

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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**HOUSE BILL 263
Committee Substitute Favorable 6/18/24
Third Edition Engrossed 6/20/24**

Short Title: 2024 Appropriations Act.

(Public)

Sponsors:

Referred to:

March 6, 2023

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

PART I. TITLE AND INTRODUCTION

TITLE OF ACT

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

INTRODUCTION

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

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

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Appropriations from the General Fund for the 2024-2025 fiscal year set out in Section 2.1(a) of S.L. 2023-134 are repealed.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

Current Operations – General Fund	FY 2024-2025
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EDUCATION

Community College System

Requirements	2,041,421,512
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Less: Receipts	411,143,141
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Net Appropriation	1,630,278,371
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Public Instruction



1	Requirements	13,946,592,337
2	Less: Receipts	1,860,372,708
3	Net Appropriation	12,086,219,629
4		
5	University of North Carolina	
6	NC A&T University	
7	Requirements	241,838,043
8	Less: Receipts	90,618,145
9	Net Appropriation	151,219,898
10		
11	NC School of Science and Mathematics	
12	Requirements	45,831,072
13	Less: Receipts	3,791,677
14	Net Appropriation	42,039,395
15		
16	NC State University – Academic Affairs	
17	Requirements	955,634,072
18	Less: Receipts	439,317,357
19	Net Appropriation	516,316,715
20		
21	NC State University – Ag. Research	
22	Requirements	79,228,032
23	Less: Receipts	19,124,784
24	Net Appropriation	60,103,248
25		
26	NC State University – Coop. Extension	
27	Requirements	64,983,558
28	Less: Receipts	18,874,550
29	Net Appropriation	46,109,008
30		
31	North Carolina Central University	
32	Requirements	145,479,077
33	Less: Receipts	53,855,844
34	Net Appropriation	91,623,233
35		
36	UNC at Asheville	
37	Requirements	76,811,113
38	Less: Receipts	23,886,242
39	Net Appropriation	52,924,871
40		
41	UNC at Chapel Hill – Academic Affairs	
42	Requirements	734,263,122
43	Less: Receipts	377,889,533
44	Net Appropriation	356,373,589
45		
46	UNC at Chapel Hill – Area Health Ed.	
47	Requirements	56,271,874
48	Less: Receipts	0
49	Net Appropriation	56,271,874
50		
51	UNC at Chapel Hill – Health Affairs	

1	Requirements	370,568,724
2	Less: Receipts	138,758,876
3	Net Appropriation	231,809,848
4		
5	UNC at Charlotte	
6	Requirements	505,032,624
7	Less: Receipts	198,092,793
8	Net Appropriation	306,939,831
9		
10	UNC at Greensboro	
11	Requirements	315,735,257
12	Less: Receipts	118,202,973
13	Net Appropriation	197,532,284
14		
15	UNC at Pembroke	
16	Requirements	126,354,011
17	Less: Receipts	28,172,155
18	Net Appropriation	98,181,856
19		
20	UNC at Wilmington	
21	Requirements	315,641,547
22	Less: Receipts	116,694,281
23	Net Appropriation	198,947,266
24		
25	UNC BOG – Aid to Private Institutions	
26	Requirements	1,709,300
27	Less: Receipts	0
28	Net Appropriation	1,709,300
29		
30	UNC BOG – Institutional Programs	
31	Requirements	508,293,853
32	Less: Receipts	60,920,608
33	Net Appropriation	447,373,245
34		
35	UNC BOG – Related Ed. Programs	
36	Requirements	1,291,540,818
37	Less: Receipts	308,938,183
38	Net Appropriation	982,602,635
39		
40	UNC School of the Arts	
41	Requirements	56,488,236
42	Less: Receipts	17,148,612
43	Net Appropriation	39,339,624
44		
45	UNC System Office	
46	Requirements	47,640,384
47	Less: Receipts	259,217
48	Net Appropriation	47,381,167
49		
50	Western Carolina University	
51	Requirements	187,579,946

1	Less: Receipts	31,517,260
2	Net Appropriation	156,062,686
3		
4	Winston-Salem State University	
5	Requirements	93,955,473
6	Less: Receipts	24,445,103
7	Net Appropriation	69,510,370
8		
9	Appalachian State University	
10	Requirements	316,188,983
11	Less: Receipts	127,280,171
12	Net Appropriation	188,908,812
13		
14	East Carolina Univ. – Academic Affairs	
15	Requirements	434,732,843
16	Less: Receipts	170,125,795
17	Net Appropriation	264,607,048
18		
19	East Carolina Univ. – Health Affairs	
20	Requirements	114,341,160
21	Less: Receipts	13,587,770
22	Net Appropriation	100,753,390
23		
24	Elizabeth City State University	
25	Requirements	51,830,539
26	Less: Receipts	5,670,169
27	Net Appropriation	46,160,370
28		
29	Fayetteville State University	
30	Requirements	92,656,751
31	Less: Receipts	13,945,205
32	Net Appropriation	78,711,546
33		
34	HEALTH AND HUMAN SERVICES	
35	Aging and Adult Services	
36	Requirements	165,186,312
37	Less: Receipts	110,494,543
38	Net Appropriation	54,691,769
39		
40	Central Management and Support	
41	Requirements	517,866,810
42	Less: Receipts	291,209,868
43	Net Appropriation	226,656,942
44		
45	Child and Family Well-Being	
46	Requirements	599,259,277
47	Less: Receipts	538,484,569
48	Net Appropriation	60,774,708
49		
50	Child Development and Early Education	
51	Requirements	1,072,880,763

1	Less: Receipts	773,959,346
2	Net Appropriation	298,921,417
3		
4	Emp. & Indep. for People with Disabilities	
5	Requirements	188,177,520
6	Less: Receipts	143,833,389
7	Net Appropriation	44,344,131
8		
9	Health Benefits	
10	Requirements	32,354,486,198
11	Less: Receipts	26,552,698,977
12	Net Appropriation	5,801,787,221
13		
14	Health Services Regulation	
15	Requirements	82,772,672
16	Less: Receipts	56,847,481
17	Net Appropriation	25,925,191
18		
19	Mental Hlth./Dev. Disabl./Subs. Use Serv.	
20	Requirements	1,959,556,938
21	Less: Receipts	1,102,724,523
22	Net Appropriation	856,832,415
23		
24	Public Health	
25	Requirements	510,430,526
26	Less: Receipts	369,058,932
27	Net Appropriation	141,371,594
28		
29	Services for the Blind/Deaf/Hard of Hearing	
30	Requirements	45,663,407
31	Less: Receipts	36,130,573
32	Net Appropriation	9,532,834
33		
34	Social Services	
35	Requirements	2,201,775,740
36	Less: Receipts	1,968,444,916
37	Net Appropriation	233,330,824
38		
39	AGRICULTURE, NATURAL, AND ECONOMIC RESOURCES	
40	Agriculture and Consumer Services	
41	Requirements	277,760,393
42	Less: Receipts	92,338,831
43	Net Appropriation	185,421,562
44		
45	Commerce	
46	Requirements	642,483,678
47	Less: Receipts	439,123,122
48	Net Appropriation	203,360,556
49		
50	Environmental Quality	
51	Requirements	1,189,200,599

1	Less: Receipts	190,089,646
2	Net Appropriation	999,110,953
3		
4	Labor	
5	Requirements	44,778,761
6	Less: Receipts	18,211,608
7	Net Appropriation	26,567,153
8		
9	Natural and Cultural Resources	
10	Requirements	349,419,353
11	Less: Receipts	55,450,747
12	Net Appropriation	293,968,606
13		
14	Wildlife Resources Commission	
15	Requirements	98,784,029
16	Less: Receipts	81,917,250
17	Net Appropriation	16,866,779
18		
19	JUSTICE AND PUBLIC SAFETY	
20	Administrative Office of the Courts	
21	Requirements	800,367,351
22	Less: Receipts	5,721,889
23	Net Appropriation	794,645,462
24		
25	Correction	
26	Requirements	2,076,388,295
27	Less: Receipts	34,807,745
28	Net Appropriation	2,041,580,550
29		
30	Indigent Defense Services	
31	Requirements	187,012,376
32	Less: Receipts	14,428,756
33	Net Appropriation	172,583,620
34		
35	Justice	
36	Requirements	113,674,691
37	Less: Receipts	45,398,277
38	Net Appropriation	68,276,414
39		
40	Public Safety	
41	Requirements	866,070,683
42	Less: Receipts	201,107,096
43	Net Appropriation	664,963,587
44		
45	State Bureau of Investigation	
46	Requirements	146,692,925
47	Less: Receipts	23,496,402
48	Net Appropriation	123,196,523
49		
50	GENERAL GOVERNMENT	
51	Administration	

1	Requirements	81,257,239
2	Less: Receipts	12,775,751
3	Net Appropriation	68,481,488
4		
5	Administrative Hearings	
6	Requirements	9,944,325
7	Less: Receipts	1,245,283
8	Net Appropriation	8,699,042
9		
10	Auditor	
11	Requirements	26,390,841
12	Less: Receipts	6,969,150
13	Net Appropriation	19,421,691
14		
15	Budget and Management	
16	Requirements	17,945,527
17	Less: Receipts	4,827,254
18	Net Appropriation	13,118,273
19		
20	Budget and Management – Special Approp.	
21	Requirements	57,275,000
22	Less: Receipts	46,725,000
23	Net Appropriation	10,550,000
24		
25	Controller	
26	Requirements	37,174,846
27	Less: Receipts	983,386
28	Net Appropriation	36,191,460
29		
30	Elections	
31	Requirements	9,961,793
32	Less: Receipts	134,035
33	Net Appropriation	9,827,758
34		
35	General Assembly	
36	Requirements	101,208,542
37	Less: Receipts	899,760
38	Net Appropriation	100,308,782
39		
40	Governor	
41	Requirements	7,847,965
42	Less: Receipts	1,024,999
43	Net Appropriation	6,822,966
44		
45	Housing Finance Authority	
46	Requirements	114,254,433
47	Less: Receipts	103,594,433
48	Net Appropriation	10,660,000
49		
50	Human Resources	
51	Requirements	12,386,199

1	Less: Receipts	887,646
2	Net Appropriation	11,498,553
3		
4	Industrial Commission	
5	Requirements	24,516,649
6	Less: Receipts	20,739,136
7	Net Appropriation	3,777,513
8		
9	Insurance	
10	Requirements	64,285,767
11	Less: Receipts	5,337,721
12	Net Appropriation	58,948,046
13		
14	Lieutenant Governor	
15	Requirements	1,360,188
16	Less: Receipts	5,324
17	Net Appropriation	1,354,864
18		
19	Military and Veterans Affairs	
20	Requirements	10,235,329
21	Less: Receipts	29,655
22	Net Appropriation	10,205,674
23		
24	Revenue	
25	Requirements	191,769,860
26	Less: Receipts	69,052,270
27	Net Appropriation	122,717,590
28		
29	Secretary of State	
30	Requirements	22,472,805
31	Less: Receipts	399,736
32	Net Appropriation	22,073,069
33		
34	Treasurer	
35	Requirements	80,760,242
36	Less: Receipts	80,551,168
37	Net Appropriation	209,074
38		
39	Treasurer – Other Retirement Plans/Benefits	
40	Requirements	24,050,988
41	Less: Receipts	0
42	Net Appropriation	24,050,988
43		
44	INFORMATION TECHNOLOGY	
45	Information Technology	
46	Requirements	139,687,894
47	Less: Receipts	56,163,292
48	Net Appropriation	83,524,602
49		
50	RESERVES AND LOTTERY	
51	General Fund Reserve – Reverting Funds	

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

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

17 18 **GENERAL FUND AVAILABILITY**

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

	FY 2024-2025
22	
23	
24	Unappropriated Balance Remaining FY 2023-24
25	1,564,437,931
26	Anticipated Reversions
27	500,000,000
28	FY 2023-24 Anticipated Overcollections
29	188,138,702
30	Total, Prior Year-End Fund Balance
31	2,252,576,633
32	
33	
34	Revised Consensus Revenue Forecast
35	Tax Revenue
36	32,574,000,000
37	Non-Tax Revenue
38	1,590,300,000
39	Total, Tax and Non-Tax Revenue
40	34,164,300,000
41	
42	Revenue Adjustments
43	Adjustments to Tax Revenue
44	(2,500,000)
45	Adjustments to Non-Tax Revenue
46	4,953,408
47	Total, Revenue Adjustments
48	2,453,408
49	
50	Statutory Reservations of Revenue
51	State Capital and Infrastructure Fund
52	(1,461,333,238)
53	Total, Statutory Reserves
54	(1,461,333,238)
55	
56	Discretionary Reservations of Revenue
57	State Capital and Infrastructure Fund
58	(700,000,000)
59	Savings Reserve
60	(125,000,000)
61	Clean Water and Drinking Water Reserve
62	(1,000,000,000)
63	Regional Economic Development Reserve
64	(550,000,000)
65	Economic Development Project Reserve
66	(155,100,000)
67	Medicaid Contingency Reserve
68	(100,000,000)
69	State Emergency Response and Disaster Relief Fund
70	(75,000,000)
71	Housing Reserve
72	(10,000,000)

1	Transportation Reserve	(100,000,000)
2	NCInnovation Reserve	(250,000,000)
3	Retiree Supplement Reserve	(79,804,523)
4	Total, Discretionary Reserves	(3,144,904,523)
5		
6	Revised Total General Fund Availability	31,813,092,280
7		
8	Less General Fund Net Appropriations	31,714,863,353
9		
10	Unappropriated Balance Remaining	98,228,927

11
12 **SECTION 2.2.(c)** Section 2.2(c) of S.L. 2023-134 reads as rewritten:

13 **"SECTION 2.2.(c)** Medicaid Contingency Reserve. – The State Controller shall reserve to
14 the Medicaid Contingency Reserve described in G.S. 143C-4-11 from funds available in the
15 General Fund the sum of four hundred million dollars (\$400,000,000) in nonrecurring funds for
16 the 2023-2024 fiscal year and the sum of ~~two hundred fifty million dollars (\$250,000,000)~~ one
17 hundred million dollars (\$100,000,000) in nonrecurring funds for the 2024-2025 fiscal year. The
18 State Controller shall transfer from funds available in the Medicaid Contingency Reserve to the
19 Department of Health and Human Services, Division of Health Benefits, the sum of two hundred
20 million dollars (\$200,000,000) in nonrecurring funds for the 2024-2025 fiscal year, and the funds
21 transferred are appropriated for the fiscal year in which they are transferred."

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

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

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

1	(10)	State Board of Elections		
2		(Budget Code: 18025)	5,600,000	0
3	(11)	Office of State Human Resources		
4		(Budget Code: 14111)	5,600,000	<u>0750,000</u>
5	(12)	NC Community College System		
6		(Budget Code: 26802)	0	<u>15,000,000</u>
7				<u>32,983,156</u>
8	<u>(12a)</u>	<u>NC Community College System</u>		
9		<u>(Budget Code: 16800)</u>	<u>0</u>	<u>1,500,000</u>
10	(13)	State Capital and Infrastructure Fund		
11		(Budget Code: 24001)	8,000,000	0
12	(14)	Revenue		
13		(Budget Code: 14700)	1,650,000	0
14	(15)	Administrative Office of the Courts		
15		(Budget Code: 12000)	5,000,000	<u>5,000,000</u>
16				<u>0</u>
17	<u>(16)</u>	<u>State Bureau of Investigation</u>		
18		<u>(Budget Code: 15020)</u>	<u>0</u>	<u>2,250,000</u>
19	<u>(17)</u>	<u>University of North Carolina at Charlotte</u>		
20		<u>(Budget Code: 16050)</u>	<u>0</u>	<u>16,500,000</u>
21	<u>(18)</u>	<u>Appalachian State University</u>		
22		<u>(Budget Code: 16080)</u>	<u>0</u>	<u>1,000,000</u>
23	<u>(19)</u>	<u>School of Science and Mathematics</u>		
24		<u>(Budget Code: 16094)</u>	<u>0</u>	<u>500,000</u>
25	<u>(20)</u>	<u>Department of Transportation–DMV</u>		
26		<u>(Budget Code: 84210)</u>	<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
40	(1) Emergency Management		
41	(Budget Code: 24552)	\$174,601,092	\$0
42	(2) Office of State Budget and Management – Special		
43	Appropriations (Budget Code: 13085)	22,255,000	0
44	(3) DACS–Soil & Water Conservation		
45	(Budget Code: 23704)	20,000,000	0
46	(4) Department of Insurance		
47	(Budget Code: 63903)	20,000,000	0
48	(5) Department of Environmental Quality		
49	(Budget Code: 14300)	7,500,000	0
50	(6) Department of Environmental Quality – Disaster		
51	(Budget Code: 24310)	10,493,953	987,906

1	(7)	Wildlife Resources Commission		
2		(Budget Code: 14350)	11,000,000	0
3	(8)	DEQ – Special Revenue		
4		(Budget Code: 24317)	10,000,000	10,000,000
5	(9)	UNC at Chapel Hill – Academic Affairs		
6		(Budget Code: 16020)	330,000	330,000
7	(10)	NC School of Science & Math		
8		(Budget Code: 16094)	264,000	0
9	(11)	North Carolina Central University		
10		(Budget Code: 16090)	50,000	0
11	(12)	<u>Department of Insurance–Public Prop. Ins. Enterprise Fund</u>		
12		<u>(Budget Code: 539XX)</u>	<u>0</u>	<u>200,000,000"</u>

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

14 **"SECTION 2.2.(f)** Retiree Supplement Reserve. – There is established in the General Fund
 15 a Retiree Supplement Reserve to provide funds for a four percent (4%) retiree ~~supplement.~~
 16 supplement for the 2023-2024 fiscal year and a two percent (2%) retiree supplement for the
 17 2024-2025 fiscal year. The State Controller shall reserve to the Retiree Supplement Reserve from
 18 funds available in the General Fund the sum of one hundred forty-five million six hundred
 19 thousand dollars (\$145,600,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum
 20 of seventy-nine million eight hundred four thousand five hundred twenty-three dollars
 21 (\$79,804,523) in nonrecurring funds for the 2024-2025 fiscal year. The State Controller shall
 22 transfer to State agencies and departments the funds needed to provide the four percent (4%)
 23 supplement for the 2023-2024 fiscal year and the two percent (2%) supplement for the 2024-2025
 24 fiscal year as provided in Section 39.27 of this act, and the funds transferred are appropriated for
 25 the fiscal year in which they are transferred."

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

27 **"SECTION 2.2.(h)** Economic Development Project Reserve. – The State Controller shall
 28 reserve to the Economic Development Project Reserve established in Section 2.2 of S.L.
 29 2021-180 from funds available in the General Fund the sum of six hundred thirty million dollars
 30 (\$630,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of one hundred
 31 fifty-five million one hundred thousand dollars ~~(\$100,000,000)–(\$155,100,000)~~ for the
 32 2024-2025 fiscal year. The State Controller shall transfer funds available in the Economic
 33 Development Project Reserve to State agencies and departments for economic development
 34 initiatives in accordance with the following schedule, and the funds transferred are appropriated
 35 for the fiscal year in which they are transferred:

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

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

49 **"SECTION 2.2.(i)** Housing Reserve. – The State Controller shall reserve to the Housing
 50 Reserve established in Section 2.2(k) of S.L. 2022-74 from funds available in the General Fund
 51 the sum of forty-five million dollars (\$45,000,000) in nonrecurring funds for the 2023-2024 fiscal

1 year and the sum of ~~forty-five~~ ten million dollars ~~(\$45,000,000)~~ (\$10,000,000) in nonrecurring
 2 funds for the 2024-2025 fiscal year. The State Controller shall transfer funds available in the
 3 Housing Reserve to the Housing Finance Agency (Budget Code: 13010) in the sum of forty-five
 4 million dollars (\$45,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of
 5 ~~forty-five~~ ten million dollars ~~(\$45,000,000)~~ (\$10,000,000) in nonrecurring funds for the
 6 2024-2025 fiscal year, and those funds are appropriated for the fiscal year in which they are
 7 transferred."

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

9 **"SECTION 2.2.(n)** Regional Economic Development Reserve. – There is established in the
 10 General Fund a Regional Economic Development Reserve. The State Controller shall reserve to
 11 the Regional Economic Development Reserve from funds available in the General Fund the sum
 12 of one billion two hundred fifty million dollars (\$1,250,000,000) in nonrecurring funds for the
 13 2023-2024 fiscal year ~~and~~ and the sum of five hundred fifty million dollars (\$550,000,000) in
 14 nonrecurring funds for the 2024-2025 fiscal year. The State Controller shall transfer funds
 15 available in the Reserve in accordance with the following schedule, and the funds transferred are
 16 appropriated for the fiscal year in which the funds are transferred:

17 State Agency or Department	18 2023-2024	19 2024-2025
20 (1) Office of State Budget and Management – Spec. Approp. (Budget Code: 13085)	\$1,245,350,000	\$4,650,000"

21
 22 **PART III. HIGHWAY FUND AND HIGHWAY TRUST FUND**

23
 24 **CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND**

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

31 Highway Fund	32 FY 2024-2025
33 Administration	\$128,728,454
34 Division of Highways	
35 Administration	57,986,424
36 Construction	117,543,078
37 Maintenance	2,232,081,689
38 Governor's Highway Safety Program	424,111
39 OSHA	358,030
40	
41 Aid to Municipalities	
42 Powell Bill	225,875,000
43	
44 Intermodal Divisions	
45 Ferry	76,929,849
46 Public Transportation, Bicycle and Pedestrian	69,510,286
47 Aviation	156,474,429
48 Rail	45,299,938
49	
50 Division of Motor Vehicles	147,883,896

1		
2	Other State Agencies, Reserves, Transfers	68,632,953
3		
4	Capital Improvements	10,571,863
5		
6	Total	\$3,338,300,000

HIGHWAY FUND AVAILABILITY

9 **SECTION 3.2.** The Highway Fund availability set out in Section 3.2 of S.L.
 10 2023-134 applies to the 2023-2024 fiscal year only. The Highway Fund availability used in
 11 adjusting the 2024-2025 budget is shown below:

12		
13	Highway Fund Availability	FY 2024-2025
14	Beginning Balance	\$0
15	Overcollections from FY 2023-24	63,500,000
16		
17	Consensus Revenue Forecast	
18	Motor Fuels Tax	1,848,200,000
19	Licenses and Fees	1,077,700,000
20	Short-Term Lease	118,800,000
21	Investment Income	52,400,000
22	Sales Tax Transfer	177,700,000
23		
24	Total Highway Fund Availability	\$3,338,300,000

HIGHWAY TRUST FUND APPROPRIATIONS

27 **SECTION 3.3.** Appropriations from the State Highway Trust Fund for the
 28 maintenance and operation of the Department of Transportation and for other purposes as
 29 enumerated are made for the fiscal year ending June 30, 2025, according to the following
 30 schedule. Amounts set out in parentheses are reductions from Highway Trust Fund
 31 Appropriations for the 2024-2025 fiscal year.

32		
33	Current Operations – Highway Trust Fund	FY 2024-2025
34	Program Administration	\$42,017,311
35	Bonds	121,436,775
36	Turnpike Authority	49,000,000
37	State Ports Authority	45,000,000
38	FHWA State Match	6,176,440
39	Strategic Prioritization Funding Plan for	
40	Transportation Investments	2,246,029,474
41	Transfer to Visitor Center	640,000
42	Total	\$2,510,300,000

HIGHWAY TRUST FUND AVAILABILITY

45 **SECTION 3.4.** The Highway Trust Fund availability set out in Section 3.2 of S.L.
 46 2023-134 applies to the 2023-2024 fiscal year only. The Highway Trust Fund availability used
 47 in adjusting the 2024-2025 budget is shown below:

48		
49	Highway Trust Fund Availability	FY 2024-2025
50	Beginning Balance	\$0
51	Overcollections from FY 2023-24	42,800,000

Consensus Revenue Forecast

Highway Use Tax	1,131,400,000
Motor Fuels Tax	613,900,000
Fees	169,000,000
Investment Income	20,200,000
Sales Tax Transfer	533,000,000

Total Highway Trust Fund Availability **\$2,510,300,000**

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:

	FY 2023-2024	FY 2024-2025
Noninstructional Support Personnel	\$385,914,455	<u>\$385,914,455</u>
		<u>\$406,914,455</u>
Prekindergarten Program	78,252,110	78,252,110
Public School Building Capital Fund	100,000,000	100,000,000
Needs-Based Public School Capital Fund	254,252,612	258,252,612
Public School Repair & Renovation	50,000,000	<u>50,000,000</u>
		<u>100,000,000</u>
Scholarship Reserve Fund for Public Colleges and Universities	41,194,733	41,194,733
LEA Transportation	21,386,090	21,386,090
TOTAL ALLOCATION	\$931,000,000	\$935,000,000
		<u>\$1,006,000,000</u>

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

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

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

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

Adjusted Market Value of Taxable Real Property

Over	Up to	Percentage Match
\$0	\$2 billion	0%
\$2 billion	\$10 billion	5%
\$10 billion	\$20 billion	15%
\$20 billion	\$30 billion	25%
\$30 billion	\$40 billion	35%

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

1 has been met. No portion of grant funds may be used to acquire a Leadership in Energy and
2 Environmental Design (LEED) certification.

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

4 (1) Up to forty-two million dollars (\$42,000,000) for an elementary school.

5 (2) Up to fifty-two million dollars (\$52,000,000) for a middle school or a
6 combination of an elementary and middle school.

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

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

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

37 **"§ 115C-546.12. Grant agreement; requirements.**

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

41 (1) A requirement that the grantee seek planning assistance and plan review from
42 the School Planning Section of the Department of Public Instruction.

43 (2) A progress payment provision governing disbursements to the county for the
44 duration of the school construction project based upon the construction
45 progress and documentation satisfactory to the Department that the matching
46 requirement in G.S. 115C-546.11 has been met.

47 (3) A provision requiring periodic reports to the Department of Public Instruction
48 on the use of disbursed grant funds and the progress of the school construction
49 project.

50 (4) A requirement that matching funds paid by the county pursuant to
51 G.S. 115C-546.11 must be derived from non-State and nonfederal funds.

- 1 (5) A provision requiring repayment in full of awarded grant funds in the event
2 the grant recipient declines the grant award or the grant is forfeited.
- 3 (b) Project construction must be initiated within 24 months of the award of grant funds.
4 The Superintendent of Public Instruction may grant a 12-month extension under extraordinary
5 circumstances.
- 6 (c) A grant awarded under this section may be forfeited if any of the following occur:
7 (1) Project construction is not initiated on time.
8 (2) Project scope changes significantly from what was outlined in the grant
9 agreement.
10 (3) Any statement or information provided in the grant application is later
11 determined to be materially false.
12 (4) Local funding is subsequently decreased from the amount provided in the
13 grant application.
- 14 (d) For grant awards that, due to extraordinary circumstances, are forfeited or declined,
15 the Department of Public Instruction may deduct reasonable administrative costs incurred by the
16 grant recipient in connection with the project from grant funds disbursed to the grant recipient in
17 the calculation of fund repayment. A grant recipient shall provide documentation satisfactory to
18 the Department to support any administrative costs to be deducted.

19 **"§ 115C-546.13. Lease exception; requirements.**

- 20 (a) Notwithstanding any provision of this Article to the contrary, a county may utilize
21 grant funds for a lease agreement if all of the following criteria are met:
22 (1) Ownership of the subject property on which the leased school is constructed
23 shall be retained by the county.
24 (2) The lease agreement shall include a repairs and maintenance provision that
25 requires the landlord to bear the entire expense of all repairs, maintenance,
26 alterations, or improvements to the basic structure, fixtures, appurtenances,
27 and grounds of the subject property for the term of the lease.
28 (3) The lease agreement shall be for a term of at least 15 years and no more than
29 25 years.
30 (4) In lieu of the progress payment requirement provided in G.S. 115C-546.11(b),
31 a county that has entered into a lease agreement shall provide a copy of the
32 lease agreement to the Department of Public Instruction and shall be
33 periodically reimbursed upon submission of documentation satisfactory to the
34 Department that the matching requirement of this section has been met.
- 35 (b) For the purposes of this section, the term "lease agreement" shall include any ancillary
36 agreements or predevelopment agreements entered into in anticipation of or in accordance with
37 a lease. A lease agreement entered into pursuant to this subsection shall be subject to the
38 requirements of Article 8 of Chapter 159 of the General Statutes. In determining whether the
39 lease agreement is necessary or expedient pursuant to G.S. 159-151(a)(1) and
40 G.S. 159-151(b)(1), the Local Government Commission may consider any other relevant
41 construction and financing methods available to the county.

42 **"§ 115C-546.14. Reporting.**

- 43 (a) On or before April 1 of each year, a grant recipient shall submit to the Department of
44 Public Instruction an annual report for the preceding year that describes the progress of the
45 project for which the grant was received. The grant recipient shall submit a final report to the
46 Department of Public Instruction within three months of the completion of the project.
- 47 (b) On or before May 1 of each year, the Department of Public Instruction shall submit a
48 report to the chairs of the Senate Appropriations Committee on Education/Higher Education, the
49 chairs of the House Appropriations Committee on Education, and the Fiscal Research Division.
50 The report shall contain at least all of the following information for the fiscal year:

- 1 (1) Number, description, and geographic distribution of ~~projects awarded~~ project
- 2 applications received.
- 3 (2) Total cost of each project and amount supported by the Needs-Based Public
- 4 School Capital Fund.
- 5 (3) Projections for local school administrative unit capital needs for the next 30
- 6 years based upon present conditions and estimated demographic changes.
- 7 (4) Any legislative recommendations for improving the Needs-Based Public
- 8 School Capital Fund program."

