~ a fee set by the  
30 vendor and approved by the Board of Transportation. ~~The Board shall set the fee set by the vendor~~  
31 shall be determined based on market rates for the number of vehicles that pass by the sign,  
32 reflecting the value of the visibility and access provided to the participating businesses and  
33 to cover the initial costs of signs, sign installation, and maintenance, and the costs of administering  
34 the logo sign program. ~~The Transportation Mobility and Safety Division of the Department of~~  
35 ~~Transportation shall administer the logo sign program, including receiving requests for~~  
36 ~~information concerning the logo sign program."~~

37 **SECTION 41.12.(b)** The following rules are repealed: 19A NCAC 02E .0216 and  
38 19A NCAC 02E .0221. The Department of Transportation may adopt temporary rules and shall  
39 adopt permanent rules consistent with subsection (a) of this section.

40 **SECTION 41.12.(c)** No later than 120 days after the effective date of this act, the  
41 Department shall issue a Request for Proposal (RFP) and select a vendor in accordance with this  
42 section.

#### 43 44 **LOCAL REGULATION OF BUSINESS SIGNS REMOVED BECAUSE OF** 45 **DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION**

46 **SECTION 41.13.** G.S. 136-131.5 is amended by adding a new subsection to read:

47 "(e) The relocation of a lawfully erected outdoor advertising sign that is removed because  
48 of Department of Transportation right-of-way acquisition shall be subject to the local ordinances  
49 and regulations that were in effect at the time the outdoor advertising sign was lawfully erected.  
50 This subsection does not apply to subsequent changes to the State Building Code since the  
51 outdoor advertising sign was lawfully erected."

**AIRPORT IMPROVEMENT FUNDS SHALL NOT REVERT**

**SECTION 41.14.** Notwithstanding G.S. 143C-1-2(b), G.S. 63-74(d), Section 41.4 of S.L. 2022-74, or any other provision of law to the contrary, funds allocated for airport improvements on or after July 1, 2019, by Section 4.7 of S.L. 2019-231, Section 2.2(j) of S.L. 2023-134, or any other act of the General Assembly shall not revert but shall remain available to expend until completion of the improvement.

**REQUIRE DMV TO DEVELOP WORK ZONE SAFETY TRAINING COURSE**

**SECTION 41.15.(a)** G.S. 20-7 reads as rewritten:

**"§ 20-7. Issuance and renewal of drivers licenses.**

(a) License Required. – To drive a motor vehicle on a highway, a person must be licensed by the Division under this Article or Article 2C of this Chapter to drive the vehicle and must carry the license while driving the vehicle. The Division issues regular drivers licenses under this Article and issues commercial drivers licenses under Article 2C.

...

A person holding a commercial drivers license issued by another jurisdiction must apply for a transfer and obtain a North Carolina issued commercial drivers license within 30 days of becoming a resident. Any other new resident of North Carolina who has a drivers license issued by another jurisdiction must obtain a license from the Division within 60 days after becoming a ~~resident~~ resident, and the Division shall, at minimum, require completion of the highway work zone training course implemented pursuant to G.S. 20-88.1 before issuing that license.

...

(c) Tests. – To demonstrate physical and mental ability, a person must pass an examination. The examination may include road tests, vision tests, oral tests, and, in the case of literate applicants, written tests, as the Division may require. The tests must ensure that an applicant (i) recognizes the handicapped international symbol of access, as defined in ~~G.S. 20-37.5~~ G.S. 20-37.5, and (ii) has completed the highway work zone safety training course implemented by the Division pursuant to G.S. 20-88.1. The Division may not require a person who applies to renew a license that has not expired to take a written test or a road test unless one or more of the following applies:

- (1) The person has been convicted of a traffic violation since the person's license was last issued.
- (2) The applicant suffers from a mental or physical condition that impairs the person's ability to drive a motor vehicle.

...."

**SECTION 41.15.(b)** G.S. 20-88.1 reads as rewritten:

**"§ 20-88.1. Driver education.**

...

(e) The Division shall develop a training course, or identify an existing training course, to educate individuals on the safe operation of a motor vehicle within a highway work zone, as that term is defined in G.S. 20-141. With respect to the training course developed or identified pursuant to this subsection, the Division shall do both of the following:

- (1) Ensure the training course is accessible to the public both in person and on the Division's website.
- (2) Develop a method for a person to demonstrate successful completion of the training course."