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

11 **"§ 115C-546.10. Fund created; purpose; prioritization.**

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

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

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

36 **"§ 115C-546.11. Matching requirement; use of funds; maximum awards; project review;**
 37 **application time lines.**

38 ...

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

48 ...

49 (d) The Department of Public Instruction shall review projected enrollment to evaluate
 50 the reasonableness of a project's size and scope. A county may include in a grant application a
 51 minimum grant amount that would enable the project to proceed. A grant application that

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

12"

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

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

29 **SECTION 4.3.(e)** Subsections (b) and (c) of this section become effective January
 30 1, 2025. The remainder of this section becomes effective July 1, 2024.

31
 32 **INDIAN GAMING REVENUE FUND APPROPRIATIONS**

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

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

	FY 2023-2024	FY 2024-2025
36 Textbook and Digital Resources Allotment	\$10,000,000	\$10,000,000
37		\$0
38 Classroom Materials	11,000,000	1,000,000
39 <u>Instructional Materials Allotment</u>	<u>0</u>	<u>19,000,000</u>
40 Total Appropriation	\$21,000,000	\$11,000,000
41		<u>\$20,000,000</u>

42
 43
 44 **CIVIL PENALTY AND FORFEITURE FUND**

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

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

	FY 2023-2024	FY 2024-2025
48 School Technology Fund	\$18,000,000	\$18,000,000
49 Drivers Education	31,493,768	31,493,768

1	State Public School Fund	226,041,640	166,041,640
2			<u>176,041,640</u>
3	Total Appropriation	\$275,535,408	<u>\$215,535,408</u>
4			<u>\$225,535,408"</u>

6 **SPORTS WAGERING CHANGES**

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

8 "(13d) Professional sports team. – A team in this State that competes in the highest
9 level of any of the following professional sports:

- 10 a. Baseball.
- 11 b. Men's Soccer.
- 12 c. Basketball.
- 13 d. Football.
- 14 e. Ice Hockey.
- 15 f. Women's Soccer.
- 16 g. Bull Riding."

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

18 **"§ 105-113.128. Use of tax proceeds.**

19 The Secretary shall distribute the taxes collected under this Article, less the allowance to the
20 Department of Revenue and reimbursement to the Lottery Commission for administrative
21 expenses, in accordance with this section. The Secretary may retain the cost of administering this
22 Article, not to exceed five hundred thousand dollars (\$500,000) a year, as reimbursement to the
23 Department. The Lottery Commission shall, no later than 20 days after the end of the month,
24 notify the Department of its unreimbursed expenses from administering the provisions of Article
25 9 of Chapter 18C of the General Statutes from the previous month. The Department shall
26 reimburse the Lottery Commission from the tax revenues collected under this Article no later
27 than the end of the month in which the Department was notified. The remainder of the net
28 proceeds of the tax collected under this Article are to be credited in the following priority:

29 ...
30 (4) ~~One Six million dollars (\$1,000,000)–(\$6,000,000) annually to the North~~
31 ~~Carolina Youth Outdoor Engagement Commission for grants, in the discretion~~
32 ~~of the Commission, as follows: to be used for the following purposes:~~

- 33 a. Grants not to exceed five thousand dollars (\$5,000) per sporting team
34 or group per county per year requesting grant assistance to travel to
35 in-State or out-of-state sporting events.
- 36 b. Incentive grants not to exceed twenty-five thousand dollars (\$25,000)
37 to attract State, regional, area, and national sporting events,
38 tournaments, and programs for nonprofessional sporting participants
39 in programs administered by city, county, and local school
40 administrative units, or appropriate nonprofit organizations exempt
41 from taxation under section 501(c)(3) of the Internal Revenue Code as
42 determined by the North Carolina Youth Outdoor Engagement
43 Commission.
- 44 c. Five million dollars (\$5,000,000) of the proceeds distributed annually
45 under this subdivision shall be used to fund Go Outside Grants, which
46 shall be split evenly between the following purposes:
 - 47 1. Educational field trips.
 - 48 2. Construction of outdoor educational structures.

49 (5) Of the remaining proceeds, as follows:

- 50 a. Twenty percent (20%) ~~annually~~ to be distributed equally among the
51 institutions listed in this sub-subdivision to support collegiate athletic

- 1 departments, not to supplant general funding to that institution. The
 2 institutions are listed as follows:
 3 1. Appalachian State University.
 4 2. East Carolina University.
 5 3. Elizabeth City State University.
 6 4. Fayetteville State University.
 7 5. North Carolina Agricultural & Technical State University.
 8 6. North Carolina Central University.
 9 7. University of North Carolina at Asheville.
 10 8. University of North Carolina at Charlotte.
 11 9. University of North Carolina at Greensboro.
 12 10. University of North Carolina at Pembroke.
 13 11. University of North Carolina at Wilmington.
 14 12. Western Carolina University.
 15 13. Winston-Salem State University.

16 a1. Five percent (5%) to be distributed equally among the institutions
 17 listed in this sub-subdivision to support collegiate athletic
 18 departments, not to supplant general funding to that institution. The
 19 institutions are listed as follows:

- 20 1. Appalachian State University.
 21 2. East Carolina University.
 22 3. North Carolina Agricultural & Technical State University.
 23 4. North Carolina State University.
 24 5. University of North Carolina at Chapel Hill.
 25 6. University of North Carolina at Charlotte.

26 b. ~~Thirty percent (30%) annually~~ Twenty-five percent (25%) to the North
 27 Carolina Major Events, Games, and Attractions Fund established
 28 under G.S. 143B-437.112.

29 c. ~~Fifty percent (50%) annually~~ The remainder to the General Fund."

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

33
 34 **STATE FISCAL RECOVERY FUND REALLOCATIONS**

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

- 37 (1) The appropriation to the Administrative Office of the Courts (Budget Code
 38 12000) for "Economic Assistance Funds" provided on page E7, item 14 of the
 39 Committee Report described in Section 43.2 of S.L. 2021-180 and further
 40 described in Section 16.23 of S.L. 2021-180 is reduced by the sum of nine
 41 hundred sixty-four thousand six hundred eighty dollars (\$964,680).
 42 (2) The appropriation to the Department of Commerce (Budget Code 14602) for
 43 "Motorsports" provided on page D45, item 128 of the Committee Report
 44 described in Section 43.2 of S.L. 2021-180 and further described in Section
 45 11.14 of S.L. 2021-180 is reduced by the sum of one hundred twenty-five
 46 thousand three hundred thirty-eight dollars (\$125,338).
 47 (3) The appropriation to the Department of Health and Human Services (Budget
 48 Code 14445) for "Premium Pay Bonuses" provided on page C44, item 109 of
 49 the Committee Report described in Section 43.2 of S.L. 2021-180 and further
 50 described in Section 39.21 of S.L. 2021-180 is reduced by the sum of twelve

- 1 million six hundred forty thousand eight hundred ninety-four dollars
2 (\$12,640,894).
- 3 (4) The appropriation to the Department of Health and Human Services (Budget
4 Code 14460) for "Temporary Funding Assistance for ICF/IIDs" provided on
5 page C72, item 173 of the Committee Report described in Section 43.2 of S.L.
6 2021-180 and further described in Section 9F.13 of S.L. 2021-180 is reduced
7 by the sum of four thousand six hundred eighty-six dollars (\$4,686).
- 8 (5) The appropriation to the Department of Public Instruction (Budget Code
9 13510) for "Smart School Bus Pilot" provided on page B28, item 71 of the
10 Committee Report described in Section 43.2 of S.L. 2021-180 and further
11 described in Section 7.70(a) and (b) of S.L. 2021-180 is reduced by the sum
12 of three million three hundred twenty-seven thousand five hundred eighty-five
13 dollars (\$3,327,585).
- 14 (6) The appropriation to the Department of Revenue (Budget Code 14700) for
15 "Mainframe Migration" provided on page F154, item 274 of the Committee
16 Report described in Section 43.2 of S.L. 2021-180 is reduced by the sum of
17 three hundred seventy-two thousand two hundred thirty-seven dollars
18 (\$372,237).
- 19 (7) The appropriation to the Department of Revenue (Budget Code 14700) for
20 "Business Recovery Grant Program" provided on page F154, item 275 of the
21 Committee Report described in Section 43.2 of S.L. 2021-180 and further
22 described in Section 34.3A of S.L. 2021-180 is reduced by the sum of two
23 million nine hundred seventeen thousand one hundred forty-three dollars
24 (\$2,917,143).
- 25 (8) The appropriation to the Board of Governors of The University of North
26 Carolina (Budget Code 10610) for "North Carolina Arboretum COVID-19
27 Expenses" provided on page B45, item 132 of the Committee Report
28 described in Section 43.2 of S.L. 2021-180 is reduced by the sum of two
29 thousand seven hundred forty-seven dollars (\$2,747).
- 30 (9) The appropriation to the Board of Governors of The University of North
31 Carolina (Budget Code 16012) for "Longleaf Commitment Grants" provided
32 on page B50, item 157 of the Committee Report described in Section 43.2 of
33 S.L. 2021-180 and further described in Section 8A.5 of S.L. 2021-180 is
34 reduced by the sum of twelve million five hundred thousand dollars
35 (\$12,500,000).
- 36 (10) The appropriation to the Department of Environmental Quality (Budget Code
37 14300) for water, wastewater, and stormwater infrastructure grants provided
38 on page D57, items 147-150 of the Committee Report described in Section
39 43.2 of S.L. 2021-180 and further described in Sections 12.13 and 12.14 of
40 S.L. 2021-180 is reduced by the sum of eight hundred eighty-seven million
41 six hundred ten thousand four hundred forty-eight dollars (\$887,610,448).

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

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

- 49 (1) The sum of nine hundred sixty-four thousand six hundred eighty dollars
50 (\$964,680) to the Administrative Office of the Courts (Budget Code 12000)
51 for Human Trafficking Grants.

- 1 (2) The sum of ten million dollars (\$10,000,000) to the Department of Public
2 Safety (Budget Code 14550) for VIPER.
- 3 (3) The sum of one hundred nine million five hundred one thousand seventy-eight
4 dollars (\$109,501,078) to the Department of Health and Human Services
5 (Budget Code 14420) for Childcare Stabilization Grants.
- 6 (4) The sum of eight hundred million dollars (\$800,000,000) to the SFRF
7 Negative Reserve (Budget Code 19000).

8 **SECTION 4.7.(d)** This section is effective when it becomes law.
9

10 **INTEREST EARNED FROM STATE FISCAL RECOVERY RESERVE**

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

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

17 **SECTION 4.8.(b)** This section becomes effective June 30, 2024.
18

19 **MEDICAID REBASE FUNDING FOR FISCAL YEAR 2024-2025 FROM ARPA** 20 **TEMPORARY SAVINGS FUND**

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

23 "(9a) The Department of Health and Human Services, Division of Health Benefits,
24 (Budget Code 14445) for Medicaid Rebase."
25

26 **ARPA TEMPORARY SAVINGS FUND GRANT CORRECTION**

27 **SECTION 4.10.(a)** Notwithstanding Section 43.2 of this act or any other provision
28 of law to the contrary, the funds appropriated from the ARPA Temporary Savings Fund for
29 Justice Involved Populations in the sum of seventy million dollars (\$70,000,000) in nonrecurring
30 funds for the 2024-2025 fiscal year is reduced by three million dollars (\$3,000,000).

31 **SECTION 4.10.(b)** Notwithstanding Section 43.2 of this act or any other provision
32 of law to the contrary, the sum of three million dollars (\$3,000,000) in nonrecurring funds for the
33 2024-2025 fiscal year is appropriated from the ARPA Temporary Savings Fund to the Office of
34 State Budget and Management to provide a directed grant to Boys Club of Wake County, Inc., a
35 nonprofit, to provide funds to Boys and Girls Clubs across the State to implement programs that
36 improve the motivation, performance, and self-esteem of youth and other initiatives that would
37 be expected to reduce gang participation, school dropout, and teen pregnancy rates.
38

39 **PART V. GENERAL PROVISIONS**

40 **EXTEND THE TIME LINE FOR CERTAIN DIRECTED GRANTS TO NON-STATE** 41 **ENTITIES**

42 **SECTION 5.1.(a)** This section applies to any directed grants appropriated as
43 nonrecurring funds in S.L. 2022-74 for the 2022-2023 fiscal year that (i) remain unexpended as
44 of the effective date of this section and (ii) are subject to reversion at the end of the 2023-2024
45 fiscal year. Notwithstanding any provision of law to the contrary, the grants described by this
46 section shall not revert at the end of the 2023-2024 fiscal year and shall remain available for
47 expenditure for the purpose for which the funds were appropriated until the earlier of the date the
48 funds are expended or the date the funds revert pursuant to subsection (b) of this section.
49

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

4 **SECTION 5.1.(c)** This section becomes effective June 30, 2024.
5

6 **ESTABLISHING OR INCREASING FEES**

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

10 **SECTION 5.2.(b)** Notwithstanding G.S. 150B-21.1A(a), an agency may adopt an
11 emergency rule in accordance with G.S. 150B-21.1A to establish or increase a fee as authorized
12 by this act if the adoption of a rule would otherwise be required under Article 2A of Chapter
13 150B of the General Statutes.
14

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

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

18 (1) Directed grant. – Nonrecurring funds allocated by a State agency to a
19 non-State entity as directed by an act of the General Assembly and specifically
20 denoted as a "directed grant."

21 (2) Non-State entity. – As defined in G.S. 143C-1-1.
22

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

25 (1) Directed grants are subject to the provisions of subsections (b) through (k) of
26 G.S. 143C-6-23. For purposes of returning a directed grant pursuant to
27 G.S. 143C-6-23(f1)(1), the date by which such funds must be expended,
28 encumbered, or disbursed is the applicable deadline established for the
29 directed grant.

30 (2) Directed grants of one hundred thousand dollars (\$100,000) or less may be
31 made in a single annual payment in the discretion of the Director of the
32 Budget. Directed grants of more than one hundred thousand dollars
33 (\$100,000) shall be made in quarterly or monthly payments in the discretion
34 of the Director of the Budget. A State agency administering a directed grant
35 shall begin disbursement of funds to a non-State entity that meets all
36 applicable requirements as soon as practicable but no later than 100 days after
37 the date this act becomes law. Full disbursement of funds to a non-State entity
38 that meets all applicable requirements shall be completed no later than nine
39 months after the date this act becomes law.

40 (3) Beginning on the first day of a quarter following the deadline provided in
41 subdivision (2) of this subsection and quarterly thereafter, State agencies
42 administering directed grants shall report to the Fiscal Research Division on
43 the status of funds disbursed for each directed grant until all funds are fully
44 disbursed. At a minimum, the report required under this subdivision shall
45 include updates on (i) the date of the initial contract, (ii) the date the contract
46 was sent to the entity receiving the funds, (iii) the date the disbursing agency
47 received the fully executed contract back from the entity, (iv) the contract
48 execution date, and (v) the payment date.

49 (4) Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary,
50 nonrecurring funds appropriated in this act for the 2024-2025 fiscal year as
directed grants shall not revert until June 30, 2026.

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

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

BUDGET ACT CHANGES

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

"§ 143C-1-1. Purpose and definitions.

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

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

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

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

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

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

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

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

...
c. The Recommended Base Budget shall include accurate projections of receipts, expenditures, and fund balances. Estimated receipts, including tuition collected by university or community college institutions, shall be adjusted to reflect actual collections from the previous fiscal year, unless the Director recommends a change that will result in collections in the budget year that differ from prior year actuals, or the Director otherwise determines there is a more reasonable basis upon which to accurately project receipts. If receipts are projected to decrease, the corresponding expenditure shall be

1 decreased in a like amount. Revenue and expenditure detail provided
 2 in the Budget Support Document shall be no less detailed than the
 3 two-digit level in the North Carolina ~~Accounting~~ Financial System
 4 Uniform Chart of Accounts as prescribed by the State Controller.

- 5 ...
 6 (7) The Governor's Recommended State Budget shall include a transfer to the
 7 State Capital and Infrastructure Fund of four percent (4%) of the estimated net
 8 State tax revenues that are deposited in the General Fund for each fiscal year
 9 of the upcoming biennium in accordance with G.S. 143C-4-3.1(b)(1).

10"

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

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

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

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

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

- 20 (1) Directed grants are subject to the provisions of subsections (b) through ~~(k)~~,
 21 except for subdivision (1) of (f1), (k) of G.S. 143C-6-23. For purposes of
 22 returning a directed grant pursuant to G.S. 143C-6-23(f1)(1), the date by
 23 which such funds must be expended, encumbered, or disbursed is the
 24 applicable deadline established for the directed grant.

25"

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

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

39 **SECTION 5.4.(f)** Subsection (d) of this section becomes effective June 30, 2024.
 40 The remainder of this section becomes effective July 1, 2024.

41 **REMOVE RAFFLE RESTRICTIONS ON NONPROFIT ORGANIZATIONS**

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

43 "**§ 14-309.15. Raffles.**

44 (a) It is lawful for any nonprofit organization, candidate, political committee, or any
 45 government entity within the State, to conduct raffles in accordance with this section. Each
 46 regional or county chapter of a nonprofit organization is eligible to conduct raffles in accordance
 47 with this section independently of its parent organization. Any person who conducts a raffle in
 48 violation of any provision of this section is guilty of a Class 2 misdemeanor. Upon conviction
 49 that person shall not conduct a raffle for a period of one year. It is lawful to participate in a raffle
 50 conducted pursuant to this section. It is not a violation of State law to advertise a raffle conducted
 51

1 in accordance with this section. A raffle conducted pursuant to this section is not "gambling."
2 For the purpose of this section, "candidate" and "political committee" have the meaning provided
3 by Article 22A of Chapter 163 of the General Statutes, who have filed organization reports under
4 that Article, and who are in good standing with the appropriate board of elections. Receipts and
5 expenditures of a raffle by a candidate or political committee shall be reported in accordance
6 with Article 22A of Chapter 163 of the General Statutes, and ticket purchases are contributions
7 within the meaning of that Article.

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

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

11 (d) ~~Except as provided in subsection (g) of this section, the~~ The maximum cash prize that
12 may be offered or paid for any one raffle is one hundred twenty-five thousand dollars (\$125,000)
13 and if merchandise is used as a prize, and it is not redeemable for cash, the maximum fair market
14 value of that prize may be one hundred twenty-five thousand dollars (\$125,000). ~~The total cash~~
15 ~~prizes offered or paid by any nonprofit organization shall not exceed two hundred fifty thousand~~
16 ~~dollars (\$250,000) in any calendar year. The total fair market value of all prizes offered by any~~
17 ~~nonprofit organization, either in cash or in merchandise that is not redeemable for cash, shall not~~
18 ~~exceed two hundred fifty thousand dollars (\$250,000) in any calendar year.~~ This subsection does
19 not apply to a raffle conducted by a nonprofit organization.

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

21 (f) As used in this subsection, "net proceeds of a raffle" means the receipts less the cost
22 of prizes awarded. ~~No less than ninety percent (90%) of the~~ The net proceeds of a raffle shall be
23 used by the nonprofit organization for charitable, religious, educational, civic, or other nonprofit
24 purposes. None of the net proceeds of the raffle shall be used to pay any person to conduct the
25 raffle, or to rent a building where the tickets are received or sold or the drawing is conducted.

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

32 (h) Notwithstanding any other subsection of this section, it is lawful for a federally
33 insured depository institution to conduct a savings promotion raffle under G.S. 53C-6-20,
34 54-109.64, 54B-140, or 54C-180."

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

37 38 **FREEZE DISASTER OF 2023 FUNDING AND AGRICULTURAL CROP LOSS** 39 **PROGRAM AUTHORIZATION**

40 **SECTION 5.6.(a)** Repeal of Funds Transfer. – Effective June 30, 2024, Section
41 5.6(a)(1)d. of S.L. 2023-134 is repealed.

42 **SECTION 5.6.(b)** Appropriation; Reversion. – The Department of Agriculture and
43 Consumer Services (Department) shall use available funds in Budget Code 23702 for the
44 agricultural disaster that occurred March 13, 2023 to April 25, 2023, and subject to Secretarial
45 Disaster Designation S5468 by the United States Department of Agriculture Secretary Thomas
46 J. Vilsack approved in this State caused by freezing temperatures and frost in Henderson, Polk,
47 Rutherford, Buncombe, Haywood, and Transylvania counties. The use of those funds shall
48 comply with the Agricultural Disaster Crop Loss Program, as enacted by this section. Any funds
49 allocated to the Program in Budget Code 23702 not expended or encumbered by November 1,
50 2027, shall revert to the Disaster Relief and Mitigation Fund.

1 578, along with any other documentation deemed appropriate by the Department, during an
2 application period set by the Department for each designated disaster. For nursery crops,
3 fruit-bearing trees and bushes, and specialty crops where the survival level is not immediately
4 known, the Department may extend this deadline for up to six months, upon written request by
5 the person, if approved by the Department. A person receiving assistance under this Program
6 must provide a signed affidavit, under penalty of perjury, certifying that each fact of the loss
7 presented by the person is accurate.

8 **"§ 106-1054.8. Eligibility and documentation for livestock or poultry financial assistance.**

9 (a) Eligibility. – To be eligible for financial assistance for losses of livestock or poultry,
10 a person must first qualify for and receive payment through the USDA Livestock Indemnity
11 Program and be a participant in a livestock or poultry indemnity program administered by the
12 USDA Farm Service Agency.

13 (b) Documentation. – A person seeking financial assistance for losses of livestock or
14 poultry shall submit documentation of loss and indemnity received from the USDA Livestock
15 Indemnity Program, along with any other documentation deemed appropriate by the Department,
16 during an application period set by the Department. The Department may extend this deadline
17 for up to six months, upon written request by the person, if approved by the Department. A person
18 receiving assistance under this Program must provide a signed affidavit, under penalty of perjury,
19 certifying that each fact of the loss presented by the person is accurate.

20 **"§ 106-1054.9. Criteria.**

21 The Department shall administer the financial assistance program authorized by this section
22 in accordance with the following criteria:

- 23 (1) In determining the payment calculation for agricultural commodities, the
24 Department shall use a formula based on acreage, county loss estimates,
25 USDA National Agricultural Statistics Service averages, and any other
26 measure the Department deems appropriate. Funds shall be distributed based
27 on county averages for yields and State averages for price. Calculations shall
28 be based on county or State averages in price, whichever the Department
29 determines is appropriate.
- 30 (2) The payment calculation for livestock and poultry shall be based on twelve
31 and one-half percent (12.5%) of the total loss reported to the USDA Livestock
32 Indemnity Program.
- 33 (3) The Department shall gather all claim information, and shall, as closely as
34 possible, estimate the amount of the funds needed to be held in reserve for
35 payments related to losses of livestock, poultry, nursery, bush, tree, and
36 specialty crops for which losses will not be fully known or calculated. The
37 Department shall set aside funds as it deems appropriate based on the
38 estimated percentage of these losses.
- 39 (4) Payments made under this Program shall be made to the person who filed the
40 Form 578 or Department form for claims related to agricultural commodity
41 losses or the person who received payment from the USDA Livestock
42 Indemnity Program for claims related to livestock or poultry losses.
- 43 (5) The Department shall develop a formula to determine the payment calculation
44 for farm infrastructure damage or loss using measures the Department deems
45 appropriate. The Department shall consider any other available insurance
46 claims that may be available to the applicant when developing this formula.

47 **"§ 106.1054.10. Audit.**

48 The Department may audit the financial and other records of each recipient of funds in order
49 to ensure that the funds are used in accordance with the requirements of this Program. The
50 Department may require any documentation or proof it considers necessary to efficiently
51 administer this Program, including the ownership structure of each entity and the social security

1 numbers of each owner. In order to verify losses, the Department may require the submission of
2 dated, signed, and continuous records. These records may include, but are not limited to,
3 commercial receipts, settlement sheets, warehouse ledger sheets, pick records, load summaries,
4 contemporaneous measurements, truck scale tickets, contemporaneous diaries, appraisals,
5 ledgers of income, income statements of deposit slips, cash register tape, invoices for custom
6 harvesting, u-pick records, and insurance documents.

7 **"§ 106-1054.11. Expenditure of awarded funds; refund.**

8 (a) Awarded funds shall be used for agricultural production expenses and recovery of
9 losses due to the impacts of an agricultural disaster. The Department shall develop guidelines
10 and procedures to ensure that funds are expended for the purposes allowed by this section and
11 may require any documentation it determines necessary to verify the appropriate use of financial
12 assistance awards, including receipts. All distributed funds are subject to federal and State
13 income tax.

14 (b) If the Department determines that a person who received financial assistance provided
15 inaccurate information, then the person shall refund the entire amount of the financial assistance.
16 If the person does not refund the appropriate amount, the North Carolina Department of Revenue
17 shall collect the money from the person pursuant to G.S. 105-242.

18 **"§ 106-1054.12. Reporting requirement.**

19 The Department shall submit a report to the Joint Legislative Oversight Committee on
20 Agriculture and Natural and Economic Resources and the Fiscal Research Division six months
21 after the Program receives funds for an agricultural disaster and every six months thereafter until
22 all funds are expended, containing, at a minimum, all of the following data:

- 23 (1) The number of applicants by agricultural commodity, livestock, or poultry and
24 the county in which the person incurred the verified loss.
- 25 (2) The number and amount of grants awarded by agricultural commodity,
26 livestock, or poultry.
- 27 (3) The geographic distribution of the grants awarded.
- 28 (4) The total amount of funding available to the Program, the total amount
29 encumbered, and the total amount disbursed to date.
- 30 (5) Any refunds made to the Program."

31 **SECTION 5.6.(d)** Prior applications. – Prior applications under Section 5.9B of S.L.
32 2021-180, as amended, for Tropical Storm Fred, and Section 4.4 of S.L. 2022-6, as amended, for
33 the freeze disaster of 2021, shall continue to be processed by the Department in accordance with
34 those sections.

35 **SECTION 5.6.(e)** Rulemaking. – The Department may adopt rules to implement the
36 Agricultural Disaster Crop Loss Program as enacted by this section.

37 **SECTION 5.6.(f)** Effective Date. – Subsection (c) of this section becomes effective
38 July 1, 2024, and applies to applications received on or after that date.

39
40 **PART VI. COMMUNITY COLLEGE SYSTEM**

41
42 **PERMIT NC CAREER COACH PROGRAM FUNDS TO BE USED FOR**
43 **ADMINISTRATIVE COSTS**

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

45 **"§ 115D-21.5. NC Career Coach Program.**

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

49 ...

50 (e) Administrative Costs. – Of the funds appropriated each fiscal year to the Community
51 College System Office for the NC Career Coach Program, the System Office may allocate the

1 lesser of up to two percent (2%) or one hundred fifteen thousand dollars (\$115,000) for
 2 administrative costs associated with the program, including costs related to staffing, program
 3 management, and program evaluation."
 4

5 PROPRIETARY SCHOOLS CHANGES

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

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

- 8 (1) The President of the North Carolina Community College System or the
 9 President's designee.
 10 (2) Two members appointed by the Governor.
 11 (3) Two members appointed by the General Assembly upon the recommendation
 12 of the President Pro Tempore of the Senate, one of whom shall be the owner
 13 or director of a proprietary school licensed in the State with less than 100 total
 14 annual enrollment of students and one the owner or director of a proprietary
 15 school or group of proprietary schools licensed in the State with ~~more than~~
 16 ~~750-100 or more~~ total annual enrollment of students.
 17 (4) Two members appointed by the General Assembly upon the recommendation
 18 of the Speaker of the House of Representatives, one of whom shall be the
 19 owner or director of a proprietary school licensed in the State with ~~between~~
 20 ~~less than 100 and 750~~ total annual enrollment of students and one the owner
 21 or director of a proprietary school or group of proprietary schools licensed in
 22 the ~~State~~ State with 100 or more total annual enrollment of students.

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

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

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

31 ...

- 32 (7) Such additional information as the State Board, acting by and through the
 33 State Board of Proprietary Schools, may deem necessary to enable it to
 34 determine the adequacy of the program of instruction and matters pertaining
 35 thereto. Each application shall be accompanied by a copy of the current
 36 bulletin or catalog of the school which shall be in published form and certified
 37 by an authorized official of the school as being current, true, and correct in
 38 content and policy. The school bulletin shall contain the following
 39 information:

40 ...

- 41 i. Policy and regulations of the institution relative to the refund of the
 42 unused portion of tuition, fees and other charges in the event the
 43 student does not enter the course or withdraws or is discontinued
 44 therefrom. The policy and regulations shall comply with federal law
 45 and provide for, at a minimum, a full refund if a student withdraws
 46 before the first day of class or the school cancels the class and a
 47 seventy five percent (75%) refund if the student withdraws within the
 48 first twenty five percent (25%) of the period of enrollment for which
 49 the student was charged. the following provisions to the extent those
 50 provisions are not inconsistent with federal law:

1. If any of the following occur prior to the first day of class, a student shall receive a one hundred percent (100%) refund, including nonrefundable fees already paid:
 - I. The student withdraws.
 - II. The student is caused to withdraw by the school.
 - III. The school cancels the class.
2. If the student withdraws or is caused to withdraw by the school on or before completing twenty-five percent (25%) of the period of enrollment for which the student was charged, the student shall receive a refund of seventy-five percent (75%), excluding any disclosed nonrefundable fees.

...."

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

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

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

- (1) Initial licensure. – For an applicant for initial licensure of a school, the bond amount is the amount determined by the State Board that is adequate to provide indemnification to any student, or the student's parent or guardian who has suffered a loss of tuition, fees, or any other instructional-related expenses paid to the school. A bond amount shall be at least twenty-five thousand dollars (\$25,000).
- (2) ~~First four renewals.~~ Renewal of licensure. – ~~For a school that has been licensed for one year but less than six years, For an applicant for renewal of licensure of a school, the bond shall be in an amount equal to the greatest amount of unearned paid tuition in the school's possession at anytime any time during the prior fiscal year.~~
- (2a) Evaluations. – Bond amounts shall be evaluated as follows:
 - a. ~~The~~ For a school that has been licensed for one year, but less than six years, the bond amount shall be evaluated by the school quarterly and reported to the State Board or its representative. For a school that has been licensed for six years or more, if the State Board deems an evaluation necessary, the State Board may require the bond amount to be evaluated by the school quarterly and reported to the State Board or its representative.
 - b. A quarterly evaluation requiring an increase of five percent (5%) or more in the amount of the bond held by the school shall require an immediate increase in the bond amount.
 - c. Bond amounts ~~also~~ shall be evaluated pursuant to this subdivision and the rules of the State Board of Community Colleges and State Board of Proprietary Schools at the time of the school's annual license renewal and increased if necessary regardless of the amount of the change.
- (3) ~~Schools in operation more than five years. — A guaranty bond shall be required for license renewal for a school that has been continuously licensed to operate for more than five years in the State, as follows:~~

- 1 a. ~~If the balance of the Student Protection Fund in G.S. 115D-95.1 is~~
- 2 ~~below the catastrophic loss amount, the school shall file a guaranty~~
- 3 ~~bond in an amount equal to the maximum amount of prepaid tuition~~
- 4 ~~held by the school during the prior fiscal year multiplied by the~~
- 5 ~~percentage amount the fund is deficient.~~
- 6 b. ~~If the school held prepaid tuition in excess of the Student Protection~~
- 7 ~~Fund catastrophic loss amount during the prior fiscal year, in addition~~
- 8 ~~to any bond amount required by sub-subdivision a. of this subdivision,~~
- 9 ~~the school shall file a guaranty bond for the difference between the~~
- 10 ~~prepaid tuition amount held in the previous fiscal year and the Fund~~
- 11 ~~eatastrophic loss amount."~~

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

13 **"§ 115D-95.1. Student Protection Fund.**

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

- 15 (1) "Catastrophic loss amount" means the amount of funds required to protect
- 16 prepaid student tuition in case of a large-scale event that would draw against
- 17 the Student Protection Fund. The amount is ~~one million dollars~~
- 18 ~~(\$1,000,000),~~one million five hundred thousand dollars (\$1,500,000).
- 19 (2) "Fund cap amount" means the catastrophic loss amount plus a reserve amount.
- 20 The amount is ~~one million five hundred thousand dollars (\$1,500,000),~~two
- 21 million dollars (\$2,000,000).

22 ...

23 (f) Suspension of Payments. – ~~If the Student Protection Fund balance is equal to or~~

24 ~~exceeds the Fund cap amount, the State Board of Proprietary Schools shall suspend payments~~

25 ~~into the Fund for schools that have been continuously licensed in the State for more than eight~~

26 ~~years. The State Board of Proprietary Schools shall require schools to resume payments into the~~

27 ~~Fund if the balance of the Fund is less than the catastrophic loss amount.~~The State Board of

28 Proprietary Schools shall suspend payments into the Fund, as follows:

- 29 (1) For schools that are currently licensed in this State, if the Student Protection
- 30 Fund balance is equal to or exceeds the catastrophic loss amount.
- 31 (2) For schools applying for initial licensure with the State, if the Student
- 32 Protection Fund balance is equal to or exceeds the fund cap amount.
- 33 (3) If the Student Protection Fund balance decreases below the catastrophic loss
- 34 amount, the State Board shall reinstate the requirement for schools to make
- 35 payments into the Fund.

36"

37 **SECTION 6.2.(e)** Subsection (a) of this section applies beginning with appointments

38 made on or after the date this act becomes law. Subsection (b) of this section becomes effective

39 July 1, 2024, and applies to licenses issued on or after that date. Subsections (c) and (d) of this

40 section become effective July 1, 2025, and apply to licenses issued on or after that date. Except

41 as otherwise provided, this section becomes effective July 1, 2024.

42

43 **DIRECT THE STATE BOARD OF COMMUNITY COLLEGES TO REVISE ITS**

44 **FUNDING MODEL FOR COMMUNITY COLLEGES AND ESTABLISH**

45 **ENROLLMENT INCREASE RESERVE**

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

- 47 (1) Subsection (b) of Section 8.3 of S.L. 2011-145.
- 48 (2) Subsection (a) of Section 10.4 of S.L. 2013-360.

49 **SECTION 6.3.(b)** The State Board of Community Colleges shall revise its funding

50 formula for community colleges and allocate funds under that revised formula, beginning with

51 the 2024-2025 fiscal year, according to the following minimum criteria:

- 1 (1) Each community college shall continue to receive a base allocation of funds.
- 2 (2) In addition to the base allocation of funds, funds shall be provided to
- 3 community colleges based on the number of full-time equivalent (FTE)
- 4 students enrolled in curriculum, workforce continuing education, and Basic
- 5 Skills courses.
- 6 (3) Community colleges shall calculate FTE enrollment as the higher of the
- 7 current year's total enrollment or the average enrollment of the last two
- 8 academic years.
- 9 (4) Funds allocated pursuant to subdivision (2) of this subsection shall be
- 10 weighted based on the workforce sector of each course, as determined by the
- 11 State Board. In making its determinations, the State Board shall consider
- 12 salary data and labor market demand for the applicable workforce sector.

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

14 "(aa) The State Board of Community Colleges shall review and revise, as necessary, its

15 workforce sector designations for curriculum, workforce continuing education, and Basic Skills

16 courses at community colleges by January 15, 2027, and every two years thereafter."

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

18 "(e) If receipts for community college tuition and fees exceed the amount certified in

19 General Fund Codes at the end of a fiscal year, the State Board of Community Colleges shall

20 ~~transfer the amount of receipts and fees above those budgeted to the Enrollment Growth Reserve.~~

21 may allocate those receipts to the community colleges for operating costs according to a formula

22 adopted by the State Board. Funds in the Enrollment Growth Reserve allocated pursuant to this

23 subsection shall not revert to the General Fund and shall remain available to the State Board until

24 expended. The State Board may allocate funds in this reserve to colleges experiencing an

25 enrollment increase greater than five percent (5%) of budgeted enrollment levels."

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

27 "(e1) The State Board shall administer the Enrollment Increase Reserve as provided in

28 G.S. 115D-31.4."

29 **SECTION 6.3.(f)** Article 3 of Chapter 115D of the General Statutes is amended by

30 adding the following new section to read:

31 **§ 115D-31.4. Enrollment Increase Reserve.**

32 (a) There is established the Enrollment Increase Reserve (Reserve) to be administered by

33 the State Board of Community Colleges. The purpose of the Reserve is to allow the State Board

34 to provide funds to community colleges to account for enrollment increases beyond budgeted

35 enrollment levels.

36 (b) Monies in the Reserve shall consist of funds appropriated by the General Assembly

37 in the Current Operations Appropriations Act for a fiscal year. The State Board shall include in

38 its annual enrollment request the appropriation to the Reserve that is needed to fund enrollment

39 increases in the next fiscal year.

40 (c) The State Board may allocate monies from the Reserve to a community college with

41 an eligible increase in full-time equivalent (FTE) enrollment according to a formula adopted by

42 the State Board. An eligible increase in FTE enrollment is either of the following:

- 43 (1) An increase in FTE enrollment of more than five percent (5%) of the budgeted
- 44 enrollment level in any of the following course categories:
- 45 a. Curriculum.
- 46 b. Workforce continuing education.
- 47 c. Basic Skills.

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

49 (d) Monies in the Reserve shall not revert at the end of each fiscal year but shall remain

50 available until expended for the purposes of this section."

EXPAND CAREER AND COLLEGE READY GRADUATE PROGRAM

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

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

FUNDS FOR PREPARATION FOR EXPANSION OF IDD SERVICES IN NCCCS FOR HIGH SCHOOL STUDENTS

SECTION 6.5. Of the funds appropriated from the General Fund to the Community College System Office, the sum of two million dollars (\$2,000,000) in nonrecurring funds for the 2024-2025 fiscal year shall be used for a year of preparation and planning to implement a program at community colleges that serve students with intellectual and developmental disabilities (IDD) and to build capacity to provide services to students between the ages of 16 and 24 with IDD, including high school students. Funds appropriated pursuant to this section shall be used for the following purposes:

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

WORKFORCE DIPLOMA PROGRAM/GRADUATION ALLIANCE

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

- (1) Provide one or more courses that help students obtain a high school diploma and enter or advance within a specific occupation or occupational cluster. Course completion shall be competency-based.
- (2) Assist students in obtaining employment, including resume development and mock interviews.
- (3) Include at least the following:

- 1 a. Proactive communication with students regarding their pace and
- 2 progress through learning plans.
- 3 b. A plan for courses and credits needed for each student that integrates
- 4 graduation requirements and career goals.
- 5 c. Mentoring services.
- 6 d. Milestone tracking.
- 7 e. Academic skill intake assessments and transcript evaluations.
- 8 f. A catalogue of courses necessary to meet graduation requirements.
- 9 g. Remediation opportunities in literacy and numeracy.
- 10 h. Employability skills certifications.
- 11 i. Preparation for workforce credentials.
- 12 j. Career advising services.

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

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

26 27 **LEARNING MANAGEMENT SYSTEM GRANT PROGRAM AND STATEWIDE** 28 **SOLICITATION**

29 **SECTION 6.7.(a)** Of the nonrecurring funds appropriated in this act to the
30 Community Colleges System Office for the 2024-2025 fiscal year for a learning management
31 system grant program, the State Board of Community Colleges shall establish a grant program
32 beginning in the 2024-2025 fiscal year for a community college to receive funds to contract for
33 an eligible learning management system for the college. These funds shall not revert at the end
34 of the 2024-2025 fiscal year but shall remain available until expended. For purposes of this
35 subsection, an "eligible learning management system" is a learning management system that is
36 being used in the 2024-2025 school year by a majority of the students in the local school
37 administrative unit or units in the service area of the community college. The State Board shall
38 award grant funds to each community college of up to fifty percent (50%) of the cost incurred by
39 the community college for the eligible learning management system.

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

47 **SECTION 6.7.(c)** By May 1, 2025, the State Board shall report to the Joint
48 Legislative Education Oversight Committee, the Senate Appropriations Committee on
49 Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal
50 Research Division on the information received pursuant to subsection (b) of this section.
51

1 **PART VII. PUBLIC INSTRUCTION**

2
3 **VARIOUS EDUCATION REPORT CHANGES**

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

6 "(10) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the
7 request of the Joint Legislative Education Oversight Committee, the ~~State Board~~
8 Superintendent of Public Instruction shall examine and evaluate issues, programs,
9 policies, and fiscal information, and shall make reports to that Committee.
10 Furthermore, by ~~November 15~~ March 15 of each year, the ~~State Board~~
11 Superintendent of Public Instruction shall submit reports to that Committee
12 regarding schools identified as low-performing, school improvement plans found
13 to significantly improve student performance, personnel actions taken in
14 low-performing schools, and recommendations for additional legislation to
15 improve student performance and increase local flexibility."

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

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

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

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

20 "(48) Computer Science Reporting. – The State Board of Education shall report
21 annually by ~~November 15~~ March 15 to the Joint Legislative Education Oversight
22 Committee, the Senate Appropriations Committee on Education/Higher
23 Education, and the House Appropriations Committee on Education on the
24 following data related to computer science participation. For each item, the report
25 shall include (i) statewide data for the current school year, and the four years prior
26 when data is available, to establish trends in computer science instruction and (ii)
27 data for the current school year for each public school unit, disaggregated by
28 school within that unit:

29 "...."

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

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

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

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

36 "**§ 115C-299.5. Duty to monitor ~~the state of the teaching profession.~~ teacher attrition and**
37 **mobility.**

38 ...

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

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

50 "(22) Duty to Monitor the ~~State of the Teaching-Attrition and Mobility of Teachers~~
51 and the State of the School Administration Professions-Profession in North

1 Carolina. – The State Board of Education shall monitor and compile an annual
2 report on the ~~state of the teaching attrition and mobility of teachers and the~~
3 ~~state of the school administration professions profession~~ in North Carolina, as
4 provided in G.S. 115C-289.2 and G.S. 115C-299.5."

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

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

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

10 **"§ 115C-269.50. EPP report cards.**

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

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

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

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

- 28 (1) The number of user accounts, visitors to the website, and web-initiated chats.
- 29 (2) The number of users who were seeking teacher licensure who applied to
30 institutions with an EPP after visiting the TeachNC web platform and, of those
31 users, the number of users who successfully enrolled into institutions with an
32 EPP and who completed teacher licensure programs.
- 33 (3) The number of users who applied for employment in public schools after
34 visiting the TeachNC web platform and the number of teachers who continue
35 to teach in the public schools after finding employment utilizing TeachNC.

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

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

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

45"

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

47 "(e) Reporting. – No later than ~~March~~ August 15 of each year in which funds are awarded
48 under the Program, the Department shall report to the Joint Legislative Education Oversight
49 Committee, the Joint Legislative Transportation Oversight Committee, the Senate
50 Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Fiscal

1 Research Division on the administration of the Program, including at least the following
2 information:

3"

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

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

10"

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

12 **"§ 115C-107.5. Annual reports.**

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

- 19 (1) ~~A copy of the following documents that were submitted, received, or made~~
20 ~~public during the year:~~
- 21 a. ~~The most recent State performance plan and any amendments to that~~
22 ~~plan submitted to the Secretary of Education.~~
 - 23 b. ~~Compliance and monitoring reports submitted to the Secretary of~~
24 ~~Education.~~
 - 25 c. ~~The annual report submitted to the Secretary of Education on the~~
26 ~~performance of the State under its performance plan.~~
 - 27 d. ~~Any other information required under IDEA to be made available to~~
28 ~~the public.~~
- 29 (2) ~~An analysis of the educational performance of children with disabilities in the~~
30 ~~State and a summary of disputes under Part 1D of this Chapter.~~
- 31 (3) ~~Development and implementation of any policies related to improving~~
32 ~~outcomes for elementary and secondary school students with disabilities,~~
33 ~~including any changes related to the directives set forth in Section 8.30 of S.L.~~
34 ~~2015-241 as follows:~~
- 35 a. ~~Reforms related to IEP requirements.~~
 - 36 b. ~~Transition services for students with disabilities from elementary to~~
37 ~~middle school, middle to high school, and high school to~~
38 ~~postsecondary education, and for employment opportunities and adult~~
39 ~~living options.~~
 - 40 c. ~~Increased access to Future Ready Core Course of Study for students~~
41 ~~with disabilities.~~
 - 42 d. ~~Model programs for use by local school administrative units to~~
43 ~~improve graduation rates and school performance of students with~~
44 ~~disabilities."~~

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

46 **"§ 115C-107.3. Child find.**

47 (a) The Board shall require an annual census of all children with disabilities residing in
48 the State, subdivided for "identified" and "suspected" children with disabilities, to be taken in
49 each school year. Suspected children are those in the formal process of being evaluated or
50 identified as children with disabilities. The census shall be conducted annually and shall be
51 completed by October 15, submitted to the Governor and General Assembly and made available

1 to the public by January 15 annually. The census submitted to the General Assembly may be a
2 copy of any information or any report submitted to the federal government as part of compliance
3 with the Individuals with Disabilities Education Act pursuant to 20 U.S.C. § 1418.

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

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

16 17 **NEW COOPERATIVE INNOVATIVE HIGH SCHOOLS**

18 **SECTION 7.2.(a)** Of the four hundred seventy-five thousand dollars (\$475,000) in
19 recurring funds appropriated to the Department of Public Instruction in this act for the 2024-2025
20 fiscal year for two new cooperative innovative high schools, the Department shall allocate
21 supplemental funds for the following cooperative innovative high schools to their respective local
22 school administrative units in amounts consistent with those set forth in G.S. 115C-238.54A, as
23 enacted by this section, beginning with the 2024-2025 school year:

24 (1) Dare Early College High School.

25 (2) Rockingham County CTE Innovation High School.

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

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

34 "**§ 115C-238.54A. Cooperative innovative high schools – supplemental allotment funding**
35 **based on county development tier designation.**

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

40 (1) Local school administrative units located in a development tier one area shall
41 be allocated funding as follows:

42 a. The sum of two hundred seventy-five thousand dollars (\$275,000) in
43 recurring funds for each cooperative innovative high school in the unit.

44 b. For a virtual cooperative innovative high school, the sum of two
45 hundred thousand dollars (\$200,000) in recurring funds for each fiscal
46 year.

47 c. For the Northeast Regional School of Biotechnology and Agriscience,
48 the Department shall allocate the sum of three hundred ten thousand
49 dollars (\$310,000) in recurring funds from the regional school
50 supplemental allotment for the school for each fiscal year.

1 (2) Local school administrative units located in a development tier two area shall
2 be allocated the sum of two hundred thousand dollars (\$200,000) in recurring
3 funds for each cooperative innovative high school in the unit.

4 (3) Local school administrative units located in a development tier three area shall
5 be allocated the sum of one hundred eighty thousand dollars (\$180,000) in
6 recurring funds for each cooperative innovative high school in the unit.

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

13 14 **EXPAND AND MODIFY REPORT ON EXTRAORDINARY COSTS FOR STUDENTS** 15 **WITH DISABILITIES**

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

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

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

26 ...

27 (11) The creation of a grant program for local school administrative units to apply
28 for funds to cover extraordinary costs of children with disabilities. The
29 Department of Public Instruction shall consult with the Department of Health
30 and Human Services, Division of Health Benefits, on opportunity for
31 Medicaid reimbursement for services provided to students with disabilities in
32 Approved Schools and the impact of Medicaid reimbursement on the cost of
33 student placements in Approved Schools. Reported recommendations on this
34 grant program shall include at least the following:

35 a. Costs associated with placement in Approved Schools in accordance
36 with a student's IEP.

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

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

40 41 **ADVANCED COURSEWORK AND AIG CHANGE**

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

43 "**§ 115C-81.36. Advanced courses in ~~mathematics~~mathematics and English Language**
44 **Arts.**

45 (a) When practicable, local boards of education shall offer advanced learning
46 opportunities ~~in mathematics~~ in grades three through five, and advanced courses ~~in mathematics~~
47 in all grades six and higher. For the purposes of this section, advanced learning opportunities are
48 those services and curricular modifications in mathematics and English Language Arts for
49 academically or intellectually gifted students approved as part of the local plan, as required by
50 ~~G.S. 115C-150.7~~: G.S. 115C-150.7, and advanced courses are advanced courses in mathematics
51 and English Language Arts.

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

9 (b) When advanced courses are offered ~~in mathematics~~ in grades six and higher, any
10 student scoring at the highest level on the corresponding end-of-grade or end-of-course test for
11 the ~~mathematics~~ course in which the student was most recently enrolled shall be enrolled in the
12 advanced course for the next ~~mathematics~~ course in which the student is enrolled. ~~A student in~~
13 ~~seventh grade scoring at the highest level on the seventh grade mathematics end-of-grade test~~
14 ~~shall be enrolled in a high school level mathematics course in eighth grade. Local boards of~~
15 ~~education may provide supplemental content enrichment, which may include the administration~~
16 ~~of diagnostic assessments, to students enrolled in a high school level mathematics course. No~~
17 ~~student who qualifies under this subsection shall be removed from the advanced or high school~~
18 ~~mathematics course in which the student is enrolled unless a parent or guardian of the student~~
19 ~~provides written consent for the student to be excluded or removed from that course after being~~
20 ~~adequately informed that the student's placement was determined by the student's achievement~~
21 ~~on the previous end-of-grade or end-of-course test.~~

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

27 (c) By December 15, 2020, December 15, 2025, and annually thereafter, the Department
28 of Public Instruction shall submit a report to the Joint Legislative Education Oversight
29 Committee containing data collected for the current school year on the ~~number and demographics~~
30 ~~number, demographics, and socioeconomic status~~ of students who were eligible for advanced
31 ~~mathematics~~ courses under this section, including high school level mathematics courses in
32 eighth grade, and of those students, the ~~number and demographics~~ number, demographics, and
33 ~~socioeconomic status~~ of those who were placed in advanced ~~mathematics~~ courses and were not
34 placed in advanced ~~mathematics~~ courses. The report shall include information on the type and
35 format of advanced ~~mathematics~~ courses provided and shall also include any feedback provided
36 by local boards of education on the implementation of this section.

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

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

50 **SECTION 7.4.(b)** No later than December 31, 2024, the Department of Public
51 Instruction shall develop a uniform definition of "advanced courses" to be used in all public

1 school units of the State and make this definition available to all public school units in the State.
2 This definition shall apply, at a minimum, to advanced courses offered in accordance with
3 G.S. 115C-81.36 beginning with the 2025-2026 school year.

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

6 "(1a) For all teachers, at least one-half credit in advanced or accelerated learning with
7 an emphasis on instructional strategies that enable teachers to cultivate and
8 respond to students with advanced learning needs."

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

11 "a1. Instruction of advanced or gifted students with an emphasis on
12 instructional strategies that enable teachers to cultivate and respond to
13 students with advanced learning needs."

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

18 **SECTION 7.4.(f)** The Department of Public Instruction shall partner with Johns
19 Hopkins University to study the effects of automatic enrollment in advanced courses on student
20 outcomes. The study shall include up to 10 districts representing various regions of the State,
21 various average daily membership allotments, various demographics, and various socioeconomic
22 statuses. The study shall take place over the course of one academic year. The Department shall
23 report the results of the study to the Joint Legislative Education Oversight Committee no later
24 than December 1 following the completion of the study.

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

30 **PROVIDE ACCESS TO ASVAB IN ALL SCHOOLS**

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

33 "Part 7. Military or Vocational Aptitude Test.

34 "§ 115C-76.80. Armed Services Vocational Aptitude Battery.

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

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

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

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

46 **PROVIDE ADDITIONAL FUNDS TO CTE HOMEBUILDING**

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

48 **"SECTION 7.19.(a)** Of the funds appropriated to the Department of Public Instruction in
49 this act from the General Fund, the Department shall use up to two hundred seventy-five thousand
50
51

dollars ~~(\$200,000)~~ ~~(\$275,000)~~ in recurring funds to provide grants to assist public school units with program costs associated with CTE programs related to homebuilding. The Department of Public Instruction shall permit high schools within public school units to use the U.S. Department of Labor approved Pre-Apprenticeship Certificate Training (PACT) program, developed by the Home Builders Institute as an approved curriculum for CTE programs. A public school unit or a regional partnership of more than one public school unit may apply to receive funds. When awarding grants under this subsection, the Department shall prioritize public school units (i) located, in whole or in part, in a county with at least one local school administrative unit that received low-wealth supplemental funding in the previous fiscal year and (ii) that have a high population of at-risk students or students with disabilities."

CYBERBULLYING MITIGATION, STUDENT MONITORING, AND SUICIDE PREVENTION PROGRAM

SECTION 7.7.(a) Of the funds remaining from the two million one hundred thousand dollars (\$2,100,000) allocated to the Department of Public Instruction pursuant to subdivision (3) of subsection (b) of Section 7.15 of S.L. 2023-134 and the recurring funds appropriated by S.L. 2023-134 to the Department of Public Instruction to contract with Liminex, Inc., d/b/a GoGuardian (GoGuardian), the Department shall use the funds to contract with GoGuardian for a pilot program for use of services and technology to mitigate cyberbullying, monitor student internet activity, and assist with suicide prevention services in one or more local school administrative units. The services and technology provided shall not be used to supplant similar services and technology previously paid for using local funds. Funds allocated pursuant to this section shall not be allocated on the basis of average daily membership.

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

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

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

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

"Part 4. School-Directed Contracts.

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

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

- (1) Direct incentive. – A gift or other consideration given to an individual or school to influence the use of a specific vendor for a school-directed contract. Direct incentives do not include articles of merchandise or food with a value of ten dollars (\$10.00) or less per person, promotional materials, educational materials, or student identification cards.

1 (2) Indirect incentive. – A return of a portion of the proceeds to a school
2 administrator or school from the purchase price paid by the consumer to the
3 vendor for goods or services under a school-directed contract.

4 (3) School-directed contract. – A contract facilitated by a local board of education
5 or school personnel that provides a vendor exclusive access to sell
6 photography services, yearbooks, or other school-related services to students
7 and their parents or guardians.

8 (4) School personnel. – School personnel as defined in G.S. 115C-332.

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

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

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

19 **MOVE RENEWAL SCHOOL REVIEW DATES**

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

21 "**SECTION 6.(p)** State Board of Education Review; Termination of Plan. – The State Board
22 shall conduct a review of the operation and student performance of the local school administrative
23 unit operating under an approved renewal school system plan following the end of the ~~2022-2023~~
24 ~~2028-2029~~ school year and, at least every ~~three~~ five years thereafter, to ensure that the unit is
25 meeting the expected academic, financial, and governance strategic goals set forth in the local
26 board of education's plan. The State Board may terminate the renewal school system plan after a
27 review upon any of the following grounds:

28 (1) Failure to meet the requirements for student performance contained in the
29 plan.

30 (2) The majority of schools in the local school administrative unit have been
31 identified as low-performing schools in the two school years immediately
32 preceding the review.

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

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

47 **CHANGE LOW-WEALTH ALLOTMENT FORMULA**

48 **SECTION 7.10.(a)** G.S. 115C-472.17(h), as enacted by Section 7.3 of S.L.
49 2023-134, reads as rewritten:

50 "(h) Counties Containing a Base of the Armed Forces. – Notwithstanding any other
51 provision of this section, counties ~~containing a base of the Armed Forces of the United States~~

1 ~~that have an average daily membership of more than 17,000 students receiving Impact Aid for~~
 2 ~~Federally Connected Children pursuant to 20 U.S.C. § 7703 shall receive whichever is the higher~~
 3 amount in each fiscal year as follows: either the amount of supplemental funding the county
 4 received as a low-wealth county in the ~~2012-2013-2023-2024~~ fiscal year or the amount of
 5 supplemental funding the county is eligible to receive as a low-wealth county pursuant to the
 6 formula for distribution of supplemental funding under the other provisions of this section."

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

9
 10 **INCREASE TO SMALL COUNTY SUPPLEMENT**

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

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

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

24
 25 **ALLOW INCREASING ENGAGEMENT IN STEM PROGRAM FUNDS TO CARRY**
 26 **FORWARD**

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

31
 32 **CAREER DEVELOPMENT PLAN PROGRAM SUPPORT**

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

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

- 47 (1) For only the report due December 15, 2024, the process of integrating Year13,
 48 Inc.'s, student career planning tool with NCCareers.org and any difficulties or
 49 delays associated with the integration.
- 50 (2) A list of all local school administrative units served by Year13, Inc.

- 1 (3) Local school administrative units that received additional focus due to
2 difficulties implementing career development plans.
3 (4) Any other information the Department deems necessary.
4

5 MATH THAT COUNTS PILOT PROGRAM

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

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

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

- 19 (1) Implement high-quality mathematics instruction that meets the following
20 criteria:
21 a. Aligns with the North Carolina Standard Course of Study.
22 b. Is evidence-based.
23 c. Engages students and provides them with relevant challenges and
24 pathways to deeper understanding.
25 d. Includes materials to support the teacher in facilitating and
26 encouraging active student questioning and discussion.
27 e. Provides students at all levels of language proficiency with
28 opportunities to use written and oral forms of communication to learn
29 and demonstrate understanding of mathematics skills.
- 30 (2) Assess students in fourth and fifth grade at least three times per year in
31 mathematics using the i-Ready assessment platform.
- 32 (3) Use the Zearn Math learning platform and services in elementary schools and
33 middle schools located in their respective local school administrative units to
34 address challenges with developing grade level mathematics proficiency.
- 35 (4) For students who are not grade level proficient on mathematics standards by
36 the end of fifth grade, as demonstrated by the end-of-grade assessment
37 required by G.S. 115C-174.11(c)(1), provide interventions and learning
38 acceleration services documented in a Mathematics Success Plan (MSP) that
39 meets the requirements of subsection (d) of this section.
- 40 (5) By September 1 following any school year in which the local board of
41 education participated in the Program, report to the Department of Public
42 Instruction the following information on the prior school year:
43 a. A description of mathematics interventions provided to students with
44 MSPs.
45 b. The student identification numbers of students with MSPs.