**SECTION 41.15.(c)** The Division of Motor Vehicles of the Department of Transportation (Division), in consultation with the Department of Public Instruction, shall do all of the following:

- 1 (1) Develop a training course, or identify an existing training course, to educate  
2 individuals on the safe operation of a motor vehicle within a highway work  
3 zone, as that term is defined in G.S. 20-141.
- 4 (2) With respect to the training course developed or identified pursuant to this  
5 subsection, develop a plan to do all of the following:
- 6 a. Make the training course developed or identified pursuant to this  
7 section available to the public both in person and on the Division's  
8 website.
- 9 b. Establish a method for a person to demonstrate completion of the  
10 training course.
- 11 c. Integrate the training course into the driver education program  
12 established pursuant to G.S. 115C-215.
- 13 (3) No later than March 31, 2025, the Division shall submit a report to the House  
14 of Representatives Appropriations Committee on Transportation, the Senate  
15 Appropriations Committee on the Department of Transportation, and the  
16 Fiscal Research Division. The report shall contain an update on the Division's  
17 progress in complying with the requirements of this subsection.

18 **SECTION 41.15.(d)** Subsections (a) and (b) of this section become effective  
19 December 1, 2025. The remainder of this section is effective when it becomes law.  
20

## 21 **PART XLII. FINANCE**

### 22 23 **ALLOW SINGLE APPLICATION FOR LEGACY AIRPORT PROPERTY TAX** 24 **EXCLUSION**

25 **SECTION 42.1.(a)** G.S. 105-282.1(a)(2)b. reads as rewritten:

26 "b. Special classes of property excluded from taxation under  
27 G.S. 105-275(3), (7), (8), (12), (17), (18), (19), (20), (21), (31e), (35),  
28 (36), (38), (39), (41), (45), (46), (47), (48), ~~or (49)-(49), or (50)~~ or  
29 under G.S. 131A-21."

30 **SECTION 42.1.(b)** This section is effective when it becomes law.  
31

## 32 **PART XLIII. MISCELLANEOUS**

### 33 34 **STATE BUDGET ACT APPLIES**

35 **SECTION 43.1.** The provisions of the State Budget Act, Chapter 143C of the  
36 General Statutes, are reenacted and shall remain in full force and effect and are incorporated in  
37 this act by reference.  
38

### 39 **COMMITTEE REPORT**

40 **SECTION 43.2.(a)** The North Carolina House Appropriations Committee Report on  
41 the Current Operations Appropriations Act of 2024, Proposed Committee Substitute for H263,  
42 which was distributed in the House and used to explain this act, shall indicate action by the  
43 General Assembly on this act and shall, therefore, be used to construe this act, as provided in the  
44 State Budget Act, Chapter 143C of the General Statutes, as appropriate, and for these purposes  
45 shall be considered a part of this act and, as such, shall be printed as a part of the Session 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 2024-2025 fiscal year 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 in 2024. The report shall be in the  
21 form of a revision of the Committee Report described in Section 43.2 of this act pursuant to  
22 G.S. 143C-5-5. The Director of the Fiscal Research Division shall send a copy of the report  
23 issued pursuant to this section to the Director of the Budget. The report shall be published on the  
24 General Assembly's internet website for public access.

#### 25 **APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

26 **SECTION 43.4.** Except where expressly repealed or amended by this act, the  
27 provisions of any legislation enacted during the 2023 Regular Session of the General Assembly  
28 affecting the State budget shall remain in effect.

#### 29 **MOST TEXT APPLIES ONLY TO THE 2024-2025 FISCAL YEAR**

30 **SECTION 43.5.** Except for statutory changes or other provisions that clearly indicate  
31 an intention to have effects beyond the 2024-2025 fiscal year, the textual provisions of this act  
32 apply only to funds appropriated for, and activities occurring during, the 2024-2025 fiscal year.

#### 33 **EFFECT OF HEADINGS**

34 **SECTION 43.6.** The headings to the Parts, Subparts, and sections of this act are a  
35 convenience to the reader and are for reference only. The headings do not expand, limit, or define  
36 the text of this act, except for interpretation of effective dates referring to a Part or Subpart.

#### 37 **SEVERABILITY CLAUSE**

38 **SECTION 43.7.** If any section or provision of this act is declared unconstitutional  
39 or invalid by the courts, it does not affect the validity of this act as a whole or any part other than  
40 the part so declared to be unconstitutional or invalid.

#### 41 **EFFECTIVE DATE**

42 **SECTION 43.8.** Except as otherwise provided, this act becomes effective July 1,  
43 2024.