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

- 48 (1) The MSP shall be created prior to the start of sixth grade and made available
49 to the student's sixth grade teacher prior to the start of the school year. Students
50 shall continue to receive an MSP through the end of eighth grade or when the

- 1 student demonstrates grade level proficiency on the end-of-grade assessment,
2 whichever is earlier.
- 3 (2) The MSP shall be regularly adjusted based on multiple data sources,
4 indicating that the student is not progressing toward grade level mathematics
5 proficiency in one or more major mathematics standards. Based on the most
6 recently collected data, an MSP shall include the following information,
7 specific to the identified student:
- 8 a. The specific mathematics standards for which the student is
9 experiencing challenges in developing grade level mathematics
10 proficiency as identified by the assessment data.
- 11 b. Goals and benchmarks for growth.
- 12 c. The means by which progress will be monitored and evaluated.
- 13 d. The specific additional mathematics interventions the student will
14 receive.
- 15 e. Any additional services the teacher deems appropriate to accelerate the
16 student's progress toward grade level mathematics proficiency.
- 17 (3) A student's parent or guardian shall be given notice that the student has been
18 identified as experiencing challenges with developing grade level
19 mathematics proficiency and that an MSP has been developed. The notice
20 shall provide the parent or guardian the following:
- 21 a. Specific strategies that can be easily understood and implemented to
22 assist the student in becoming grade level proficient on mathematics
23 standards.
- 24 b. Encouragement to select one or more strategies for use at home that
25 build on the student's interests and are most likely to engage the
26 student and result in progress toward grade level mathematics
27 proficiency.
- 28 c. Direction to free online or hard copy mathematics resources and tools
29 that can be accessed via a prominently displayed area on the homepage
30 of the primary website maintained by the Department of Public
31 Instruction.
- 32 (4) A multitiered system of support intervention may be used to satisfy the
33 requirements of this section if all of the components of subdivision (2) of this
34 subsection are incorporated in the intervention.
- 35 (5) The Department shall develop the following model documentation of
36 compliance with the requirements of this section:
- 37 a. An MSP checklist.
- 38 b. An alternative document for use with a multitiered system of support
39 intervention.

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

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

50 **SECTION 7.14.(g) Report.** – Beginning December 15, 2025, and ending December
51 15, 2028, the Department of Public Instruction shall report annually to the Joint Legislative

1 Education Oversight Committee on the following information for participating local boards of
2 education during the prior school year:

- 3 (1) The number and percentage of fourth grade students demonstrating and not
4 demonstrating grade level mathematics proficiency on the end-of-grade
5 mathematics assessment.
- 6 (2) The number and percentage of fifth grade students demonstrating and not
7 demonstrating grade level mathematics proficiency on the end-of-grade
8 mathematics assessment.
- 9 (3) For students who received an MSP pursuant to subdivision (4) of subsection
10 (d) of this section:
 - 11 a. A description of mathematics interventions provided to students.
 - 12 b. The number and percentage of sixth grade students demonstrating and
13 not demonstrating grade level mathematics proficiency on the
14 end-of-grade mathematics assessment.
 - 15 c. The number and percentage of seventh grade students demonstrating
16 and not demonstrating grade level mathematics proficiency on the
17 end-of-grade mathematics assessment.
 - 18 d. The number and percentage of eighth grade students demonstrating
19 and not demonstrating grade level mathematics proficiency on the
20 end-of-grade mathematics assessment.

21 **SECTION 7.14.(h)** Grant Funds. – The Golden LEAF Foundation shall provide
22 grants totaling seven million nine hundred thousand dollars (\$7,900,000) to participating local
23 boards of education identified by the Superintendent of Public Instruction pursuant to subsections
24 (i) through (l) of this section to contract with Zearn for use of the Zearn Math learning platform
25 and intensive support. The Golden LEAF Foundation shall allocate at least twenty thousand
26 dollars (\$20,000) for each elementary and middle school in a participating local school
27 administrative unit.

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

- 31 (1) Columbus County Schools.
- 32 (2) Lenoir County Public Schools.
- 33 (3) Nash County Public Schools.
- 34 (4) Rockingham County Schools.
- 35 (5) Wayne County Public Schools.
- 36 (6) Whiteville City Schools.

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

- 40 (1) Duplin County Schools.
- 41 (2) Graham County Schools.
- 42 (3) Halifax County Schools.
- 43 (4) Martin County Schools.
- 44 (5) Roanoke Rapids Graded School District.
- 45 (6) Weldon City Schools.

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

- 49 (1) Beaufort County Schools.
- 50 (2) Bertie County Schools.
- 51 (3) Bladen County Schools.

- 1 (4) Caswell County Schools.
- 2 (5) Edgecombe County Public Schools.
- 3 (6) Greene County Schools.
- 4 (7) Mitchell County Schools.
- 5 (8) Northampton County Schools.
- 6 (9) Washington County Schools.

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

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

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

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

29 **ALLOW SCHOOL BOARDS TO USE EMINENT DOMAIN FOR EASEMENTS**

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

31 **"§ 115C-517. Acquisition of sites.**

32 Local boards of education may acquire suitable sites for schoolhouses or other school
 33 facilities either within or without the local school administrative unit; but no school may be
 34 operated by a local school administrative unit outside its own boundaries, although other school
 35 facilities such as repair shops, may be operated outside the boundaries of the local school
 36 administrative unit. Whenever any ~~such board~~ local board of education is unable to acquire or
 37 enlarge a suitable ~~site or right-of-way site, right-of-way, or easement, including utility easements~~
 38 necessary to support school facilities situated on a site, for a school, school building, school bus
 39 garage or for a parking area or access road suitable for school buses ~~buses~~, or for other school
 40 facilities by gift or purchase, condemnation proceedings to acquire ~~same the site, right-of-way,~~
 41 or easement may be instituted by ~~such board~~ the local board of education under the provisions of
 42 Chapter 40A of the General Statutes, and the determination of the local board of education of the
 43 land necessary for ~~such~~ these purposes shall be conclusive. For purposes of this section, utility
 44 easements include easements for water, sanitary sewer, electric power, broadband, and
 45 telecommunications services."

47 **EXPAND CTE SUPPORT IN MIDDLE SCHOOLS**

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

50 **"§ 115C-158.15. Career development plan support.**

1 The Department of Public Instruction shall allocate to each local school administrative unit
2 the dollar equivalent of one full-time CTE coordinator position to be used to provide information
3 and support to students in grades six and seven prior to the creation of a career development plan.
4 Local boards of education are encouraged to hire full-time, permanent CTE coordinators with
5 these funds, but the funds may be used for other methods of support if the local board of education
6 determines that adequate information and support is being provided without hiring a full-time,
7 permanent CTE coordinator."
8

9 **PROGRAM TO ALLOW FINANCIAL AND HIRING FLEXIBILITY PLANS FOR**
10 **CERTAIN SCHOOL DISTRICTS**

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

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

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

25 **SECTION 7.17.(c)** Submission of a FHFP. – A local board desiring to operate under
26 a FHFP shall submit a FHFP that meets the requirements of this section to the State Board by
27 January 15, 2025, to begin operation of the plan with the 2025-2026 school year. The local board
28 shall include at least the following components in its FHFP:

- 29 (1) A resolution adopted by the local board to implement the FHFP in the District.
- 30 (2) A detailed description of how the flexibility allowed under the FHFP will aid
31 the District in meeting each of the following goals by the conclusion of the
32 2029-2030 school year:
 - 33 a. Ensure that one hundred percent (100%) of all students have
34 completed a career development plan by the beginning of their senior
35 year of high school.
 - 36 b. Increase teacher retention to a ninety percent (90%) retention rate.
 - 37 c. Improve the average growth index of District schools to 0.50 or
38 greater.
 - 39 d. Increase the growth rate of any subgroups of students below the
40 average growth rate in the 2023-2024 school year to above the average
41 overall growth rate for the State.
 - 42 e. Quantify all other measures of success of the FHFP in achieving the
43 goals established in the FHFP.

44 **SECTION 7.17.(d)** State Board Approval. – The State Board shall approve a FHFP
45 that meets the requirements of this section by March 15, 2025, to begin implementation July 1,
46 2025.

47 **SECTION 7.17.(e)** State Board of Education Review; Termination of Plan. – The
48 State Board shall conduct a review of the operation and student performance of a District
49 operating under an approved FHFP following the end of the 2029-2030 school year, and at least
50 every three years thereafter, to ensure that the District is meeting the expected academic goals

1 set forth in the FHFP and complying with all financial and observance requirements in this
2 section. The State Board shall terminate a FHFP after a review for any of the following grounds:

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

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

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

23 **SECTION 7.17.(h)** Teachers. – Notwithstanding G.S. 115C-295, beginning July 1,
24 2025, for as long as a District is operating under a FHFP, up to fifty percent (50%) of the teachers
25 in each school in the District may be employed as teachers despite not holding teacher licenses
26 if they meet the requirements set out in subsection (i) of this section. All teachers who are
27 teaching in the core subject areas of mathematics, science, social studies, and language arts shall
28 be college graduates.

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

- 33 (1) The identification and education of children with disabilities.
- 34 (2) Positive management of student behavior.
- 35 (3) Effective communication for defusing and de-escalating disruptive or
36 dangerous behavior.
- 37 (4) Safe and appropriate use of seclusion and restraint.

38 **SECTION 7.17.(j)** School Operation. – All schools in a District operating under a
39 FHFP shall be deemed to have been continuously operating under a modified calendar since the
40 2003-2004 school year for purposes of G.S. 115C-84.2(d).

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

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

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

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

- 17 (1) An annual report on the number of licensed and unlicensed teachers and use
18 of long-term substitutes in filling vacancies for classroom teachers. This report
19 shall also provide recruiting data on the number of licensed and unlicensed
20 teachers hired during the school year and overall employee retention in each
21 school year. In addition, the report shall also provide comparisons with the
22 data from the previous school year on the information required by this
23 subdivision at the local school administrative unit level.
- 24 (2) Specific actions taken to close academic gaps between student groups on State
25 assessments.
- 26 (3) A breakdown of how State funds are being spent in the District.
- 27 (4) Any available data on outcomes identified as goals in the FHFP.
- 28 (5) Any other reporting requirements deemed necessary by the Superintendent of
29 Public Instruction.

30 **SECTION 7.17.(o)** Report to the General Assembly. – No later than November 15,
31 2026, and each year thereafter that a District operates under a FHFP, the Superintendent shall
32 report to the Joint Legislative Education Oversight Committee on the progress of the FHFP on
33 at least the following topics:

- 34 (1) A summary of the data provided by Districts operating under a FHFP to the
35 Superintendent in the annual report.
- 36 (2) The effectiveness of the FHFP on hiring and retaining teachers in Districts,
37 determined by annual turnover rates and teacher vacancies, compared with
38 other local school administrative units not operating under a FHFP.
- 39 (3) An assessment of the financial flexibilities utilized by local boards operating
40 under a FHFP and any recommended changes or modifications.
- 41 (4) Any available data on outcomes identified as goals in any FHFP.
- 42 (5) Any other information the Superintendent deems relevant to the pilot program
43 authorized by this section.

44 45 **STATUTORY CHANGES FOR DPI FUNDING IN ARREARS**

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

47 "(1a)a. To Establish and Maintain Kindergartens. – Local boards of education
48 shall provide for their respective local school administrative unit
49 kindergartens as a part of the public school system for all children living in
50 the local school administrative unit who are eligible for admission pursuant to
51 sub-subdivision c. of this subdivision provided that funds are available from

1 State, local, federal, or other sources to operate a kindergarten program as
2 provided in this subdivision.

- 3 b. All kindergarten programs so established shall be subject to the
4 supervision of the Department of Public Instruction and shall be
5 operated in accordance with the standards adopted by the State Board
6 of Education, upon recommendation of the Superintendent of Public
7 Instruction. ~~Among the standards to be adopted by the State Board of~~
8 ~~Education shall be a provision that the Board will allocate funds for~~
9 ~~the purpose of operating and administering kindergartens to each~~
10 ~~school administrative unit in the State based on the average daily~~
11 ~~membership for the best continuous three out of the first four school~~
12 ~~months of pupils in the kindergarten program during the last school~~
13 ~~year in that respective school administrative unit. Such allocations are~~
14 ~~to be made from funds appropriated to the State Board of Education~~
15 ~~for the kindergarten program.~~
- 16 c. Any child who meets the requirements of G.S. 115C-364 shall be
17 eligible for enrollment in kindergarten. Any child who is enrolled in
18 kindergarten and not withdrawn by the child's parent or legal guardian
19 shall attend kindergarten.
- 20 d. Notwithstanding any other provision of law to the contrary, subject to
21 the approval of the State Board of Education, any local board of
22 education may elect not to establish and maintain a kindergarten
23 program. Any funds allocated to a local board of education which does
24 not operate a kindergarten program may be reallocated by the State
25 Board of Education, within the discretion of the Board, to a county or
26 city board of education which will operate such a program."

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

28 **"§ 115C-111.05. Funding for children with disabilities.**

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

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

35 **"§ 115C-150.9. Funding for academically or intellectually gifted students.**

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

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

42 "(b) Phase-Out Provision. – If a local school administrative unit becomes ineligible for
43 funding under the schedule in subsection (a) of this section, funding for that unit shall be phased
44 out over a five-year period. Funding for such local school administrative units shall be reduced
45 in equal increments in each of the five years after the unit becomes ineligible. Funding shall be
46 eliminated in the fifth fiscal year after the school administrative unit becomes ineligible.
47 Allotments for eligible local school administrative units under this subsection shall not be
48 reduced in any fiscal year by more than twenty percent (20%) of the amount received during the
49 fiscal year when the local school administrative unit became ineligible to receive funds under
50 this section. ~~A local school administrative unit shall not become ineligible for funding if either~~
51 ~~the highest of the first two months' total projected average daily membership for the current year~~

1 or the higher of the first two months' total prior year average daily membership would otherwise
2 have made the unit eligible for funds under the schedule in subsection (a) of this
3 section. Eligibility for funding is based on the allotted average daily membership of the unit. The
4 initial allocation is based on the allotted average daily membership of the unit and shall not be
5 adjusted for current year actual average daily membership."
6

7 COOPERATIVE PURCHASE AGREEMENTS FOR TECHNOLOGY

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

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

12 "§ 115C-102.11. Cooperative purchase agreements for technology.

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

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

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

22 (1) Be based on a defined statewide information technology need to support
23 education in public school units.

24 (2) Allow for equal access to technology tools and services.

25 (3) Provide a standard competitive cost throughout North Carolina for technology
26 tools and services.

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

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

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

36 (f) No later than October 15 of each year, the Department of Public Instruction shall
37 report to the Joint Legislative Education Oversight Committee on the contents of the availability
38 list required by subsection (e) of this section, establishment of new cooperative purchasing
39 agreements, savings resulting from existing cooperative agreements, and any issues impacting
40 the establishment or maintenance of the cooperative agreements."
41

42 SUNSET TEXTBOOK COMMISSION

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

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

47 "Part 3. Textbooks. Instructional Materials.

48 "§ 115C-85. Textbook-Instructional material needs are determined by course of study.

49 ~~When the State Board of Education has adopted, upon the recommendation of the~~
50 ~~Superintendent of Public Instruction, a standard course of study at each instructional level in the~~

1 elementary school and the secondary school, setting forth what subjects shall be taught at each
2 level, it shall proceed to select and adopt textbooks.

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

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

11 ...

12 "**§ 115C-96. Powers and duties of the State Board of Education in regard to**
13 **textbooks** instructional materials.

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

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

- 22 (1) ~~Acquire by contract such basic textbooks as are or may be on the adopted list~~
23 ~~of the State of North Carolina which the Board finds necessary to meet the~~
24 ~~needs of the State public school system and to carry out the provisions of this~~
25 ~~Part.~~
26 (2) ~~Provide a system of distribution of these textbooks and distribute the books~~
27 ~~that are provided without using any depository or warehouse facilities other~~
28 ~~than those operated by the State Board of Education.~~
29 (3) ~~Provide for the free use, with proper care and return, of elementary and~~
30 ~~secondary basic textbooks~~ instructional materials. The title of ~~said books~~ the
31 instructional materials shall be vested in the State.

32 ...

33 "**§ 115C-98. Local boards of education to provide for local operation of the textbook**
34 **program, the selection and procurement of other instructional materials, and the**
35 **use of nonadopted textbooks** selection of supplementary and instructional
36 materials.

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

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

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

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

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

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

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

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

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

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

23 ...

24 **§ 115C-98.5. Challenges to supplementary and instructional materials.**

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

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

28 (1) A principal from a high school, middle school, and elementary school,
29 respectively.

30 (2) A teacher from a high school, middle school, and elementary school,
31 respectively.

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

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

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

39 (1) Obscene.

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

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

42 (4) Pervasively vulgar.

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

46 (e) Within two weeks of the filing of the challenge, the media advisory committee shall
47 hold a hearing and provide the challengers an opportunity to present their concerns to the
48 committee. The committee may, in the committee's discretion, request additional information on
49 the subject matter at the hearing from experts employed by the local school administrative unit.
50 Within two weeks of the hearing, the committee shall make a recommendation to the local board
51 of education on whether the challenge has merit and whether the challenged material should be

1 retained or removed as unfit material. The committee's determination shall be limited to
 2 considerations of whether the material is unfit on the specific grounds of the material being (i)
 3 obscene, (ii) inappropriate to the age, maturity, or grade level of the students, (iii) not aligned
 4 with the standard course of study, or (iv) pervasively vulgar.

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

8 (g) The local board, at all times, has sole authority to determine whether a challenge has
 9 merit and whether challenged material should be retained or removed. The decision of the board
 10 is subject to judicial review and a person seeking judicial review shall file a petition in the
 11 superior court of the county in which the local board is located.

12 **"§ 115C-99. Legal custodians of ~~textbooks~~ instructional materials furnished by State.**

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

17 **"§ 115C-100. Rental fees for ~~textbooks~~ instructional materials prohibited; damage fees**
 18 **authorized.**

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

25 **"§ 115C-101. Duties and authority of superintendents of local school administrative units.**

26 The superintendent of each local school administrative unit, as an official agent of the State
 27 Board of Education, shall administer the provisions of this Part and the rules and regulations of
 28 the Board insofar as they apply to ~~his~~ the local school administrative unit. The superintendent of
 29 each local school administrative unit shall have authority to require the cooperation of principals
 30 and teachers so that the children may receive the best possible service, and so that all the ~~books~~
 31 instructional materials and moneys may be accounted for properly. If any principal or teacher
 32 fails to comply with the provisions of this section, ~~his~~ the superintendent shall withhold ~~his~~ the
 33 salary vouchers of the principal until the duties imposed by this section have been performed.

34 If any superintendent fails to comply with the provisions of this section, the State
 35 Superintendent, as secretary to the State Board of Education, shall notify the State Board of
 36 Education and the State Treasurer. The State Board and the State Superintendent shall withhold
 37 the superintendent's salary vouchers, and the State Treasurer shall make no payment until the
 38 State Superintendent ~~notifies him~~ confirms that the provisions of this section have been complied
 39 with.

40 **"§ 115C-102. Right to purchase; disposal of ~~textbooks~~ and instructional materials.**

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

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

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

50 "(d) Voting. – No voting by proxy shall be permitted. ~~Except in voting on textbook~~
 51 ~~adoptions, a~~ A majority of those present and voting shall be necessary to carry a motion and a

1 roll call vote shall be had on each motion. A record of all such votes shall be kept in the minute
2 book."

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

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

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

6 "d. The State Board of Education shall modify the Uniform Education
7 Reporting System to provide clear, accurate, and standard information
8 on the use of funds at the unit and school level. The plan shall provide
9 information that will enable the General Assembly to determine State,
10 local, and federal expenditures for personnel at the unit and school
11 level. The plan also shall allow the tracking of expenditures for
12 ~~textbooks,~~ instructional materials, educational supplies and
13 equipment, capital outlay, at-risk students, and other purposes."

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

15 "**§ 115C-47. Powers and duties generally.**

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

18 ...

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

31 ...

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

36 (33a) ~~To Approve and Use Textbooks Not Adopted by State Board of Education.~~
37 Instructional Materials. – Local boards of education shall have the authority
38 to select, procure, and use ~~textbooks not adopted by the State Board of~~
39 ~~Education~~ instructional materials as provided in
40 ~~G.S. 115C-98(b1).~~ G.S. 115C-98.

41"

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

43 "**§ 115C-76.55. Age-appropriate instruction for grades kindergarten through fourth grade.**

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

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

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

1 **SECTION 7.20.(k)** G.S. 115C-81.25(d) reads as rewritten:
2 "(d) Parental Review. – The State Board of Education shall make available to all local
3 school administrative units for review by the parents and legal guardians of students enrolled at
4 those units any State-developed objectives for instruction, ~~any approved textbooks,~~ the list of
5 reviewed materials, and any other State-developed or approved materials that pertain to or are
6 intended to impart information or promote discussion or understanding in regard to the
7 prevention of sexually transmitted diseases, including HIV/AIDS, to the avoidance of
8 out-of-wedlock pregnancy, or to the reproductive health and safety education curriculum. The
9 review period shall extend for at least 60 days before use."

10 **SECTION 7.20.(l)** G.S. 115C-105.25(b)(12) reads as rewritten:
11 "(12) Funds allotted for ~~textbooks and digital resources~~ instructional materials may
12 only be used for the purchase of ~~textbooks and digital resources~~ to acquire
13 instructional and supplemental materials as identified in Part 3 of Article 8 of
14 this Chapter, and to acquire software necessary for the use of the instructional
15 or supplemental materials. These funds shall not be transferred out of the
16 allotment for any other purpose."

17 **SECTION 7.20.(m)** G.S. 115C-242(3) reads as rewritten:
18 "(3) The board of education of any local school administrative unit may operate
19 the school buses of such unit one day prior to the opening of the regular school
20 term for the transportation of pupils and employees to and from the school to
21 which such pupils are assigned or in which they are enrolled and such
22 employees are employed, for the purposes of the registration of students, the
23 organization of classes, the distribution of ~~textbooks,~~ instructional materials,
24 and such other purposes as will, in the opinion of the superintendent of the
25 schools of such unit, promote the efficient organization and operation of such
26 public schools."

27 **SECTION 7.20.(n)** G.S. 115C-271(d)(2) reads as rewritten:
28 "(2) Local funds appropriated for teachers, ~~textbooks,~~ instructional materials, or
29 classroom materials, supplies, and equipment are not transferred or used for
30 this purpose."

31 **SECTION 7.20.(o)** G.S. 115C-384(c) reads as rewritten:
32 "(c) Rental Fees for ~~Textbooks~~ Instructional Materials Prohibited; Damage Fees
33 Authorized. – No rental fees are permitted for the use of textbooks, but damage fees may be
34 collected pursuant to the provisions of G.S. 115C-100."

35 **SECTION 7.20.(p)** G.S. 115C-390.2(l)(1) reads as rewritten:
36 "(1) The opportunity to take ~~textbooks~~ instructional materials and school-furnished
37 digital devices home for the duration of the absence."

38 **SECTION 7.20.(q)** G.S. 115C-390.5(c)(1) reads as rewritten:
39 "(1) The opportunity to take ~~textbooks~~ instructional materials home for the
40 duration of the suspension."

41 **SECTION 7.20.(r)** G.S. 115C-398 reads as rewritten:
42 "**§ 115C-398. Damage to school buildings, furnishings, ~~textbooks,~~ instructional materials.**

43 Students and their parents or legal guardians may be liable for damage to school buildings,
44 furnishings and ~~textbooks~~ instructional materials pursuant to the provisions of G.S. 115C-523,
45 115C-100 and 14-132."

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

47 **SECTION 7.20.(t)** No further funds shall be allocated into the State Textbook fund.
48 The Department of Public Instruction, in coordination with the Office of State Budget and
49 Management, shall ensure that the fund is dissolved once all funds are expended.

50 **SECTION 7.20.(u)** Effective July 1, 2024, there is established the Instructional
51 Materials funding allotment within the State Public School Fund. The State Board of Education

1 shall establish the purposes for which the funds within the Instructional Materials funding
 2 allotment may be used for as the purchase and maintenance of instructional and supplemental
 3 materials as identified in Part 3 of Article 8 of Chapter 115C of the General Statutes. Funds
 4 allocated to the Instructional Materials funding allotment in fiscal years 2024-2025, 2025-2026,
 5 and 2026-2027 shall not revert to the General Fund at the end of the fiscal year but shall remain
 6 available until expended.

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

10 CLARIFY INTERSCHOLASTIC ATHLETIC REPORTS

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

12 "**§ 115C-407.75. Public school units annual interscholastic athletic reports.**

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

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

- 19 a. Administering association fees.
- 20 b. Salaries or stipends for coaches and faculties for duties associated
 21 solely with interscholastic athletics.
- 22 c. Capital costs, including new construction, repair and renovation, and
 23 maintenance costs for existing athletic facilities.
- 24 d. Uniform and equipment costs.
- 25 e. Travel and transportation costs.
- 26 f. Officiating costs.
- 27 g. Other identified ~~costs~~ costs of more than five thousand dollars
 28 (\$5,000).

29 (2) The total dollar amount received by the public school unit from interscholastic
 30 athletic activities, including funds held in special funds of individual schools,
 31 by the following categories:

- 32 a. Gate receipts.
- 33 b. Concession sales.
- 34 c. Merchandise sales or sales of items directly related to interscholastic
 35 athletics, including apparel and audiovisual materials.
- 36 d. Student fees.
- 37 e. Monetary and in-kind contributions from third-party organizations.
- 38 f. State or local funding expended on capital costs for athletic facilities.
- 39 g. Other identified sources of ~~funds~~ funds that provide more than five
 40 thousand dollars (\$5,000).

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

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

47 CEP TIME LINE SHIFT AND CLARIFY BREAKFAST LOCATION

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

49 "**SECTION 7.59.(a)** Program; Purpose. – The Department of Public Instruction shall
 50 establish the CEP Meal Program Incentive ~~for the 2023–2025 fiscal biennium~~ to expand public
 51 school participation in the federal Community Eligibility Provision (CEP) program to increase

1 the number of students with access to healthy, cost-free school breakfast and lunch. The incentive
 2 program shall be available to public school units for the 2024-2025 fiscal year. In each year
 3 where funds are made available for the purpose, the CEP program shall be run subject to the
 4 provisions of this section.

5 ...

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

- 11 (1) The school or schools that will participate in the CEP program.
- 12 (2) The Identified Student Percentage (ISP) for the school or schools for the ~~2024-~~
 13 ~~2025-current~~ school year.
- 14 (3) The number of students enrolled in the school or schools for the ~~2024-2025~~
 15 ~~current~~ school year.
- 16 (4) Participation rates in the National School Breakfast and Lunch programs for
 17 the 2023-2024 school year for the schools requesting to receive the incentive.

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

25 "**SECTION 7.59.(e)** Grants. – The Department shall issue State reimbursements to
 26 participating public school units and schools to supplement federal reimbursements of school
 27 meals. State reimbursement shall equal the difference between the federal free rate and the federal
 28 paid rate for the number of meals served at the participating schools equal to a 0.2 multiplier of
 29 the ISP for the participating schools. State and federal reimbursements shall not exceed one
 30 hundred percent (100%) of the federal free rate of meals served. ~~Schools utilizing the incentive~~
 31 ~~shall offer breakfast after the bell and in the classroom.~~

32 ...

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

36"

37 38 AFTER-SCHOOL ROBOTICS GRANT PROGRAM

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

41 "Part 12. Academic Grant Programs.

42 "§ 115C-238.90. Educational and Competitive After-School Robotics Grant Program.

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

50 (b) Eligibility. – Any public school unit is eligible to apply to the Department of Public
 51 Instruction for a grant to develop an educational and competitive after-school robotics program

1 with a robotics partner. As used in this subsection, the term "robotics partner" shall refer to a
2 third-party entity, such as a nonprofit organization or institution of higher education, approved
3 by the Department of Public Instruction, that is able to provide adequate support for an
4 after-school robotics program. In order to provide adequate support, a robotics partner must meet
5 at least all of the following criteria:

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

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

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

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

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

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

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

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

24 (2) Purchase robotics kits.

25 (3) Provide stipends for coaches.

26 (4) Make payments associated with participation in a robotics league or robotics
27 competition.

28 (5) Pay fees incurred as part of the administration of a robotics team.

29 (e) Reporting. – No later than October 15 of each year of the Program, the Department
30 shall report the following information from the prior school year to the Joint Legislative
31 Education Oversight Committee and the Fiscal Research Division:

32 (1) The public school units that received grants and the amount of those grants.

33 (2) The robotics partner for each public school unit.

34 (3) The number of public school units that applied for grants but did not receive
35 one.

36 (4) The extent to which students participating in after-school robotics programs
37 funded by the Program experienced measurable improvement in academic
38 performance."

40 DOA TO ADMINISTRATIVELY SUPPORT RESIDENTIAL SCHOOLS

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

42 "**§ 115C-150.11. ~~General supervision over~~ Establishment of the schools for the deaf and**
43 **blind.**

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

46 (1) The Governor Morehead School for the Blind of the Department of Public
47 Instruction, for the function, purpose, and duty of serving students who are
48 blind or visually impaired from birth to age 22. The Governor Morehead
49 School for the Blind shall include the Governor Morehead Preschool.

1 (2) The Eastern North Carolina School for the Deaf of the Department of Public
2 Instruction, for the function, purpose, and duty of serving students who are
3 deaf or hard of hearing.

4 (3) The North Carolina School for the Deaf of the Department of Public
5 Instruction, for the function, purpose, and duty of serving students who are
6 deaf or hard of hearing.

7 (a1) State Board of Education Supervision. – The State Board of Education shall have
8 general supervision over the schools for the deaf and blind in accordance with G.S. 115C-12 and
9 shall establish approximately equivalent service areas for each school for the deaf that cover the
10 entire State. In establishing the service area for each school for the deaf, the State Board shall
11 consider both the geographic proximity to the school for the deaf and the population of the service
12 area. The State Board shall evaluate the effectiveness of the schools for the deaf and blind and
13 shall, through the application of the accountability system developed under G.S. 115C-83.15 and
14 G.S. 115C-105.35, measure the educational performance and growth of students placed in each
15 school. If appropriate, the Board may modify this system to adapt to the specific characteristics
16 of these schools. The boards of trustees for the schools for the deaf and blind shall be subject to
17 rules adopted by the State Board of Education in accordance with Chapter 150B of the General
18 Statutes. ~~Statutes for public school units.~~

19 (b) ~~Independent Operation. – Except as otherwise provided for in this Article, the schools~~
20 ~~for the deaf and blind shall be housed administratively within the Department of Public~~
21 ~~Instruction for purposes of distribution of State funds, but each school for the deaf and blind shall~~
22 ~~operate independently with a board of trustees as the governing body. – Department of Public~~
23 Instruction Support. – The Department of Public Instruction shall include employees of the
24 schools for the deaf and blind and employees of those schools in coverage for professional
25 ~~liability liability, worker's compensation, property, and liability policies purchased by the~~
26 Department for the Department or its employees employees, and shall enter into a memorandum
27 of understanding with the schools to facilitate the purchase of other insurance policies for those
28 schools. In all other matters, the Department of Public Instruction shall provide services, support,
29 and assistance to schools for the deaf and blind in the same manner and degree as for a local
30 school administrative unit.

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

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

45 (e) Funding. – In addition to appropriations directed solely to the schools for the deaf and
46 blind, the schools shall be eligible to (i) receive the benefit of any regional or statewide systems
47 of support provided by the Department of Public Instruction to all public school units and (ii)
48 apply for any grants available to all public school units. The schools for the deaf and blind shall
49 not be eligible to receive funding allotments for local school administrative units unless otherwise
50 directed by the General Assembly."

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

1 **"§ 115C-150.16. Applicability of Chapter.**

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

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

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

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

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

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

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

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

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

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

30 **"§ 115C-150.12B. Employees of schools for the deaf and blind.**

31 (a) ~~Director-Superintendent.~~ – Each board of trustees of a school shall appoint a ~~director~~
32 ~~superintendent~~ for that school, ~~who~~ school who meets the requirements of G.S. 115C-271 for
33 employment. The superintendent shall act as secretary to the board of trustees in accordance with
34 ~~G.S. 115C-150.12A and shall manage day-to-day operations of the school~~ G.S. 115C-150.12A.
35 All acts of the boards of trustees, not in conflict with State law, shall be binding on the
36 superintendent, and the superintendent shall carry out all rules and regulations of the board and
37 other duties as prescribed by the board of trustees. For purposes of application to other statutes
38 in this Chapter, the ~~director-superintendent~~ shall be the equivalent of a superintendent of ~~schools~~
39 a local school administrative unit and shall fulfill the duties of a superintendent as provided in
40 Article 18 of this Chapter.

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

45 ...

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

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

1 "(14) Conduct and duties of personnel. – The board of trustees, upon the
2 recommendation of the ~~director, superintendent~~, shall have full power to make
3 rules governing the conduct of teachers, principals, and supervisors; the kind
4 of reports they shall make; and their duties in the care of school property. Prior
5 to the beginning of each school year, the board of trustees shall identify all
6 reports that are required for the school year and shall, to the maximum extent
7 possible, eliminate any duplicate or obsolete reporting requirements and
8 consolidate remaining reporting requirements. Prior to the beginning of each
9 school year, the board of trustees shall also identify software protocols that
10 could be used to minimize repetitious data entry and shall make them available
11 to teachers and other employees."

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

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

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

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

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

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

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

25 "**§ 115C-150.15. Reporting to schools on deaf and blind children.**

26 (a) Request for Consent. – ~~Local superintendents~~ Superintendents of local school
27 administrative units shall require that the following request for written consent, along with any
28 informational materials provided by the school for the blind or the school for the deaf in the
29 service area in which the local school administrative unit is located, be presented to parents or
30 custodians of any children who are deaf or hard of hearing or are blind or visually impaired no
31 later than October 1 of each school year: "North Carolina provides two public schools for the
32 deaf serving students who are deaf or hard of hearing: the Eastern North Carolina School for the
33 Deaf and the North Carolina School for the Deaf. North Carolina also has a public school for the
34 blind serving students who are blind or visually impaired: the Governor Morehead School for the
35 Blind. Do you consent to the release of your contact information and information regarding your
36 child and his or her hearing or vision status to these schools so that you can receive more
37 information on services offered by those campuses?"

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

46 (c) Confidentiality of Records. – The ~~directors superintendents~~ of the schools for the deaf
47 and blind shall treat any information reported to the schools by a ~~local superintendent~~ of a local
48 school administrative unit under subsection (b) of this section as confidential, except that a
49 ~~director superintendent~~ of the schools for the deaf and blind or the ~~director's superintendent's~~
50 designee may contact the parents or custodians of any hearing impaired or visually impaired

1 children whose information was included in the report. The information shall not be considered
2 a public record under G.S. 132-1.

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

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

12 "(2) Exercise judicial functions. – The board of trustees shall employ or contract
13 with private counsel to provide advice and representation for the school. The
14 board may institute all actions, suits, or proceedings against officers, persons,
15 or corporations, or their sureties, for the recovery, preservation, and
16 application of all money or property which may be due to or should be applied
17 to the support and maintenance of the school. In all actions brought in any
18 court against a board of trustees, the order or action of the board shall be
19 presumed to be correct, and the burden of proof shall be on the complaining
20 party to show the contrary. G.S. 114-2.3 and G.S. 147-17 shall not apply to
21 the schools for the deaf and blind. Upon the request of the board of trustees of
22 a school, the Attorney General shall provide representation as required by
23 G.S. 114-2. Each school shall be regarded as a State agency for the purposes
24 of the State Tort Claims Act and associated representation by the Office of the
25 Attorney General with regards to litigation defense."

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

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

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

35 "(f) Free Appropriate Public Education. – The local school administrative unit or charter
36 school in which the student is enrolled shall have the initial responsibility of identifying and
37 evaluating the special education needs of the student and providing a special educational program
38 and related services in accordance with Article 9 of this Chapter. If a parent submits an
39 application to the school for enrollment of the parent's child in the school's educational program,
40 and if the child is determined to meet the eligibility criteria for admission to the school's
41 educational program, the school is responsible for the provision of a free appropriate public
42 ~~education~~-education upon enrollment. However, a subsequent determination by the school that
43 the student no longer meets eligibility criteria immediately transfers the responsibility for the
44 provision of a special educational program and related services to ensure a free appropriate public
45 education back to the local school administrative unit or charter school in which the student was
46 previously enrolled."

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

48 "(h) ~~Due Process Hearing~~-Eligibility Appeal. – A parent may seek an ~~impartial due~~
49 ~~process hearing appeal to the board of trustees~~ following a final determination on a student's
50 eligibility by the ~~director~~. ~~If the parent pursues a due process hearing to challenge the school's~~
51 ~~ineligibility determination, the student's "stay put" placement shall not be the school but shall be~~

1 ~~the student's local school administrative unit or charter school superintendent. Parents may not~~
2 ~~seek an impartial due process hearing regarding any eligibility determination."~~

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

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

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

8 **SECTION 7.24.(t)** For the 2024-2025 school year, the Department of Public
9 Instruction shall administratively house the Governor Morehead School for the Blind, Eastern
10 North Carolina School for the Deaf, and North Carolina School for the Deaf (Schools). The
11 Department of Public Instruction shall include the Schools and employees of the schools in
12 coverage for professional liability, worker's compensation, property, and liability policies
13 purchased by the Department of Public Instruction for the Department and its employees, and
14 shall enter into a memorandum of understanding with the Schools to facilitate the purchase of
15 other insurance policies for those Schools. The Department of Public Instruction and the Schools
16 shall enter into a memorandum of understanding with regards to the administrative support. At a
17 minimum, the Department of Public Instruction shall provide administrative support in matters
18 related to finance, human resources, and procurement, including for information technology and
19 capital.

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

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

30 **SECTION 7.24.(w)** The Office of the State Controller and Office of State Budget
31 and Management shall ensure that the Schools are established as State agencies prior to July 1,
32 2025.

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

37 **SECTION 7.24.(x1)** The North Carolina Collaboratory, in consultation with each of
38 the Schools, the Department of Public Instruction, and the Department of Administration, shall
39 study each School's administrative structure, operations, and policies, including the cost and
40 positions needed for the support of the Schools and how to optimize operation of that School to
41 maximize the educational outcomes for the School's students and ensure the School's success and
42 independence. The Collaboratory shall report its findings, recommendations for each School, and
43 any recommended legislation to the Fiscal Research Division and the Joint Legislative Education
44 Oversight Committee no later than March 1, 2025.

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

1 School for the Deaf shall exercise all prescribed statutory powers, including the management
2 functions of planning, organizing, staffing, directing, coordinating, reporting, and budgeting.

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

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

11"

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

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

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

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

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

20 a. An employee of a ~~local board of education, a charter school authorized~~
21 ~~under G.S. 115C 218.5, a regional school created under~~
22 ~~G.S. 115C 238.62, a laboratory school created under G.S. 116 239.7,~~
23 public school unit or a nonpublic school which has filed intent to
24 operate under Part 1 or Part 2 of Article 39 of Chapter 115C of the
25 General Statutes.

26 b. An independent contractor or an employee of ~~an independent~~
27 ~~contractor of a local board of education, a charter school authorized~~
28 ~~under G.S. 115C 218.5, a regional school created under~~
29 ~~G.S. 115C 238.62, a laboratory school created under G.S. 116 239.7,~~
30 a public school unit or a nonpublic school which has filed intent to
31 operate under Part 1 or Part 2 of Article 39 of Chapter 115C of the
32 General Statutes, if the independent contractor carries out duties
33 customarily performed by 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, a laboratory school created under G.S. 116 239.7, public~~
38 school unit or a nonpublic school which has filed intent to operate under Part
39 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes, or a person
40 who has been suspended or expelled from any of those schools within the last
41 year."

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

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

47 **SECTION 7.24.(ee)** Subsections (a) through (f) and (n) through (r) of this section
48 are effective July 1, 2024. Subsections (g) through (m) of this section are effective July 1, 2025.
49 The remainder of this section is effective when it becomes law.

50
51 **NORTHEAST REGIONAL SCHOOL OF BIOTECHNOLOGY AND AGRISCIENCE**

1 the State or nation to be present at three successive regular meetings of the board of directors, his
2 or her place as a member of the board of directors shall be deemed vacant. Any member of the
3 board of directors may be removed from office by the appointing authority for misfeasance,
4 malfeasance, or nonfeasance in office. All vacancies shall be filled by the appointing authority
5 for the remainder of the term of office by an individual meeting the qualifications for the vacated
6 seat.

7 **"§ 115C-229.20. Parent Advisory Council; purpose; appointments.**

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

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

18 **"§ 115C-229.25. Board of directors; meetings; rules of procedure; officers.**

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

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

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

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

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

32 **"§ 115C-229.30. Board of directors; corporate powers.**

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

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

1 **"§ 115C-229.35. Board of directors; powers and duties.**

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

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

22

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.

1 (d) Consultation With Institutions of Higher Education. – The State Board shall consult
2 with the Board of Governors of The University of North Carolina and the North Carolina
3 Independent Colleges and Universities in the development of the program."

4 **SECTION 7.33.(c)** This section applies beginning with the 2024-2025 school year.

5
6 **ADD FUNDS FOR STEM WEST/REDUCE FUNDS FOR SME PRIME**

7 **SECTION 7.34.(a)** Notwithstanding any other provision of law or the Committee
8 Report described in Section 43.2 of this act to the contrary, the nonrecurring funds appropriated
9 in this act to the Department of Public Instruction for the 2024-2025 fiscal year shall be increased
10 by the sum of five hundred thousand dollars (\$500,000) to provide as a directed grant to STEM
11 West, Inc. to increase and enhance STEM opportunities and interest for local communities and
12 for students in elementary, secondary, and higher education in the State and to foster STEM
13 partnerships between students and public and private industries.

14 **SECTION 7.34.(b)** Notwithstanding any other provision of law or the Committee
15 Report described in Section 43.2 of this act to the contrary, the nonrecurring funds appropriated
16 in this act to the Department of Public Instruction for the 2024-2025 fiscal year for SME Prime
17 shall be reduced by five hundred thousand dollars (\$500,000).

18
19 **ELIMINATE TESTING REQUIREMENTS TO BE ADMITTED TO AN EDUCATOR**
20 **PREPARATION PROGRAM**

21 **SECTION 7.34A.** G.S. 115C-269.15(a) is repealed.

22
23 **TO ESTABLISH THE CULTIVATION OF EXCELLENCE PILOT PROGRAM**

24 **SECTION 7.34B.(a)** Article 16 of Chapter 115C of the General Statutes is amended
25 by adding a new Part to read:

26 "Part 3B.

27 "Cultivation of Excellence Pilot Program.

28 **"§ 115C-235. Cultivation of Excellence Pilot Program.**

29 (a) The General Assembly finds that the purpose of the Cultivation of Excellence Pilot
30 Program is to provide the opportunity for the Cleveland County Board of Education to design
31 and create an innovative and strategic vision to improve student achievement and performance,
32 along with teacher recruitment and retention. Cleveland County Schools may participate in the
33 Cultivation of Excellence Pilot Program beginning with the 2024-2025 school year and ending
34 following the 2029-2030 school year.

35 (b) Cleveland County Schools and the Cleveland County Board of Education may do the
36 following:

37 (1) Notwithstanding G.S. 115C-301(c), exercise flexibility in establishing
38 staffing levels for kindergarten through third grade classes.

39 (2) Notwithstanding G.S. 115C-84.2(d), adopt a school calendar that sets an
40 opening date no earlier than three days prior to the opening date of the fall
41 semester for Cleveland Community College.

42 (3) Notwithstanding G.S. 115C-295, employ individuals as teachers who do not
43 hold a teacher license, subject to the following limitations:

44 a. All teachers who are teaching in the core subject areas of mathematics,
45 science, social studies, and language arts shall be college graduates.

46 b. No more than fifty percent (50%) of the teachers at any school may be
47 unlicensed.

48 c. No more than twenty-five percent (25%) of all teachers employed by
49 the Cleveland County Board of Education may be unlicensed.

50 d. All individuals employed as teachers who do not hold a teaching
51 license shall complete preservice training, which may be offered

1 through an educator preparation program or through Cleveland County
 2 Schools, in all of the following areas prior to beginning instruction:
 3 1. The identification and education of children with disabilities.
 4 2. Positive management of student behavior.
 5 3. Effective communication for defusing and de-escalating
 6 disruptive or dangerous behavior.
 7 4. Safe and appropriate use of seclusion and restraint.

- 8 (4) Notwithstanding G.S. 110-85, G.S. 110-88, and any rule adopted pursuant to
 9 those statutes, employ any individual who meets the requirements for
 10 employment as a teaching assistant in a kindergarten classroom as a teacher
 11 assistant in the local school administrative unit's NC Prekindergarten (NC
 12 Pre-K) program.
 13 (5) Notwithstanding G.S. 115C-105.25(b)(3a) and (12), transfer and approve
 14 transfers of funds for the teacher assistants allotment category and textbooks
 15 and digital resources allotment category.

16 (c) If the State Board determines that Cleveland County Schools has failed to meet
 17 generally accepted standards of fiscal management or violated State or federal law at any time,
 18 the State Board shall terminate participation in the pilot, and shall submit, within 30 days of the
 19 termination, a report of the basis and evidence for the termination to the Joint Legislative
 20 Education Oversight Committee.

21 (d) The Cleveland County Board of Education shall report no later than December 15,
 22 2025, and annually thereafter until December 15, 2030, to the Joint Legislative Education
 23 Oversight Committee and the Superintendent of Public Instruction. The report shall include the
 24 following:

- 25 (1) Employment information as follows:
 26 a. The number of licensed and unlicensed teachers and use of long term
 27 substitutes in filling vacancies for classroom teachers.
 28 b. Recruiting data on the number of licensed and unlicensed teachers
 29 hired during the school year.
 30 c. The number of NC Pre-K teaching assistants hired who meet the
 31 requirements for employment as a kindergarten teaching assistant.
 32 d. Overall employee retention in each school year.
 33 (2) Average class sizes in grades kindergarten through third grade.
 34 (3) An explanation of how flexibility in allotment categories was used.
 35 (4) An explanation as to how the flexibility granted by this section has contributed
 36 to student success over time, beginning with the 2023-2024 school year for
 37 comparison.
 38 (5) Any additional recommendations for the Cultivation of Excellence Pilot
 39 Program, including additional flexibilities that may contribute to student
 40 success."

41 **SECTION 7.34B.(b)** Cleveland County Schools may submit a report to the Joint
 42 Legislative Education Oversight Committee and the Superintendent of Public Instruction by
 43 December 15, 2024, on initial implementation of the Cultivation of Excellent Pilot Program and
 44 any recommended legislative changes.

45 **SECTION 7.34B.(c)** Part 3B of Article 16 of Chapter 115C of the General Statutes
 46 is repealed effective December 31, 2030.

47
 48 **PART VII-A. COMPENSATION OF PUBLIC SCHOOL EMPLOYEES**
 49
 50 **TEACHER SALARY SCHEDULE**

1 **SECTION 7A.1.(a)** The following monthly teacher salary schedule shall apply for
 2 the 2024-2025 fiscal year to licensed personnel of the public schools who are classified as
 3 teachers. The salary schedule is based on years of teaching experience.

4 **2024-2025 Teacher Monthly Salary Schedule**

5 Years of Experience	6 "A" Teachers
7 0	\$4,400
8 1	\$4,410
9 2	\$4,420
10 3	\$4,430
11 4	\$4,444
12 5	\$4,520
13 6	\$4,618
14 7	\$4,710
15 8	\$4,801
16 9	\$4,892
17 10	\$4,984
18 11	\$5,075
19 12	\$5,167
20 13	\$5,258
21 14	\$5,350
22 15-24	\$5,442
23 25+	\$5,651

24 **SECTION 7A.1.(b)** Salary Supplements for Teachers Paid on This Salary Schedule.

- 25 (1) Licensed teachers who have NBPTS certification shall receive a salary
 26 supplement each month of twelve percent (12%) of their monthly salary on
 27 the "A" salary schedule.
- 28 (2) Licensed teachers who are classified as "M" teachers shall receive a salary
 29 supplement each month of ten percent (10%) of their monthly salary on the
 30 "A" salary schedule.
- 31 (3) Licensed teachers with licensure based on academic preparation at the
 32 six-year degree level shall receive a salary supplement of one hundred
 33 twenty-six dollars (\$126.00) per month in addition to the supplement provided
 34 to them as "M" teachers.
- 35 (4) Licensed teachers with licensure based on academic preparation at the
 36 doctoral degree level shall receive a salary supplement of two hundred
 37 fifty-three dollars (\$253.00) per month in addition to the supplement provided
 38 to them as "M" teachers.
- 39 (5) Certified school nurses shall receive a salary supplement each month of ten
 40 percent (10%) of their monthly salary on the "A" salary schedule.
- 41 (6) School counselors who are licensed as counselors at the master's degree level
 42 or higher shall receive a salary supplement each month of one hundred dollars
 43 (\$100.00).

44 **SECTION 7A.1.(c)** For school psychologists, school speech pathologists who are
 45 licensed as speech pathologists at the master's degree level or higher, and school audiologists
 46 who are licensed as audiologists at the master's degree level or higher, the following shall apply:

- 47 (1) The first step of the salary schedule shall be equivalent to the sixth step of the
 48 "A" salary schedule.
- 49 (2) These employees shall receive the following salary supplements each month:
 50 a. Ten percent (10%) of their monthly salary, excluding the supplement
 51 provided pursuant to sub-subdivision b. of this subdivision.

1 b. Three hundred fifty dollars (\$350.00).

2 (3) These employees are eligible to receive salary supplements equivalent to those
3 of teachers for academic preparation at the six-year degree level or the
4 doctoral degree level.

5 (4) The twenty-sixth step of the salary schedule shall be seven and one-half
6 percent (7.5%) higher than the salary received by these same employees on
7 the twenty-fifth step of the salary schedule.

8 **SECTION 7A.1.(d)** Beginning with the 2014-2015 fiscal year, in lieu of providing
9 annual longevity payments to teachers paid on the teacher salary schedule, the amounts of those
10 longevity payments are included in the monthly amounts under the teacher salary schedule.

11 **SECTION 7A.1.(e)** A teacher compensated in accordance with this salary schedule
12 for the 2024-2025 school year shall receive an amount equal to the greater of the following:

13 (1) The applicable amount on the salary schedule for the applicable school year.

14 (2) For teachers who were eligible for longevity for the 2013-2014 school year,
15 the sum of the following:

16 a. The salary the teacher received in the 2013-2014 school year pursuant
17 to Section 35.11 of S.L. 2013-360.

18 b. The longevity that the teacher would have received under the longevity
19 system in effect for the 2013-2014 school year provided in Section
20 35.11 of S.L. 2013-360 based on the teacher's current years of service.

21 c. The annual bonus provided in Section 9.1(e) of S.L. 2014-100.

22 (3) For teachers who were not eligible for longevity for the 2013-2014 school
23 year, the sum of the salary and annual bonus the teacher received in the
24 2014-2015 school year pursuant to Section 9.1 of S.L. 2014-100.

25 **SECTION 7A.1.(f)** As used in this section, the term "teacher" shall also include
26 instructional support personnel.

27
28 **REINSTATE EDUCATION-BASED SALARY SUPPLEMENTS FOR TEACHERS AND**
29 **INSTRUCTIONAL SUPPORT PERSONNEL**

30 **SECTION 7A.2.(a)** G.S. 115C-302.10 is repealed.

31 **SECTION 7A.2.(b)** Notwithstanding any other provision of law, for the 2024-2025
32 fiscal year, State Board of Education policy TCP-A-006, as it was in effect on June 30, 2013,
33 shall be used to determine (i) whether teachers and instructional support personnel are paid on
34 the "M" salary schedule and (ii) whether they receive a salary supplement for academic
35 preparation at the six-year or doctoral degree level.

36
37 **REVISE CERTAIN SUPPLANTING CRITERIA FOR SUPPLEMENTAL FUNDS FOR**
38 **TEACHER COMPENSATION**

39 **SECTION 7A.3.** Section 7A.4 of S.L. 2023-134 reads as rewritten:

40 "...

41 **"SECTION 7A.4.(b) Definitions.** – As used in this section, the following definitions shall
42 apply:

43 ...

44 (14) Supplant factor. – For each local school administrative unit ~~in each fiscal year~~
45 ~~of the fiscal biennium, as follows:~~

46 a. For the 2023-2024 fiscal year, the total non-State funds expended for
47 salary supplements for teachers in the 2020-2021 fiscal year divided
48 by the total State and non-State funds expended for salaries for
49 teachers in the 2020-2021 fiscal year.

50 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

Avg. Daily Membership	Base	Met Growth	Exceeded Growth
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.
 - b. For the second six months of the applicable fiscal year, if the school growth scores show the school or schools exceeded expected growth in at least two of the prior three school years.
- (2) A principal shall be paid according to the Met Growth column of the schedule as follows:
 - a. For the first six months of the applicable fiscal year, if any of the following apply:

- 1 1. The higher school growth score in one of the two prior school
- 2 years shows that the school met expected growth.
- 3 2. The principal supervised a school in the two prior school years
- 4 that was not eligible to receive a school growth score.
- 5 b. For the second six months of the applicable fiscal year, if any of the
- 6 following apply:
- 7 1. The school growth scores show the school or schools met
- 8 expected growth in at least two of the prior three school years.
- 9 2. The school growth scores show the school or schools met
- 10 expected growth in at least one of the prior three school years
- 11 and exceeded expected growth in one of the prior three school
- 12 years.
- 13 3. The principal supervised a school in at least two of the prior
- 14 three school years that was not eligible to receive a school
- 15 growth score.
- 16 (3) A principal shall be paid according to the Base column, as follows:
- 17 a. For the first six months of the applicable fiscal year, if any of the
- 18 following apply:
- 19 1. The school growth scores from the two prior school years show
- 20 that the school did not meet expected growth in both years.
- 21 2. The principal has not supervised any school as a principal for
- 22 a majority of the two prior school years.
- 23 b. For the second six months of the applicable fiscal year, if any of the
- 24 following apply:
- 25 1. The school growth scores show the school or schools did not
- 26 meet expected growth in at least two of the prior three school
- 27 years.
- 28 2. The principal has not supervised any school as a principal for
- 29 a majority of the school year in at least two of the prior three
- 30 school years.

31 **SECTION 7A.4.(b)** For purposes of this section, the following amounts shall be
32 used during the following time periods:

- 33 (1) For the first six months of the applicable fiscal year, the average daily
- 34 membership for the school from the third year. If the school did not have an
- 35 average daily membership in the third year, the projected average daily
- 36 membership for the school for the applicable school year.
- 37 (2) For the second six months of the applicable fiscal year, the average daily
- 38 membership for the school for the applicable school year. For this time period
- 39 only, the average daily membership of a principal's school shall include any
- 40 prekindergarten students in membership at that school.

41 **SECTION 7A.4.(c)** For purposes of determining the school growth scores for each
42 school the principal supervised in one or more prior school years, the following school growth
43 scores shall be used during the following time periods:

- 44 (1) For the first six months of the applicable fiscal year, the school growth scores
- 45 from the first and second years.
- 46 (2) For the second six months of the applicable fiscal year, the school growth
- 47 scores from the first, second, and third years. If a principal does not have a
- 48 school growth score from any of the school years identified in this subdivision,
- 49 the most recent available growth scores, up to the third year, shall be used.

1 **SECTION 7A.4.(d)** Beginning with the 2017-2018 fiscal year, in lieu of providing
 2 annual longevity payments to principals paid on the principal salary schedule, the amounts of
 3 those longevity payments are included in the annual amounts under the principal salary schedule.

4 **SECTION 7A.4.(e)** A principal compensated in accordance with this section for the
 5 applicable fiscal year shall receive an amount equal to the greater of the following:

- 6 (1) The applicable amount on the principal salary schedule for the applicable
 7 fiscal year.
- 8 (2) For principals who were eligible for longevity in the 2016-2017 fiscal year,
 9 the sum of the following:
 - 10 a. The salary the principal received in the 2016-2017 fiscal year pursuant
 11 to Section 9.1 or Section 9.2 of S.L. 2016-94.
 - 12 b. The longevity that the principal would have received as provided for
 13 State employees under the North Carolina Human Resources Act for
 14 the 2016-2017 fiscal year based on the principal's current years of
 15 service.
- 16 (3) For principals who were not eligible for longevity in the 2016-2017 fiscal
 17 year, the salary the principal received in the 2016-2017 fiscal year pursuant to
 18 Section 9.1 or Section 9.2 of S.L. 2016-94.

19 **SECTION 7A.4.(f)** For purposes of this section, the following definitions apply:

- 20 (1) First year. – The school year immediately preceding the second year.
- 21 (2) Second year. – The school year immediately preceding the third year.
- 22 (3) The applicable fiscal year. – The 2024-2025 fiscal year.
- 23 (4) The applicable school year. – The 2024-2025 school year.
- 24 (5) Third year. – The school year immediately preceding the applicable school
 25 year.

26
 27 **BONUSES FOR PRINCIPALS**

28 **SECTION 7A.5.(a)** Article 19 of Chapter 115C of the General Statutes is amended
 29 by adding the following new section to read:

30 **"§ 115C-285.2. Principal bonuses.**

31 (a) To the extent funds are made available for this purpose, the Department of Public
 32 Instruction shall administer a bonus in each fiscal year to any principal who supervised a school
 33 as a principal for a majority of the previous school year if that school was in the top fifty percent
 34 (50%) of school growth in the State during the previous school year, as calculated by the State
 35 Board pursuant to G.S. 115C-83.15(c). A principal shall receive no more than one bonus pursuant
 36 to this subsection. The bonus shall be paid at the highest amount for which the principal qualifies
 37 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>

38
 39
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 44 (b) The bonus awarded pursuant to this section shall be in addition to any regular wage
 45 or other bonus the principal receives or is scheduled to receive.

46 (c) Notwithstanding G.S. 135-1(7a), the bonuses awarded pursuant to this section are not
 47 compensation under Article 1 of Chapter 135 of the General Statutes, Retirement System for
 48 Teachers and State Employees.

49 (d) It is the intent of the General Assembly that funds provided pursuant to this section
 50 will supplement principal compensation and not supplant local funds.

1 (e) The bonus provided pursuant to this section shall be paid no later than October 31 of
2 the applicable fiscal year to qualifying principals employed as of October 1 of that year."

3 **SECTION 7A.5.(b)** This section applies beginning with bonuses awarded in October
4 of 2024.

6 **ASSISTANT PRINCIPAL SALARIES**

7 **SECTION 7A.6.(a)** For the 2024-2025 fiscal year, beginning July 1, 2024, assistant
8 principals shall receive a monthly salary based on the salary schedule for teachers who are
9 classified as "A" teachers plus nineteen percent (19%). An assistant principal shall be placed on
10 the step on the salary schedule that reflects the total number of years of experience as a certified
11 employee of the public schools. For purposes of this section, an administrator with a one-year
12 provisional assistant principal's certificate shall be considered equivalent to an assistant principal.

13 **SECTION 7A.6.(b)** Assistant principals with certification based on academic
14 preparation at the six-year degree level shall be paid a salary supplement of one hundred
15 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary
16 supplement of two hundred fifty-three dollars (\$253.00) per month.

17 **SECTION 7A.6.(c)** Participants in an approved full-time master's in school
18 administration program shall receive up to a 10-month stipend during the internship period of the
19 master's program. The stipend shall be at the beginning salary of an assistant principal or, for a
20 teacher who becomes an intern, at least as much as that person would earn as a teacher on the
21 teacher salary schedule. The North Carolina Principal Fellows Program or the school of education
22 where the intern participates in a full-time master's in school administration program shall supply
23 the Department of Public Instruction with certification of eligible full-time interns.

24 **SECTION 7A.6.(d)** Beginning with the 2017-2018 fiscal year, in lieu of providing
25 annual longevity payments to assistant principals on the assistant principal salary schedule, the
26 amounts of those longevity payments are included in the monthly amounts provided to assistant
27 principals pursuant to subsection (a) of this section.

28 **SECTION 7A.6.(e)** An assistant principal compensated in accordance with this
29 section for the 2024-2025 fiscal year shall receive an amount equal to the greater of the following:

- 30 (1) The applicable amount on the salary schedule for the applicable year.
- 31 (2) For assistant principals who were eligible for longevity in the 2016-2017 fiscal
32 year, the sum of the following:
 - 33 a. The salary the assistant principal received in the 2016-2017 fiscal year
34 pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.
 - 35 b. The longevity that the assistant principal would have received as
36 provided for State employees under the North Carolina Human
37 Resources Act for the 2016-2017 fiscal year based on the assistant
38 principal's current years of service.
- 39 (3) For assistant principals who were not eligible for longevity in the 2016-2017
40 fiscal year, the salary the assistant principal received in the 2016-2017 fiscal
41 year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.

43 **CENTRAL OFFICE SALARIES**

44 **SECTION 7A.7.(a)** For the 2024-2025 fiscal year, beginning July 1, 2024, the
45 annual salary for superintendents, assistant superintendents, associate superintendents,
46 directors/coordinators, supervisors, and finance officers whose salaries are supported from State
47 funds shall be increased by four percent (4%).

48 **SECTION 7A.7.(b)** The monthly salary maximums that follow apply to assistant
49 superintendents, associate superintendents, directors/coordinators, supervisors, and finance
50 officers for the 2024-2025 fiscal year, beginning July 1, 2024:

51 **2024-2025 Fiscal Year**

1		Maximum
2	School Administrator I	\$7,646
3	School Administrator II	\$8,102
4	School Administrator III	\$8,584
5	School Administrator IV	\$8,920
6	School Administrator V	\$9,276
7	School Administrator VI	\$9,826
8	School Administrator VII	\$10,218

9 The local board of education shall determine the appropriate category and placement
 10 for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or
 11 finance officer within the maximums and within funds appropriated by the General Assembly
 12 for central office administrators and superintendents. The category in which an employee is
 13 placed shall be included in the contract of any employee.

14 **SECTION 7A.7.(c)** The monthly salary maximums that follow apply to
 15 superintendents for the 2024-2025 fiscal year, beginning July 1, 2024:

16		2024-2025 Fiscal Year
17		Maximum
18	Superintendent I	\$10,832
19	Superintendent II	\$11,476
20	Superintendent III	\$12,166
21	Superintendent IV	\$12,897
22	Superintendent V	\$13,673

23 The local board of education shall determine the appropriate category and placement
 24 for the superintendent based on the average daily membership of the local school administrative
 25 unit and within funds appropriated by the General Assembly for central office administrators and
 26 superintendents.

27 **SECTION 7A.7.(d)** Longevity pay for superintendents, assistant superintendents,
 28 associate superintendents, directors/coordinators, supervisors, and finance officers shall be as
 29 provided for State employees under the North Carolina Human Resources Act.

30 **SECTION 7A.7.(e)** Superintendents, assistant superintendents, associate
 31 superintendents, directors/coordinators, supervisors, and finance officers with certification based
 32 on academic preparation at the six-year degree level shall receive a salary supplement of one
 33 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
 34 pursuant to this section. Superintendents, assistant superintendents, associate superintendents,
 35 directors/coordinators, supervisors, and finance officers with certification based on academic
 36 preparation at the doctoral degree level shall receive a salary supplement of two hundred
 37 fifty-three dollars (\$253.00) per month in addition to the compensation provided for under this
 38 section.

39 **SECTION 7A.7.(f)** The State Board of Education shall not permit local school
 40 administrative units to transfer State funds from other funding categories for salaries for public
 41 school central office administrators.

42
 43 **NONCERTIFIED PERSONNEL SALARIES**

44 **SECTION 7A.8.** For the 2024-2025 fiscal year, beginning July 1, 2024, the annual
 45 salary for noncertified public school employees whose salaries are supported from State funds
 46 shall be increased as follows:

- 47 (1) For permanent, full-time employees on a 12-month contract, by four percent
- 48 (4%).
- 49 (2) For the following employees, by an equitable amount based on the amount
- 50 specified in subdivision (1) of this section:

- a. Permanent, full-time employees on a contract for fewer than 12 months.
- b. Permanent, part-time employees.
- c. Temporary and permanent hourly employees.

PART VIII. THE UNIVERSITY OF NORTH CAROLINA SYSTEM

PERMIT UNC TO ENTER INTO AGREEMENTS WITH VENDORS TO BUY BACK OR TRADE IN TECHNOLOGICAL EQUIPMENT

SECTION 8.1.(a) G.S. 143-64.03 reads as rewritten:

"§ 143-64.03. Powers and duties of the State agency for surplus property.

...

(b1) Nothing in this Article, or any administrative rules promulgated under this Article, shall be deemed to prohibit The University of North Carolina from ~~conveying~~ doing the following:

- (1) Conveying surplus computer equipment at no cost and cost. The University of North Carolina is encouraged to prioritize distribution to nonprofit entities that refurbish computers to donate to low-income students or households in the State. Any conveyance to a nonprofit under this ~~subsection~~ subdivision shall be conditioned upon, and in consideration of, the nonprofit's promise to refurbish the computer equipment and its donation to low-income students or households in the State and the nonprofit's reporting of information required by ~~this subsection~~ subsection (b2) of this section. After an initial conveyance, The University of North Carolina shall not convey additional surplus computer equipment to a nonprofit, unless that nonprofit has reported the information required by ~~this subsection~~ subsection (b2) of this section for prior conveyances.
- (2) Entering into agreements with one or more vendors to trade in any technological equipment purchased from the vendor or to allow a vendor to buy back any technological equipment even if the equipment was not purchased from that vendor.

(b2) When ~~making a distribution under this subsection, either distributing surplus computer equipment as provided in subdivision (1) of subsection (b1) of this section or entering into a trade-in or buyback agreement under subdivision (2) of subsection (b1) of this section,~~ The University of North Carolina shall keep records on the type of computer equipment ~~distributed,~~ distributed or the technological equipment subject to the agreement, the number ~~distributed,~~ of computers distributed or the type and quantity of technological equipment subject to the agreement, the name of the nonprofit that received the ~~distributions,~~ distributions or the name of the vendor subject to the agreement, and the nonprofit's report on donations of refurbished computers to low-income students or households in the State. If the nonprofit is unable to refurbish computer equipment for any reason, its report shall include the disposition of such computer equipment. A nonprofit shall provide a report to the Board of Governors of The University of North Carolina by February 1, 2022, and by February 1 of each year thereafter. The report shall contain the information required by this subsection and any other information the Board of Governors deems reasonably necessary to ensure the conditions required under this subsection are satisfied. The Board of Governors of The University of North Carolina shall submit a report containing the information required to be collected under this subsection to the Joint Legislative Education Oversight Committee by December 1, 2022, and by ~~December~~ March 1 of each year thereafter.

...."

1 **SECTION 8.1.(b)** This section is effective when it becomes law.
2

3 **PERMIT UNC CONSTITUENT INSTITUTIONS TO CARRY FORWARD TAX**
4 **PROCEEDS FROM SPORTS WAGERING**

5 **SECTION 8.2.(a)** G.S. 116-30.3 is amended by adding a new subsection to read:

6 "(g) Funds appropriated to constituent institutions of The University of North Carolina
7 pursuant to G.S. 105-113.128 to support collegiate athletic departments shall not revert at the end
8 of the fiscal year in which they are appropriated but shall remain available until expended."

9 **SECTION 8.2.(b)** This section becomes effective June 30, 2024.
10

11 **EXTEND DEADLINE FOR UNC BOARD OF GOVERNORS BUDGET ALLOCATIONS**
12 **REPORT**

13 **SECTION 8.3.** G.S. 116-11(9b) reads as rewritten:

14 "(9b) The Board of Governors shall report by ~~February~~ March 1 of each year to the
15 Joint Legislative Education Oversight Committee, the Senate Appropriations
16 Committee on Education/Higher Education, the House of Representatives
17 Appropriations Subcommittee on Education, and the Fiscal Research Division
18 on the actions and adjustments necessary to its budgetary policies, regulations,
19 and standards resulting from the Current Operations Appropriations Act for
20 the administration and operation of The University of North Carolina and the
21 distribution of State and federal funds to constituent institutions. The report
22 shall include at least the following information for each constituent institution:
23 a. Guidelines related to State salaries of University of North Carolina
24 employees, including range, median, and mean of faculty salaries at
25 the institution.
26 b. Budget allocations and reductions, including for operating expenses
27 and specific programs.
28 c. Distribution of additional State allocations for enrollment funding.
29 d. Use of State funds and budget flexibility.
30 e. Availability of federal funds.
31 f. Tuition and fees.
32 g. Composition of the student population at the institution, including
33 headcount enrollment and full-time student enrollment for both
34 undergraduate and graduate students, and aggregate data on residency
35 status, median household income, gender, race, and ethnicity.
36 h. Student retention and graduation rates.
37 i. Postsecondary educational attainment rate at the institution, including
38 comparison to statewide data.
39 j. A comparison to prior fiscal year expenditures and appropriations.
40 k. The total amount of mandatory student fee revenue collected by
41 institution and fee type.
42 l. Any source of student auxiliary revenue that represents greater than
43 ten percent (10%) of the overall student auxiliary revenue by
44 institution and revenue type.
45 m. Any source of sales revenue that represents greater than ten percent
46 (10%) of the overall sales revenue by institution and sales revenue
47 type."
48

49 **PERMIT CHAIR OF BOARD OF GOVERNORS TO DESIGNATE A MEMBER OF**
50 **BOARD OF DIRECTORS FOR PROJECT KITTY HAWK**

51 **SECTION 8.4.** Section 8.24(c) of S.L. 2021-180 reads as rewritten:

1 "SECTION 8.24.(c) Project Kitty Hawk shall be conducted by a nonprofit corporation
2 created in accordance with this section and G.S. 116-30.20. The nonprofit corporation shall
3 include in its corporate bylaws that the organization will be governed by a board of directors
4 consisting of nine members, as follows:

- 5 (1) Two ex officio voting members as follows:
6 a. The President of The University of North Carolina.
7 b. The Chair of the Board of Governors of The University of North
8 ~~Carolina.~~Carolina, or the Chair's designee.
9 (2) Seven voting members appointed by the Board of Governors, in consultation
10 with the President of The University of North Carolina, as follows:
11 a. Three members who shall be chancellors or chief academic officers of
12 constituent institutions of The University of North Carolina.
13 b. Four members who shall be individuals having experience in business
14 management, higher education, or both."
15

16 **INTENT TO SUPPORT THE SCHOOL OF CIVIC LIFE AND LEADERSHIP AT THE**
17 **UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

18 **SECTION 8.5.** It is the intention of the General Assembly to provide funding in
19 future fiscal years to facilitate the development of the School of Civic Life and Leadership at the
20 University of North Carolina at Chapel Hill that was established pursuant to Section 8.5 of S.L.
21 2023-134, including funding for faculty and administration, scholarships, and other needs of the
22 new school, as described in the report submitted to the Joint Legislative Education Oversight
23 Committee pursuant to Section 8.5(d) of S.L. 2023-134.
24

25 **NC COLLABORATORY PFAS STUDY**

26 **SECTION 8.6.** The North Carolina Collaboratory (Collaboratory) at the University
27 of North Carolina at Chapel Hill shall study the economic impact of national drinking water
28 standards from the Environmental Protection Agency (EPA) for per- and polyfluoroalkyl
29 substances (PFAS) on public water systems in North Carolina. The study shall provide a
30 summary of existing commercially available technologies, emerging technologies such as those
31 being developed at The University of North Carolina, as well as cost, technical feasibility, time
32 lines, and other data deemed relevant by the Collaboratory that may assist policymakers,
33 municipal and county governments, and other entities developing strategic plans to implement
34 water treatment technologies at public water supplies required to meet EPA standards. All units
35 of State and local government shall provide all data requested by the Collaboratory as part of this
36 study. The Collaboratory shall fund this study with existing PFAS appropriations and deliver a
37 final report to the Environmental Review Commission no later than December 31, 2025.
38

39 **NORTH CAROLINA COLLABORATORY TO ESTABLISH AND OPERATE THE**
40 **OFFICE OF LEARNING RESEARCH**

41 **SECTION 8.7.(a)** OLR Established. – Of the funds appropriated in this act to the
42 Board of Governors of The University of North Carolina, the sum of one million five hundred
43 thousand dollars (\$1,500,000) in recurring funds for the 2024-2025 fiscal year shall be allocated
44 to the North Carolina Collaboratory to establish and operate the Office of Learning Research
45 (OLR), beginning in the 2024-2025 fiscal year. When developing the base budget, as defined in
46 G.S. 143C-1-1, beginning in the 2025-2027 fiscal biennium, the Director of the Budget shall
47 increase the recurring appropriation to the Board of Governors of The University of North
48 Carolina for OLR to a total of two million dollars (\$2,000,000) for each fiscal year to support the
49 annualized cost of operating OLR. The purpose of OLR is to identify and evaluate the efficacy
50 and efficiency of programs, activities, initiatives, procedures, and any other factors related to
51 elementary and secondary education in the State.

1 **SECTION 8.7.(b)** Funding and Duties of OLR. – Funding allocated to the
2 Collaboratory for OLR shall be administered by the Collaboratory pursuant to the provisions of
3 G.S. 116-255(c). These funds shall be used to do at least the following:

- 4 (1) Provide information and support needed by elementary and secondary public
5 schools, university leaders, and elected officials to make evidence-based
6 decisions.
- 7 (2) Collaborate with constituent institutions of The University of North Carolina
8 and other stakeholders to implement innovative policies and programs to
9 accelerate learning for all students.
- 10 (3) Work with external research resources and partners to evaluate local, State,
11 and federal programs in order to establish metrics and assess return on
12 investment.
- 13 (4) Support the operations of OLR.

14 **SECTION 8.7.(c)** Collaboratory May Relocate OLR. – After the Collaboratory
15 establishes OLR, the Collaboratory may, upon consultation with The University of North
16 Carolina System Office and the Provost at the University of North Carolina at Chapel Hill,
17 relocate OLR within the University of North Carolina at Chapel Hill. If the Collaboratory
18 relocates OLR pursuant to this section, the Collaboratory shall do the following:

- 19 (1) Continue to administer funds appropriated in this act for OLR for the
20 operations of OLR, as described in subsection (b) of this section.
- 21 (2) Continue to determine, fund, manage, and oversee the research portfolio of
22 OLR. The entity to which OLR is relocated shall otherwise oversee the
23 operations of OLR.
- 24 (3) Within 60 days of the relocation, report to the Joint Legislative Education
25 Oversight Committee on where OLR was relocated and any other information
26 the Collaboratory deems relevant to the relocation.

27 **SECTION 8.7.(d)** Access to Information. – All units of State and local government,
28 including the State Board of Education, the Department of Public Instruction, and public school
29 units, shall provide reasonable access to records, data, processes, personnel, and any other
30 information deemed relevant by the Office or the Collaboratory, to the extent otherwise permitted
31 under State and federal law, to carry out the provisions of this section.

32 **SECTION 8.7.(e)** Report. – No later than March 1, 2025, the Collaboratory shall
33 report to the Joint Legislative Education Oversight Committee on the progress made in
34 establishing and operating OLR pursuant to this section. For each fiscal year OLR is in operation,
35 the Collaboratory shall include in the annual report required by G.S. 116-256 information on the
36 activities of OLR from the prior fiscal year.

37 38 **ADMISSIONS STANDARDS FOR HEALTH CARE PROGRAMS**

39 **SECTION 8.8.(a)** Article 1 of Chapter 116 of the General Statutes is amended by
40 adding a new section to read:

41 **"§ 116-33.10. Admissions standards for health care programs.**

42 (a) All constituent institutions offering degrees, certifications, or training related to health
43 care shall make publicly available the criteria by which applicants for admission to the institution
44 or program are evaluated. The publicly available information shall include a rubric that details
45 the weight placed upon each admissions criterion, including standardized test scores, grades,
46 class rigor, personal statements, interviews, and any other factors used to determine admission.

47 (b) By September 15 of each year, constituent institutions subject to subsection (a) of this
48 section shall submit to the Board of Governors a report on the prior year's applicants for
49 admission to programs related to health care. The report shall at least include the following
50 de-identified information separately for both applicants and admitted students, disaggregated by
51 race:

- 1 (1) Number of individuals.
- 2 (2) Standardized test scores.
- 3 (3) Grade point average.
- 4 (c) The Board of Governors shall establish an electronic dashboard of all reported
- 5 information that consolidates the information submitted by each constituent institution and shall
- 6 annually update the dashboard by November 15. The Board of Governors shall provide notice to
- 7 the Joint Legislative Education Oversight Committee when the dashboard has been updated.
- 8 (d) The Board of Governors shall designate the degrees, certifications, and training
- 9 offered by constituent institutions that relate to health care."

10 **SECTION 8.8.(b)** This section is effective when it becomes law and applies

11 beginning with reports due September 15, 2024.

12

13 **UNC TEMPORARY CARRYFORWARD**

14 **SECTION 8.9.(a)** Part VIII of S.L. 2023-134, as amended by Sections 2.11 and 2.12

15 of S.L. 2024-1, is further amended by adding a new section to read:

16 **"UNC MAY CARRY FORWARD NONRECURRING FUNDS UNTIL THE END OF THE**

17 **FISCAL BIENNIUM**

18 **"SECTION 8.25.** Notwithstanding any other provision of law to the contrary, the following

19 nonrecurring funds appropriated in this act for the 2023-2024 fiscal year shall not revert at the

20 end of the 2023-2024 fiscal year but shall remain available until the end of the 2024-2025 fiscal

21 year:

- 22 (1) Funds appropriated to the Board of Governors of The University of North
- 23 Carolina.
- 24 (2) Funds received by a constituent institution of The University of North
- 25 Carolina."

26 **SECTION 8.9.(b)** This section becomes effective June 30, 2024.

27

28 **REVISE THE AUTHORITY AND DUTIES OF THE NORTH CAROLINA**

29 **COLLABORATORY**

30 **SECTION 8.10.(a)** G.S. 116-255 reads as rewritten:

31 **"§ 116-255. The North Carolina Collaboratory established.**

32 ...

33 (b) Duties and Powers. – The Collaboratory shall do at least the following within the

34 funds available:

- 35 ...
- 36 (6) ~~Maintain an online reporting portal, in partnership with~~ Assist the Office of
- 37 State Fire Marshal, Marshal in the maintenance of the online reporting portal
- 38 on the storage and deployment of Aqueous Film-Forming Foams (AFFF) as
- 39 required by G.S. 58-82B-10.

40 ...

41 (c) Funding Conditions and Restrictions. – The following applies to funding received by

42 the Collaboratory:

- 43 ...
- 44 (3) For research or investigations that need to be carried out expeditiously in
- 45 response to a project, opportunity, or a legislative mandate, the provisions of
- 46 Articles 3, 3A, 3B, 3C, 3D, and 8C of Chapter 143 of the General Statutes,
- 47 G.S. 143-129, and G.S. 116-31.10 shall not apply to the Collaboratory for the
- 48 purchase of apparatus, supplies, material, services, capital improvements, or
- 49 equipment in projects addressing ~~an emerging or immediate threat to a~~ a
- 50 perceived, potential, or real concern regarding public health, safety, or
- 51 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~~ 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 G.S. 116-255(b)(6), as enacted by Section 8.8 of this act. The portal shall consist of an online reporting tool and related database that captures the storage and deployment of Aqueous Film-Forming Foams (AFFF) by fire departments in the State that are operated, managed, or overseen by units of local government, including those located at or serving public airports. The reporting tool shall be easily accessible to firefighters and fire department personnel to upload the data. The required inventory data shall include, at a minimum, the following:

...."

1 **ESTABLISH THE SCHOOL OF APPLIED SCIENCE AND TECHNOLOGY AT THE**
2 **UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

3 **SECTION 8.11.(a)** The Board of Governors of The University of North Carolina
4 shall establish the School of Applied Science and Technology (the School) at the University of
5 North Carolina at Chapel Hill (UNC-CH). The School shall meet at least the following
6 requirements:

- 7 (1) Expand academic programming in areas critical to supporting research,
8 industry partnerships, and the workforce needs of the State.
- 9 (2) Reorganize existing and related programming into the newly established
10 School.
- 11 (3) Include academic degree programs in any postsecondary subject area defined
12 by the Classification of Instructional Programs (CIP) of the United States
13 Department of Education under CIP codes 03, 11, 14, 15, 26, 27, 31, and 40.

14 **SECTION 8.11.(b)** As part of establishing the School of Applied Science and
15 Technology pursuant to subsection (a) of this section, the Chancellor of UNC-CH, in consultation
16 with the Board of Governors of The University of North Carolina, shall review other existing
17 academic programs at UNC-CH and consider consolidating or eliminating programs that have a
18 low return on investment or low enrollment. The Chancellor of UNC-CH and the Board of
19 Trustees of UNC-CH shall reinvest any savings realized from consolidating or eliminating
20 programs pursuant to this subsection into academic programs at UNC-CH that have a high return
21 on investment or high enrollment.

22
23 **COMPLETION ASSISTANCE GRANTS**

24 **SECTION 8.12.(a)** Section 8.3 of S.L. 2023-134 is repealed.

25 **SECTION 8.12.(b)** Article 14 of Chapter 116 of the General Statutes is amended by
26 adding a new section to read:

27 **"§ 116-144.1. Completion Assistance Grants.**

28 (a) Definition. – For purposes of this section, the term "eligible constituent institutions"
29 refers to the following constituent institutions of The University of North Carolina:

- 30 (1) Elizabeth City State University.
- 31 (2) Fayetteville State University.
- 32 (3) North Carolina Agricultural and Technical State University.
- 33 (4) North Carolina Central University.
- 34 (5) The University of North Carolina at Asheville.
- 35 (6) The University of North Carolina at Greensboro.
- 36 (7) The University of North Carolina at Pembroke.
- 37 (8) Winston-Salem State University.

38 (b) Grant Program. – To the extent funds are made available for this purpose, the Board
39 of Governors of The University of North Carolina shall establish a Completion Assistance
40 Program (Program) at each eligible constituent institution. At a minimum, each Program shall
41 meet the following criteria:

- 42 (1) A student enrolled in a Program established by this section may receive up to
43 one thousand dollars (\$1,000) per academic year under that Program to pay
44 for the costs of continuing attendance and earning necessary credit hours at
45 the eligible constituent institution.
- 46 (2) A student shall be eligible to receive funds under a Program if the student
47 meets at least the following requirements:
 - 48 a. Needs financial assistance to remain enrolled at the eligible constituent
49 institution and earn credits necessary to graduate on time.
 - 50 b. Is a resident for tuition purposes, as provided in G.S. 116-143.1.
 - 51 c. Meets satisfactory academic progress, as determined by the Board.

- 1 d. Has completed or is on track to complete at least 60 academic credit
 2 hours by the end of the semester in which the funds are provided.
 3 e. Has completed the Free Application for Federal Student Aid (FAFSA)
 4 for the academic year in which the funds are provided.
 5 f. Has an unpaid balance with the eligible constituent institution. This
 6 may include an unpaid balance for tuition, fees, room, board, or other
 7 expenses of attendance.

8 (c) Report. – The Board of Governors of The University of North Carolina shall report
 9 on each Completion Assistance Program to the Joint Legislative Education Oversight Committee
 10 no later than March 15 of each year. The report shall include, at a minimum, an analysis of the
 11 impact of each Program on the following:

- 12 (1) On-time graduation rates.
 13 (2) Student debt at graduation.

14 (d) Allocation of Funds. – The Board shall allocate funds appropriated each year to each
 15 eligible constituent institution of The University of North Carolina proportional to the number of
 16 undergraduate students enrolled at each eligible constituent institution who are residents of North
 17 Carolina and recipients of a federal Pell Grant."

18 **SECTION 8.12.(c)** Notwithstanding subsection (a) of this section, the Board of
 19 Governors shall include the information required in Section 8.3(c) of S.L. 2023-134 for the
 20 Completion Assistance Programs in effect in the 2023-2024 academic year in the March 25,
 21 2024, report required pursuant to G.S. 116-144.1(c), as enacted by subsection (b) of this section.
 22

23 **TUITION WAIVER FOR SURVIVORS OF FALLEN PROBATION OFFICERS**

24 **SECTION 8.13.(a)** G.S. 115B-1 reads as rewritten:

25 **"§ 115B-1. Definitions.**

26 The following definitions apply in this Chapter:

- 27 (1) Correctional officer. – An employee of an employer who is certified as a State
 28 correctional officer under the provisions of Article 1 of Chapter 17C of the
 29 General Statutes.
 30 (1a) Employer. – The State of North Carolina and its departments, agencies, and
 31 institutions; or a county, city, town, or other political subdivision of the State.
 32 (2) Firefighter or volunteer firefighter. – The same as provided in G.S. 58-86-25
 33 for "eligible firemen".
 34 (3) Law enforcement officer. – An employee or volunteer of an employer who
 35 possesses the power of arrest, who has taken the law enforcement oath
 36 administered under the authority of the State as prescribed by G.S. 11-11, and
 37 who is certified as a law enforcement officer under the provisions of Article 1
 38 of Chapter 17C of the General Statutes or certified as a deputy sheriff under
 39 the provisions of Chapter 17E of the General Statutes. "Law enforcement
 40 officer" also means the sheriff of the county.
 41 (4) Permanently and totally disabled as a direct result of a traumatic injury
 42 sustained in the line of duty. – A person: (i) who as a law enforcement officer,
 43 correctional officer, firefighter, volunteer firefighter, probation officer, or
 44 rescue squad worker suffered a disabling injury while in active service or
 45 training for active service, (ii) who at the time of active service or training was
 46 a North Carolina resident, and (iii) who has been determined to be
 47 permanently and totally disabled for compensation purposes by the North
 48 Carolina Industrial Commission.
 49 (4a) Probation officer. – An employee of an employer who is certified as a State
 50 probation officer under the provisions of Article 1 of Chapter 17C of the
 51 General Statutes.

- 1 (5) Rescue squad worker. – The same as provided in G.S. 58-86-30 for "eligible
2 rescue squad worker".
- 3 (6) Survivor. – Any person whose parent, legal guardian, legal custodian, or
4 spouse: (i) was a law enforcement officer, a correctional officer, a firefighter,
5 a volunteer firefighter, probation officer, or a rescue squad worker, (ii) was
6 killed while in active service or training for active service or died as a result
7 of a service-connected disability, and (iii) at the time of active service or
8 training was a North Carolina resident. The term does not include the widow
9 or widower of a law enforcement officer, correctional officer, firefighter,
10 volunteer firefighter, probation officer, or a rescue squad worker if the widow
11 or widower has remarried.
- 12 (7) Tuition. – The amount charged for registering for a credit hour of instruction
13 and shall not be construed to mean any other fees or charges or costs of
14 textbooks."

15 **SECTION 8.13.(b)** G.S. 115B-2 reads as rewritten:

16 **"§ 115B-2. Tuition waiver authorized.**

17 (a) The constituent institutions of The University of North Carolina and the community
18 colleges as defined in G.S. 115D-2(2) shall permit the following persons to attend classes for
19 credit or noncredit purposes without the required payment of tuition:

- 20 (1) Repealed by Session Laws 2009-451, s. 8.11(a), effective July 1, 2009.
- 21 (2) Any person who is the survivor of a law enforcement officer, correctional
22 officer, firefighter, volunteer firefighter, probation officer, or rescue squad
23 worker killed as a direct result of a traumatic injury sustained in the line of
24 duty.
- 25 (3) The spouse of a law enforcement officer, correctional officer, firefighter,
26 volunteer firefighter, probation officer, or rescue squad worker who is
27 permanently and totally disabled as a direct result of a traumatic injury
28 sustained in the line of duty.
- 29 (4) Any child, if the child is at least 17 years old but not yet 24 years old, whose
30 parent, legal guardian, or legal custodian is a law enforcement officer,
31 correctional officer, firefighter, volunteer firefighter, probation officer, or
32 rescue squad worker who is permanently and totally disabled as a direct result
33 of a traumatic injury sustained in the line of duty. However, a child's eligibility
34 for a waiver of tuition under this Chapter shall not exceed: (i) 54 months, if
35 the child is seeking a baccalaureate degree, or (ii) if the child is not seeking a
36 baccalaureate degree, the number of months required to complete the
37 educational program to which the child is applying.
- 38 (5) Any child, if the child (i) is at least 17 years old but not yet 24 years old, (ii)
39 is a ward of North Carolina or was a ward of the State at the time the child
40 reached the age of 18, (iii) is a resident of the State; and (iv) is eligible for
41 services under the Chaffee Education and Training Vouchers Program; but the
42 waiver shall only be to the extent that there is any tuition still payable after
43 receipt of other financial aid received by the student.
- 44 (6) Any child enrolled in a regional school established pursuant to Part 10 of
45 Article 16 of Chapter 115C of the General Statutes who enrolls in classes at a
46 constituent institution or community college which has a written agreement
47 with the regional school.

48 (b) Persons eligible for the tuition waiver under subsection (a) of this section must meet
49 admission and other standards considered appropriate by the educational institution. In addition,
50 the constituent institutions of The University of North Carolina shall accept these persons only
51 on a space available basis."

1 **SECTION 8.13.(c)** G.S. 115B-5 reads as rewritten:

2 "**§ 115B-5. Proof of eligibility.**

3 (a) Repealed by Session Laws 2009-451, s. 8.11(c), effective July 1, 2009.

4 (b) The officials of the institutions charged with administration of this Chapter shall
5 require the following proof to insure that a person applying to the institution and who requests a
6 tuition waiver under G.S. 115B-2(a)(2), (3), or (4) is eligible for the benefits provided by this
7 Chapter.

8 (1) The parent-child relationship shall be verified by a birth certificate, legal
9 adoption papers, or other documentary evidence deemed appropriate by the
10 institution.

11 (1a) The legal guardian-child relationship shall be verified by an order from a court
12 proceeding that established the legal guardianship.

13 (1b) The legal custodian-child relationship shall be verified by an order from a
14 court proceeding that established the legal custodianship.

15 (2) The marital relationship shall be verified by a marriage certificate or other
16 documentary evidence deemed appropriate by the institution.

17 (3) The cause of death of the law enforcement officer, correctional officer,
18 firefighter, volunteer firefighter, probation officer, or rescue squad worker
19 shall be verified by certification from the records of the Department of State
20 Treasurer, the appropriate city or county law enforcement agency that
21 employed the deceased, the administrative agency for the fire department or
22 fire protection district recognized for funding under the Department of State
23 Auditor, or the administrative agency having jurisdiction over any paid
24 firefighters of all counties and cities.

25 (4) The permanent and total disability shall be verified by documentation deemed
26 necessary by the institution from the North Carolina Industrial Commission.

27 (c) The officials of the institutions charged with administration of this Chapter may
28 require proof to verify that a person applying to the institution under G.S. 115B-2(a)(5) is eligible
29 for the benefits provided by this Chapter."

30 **SECTION 8.13.(d)** This section is effective when it becomes law and applies
31 beginning with the 2024-2025 academic year.

32
33 **PART VIII-A. UNIVERSITY/STATE EDUCATION ASSISTANCE AUTHORITY**

34
35 **STATE AGENCIES MAY CONTRACT WITH THE AUTHORITY TO ADMINISTER**
36 **AGENCY LOAN PROGRAMS**

37
38 **SECTION 8A.1.** Article 23 of Chapter 116 of the General Statutes is amended by
39 adding the following new section to read:

40 "**§ 116-204.2. Administration of State agency loan programs.**

41 (a) A State agency, as defined in G.S. 143C-1-1(d)(24) may, upon mutual agreement,
42 enter into a contract with the State Education Assistance Authority for the Authority to administer
43 a loan program on behalf of the State agency. The contract shall specify at least the following:

44 (1) The Authority will administer the agency loan program using the structure of
45 the Forgivable Education Loans for Service Program established pursuant to
46 G.S. 116-209.45.

47 (2) The Authority may administer the agency loan program for students enrolled
48 in one or more selected categories of eligible institutions, as defined in
49 G.S. 116-209.45.

50 (3) The State agency shall provide sufficient funds to the Authority for
51 administration of the agency loan program, including administrative costs

1 associated with loan service and cash repayment that are incurred by the
2 Authority after awards are distributed.

3 (b) The Authority shall not use any funds appropriated by the General Assembly and
4 allocated to the Authority for a specific program or purpose to facilitate the administration of an
5 agency loan program under subsection (a) of this section."

7 **CLARIFY ELIGIBILITY FOR IN-STATE TUITION FOR INCARCERATED** 8 **INDIVIDUALS**

9 **SECTION 8A.2.(a)** G.S. 116-143.1 is amended by adding a new subsection to read:

10 "(n) Notwithstanding any other provisions of this section to the contrary, an incarcerated
11 individual may qualify as a legal resident and a resident for tuition purposes pursuant to the
12 provisions of this section. For purposes of this section, an incarcerated individual is a citizen of
13 the United States who is incarcerated in a State correctional facility under the jurisdiction of the
14 Division of Prisons of the Department of Adult Correction or in a local confinement facility, as
15 defined in G.S. 153A-217, under the jurisdiction of the applicable governing body, sheriff, or
16 administrator of the local confinement facility. Nothing in this subsection shall be deemed to
17 confer legal residency on an individual for any other purpose. An incarcerated individual may
18 qualify as a resident pursuant to this section if either of the following criteria applies:

19 (1) For a continuous period of 12 or more months, the individual has been in the
20 custody of any of the following:

21 a. A State correctional facility.

22 b. A local confinement facility.

23 (2) Both of the following criteria apply:

24 a. The individual has been in the custody of one or more of the facilities
25 identified in subdivision (1) of this subsection for less than 12 months.

26 b. The entity with jurisdiction over the facility where the individual is
27 incarcerated certifies to the Authority that the individual has
28 demonstrated that the individual was residing in North Carolina for
29 purposes of maintaining bona fide domicile during the 12-month
30 period prior to incarceration."

31 **SECTION 8A.2.(b)** This section applies beginning with the 2024-2025 academic
32 year.

34 **CONFORM IN-STATE TUITION REQUIREMENTS TO FEDERAL LAW**

35 **SECTION 8A.3.(a)** G.S. 116-143.1 is amended by adding the following new
36 subsection to read:

37 "(h2) Any citizen of the Federated States of Micronesia, the Republic of the Marshall
38 Islands, or the Republic of Palau who is a nonresident shall be eligible to be charged the in-State
39 tuition rate and shall pay the full amount of the in-State tuition rate and applicable mandatory
40 fees."

41 **SECTION 8A.3.(b)** This section becomes effective July 1, 2024, and applies
42 beginning with the 2024-2025 academic year.

44 **ALLOW THE AUTHORITY TO USE ADMINISTRATIVE FUNDS FROM** 45 **OPPORTUNITY SCHOLARSHIPS FOR PERSONAL EDUCATION STUDENT** 46 **ACCOUNTS**

47 **SECTION 8A.4.(a)** G.S. 115C-562.8(c) reads as rewritten:

48 "(c) Of the funds allocated to the Authority to award scholarship grants under this Part,
49 the Authority may retain up to two and one-half percent (2.5%) of the funds appropriated each
50 fiscal year for administrative costs associated with the scholarship grant program. If the actual
51 costs of administering the scholarship grant program are less than the funds authorized for

1 administering the program pursuant to this subsection, the Authority may allocate unused funds
2 for the additional administrative costs of the Personal Education Student Accounts for Children
3 with Disabilities Program in accordance with G.S. 115C-597(d)."

4 **SECTION 8A.4.(b)** G.S. 115C-597(d) reads as rewritten:

5 "(d) Administration Costs. – Of the funds allocated to the Authority to award scholarship
6 funds under this Article, the Authority may retain the lesser of four percent (4%) of the funds
7 appropriated or ~~two million dollars (\$2,000,000)~~ three million dollars (\$3,000,000) each fiscal
8 year for administrative costs associated with the program, including contracting with non-State
9 entities for administration of certain components of the program. If the actual costs of
10 administering the program exceed the funds authorized for administering the program pursuant
11 to this subsection, the Authority may allocate unused funds set aside for administration costs
12 from the Opportunity Scholarship Grant Fund Reserve pursuant to G.S. 115C-562.8(c) for the
13 additional administrative costs of the Personal Education Student Accounts for Children with
14 Disabilities Program."

15
16 **REVISE AND EXTEND CERTAIN OPPORTUNITY SCHOLARSHIP DOMICILE**
17 **VERIFICATION REQUIREMENTS**

18 **SECTION 8A.5.(a)** G.S. 115C-562.3(a) reads as rewritten:

19 "(a) To verify that the domicile requirements of G.S. 115C-366 are met for State
20 residency, the Authority shall establish a domicile determination system and shall establish rules
21 for determination of domicile within the State in accordance with this subsection. The rules may
22 provide a process for the Authority to contract with a third-party vendor to facilitate the
23 determination of domicile in accordance with this subsection. The Division of Motor Vehicles of
24 the Department of Transportation, the Department of Public Instruction, the Department of
25 Commerce, the Department of Health and Human Services, the Department of Revenue, the State
26 Board of Elections, and the State Chief Information Officer each shall expeditiously cooperate
27 with the Authority in verifying electronically, or by other similarly effective and efficient means,
28 evidence submitted to the Authority for the purposes of establishing the domicile required by
29 G.S. 115C-366 for State residency. The Authority shall accept any of the following as evidence
30 of domicile within the State:

31"

32 **SECTION 8A.5.(b)** Section 8A.6(h) of S.L. 2023-134 reads as rewritten:

33 "**SECTION 8A.6.(h)** Notwithstanding G.S. 115C-562.3(a), as enacted by this act, as part of
34 a student's application for a scholarship grant pursuant to Part 2A of Article 39 of Chapter 115C
35 of the General Statutes for the ~~2024-2025 school year, and 2025-2026 school years,~~ a parent shall
36 certify to the State Education Assistance Authority that the domicile requirements of
37 G.S. 115C-562.1(3a), as enacted by this act, are met for eligibility purposes in lieu of submitting
38 evidence electronically to the State Education Assistance Authority through a domicile
39 determination system. The State Education Assistance Authority shall select six percent (6%) of
40 the applications for the ~~2024-2025 school year and 2025-2026 school years~~ to verify the domicile
41 requirements are met for the award of a scholarship grant to an eligible student. As evidence of
42 domicile, the State Education Assistance Authority may accept the submission of any of the
43 documents set forth under G.S. 115C-562.3(a). If a parent fails to cooperate with verification
44 efforts under this section, the State Education Assistance Authority shall revoke the award of the
45 scholarship grant to the eligible student. In addition, if the State Education Assistance Authority
46 determines that the certification of the parent contains falsified information, the parent may be
47 subject to administrative, civil, or criminal penalties. The State Education Assistance Authority
48 shall include a notice of the potential for the imposition of penalties when requesting certification
49 as part of the application process."

1 **REVISE STATE EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS**
2 **MEMBER REQUIREMENTS**

3 **SECTION 8A.6.** G.S. 116-203(b) reads as rewritten:

4 "(b) Membership. – The Authority shall be governed by a board of directors consisting of
5 nine members, seven of whom shall be appointed and two of whom shall be ex officio as follows:

6 (1) Seven members appointed according to the following:

7 a. The Board of Governors of The University of North Carolina shall
8 appoint the following members:

9 1. One member who shall have expertise in secondary or higher
10 education.

11 2. One member who shall be or have experience as a chief
12 financial officer or chief administrative officer from a
13 nonpublic school that enrolls students receiving scholarship
14 funds pursuant to Part 2A of Article 39 of Chapter 115C of the
15 General Statutes.

16 3. One member who shall have expertise in finance.

17 b. The Governor shall appoint the following members:

18 1. One member who shall have expertise in finance.

19 2. One member who shall have expertise in secondary or higher
20 education.

21 3. One member who shall be a member of the public at large with
22 an interest in higher education.

23 4. One member who shall be a chief financial officer from a
24 college or university that is a member of North Carolina
25 Independent Colleges and Universities, Inc., appointed upon
26 the recommendation of North Carolina Independent Colleges
27 and Universities, Inc.

28 (2) The chief financial officer of The University of North Carolina shall serve as
29 an ex officio member.

30 (3) The chief financial officer of the North Carolina Community College System
31 shall serve as an ex officio member."
32

33 **CLARIFY OPPORTUNITY SCHOLARSHIP RESIDENCY REQUIREMENTS AT**
34 **TIME OF APPLICATION**

35 **SECTION 8A.7.** Part 2A of Article 39 of Chapter 115C of the General Statutes is
36 amended by adding a new section to read:

37 **"§ 115C-562.2A. Residency required at time of application.**

38 (a) Except as otherwise provided in this section, a student shall be a resident of North
39 Carolina that is eligible to attend a North Carolina public school pursuant to Article 25 of this
40 Chapter at the time the student applies to receive a scholarship grant under this Part.

41 (b) A student who is not a resident of North Carolina at the time the student submits an
42 application to receive a scholarship grant under this Part shall be permitted to submit an
43 application prior to becoming a resident of North Carolina if all of the following apply:

44 (1) A parent or legal guardian is on active military duty and is transferred or
45 pending transfer pursuant to an official military order to a military installation
46 or reservation in the State.

47 (2) Upon request by the Authority, a parent or legal guardian provides a copy of
48 the official military order transferring to a military installation or reservation
49 located in the State.

50 (3) A parent or legal guardian completes and submits the application, except that
51 proof of residency shall not be required until the parent or legal guardian

1 transfers into North Carolina, at which time they shall be required prior to
2 receiving an award.

3 (c) A student that submits an application pursuant to subsection (b) of this section shall
4 not receive a scholarship award until proof of residency is provided in accordance with the
5 requirements of the Authority."

7 **NORTH CAROLINA NURSING INSTRUCTOR FELLOWS PROGRAM**

8 **SECTION 8A.8.(a)** Article 23 of Chapter 116 of the General Statutes is amended by
9 adding the following new Part to read:

10 "Part 3A. North Carolina Nursing Instructor Fellows Program.

11 **"§ 116-209.64. Definitions.**

12 The following definitions apply in this Part:

- 13 (1) Academic term. – A semester or summer session.
- 14 (2) Commission. – The North Carolina Nursing Instructor Fellows Commission.
- 15 (3) Community college. – As defined in G.S. 115D-2(2).
- 16 (4) Director. – The Director of the North Carolina Nursing Instructor Fellows
17 Program.
- 18 (5) Eligible institution of higher education. – A university or private
19 postsecondary institution that offers a Bachelor of Science in Nursing program
20 that is meant to prepare a person to meet the educational requirements for
21 licensure under Article 9A of Chapter 90 of the General Statutes and a Master
22 of Science in Nursing Education program.
- 23 (6) Forgivable loan. – A forgivable loan made under the Program.
- 24 (7) Program. – The North Carolina Nursing Instructor Fellows Program.
- 25 (8) Qualifying nurse. – A nurse who meets all of the following criteria:
 - 26 a. Received a forgivable loan.
 - 27 b. Graduated within 10 years from a Master of Science in Nursing
28 Education program at an eligible institution of higher education,
29 excluding any authorized deferment for extenuating circumstances.
 - 30 c. Holds a Bachelor of Science degree in Nursing and a Master of
31 Science degree in Nursing Education.
 - 32 d. Is licensed as a registered nurse in this State.
 - 33 e. Is employed as an instructor in a qualifying nursing program.
- 34 (9) Qualifying nursing program. – A nursing program at one of the following that
35 prepares students to earn a degree in nursing and become a licensed practical
36 nurse as defined in Article 9A of Chapter 90 of the General Statutes:
 - 37 a. A community college.
 - 38 b. A university or private postsecondary institution.
- 39 (10) Trust Fund. – The North Carolina Nursing Instructor Fellows Program Trust
40 Fund.
- 41 (11) University or private postsecondary institution. – Either of the following:
 - 42 a. A postsecondary constituent institution of The University of North
43 Carolina as defined in G.S. 116-2(4).
 - 44 b. An eligible private postsecondary educational institution as defined in
45 G.S. 116-280(3).

46 **"§ 116-209.65. North Carolina Nursing Instructor Fellows Commission established;** 47 **membership.**

48 (a) Commission Established. – There is established the North Carolina Nursing Instructor
49 Fellows Commission. The Commission shall determine program and forgivable loan recipient
50 selection criteria and selection procedures and shall select the recipients to receive forgivable
51 loans under the North Carolina Nursing Instructor Fellows Program in accordance with the

1 requirements of this Part. The Director of the North Carolina Nursing Instructor Fellows Program
2 shall appoint staff to the Commission.

3 (b) Membership. – The Commission shall consist of eight members who shall be
4 appointed or serve as ex officio members as follows:

5 (1) The Board of Governors of The University of North Carolina shall appoint
6 four members to the Commission in even-numbered years as follows:

7 a. Two deans of schools of nursing at postsecondary constituent
8 institutions of The University of North Carolina.

9 b. The president of a North Carolina community college.

10 c. A nurse who graduated from a school of nursing located in the State
11 within three years of appointment to serve on the Commission.

12 (2) The General Assembly shall appoint two members to the Commission in
13 odd-numbered years in accordance with G.S. 120-121 as follows:

14 a. One dean of a school of nursing at a private postsecondary institution
15 operating in the State upon the recommendation of the Speaker of the
16 House of Representatives.

17 b. One dean of a school of nursing at a private postsecondary institution
18 operating in the State upon the recommendation of the President Pro
19 Tempore of the Senate.

20 (3) The following two members shall serve as ex officio members to the
21 Commission:

22 a. The chair of the Board of the State Education Assistance Authority, or
23 the chair's designee.

24 b. The Director of the North Carolina Nursing Instructor Fellows
25 Program.

26 (c) Terms of Office. – Appointments to the Commission shall be for two-year terms,
27 beginning July 1 and expiring June 30.

28 (d) Vacancies. – If a vacancy occurs in an appointed position on the Commission, the
29 appointing authority shall appoint another person meeting the same qualifications to serve for the
30 balance of the unexpired term.

31 (e) Chair; Meetings. – The Director of the Program shall call the first meeting of the
32 Commission. The Commission members shall elect a chair and a vice-chair from the membership
33 of the Commission to serve one-year terms. The Commission shall meet regularly at times and
34 places deemed necessary by the chair or, in the absence of the chair, by the vice-chair.

35 (f) Conflict of Interest. – A member of the Commission shall abstain from voting on the
36 selection of a postsecondary constituent institution of The University of North Carolina or a
37 private postsecondary institution operating in the State under G.S. 116-209.62(f) if the member
38 is an officer or employee of the institution or sits as a member of the institution's board of
39 directors.

40 (g) Expenses. – Commission members shall receive per diem, subsistence, and travel
41 allowances in accordance with G.S. 138-5 or G.S. 138-6, as appropriate.

42 **§ 116-209.66. North Carolina Nursing Instructor Fellows Program established;**
43 **administration.**

44 (a) Program. – There is established the North Carolina Nursing Instructor Fellows
45 Program to be administered by the System Office of The University of North Carolina, in
46 conjunction with the Authority and the Commission. The purpose of the Program is to recruit,
47 prepare, and support eligible nursing students for preparation as highly effective instructors in
48 qualifying nursing programs. The Program shall be used to provide forgivable loans to nursing
49 students enrolled in Bachelor of Science in Nursing and Master of Science in Nursing Education
50 programs who are interested in preparing to become instructors in qualifying nursing programs.

1 **(b) Trust Fund.** – There is established the North Carolina Nursing Instructor Fellows
2 Program Trust Fund to be administered by the Authority, in conjunction with the System Office
3 of The University of North Carolina. All funds (i) appropriated to, or otherwise received by, the
4 Program for forgivable loans and other Program purposes, (ii) received as repayment of
5 forgivable loans, and (iii) earned as interest on these funds shall be placed in the Trust Fund. The
6 purpose of the Trust Fund is to provide financial assistance to qualified students for completion
7 of a Bachelor of Science degree in Nursing and a Master of Science degree in Nursing Education
8 to fill needed positions for instructors in qualifying nursing programs.

9 **(c) Uses of Monies in the Trust Fund.** – The monies in the Trust Fund may be used only
10 for (i) forgivable loans granted under the Program, (ii) administrative costs associated with the
11 Program, including recruitment and recovery of funds advanced under the Program, (iii)
12 mentoring and coaching support to forgivable loan recipients, and (iv) extracurricular
13 enhancement activities of the Program in accordance with the following:

14 **(1)** The Authority shall transfer the greater of three hundred thousand dollars
15 (\$300,000) or ten percent (10%) of the available funds from the Trust Fund to
16 The University of North Carolina System Office at the beginning of each
17 fiscal year for the following purposes:

18 a. The Program's administrative costs.

19 b. The salary of the Director of the Program and other Program staff.

20 c. Expenses of the Commission.

21 d. Extracurricular enhancement activities of the Program.

22 e. Mentoring and coaching support to forgivable loan recipients in an
23 amount of up to two thousand two hundred dollars (\$2,200) for each
24 Program recipient.

25 **(2)** The Authority may use the greater of sixty thousand dollars (\$60,000) or four
26 percent (4%) of the funds appropriated to the Trust Fund each fiscal year for
27 administrative costs associated with the Program.

28 **(d) Director of the Program.** – The Board of Governors of The University of North
29 Carolina shall appoint a Director of the Program. The Director shall appoint staff to the
30 Commission and shall be responsible for recruitment and coordination of the Program, including
31 proactive, aggressive, and strategic recruitment of potential recipients. Recruitment activities
32 shall include (i) targeting regions of the State with the greatest need for nursing instructors in
33 qualifying nursing programs, (ii) actively engaging with registered nurses, business leaders,
34 experts in human resources, elected officials, and other community leaders throughout the State,
35 and (iii) attracting candidates to the Program. The Director shall report to the President of The
36 University of North Carolina. The Authority shall provide office space and clerical support staff,
37 as necessary, to the Director for the Program.

38 **(e) Student Selection Criteria for Forgivable Loans.** – The Commission shall adopt
39 stringent standards for awarding forgivable loans based on multiple measures to ensure that only
40 the strongest applicants receive them, including the following:

41 **(1)** Grade point averages.

42 **(2)** Performance on relevant assessments.

43 **(3)** Experience, accomplishments, and other criteria demonstrating qualities
44 positively correlated with highly effective instructors in qualifying nursing
45 programs, including excellent verbal and communication skills.

46 **(4)** Demonstrated commitment to serve in North Carolina.

47 **(f) Program Selection Criteria.** – The Authority shall administer the Program in
48 cooperation with up to eight eligible institutions of higher education that are selected by the
49 Commission and represent a diverse selection of up to four postsecondary constituent institutions
50 of The University of North Carolina and up to four private postsecondary institutions operating
51 in the State. In selecting participating institutions, the Commission shall do the following:

1 (1) Prioritize the selection of eligible institutions of higher education that have a
2 plan to facilitate the ability of nursing instructor fellows to transition from a
3 Bachelor of Science in Nursing program to a Master of Science in Nursing
4 Education program at that institution.

5 (2) After considering the priority described in subdivision (1) of this subsection,
6 the Commission shall adopt stringent standards for selection of participating
7 institutions, including the following:

8 a. Demonstrates measurable impact of prior graduates on student
9 learning, including impact of graduates serving as instructors in
10 qualifying nursing programs.

11 b. Demonstrates high rates of graduates passing exams required for
12 licensure.

13 c. Provides curricular and co-curricular enhancements in leadership,
14 facilitates learning for diverse learners, and promotes community
15 engagement, and reflection and assessment.

16 d. Provides early and frequent internship or practical experiences.

17 (g) Awards of Forgivable Loans. – The Program shall provide forgivable loans to up to
18 100 students each year who are enrolled in a Bachelor of Science in Nursing program at an
19 eligible institution of higher education. Loan payments shall be provided each year for
20 completion of the Bachelor of Science in Nursing program and a Master of Science in Nursing
21 Education program. The student shall be eligible to receive loan payments for the Master of
22 Science in Nursing Education program as long as the student enrolls within two years of
23 graduation from the Bachelor of Science in Nursing program. Forgivable loans shall be awarded
24 per academic term for up to eight academic terms in amounts of up to five thousand dollars
25 (\$5,000) per semester or two thousand five hundred dollars (\$2,500) per summer session.
26 Forgivable loans may be used for tuition, fees, the cost of books, and expenses related to
27 completing a Bachelor of Science degree in Nursing and a Master of Science degree in Nursing
28 Education.

29 (h) Administration of Forgivable Loan Awards. – Upon the naming of recipients of the
30 forgivable loans by the Commission, the Commission shall transfer to the Authority its decisions.
31 The Authority, in coordination with the Director, shall perform all of the administrative functions
32 necessary to implement this Part, which functions shall include rulemaking, disseminating
33 information, acting as a liaison with participating institutions of higher education, implementing
34 forgivable loan agreements, loan monitoring, loan canceling through service and collection,
35 determining the acceptability of service repayment agreements, enforcing the agreements, and
36 all other functions necessary for the execution, payment, and enforcement of promissory notes
37 required under this Part.

38 (i) Annual Report. – The Commission, in coordination with the Authority, the North
39 Carolina Board of Nursing, and the selected institutions of higher education participating in the
40 Program, shall report no later than January 1, 2026, and annually thereafter, to the Joint
41 Legislative Education Oversight Committee regarding the following:

42 (1) Forgivable loans awarded from the Trust Fund, including the following:

43 a. Demographic information regarding recipients.

44 b. Number of recipients by institution of higher education.

45 (2) Placement and repayment rates, including the following:

46 a. Number of graduates who have been employed as instructors in
47 qualifying nursing programs in the State within two years of
48 graduation.

49 b. Number of graduates who have elected to do loan repayment and their
50 years of service, if any, prior to beginning loan repayment.

1 c. Graduation rates of associate degree students taught by instructors in
2 qualifying nursing programs who are recipients of loans under the
3 Program.

4 (3) Mentoring and coaching support, including the number of forgivable loan
5 recipients who received mentoring and coaching support.

6 (4) Selected nurse employer outcomes by degree program, including the
7 following:

8 a. Turnover rate for forgivable loan graduates, including the turnover rate
9 for graduates who also received mentoring and coaching support.

10 b. Fulfillment rate of forgivable loan graduates.

11 **"§ 116-209.67. Terms of forgivable loans; receipt and disbursement of funds.**

12 (a) Notes. – All forgivable loans shall be evidenced by notes made payable to the
13 Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the
14 Authority and beginning on the first day of September after completion of the Master of Science
15 in Nursing Education program or 90 days after graduation, whichever is later. If a forgivable loan
16 is terminated, the note shall be made payable to the Authority 90 days after termination of the
17 forgivable loan. The forgivable loan may be terminated upon the recipient's withdrawal from the
18 Program or by the recipient's failure to meet the standards set by the Commission.

19 (b) Forgiveness. – For every year a qualifying nurse remains a qualifying nurse, the
20 Authority shall forgive one-third of the total loan amount received over the course of enrollment
21 in the Bachelor of Science degree in Nursing program and the Master of Science degree in
22 Nursing Education program and any interest accrued on that amount. The Authority shall also
23 forgive the loan if it finds that it is impossible for the recipient to work for up to three years,
24 within 10 years after completion of a Master of Science in Nursing Education program, as an
25 instructor in a qualifying nursing program, because of the death or permanent disability of the
26 recipient. If the recipient repays the forgivable loan by cash payments, all indebtedness shall be
27 repaid within 10 years after completion of the Master of Science in Nursing Education program
28 supported by the forgivable loan. If the recipient completes the Master of Science in Nursing
29 Education program, payment of principal and interest shall begin no later than the first day of
30 September after the completion of the program. Should a recipient present extenuating
31 circumstances, the Authority may extend the period to repay the loan in cash to no more than a
32 total of 12 years."

33 **SECTION 8A.8.(b)** G.S. 116-204 reads as rewritten:

34 **"§ 116-204. Powers of Authority.**

35 The Authority is hereby authorized and empowered:

36 ...

37 (9) To collect loan repayments for loans awarded under the ~~Teaching Fellows~~
38 ~~Program pursuant to G.S. 115C-363.23A following programs~~ if the loan
39 repayment is outstanding for more than 30 ~~days~~ days:

40 a. The Teaching Fellows Program pursuant to Part 3 of Article 23 of
41 Chapter 116 of the General Statutes.

42 b. The Nursing Instructor Fellows Program pursuant to Part 3A of Article
43 23 of Chapter 116 of the General Statutes.

44 "

45 **SECTION 8A.8.(c)** Initial appointments to the North Carolina Nursing Instructor
46 Fellows Commission shall be made no later than August 15, 2025. Initial appointments to the
47 Commission shall expire July 1, 2027.

48 **SECTION 8A.8.(d)** The Commission shall establish initial selection criteria for
49 recipients and select the eight institutions of higher education with approved nursing schools at
50 which a recipient may use a forgivable loan no later than November 15, 2024, and shall make
51 available applications to prospective students no later than December 31, 2024.

1 **SECTION 8A.8.(e)** The Commission shall select recipients and award the initial
2 forgivable loans for the 2025-2026 academic year no later than April 1, 2025.

3 **SECTION 8A.8.(f)** This section becomes effective July 1, 2024, and applies
4 beginning with applications for enrollment in the Nursing Instructor Fellows Program in the
5 2025-2026 academic year.

6
7 **LONGLEAF COMMITMENT COMMUNITY COLLEGE GRANT CARRYFORWARD**

8 **SECTION 8A.9.** Section 8A.7 of S.L. 2023-134 is amended by adding a new
9 subsection to read:

10 "SECTION 8A.7.(d1) Carryforward. – The funds appropriated to the Board of Governors
11 of The University of North Carolina in this act for the 2023-2024 fiscal year to be allocated to
12 the State Education Assistance Authority for the Program shall not revert at the end of the
13 2023-2024 fiscal year but shall remain available for the purposes described in this section until
14 the end of the 2024-2025 fiscal year."

15
16 **MILITARY-CONNECTED STUDENTS OPPORTUNITY SCHOLARSHIP**
17 **APPLICATIONS FOR 2024-2025**

18 **SECTION 8A.10.(a)** Eligible Applications. – For scholarship grants awarded as
19 provided in Part 2A of Article 39 of Chapter 115C of the General Statutes for the 2024-2025
20 school year, the State Education Assistance Authority shall accept applications from July 1, 2024,
21 until July 31, 2024, for military-connected students, as defined in G.S. 115C-407.5, who were
22 unable to submit an application in February 2024 due to military orders. Inability to submit an
23 application in February 2024 due to military orders shall be established by submission of
24 documentation of one of the following:

- 25 (1) Rescinded military orders:
26 a. Receipt of orders for reassignment outside of this State incident to
27 active military duty on or after October 1, 2023.
28 b. Receipt of revised assignment orders on or after March 1, 2024, to
29 abide in this State incident to active military duty.
30 (2) New military assignment orders:
31 a. Prior to March 1, 2024, abided in a state incident to active military
32 duty other than this State.
33 b. On or after March 1, 2024, abided in this State incident to active
34 military duty.

35 **SECTION 8A.10.(b)** Funds and Report. – Notwithstanding G.S. 115C-562.8(a), if
36 the funds required to award scholarship grants for qualifying applications pursuant to subsection
37 (a) of this section exceed the funds available for the distribution of those awards, the State
38 Education Assistance Authority may allocate funds from the unencumbered cash balance in the
39 Opportunity Scholarship Grant Fund Reserve for the 2024-2025 fiscal year to provide awards for
40 these students in the 2024-2025 school year. If the Authority expends funds in excess of those
41 available in the Reserve to be awarded in the 2024-2025 school year, the Authority shall submit
42 the report required in G.S. 115C-562.7(d) as it relates to the awards provided under this section.

43 **SECTION 8A.10.(c)** Effective Date. – This section is effective when it becomes law.

44
45 **REINSTATE AND REVISE CERTAIN TESTING REQUIREMENTS FOR NONPUBLIC**
46 **SCHOOLS RECEIVING OPPORTUNITY SCHOLARSHIP FUNDS AND EXEMPT**
47 **CERTAIN PESA STUDENTS FROM TESTING REQUIREMENTS**

48 **SECTION 8A.11.(a)** G.S. 115C-562.5 reads as rewritten:

49 "**§ 115C-562.5. Obligations of nonpublic schools accepting eligible students receiving**
50 **scholarship grants.**"

1 (a) A nonpublic school that accepts eligible students receiving scholarship grants shall
 2 comply with the following:

3 ...
 4 (4) Administer, at least once in each school year, ~~tests as provided in this~~
 5 ~~subdivision. Test performance data shall be submitted to the Authority by July~~
 6 ~~15 of each year. Test performance data reported to the Authority under this~~
 7 ~~subdivision is not a public record under Chapter 132 of the General Statutes.~~
 8 ~~Tests shall be administered to all eligible students enrolled in grades three and~~
 9 ~~higher whose tuition and fees are paid in whole or in part with a scholarship~~
 10 ~~grant as follows:~~

- 11 a. ~~The nationally standardized test designated by the Authority in grades~~
 12 ~~three and eight.~~
- 13 b. ~~The ACT in grade 11.~~
- 14 e. A nationally standardized test or other nationally standardized
 15 equivalent measurement selected by the chief administrative officer of
 16 the nonpublic school in all other grades four and higher, to all eligible
 17 students whose tuition and fees are paid in whole or in part with a
 18 scholarship grant enrolled in grades three and higher, except for
 19 eligible students who receive funds under subsection (b1) of
 20 G.S. 115C-592 through the North Carolina Personal Education
 21 Student Accounts for Children with Disabilities Program. For grades
 22 four three through seven, eight, the nationally standardized test or
 23 other equivalent measurement selected must measure achievement in
 24 the areas of English grammar, reading, spelling, and mathematics. For
 25 grades nine, 10, and 12, nine through 12, the nationally standardized
 26 test or other equivalent measurement selected must measure either (i)
 27 achievement in the areas of English grammar, reading, spelling, and
 28 mathematics or (ii) competencies in the verbal and quantitative areas.
 29 A nonpublic school shall annually certify compliance with this
 30 subdivision and shall retain records of the test administration. Each
 31 year the Authority shall select at least four percent (4%) of nonpublic
 32 schools to verify testing administration in accordance with this
 33 subdivision.

34"

35 **SECTION 8A.11.(b)** The following are repealed:

- 36 (1) Subsections (i) and (j) of Section 8A.6 of S.L. 2023-134.
- 37 (2) G.S. 115C-562.2(b5).
- 38 (3) G.S. 115C-562.5(c).
- 39 (4) G.S. 115C-562.7(c).

40 **SECTION 8A.11.(c)** This section applies beginning with applications and the award
 41 of scholarship funds for the 2024-2025 school year.

42
 43 **ADDITIONAL FUNDS FOR THE OPPORTUNITY SCHOLARSHIP PROGRAM**

44 **SECTION 8A.12.** G.S. 115C-562.8 reads as rewritten:

45 **"§ 115C-562.8. The Opportunity Scholarship Grant Fund Reserve.**

46 ...

47 (b) The General Assembly finds that, due to the critical need in this State to provide
 48 opportunity for school choice for North Carolina students, it is imperative that the State provide
 49 an increase of funds for 15 years to the Opportunity Scholarship Grant Fund Reserve. Therefore,
 50 there is appropriated from the General Fund to the Reserve the following amounts for each fiscal
 51 year to be used for the purposes set forth in this section:

	Fiscal Year	Appropriation
1	2017-2018	\$44,840,000
2	2018-2019	\$54,840,000
3	2019-2020	\$64,840,000
4	2020-2021	\$74,840,000
5	2021-2022	\$84,840,000
6	2022-2023	\$94,840,000
7	2023-2024	\$176,540,000
8	2024-2025	\$191,540,000
9	2025-2026	\$415,540,000 <u>\$585,000,000</u>
10	2026-2027	\$430,540,000 <u>\$600,000,000</u>
11	2027-2028	\$445,540,000 <u>\$615,000,000</u>
12	2028-2029	\$460,540,000 <u>\$630,000,000</u>
13	2029-2030	\$475,540,000 <u>\$645,000,000</u>
14	2030-2031	\$490,540,000 <u>\$660,000,000</u>
15	2031-2032	\$505,540,000 <u>\$675,000,000</u>

17 For the 2032-2033 fiscal year and each fiscal year thereafter, there is appropriated from the
 18 General Fund to the Reserve the sum of ~~five hundred twenty million five hundred forty thousand~~
 19 ~~dollars (\$520,540,000)~~ six hundred ninety million dollars (\$690,000,000) to be used for the
 20 purposes set forth in this section. When developing the base budget, as defined by G.S. 143C-1-1,
 21 for each fiscal year specified in this subsection, the Director of the Budget shall include the
 22 appropriated amount specified in this subsection for that fiscal year.

23 ...
 24 (e) The Authority shall make reasonable efforts to ensure the amount of scholarship
 25 grants awarded for a school year do not exceed the funds that are available for the awards to
 26 eligible students in each fiscal year. However, notwithstanding subsection (a) of this section, to
 27 ensure that as many eligible students receive scholarship grants in a timely manner as possible,
 28 the Authority may use up to thirty percent (30%) of the unencumbered cash balance in the
 29 Reserve in a fiscal year if the funds required to award scholarship grants to eligible students for
 30 a school year exceed the funds available for the distribution of those awards. If the Authority
 31 expends funds in excess of those available in the Reserve for a particular school year, the
 32 Authority shall submit the report required by ~~G.S. 115C-562.7(b1)~~.G.S. 115C-562.7(d)."

34 **ADDITIONAL FUNDS FOR NORTH CAROLINA PERSONAL EDUCATION**
 35 **STUDENT ACCOUNTS FOR CHILDREN WITH DISABILITIES PROGRAM**

36 **SECTION 8A.13.** G.S. 115C-600(a) reads as rewritten:

37 "(a) The General Assembly finds that due to the continued growth and ongoing need in
 38 this State to provide opportunity for school choice for children with disabilities, it is imperative
 39 that the State provide an increase in funds of at least one million dollars (\$1,000,000) each fiscal
 40 year for 10 years for the Personal Education Student Accounts for Children with Disabilities
 41 Program. To that end, there is appropriated from the General Fund to the Board of Governors of
 42 The University of North Carolina the following amounts each fiscal year to be allocated to the
 43 Authority for the Program in accordance with this Article:

	Fiscal Year	Appropriation
44	2023-2024	\$48,943,166
45	2024-2025	\$49,943,166
46	2025-2026	\$50,943,166 <u>\$75,543,166</u>
47	2026-2027	\$51,943,166 <u>\$76,543,166</u>
48	2027-2028	\$52,943,166 <u>\$77,543,166</u>
49	2028-2029	\$53,943,166 <u>\$78,543,166</u>
50	2029-2030	\$54,943,166 <u>\$79,543,166</u>

1	2030-2031	\$55,943,166	\$80,543,166
2	2031-2032	\$56,943,166	\$81,543,166
3	2032-2033 and each subsequent fiscal year thereafter	\$57,943,166	\$82,543,166

4 When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified
 5 in this section, the Director of the Budget shall include the appropriated amount specified in this
 6 section for that fiscal year."

7
 8 **INCREASE PROTECTIONS FOR FUNDS HELD IN NORTH CAROLINA**
 9 **EDUCATION SAVINGS AND INVESTMENT ACCOUNTS AND NC ABLE**
 10 **ACCOUNTS FROM CLAIMS OF CREDITORS AND OTHER JUDGMENTS**

11 **SECTION 8A.14.(a)** G.S. 116-209.25 is amended by adding a new subsection to
 12 read:

13 "(c2) NC Education Savings and Investment Accounts Protected. – Notwithstanding any
 14 other provision of law, funds located in an education savings and investment account of the
 15 Parental Savings Trust Fund or withdrawn from the account and used for purposes permitted
 16 under section 529 of the Internal Revenue Code shall not be subject to liens, attachment,
 17 garnishment, levy, seizure, any involuntary sale or assignment by operation or execution of law,
 18 or the enforcement of any other judgment or claim to pay any debt or liability of any account
 19 owner, beneficiary, or contributor to a plan. This subsection shall not affect any protection from
 20 creditors under G.S. 1C-1601(a)(10) for education savings and investment accounts that are not
 21 part of the Parental Savings Trust Fund."

22 **SECTION 8A.14.(b)** G.S. 1C-1601 reads as rewritten:

23 "**§ 1C-1601. What property exempt; waiver; exceptions.**

24 (a) Exempt property. – Each individual, resident of this State, who is a debtor is entitled
 25 to retain free of the enforcement of the claims of creditors:

- 26 ...
- 27 (10) ~~Funds in a college savings plan~~ Except for funds in an education savings and
 28 investment account that is part of the Parental Savings Trust Fund, as provided
 29 in G.S. 116-209.25(c2), funds in an education savings and investment account
 30 qualified under section 529 of the Internal Revenue Code, not to exceed a
 31 cumulative limit of twenty-five thousand dollars (\$25,000), but excluding
 32 (\$25,000). This exemption excludes any funds placed in a college savings plan
 33 an education savings and investment account within the preceding 12 months
 34 (except to the extent any of the contributions were made in the ordinary course
 35 of the debtor's financial affairs and were consistent with the debtor's past
 36 pattern of contributions) and only to the extent that the funds are for a child of
 37 the debtor and will actually be used for the child's college or university
 38 expenses. ~~expenses of the child that are permitted under section 529 of the~~
 39 Internal Revenue Code.

40"

41 **SECTION 8A.14.(c)** Article 6F of Chapter 147 of the General Statutes is amended
 42 by adding a new section to read:

43 "**§ 147-86.74. Exemption from garnishment, attachment, judgment.**

44 Notwithstanding any other provision of law, except as provided in this section, funds located
 45 in an ABLE account or withdrawn from the account and used for expenses permitted under
 46 section 529A of the Internal Revenue Code shall not be subject to liens, attachment, garnishment,
 47 levy, seizure, any involuntary sale or assignment by operation or execution of law, or the
 48 enforcement of any other judgment or claim to pay any debt or liability of any account owner,
 49 beneficiary, or contributor to a plan. This section does not prohibit the distribution of funds from
 50 the account following the death of the account owner under G.S. 147-86.73(e) or under section
 51 529A(f) of the Internal Revenue Code."

1 **SECTION 8A.14.(d)** This section becomes effective October 1, 2024, and applies
2 to actions filed on or after that date.

3
4 **PART IX. HEALTH AND HUMAN SERVICES**

5
6 **PART IX-A. AGING AND ADULT SERVICES**

7
8 **INCREASED HOME AND COMMUNITY CARE BLOCK GRANT FUNDS FOR**
9 **HOUSING AND HOME IMPROVEMENT SERVICES FOR OLDER ADULTS**

10 **SECTION 9A.1.** Of the funds appropriated in this act to the Department of Health
11 and Human Services, Division of Aging and Adult Services (DAAS), the sum of one million one
12 hundred thousand dollars (\$1,100,000) in nonrecurring funds for the 2024-2025 fiscal year shall
13 be allocated to the Home and Community Care Block Grant (HCCBG) to increase funding for
14 housing and home improvement services. Notwithstanding G.S. 143B-181.1(a)(11) or any other
15 State law to the contrary, (i) the DAAS shall develop a mechanism to separately track and
16 distribute these funds to ensure the funds are allocated and used for housing and home
17 improvement services and (ii) area agencies on aging and counties that are recipients of these
18 HCCBG funds shall not use these funds for any purpose other than to fund housing and home
19 improvement services to assist adults 60 years of age or older who are eligible for HCCBG
20 services with obtaining or retaining adequate housing and basic furnishings. These funds shall
21 be used to supplement and not supplant existing federal, State, and local funds for housing and
22 home improvement services.

23
24 **PART IX-B. CENTRAL MANAGEMENT AND SUPPORT**

25
26 **USE OF DIRECTED GRANT FUNDS FOR THE NC ASSOCIATION OF FREE &**
27 **CHARITABLE CLINICS**

28 **SECTION 9B.1.(a)** Notwithstanding any provision of S.L. 2023-134, the Committee
29 Report described in Section 43.2 of that act, or any other law to the contrary, funds appropriated
30 to the Department of Health and Human Services, Division of Central Management and Support,
31 Office of Rural Health, for each year of the 2023-2025 fiscal biennium, to be allocated as a
32 directed grant to the North Carolina Association of Free and Charitable Clinics (NCAFCC), Inc.,
33 a nonprofit organization, for distribution to its member clinics to support the provision of health
34 care to individuals who are uninsured and underserved shall not be withheld from member clinics
35 in which less than fifty percent (50%) of the total number of individuals served per year are
36 Medicaid beneficiaries.

37 **SECTION 9B.1.(b)** This section becomes effective July 1, 2024, and applies to all
38 directed grant funds distributed by the NCAFCC to its member clinics on or after that date for
39 the purposes described in subsection (a) of this section, including any unspent funds remaining
40 from the 2023-2024 fiscal year.

41
42 **ADVISORY COUNCIL ON RARE DISEASES**

43 **SECTION 9B.2.(a)** Part 6 of Article 1B of Chapter 130A of the General Statutes
44 reads as rewritten:

45 "Part 6. Taylor's Law Establishing the Advisory Council on Rare Diseases.

46 **"§ 130A-33.65. Advisory Council on Rare Diseases; membership; terms; compensation;**
47 **meetings; quorum.**

48 (a) Short Title. – This Part shall be known as Taylor's Law Establishing the Advisory
49 Council on Rare Diseases.

50 (a1) Establishment of Advisory Council. – There is established the Advisory Council on
51 Rare Diseases within the ~~School of Medicine of the University of North Carolina at Chapel Hill~~

1 Department of Health and Human Services to advise the Governor, the Secretary, and the General
2 Assembly on research, diagnosis, treatment, and education relating to rare diseases. ~~This Part~~
3 ~~shall be known as Taylor's Law Establishing the Advisory Council on Rare Diseases.~~ For
4 purposes of this Part, "rare disease" has the same meaning as provided in 21 U.S.C. § 360bb.

5 (b) Advisory Council Membership. – The advisory council shall consist of 19 members
6 to be appointed as follows:

7 (1) ~~Upon the recommendation of the Dean of the School of Medicine of the~~
8 ~~University of North Carolina at Chapel Hill, the~~ The Secretary shall appoint
9 ~~members to the advisory council as follows:~~ the following 15 members:

- 10 a. ~~A physician~~ Two physicians licensed and practicing in this State with
11 experience researching, diagnosing, or treating rare diseases.
12 b. ~~A medical researcher with experience conducting research concerning~~
13 ~~rare diseases.~~
14 c. ~~A~~ One registered nurse or advanced practice registered nurse licensed
15 and practicing in the State with experience treating rare diseases.
16 d. ~~One rare diseases survivor.~~
17 e. ~~One member who represents a rare diseases foundation.~~
18 f. ~~One representative researcher from each~~ an academic research
19 institution in this State that receives any grant funding for rare diseases
20 research.
21 g. ~~One parent of a childhood rare disease survivor.~~
22 h. One hospital administrator, or the hospital administrator's designee,
23 representing a hospital in the State that provides care to persons
24 diagnosed with a rare disease.
25 i. Two persons age 18 or older who have been diagnosed with a rare
26 disease.
27 j. Two persons age 18 or older who are, or were previously, caregivers
28 to a person diagnosed with a rare disease.
29 k. One representative of a rare disease patient organization that operates
30 in the State.
31 l. One pharmacist licensed and practicing in this State with knowledge
32 and experience regarding drugs used to treat rare diseases.
33 m. One representative of the life sciences, biotechnology, or
34 biopharmaceutical industry that either focuses on research efforts
35 related to the development of therapeutic products for persons
36 diagnosed with a rare disease or has demonstratable understanding of
37 the path to commercialization of such products.
38 n. Two representatives of a health benefit plan or health insurer, at least
39 one of whom is a representative of a North Carolina Medicaid
40 Managed Care health plan.
41 o. One genetic counselor with experience providing services to persons
42 diagnosed with a rare disease or caregivers of persons diagnosed with
43 a rare disease.

44 (2) ~~The chairs of the Joint Legislative Oversight Committee on Health and Human~~
45 ~~Services, or the chairs' designees, shall serve on the advisory council. A~~
46 ~~member of the advisory council who is designated by the chairs of the Joint~~
47 ~~Legislative Oversight Committee on Health and Human Services may be a~~
48 ~~member of the General Assembly.~~

49 (2a) One member appointed by the President Pro Tempore of the Senate.

50 (2b) One member appointed by the Speaker of the House of Representatives.

51 (2c) One member appointed by the Governor.

1 (3) The Secretary, or the Secretary's designee, shall serve as an ex officio,
2 nonvoting member of the advisory council.

3 (c) ~~Members—Length of Terms.~~ – ~~All initial members appointed pursuant to subsection~~
4 ~~(b) of this section to the advisory council shall serve for a term of three years, and no member~~
5 ~~initial member, except for the initial physician members and the initial member representing a~~
6 ~~rare disease patient organization, shall serve more than three consecutive terms. The initial~~
7 ~~physician members and the initial member representing a rare disease patient organization may~~
8 ~~serve for up to four consecutive terms. Thereafter, members appointed by the President Pro~~
9 ~~Tempore of the Senate, the Speaker of the House of Representatives, and the Governor shall~~
10 ~~serve for a term of two years and members appointed by the Secretary shall serve for a term of~~
11 ~~two, three, or four years as determined by the chair of the advisory council.~~

12 (c1) Vacancies and Removals. – Any appointment to fill a vacancy on the advisory council
13 created by the resignation, dismissal, death, or disability of a member shall be filled by the
14 appointing authority for the balance of the unexpired term. Each appointing authority may
15 remove any member appointed by that appointing authority for misfeasance, malfeasance, or
16 nonfeasance.

17 (d) Per Diem and Expenses. – Members of the advisory council shall receive per diem
18 and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5
19 or G.S. 138-6 or travel and subsistence expenses in accordance with the provisions of
20 G.S. 120-3.1, as applicable.

21 (e) Administrative Support. – All administrative support and other services required by
22 the advisory council shall be provided by the School of Medicine of the University of North
23 Carolina at Chapel Hill Department.

24 (f) ~~Upon the recommendation of the Dean of the School of Medicine of the University~~
25 ~~of North Carolina at Chapel Hill, Selection of Chair.~~ – The Secretary shall select the chair of the
26 advisory council from among the members of the council. The chair shall serve in this position
27 until the expiration of his or her term.

28 (g) ~~The chair shall convene the first meeting of the advisory council no later than October~~
29 ~~1, 2015.~~ Meetings and Quorum. – A majority of the council members shall constitute a quorum.
30 A majority vote of a quorum shall be required for any official action of the advisory council.
31 Following the first meeting, the advisory council shall meet at least quarterly. The advisory
32 council may meet more frequently upon the call of the chair or upon the request of a majority of
33 council members.

34 **"§ 130A-33.66. Advisory Council on Rare Diseases; powers and duties; reports.**

35 The advisory council shall have the following powers and duties:

36 (1) ~~Advise on coordinating the Governor, the Secretary, and the General~~
37 ~~Assembly on all of the following:~~

38 a. ~~Coordination of statewide efforts for the to study of the incidence of~~
39 ~~rare diseases within the State and the status of the rare disease~~
40 ~~community.~~

41 b. Coordination of statewide efforts to increase public awareness and
42 understanding of rare diseases.

43 c. Identification of policy issues related to rare diseases and the
44 advancement of policy initiatives related to rare diseases at the State
45 and federal levels.

46 d. The appropriation of State funds to facilitate increased public
47 awareness of and improved treatment for rare diseases.

48 (2) Report to the Secretary, the Governor, and the Joint Legislative Oversight
49 Committee on Health and Human Services on behalf of the General Assembly
50 not later than January 1, 2016, and annually thereafter, on the activities of the
51 advisory council and its findings and recommendations regarding rare disease

1 research and care in North Carolina, including any recommendations for
 2 statutory changes and amendments to the structure, organization, and powers
 3 or duties of the advisory council.

4 (3) In consultation with accredited medical schools, accredited schools of public
 5 health, and hospitals licensed to operate in the State that provide care to
 6 persons diagnosed with a rare disease, develop resources or recommendations
 7 regarding quality of and access to treatment and services available within the
 8 State for persons diagnosed with a rare disease.

9 (4) Advise and consult with the Department, the North Carolina Drug Utilization
 10 Review Board, and the Medicaid Preferred Drug List Review Panel in
 11 developing recommendations, resources, and programs relating to the
 12 diagnosis and treatment of rare diseases.

13 (5) Identify additional relevant areas for the advisory council to study and
 14 evaluate."

15 **SECTION 9B.2.(b)** The Department of Health and Human Services shall utilize
 16 funds available to the Department to cover the administrative costs of the Advisory Council on
 17 Rare Diseases authorized by this section.

18 **PART IX-C. CHILD AND FAMILY WELL-BEING [RESERVED]**

19 **PART IX-D. CHILD DEVELOPMENT AND EARLY EDUCATION**

20 **CHILD CARE SUBSIDY/ADD MULTIPLIER FOR CERTIFIED DEVELOPMENTAL** 21 **DAY CENTERS**

22 **SECTION 9D.1.** Section 9D.3(c) of S.L. 2023-134 reads as rewritten:

23 **"SECTION 9D.3.(c)** Payments for the purchase of child care services for low-income
 24 children shall be in accordance with the following requirements:

25 (1) Religious sponsored child care facilities operating pursuant to G.S. 110-106
 26 and licensed child care centers and homes that meet the minimum licensing
 27 standards that are participating in the subsidized child care program shall be
 28 paid the one-star county market rate or the rate they charge privately paying
 29 parents unless prohibited by subsection (f) of this section.

30 (2) Licensed child care centers and homes with two or more stars shall receive the
 31 market rate for that rated license level for that age group unless prohibited by
 32 subsection (g) of this section.

33 (3) No payments shall be made for transportation services charged by child care
 34 facilities.

35 (4) Payments for subsidized child care services for postsecondary education shall
 36 be limited to a maximum of 20 months of enrollment. This shall not be
 37 determined before a family's annual recertification period.

38 (5) The Department of Health and Human Services shall implement necessary
 39 rule changes to restructure services, including, but not limited to, targeting
 40 benefits to employment.

41 (6) Certified developmental day centers shall receive the applicable county
 42 market rate plus (i) a multiplier of seventy-five one-hundredths for children
 43 with special needs and (ii) a multiplier of five-tenths for typically developing
 44 children."

45 **QUALITY RATING IMPROVEMENT SYSTEM (QRIS) MODERNIZATION**

46 **SECTION 9D.2.(a)** The Department of Health and Human Services, Division of
 47 Child Development and Early Education (Division), shall update and revise the quality rating
 48

1 improvement system (QRIS) to include alternative pathways for licensed child care facilities to
2 earn a license of two to five stars based on program standards and education levels of staff as
3 follows:

- 4 (1) A pathway focused on program assessment.
- 5 (2) A pathway focused on classroom and instructional quality.
- 6 (3) A pathway focused on accreditation.
- 7 (4) Any other pathway regarding updating the QRIS designated by the North
8 Carolina Child Care Commission, in its discretion.

9 **SECTION 9D.2.(b)** Upon request, a child care facility may be awarded a star-rated
10 license based on an accreditation from a national childhood education accreditation organization
11 provided the facility maintains its accreditation and remains in good standing. Star-rated licenses
12 based on accreditation shall be issued as follows:

- 13 (1) A three-star-rated license for a facility with an accreditation from any of the
14 following:
 - 15 a. National Early Childhood Program Accreditation (NECPA).
 - 16 b. National Association for Family Child Care (NAFCC).
 - 17 c. American Montessori Society (AMS).
 - 18 d. International Montessori Council (IMC).
- 19 (2) A five-star-rated license for a facility that meets the criteria of or has an
20 accreditation from any of the following:
 - 21 a. National Association for the Education of Young Children (NAEYC).
 - 22 b. National Accreditation Commission for Early Care and Education
23 Programs (NAC).
 - 24 c. Cognia (formerly AdvanceED) that includes early learning standards.

25 **SECTION 9D.2.(c)** For accreditations earning less than five stars, there shall be
26 additional opportunities to allow a facility to increase its star rating. The Child Care Commission
27 (Commission) may, in its discretion, reassess an accreditation's star-rating equivalency or
28 increase or decrease the accreditation's star rating if the standard for earning the accreditation is
29 revised. The Commission may approve additional accreditations from national childhood
30 education accreditation organizations and determine their star-rating equivalency upon request.

31 **SECTION 9D.2.(d)** Notwithstanding any other provision of law to the contrary, the
32 Division of Child Development and Early Education (Division) shall not require a child care
33 facility with a two- to five-star-rated license to undergo a QRIS reassessment until rules
34 implementing QRIS reform become effective. However, nothing in this subsection shall prevent
35 a child care facility with a star-rated license from electing to undergo a QRIS assessment, upon
36 request of the Division, before rules implementing QRIS reform become effective.

37 **SECTION 9D.2.(e)** Effective February 1, 2025, if the Division of Child
38 Development and Early Education issues any new license with a rating of two to five stars to a
39 child care facility or any facility that elects to undergo a QRIS assessment based on a program
40 assessment before rules implementing QRIS reform become effective, the facility shall be
41 evaluated using "Infant/Toddler Environment Rating Scale, Third Edition," "Early Childhood
42 Environment Rating Scale, Third Edition," "School-Age Care Environment Rating Scale,
43 Updated Edition," or "Family Child Care Environment Rating Scale, Third Edition," as
44 applicable.

45 **SECTION 9D.2.(f)** Notwithstanding any other provision of law to the contrary,
46 when the Division of Child Development and Early Education (Division) issues any new license
47 with a rating of two to five stars to a child care facility or any facility that elects to undergo a
48 QRIS assessment before rules implementing QRIS reform become effective, if the percentage of
49 lead teachers in the facility required to meet the "rated licensed education requirements" criteria
50 is set at seventy-five percent (75%) for the facility to earn those "education points" toward the

1 facility's star rating, the Division shall lower the seventy-five percent (75%) threshold to fifty
2 percent (50%) of lead teachers.

3 **SECTION 9D.2.(g)** G.S. 110-90 reads as rewritten:

4 **"§ 110-90. Powers and duties of Secretary of Health and Human Services.**

5 The Secretary shall have the following powers and duties under the policies and rules of the
6 Commission:

7 ...

8 (4) To issue a rated license to any child care facility which meets the standards
9 established by this Article. ~~The rating shall be based on the following:~~ Article
10 as follows:

- 11 a. ~~Before January 1, 2008, for~~ For any child care facility currently
12 holding a license of two to five stars, ~~the rating shall be based on~~
13 ~~program standards, education levels of staff, and compliance history~~
14 ~~of the child care facility. By January 1, 2008, the rating shall be based~~
15 ~~on program standards and education levels of staff.~~ stars or any new
16 license issued to a child care facility with a rating of two to five stars,
17 the rating shall be based on (i) program standards and (ii) education
18 levels of staff. When evaluating program standards, the Department
19 shall consider the facility's staff/child ratios, space requirements,
20 continuous quality improvement standards, family and community
21 engagement practices, environmental rating scale evaluations,
22 curriculum, child observation and assessment, staff coaching or
23 mentoring, or accreditation by a national or regional accrediting
24 agency with early childhood standards. When evaluating education
25 levels of staff, the Department shall consider any early childhood and
26 child development coursework, early childhood education certificates,
27 Child Development Associate credentials, associate or bachelor's
28 degrees, continuous quality improvement standards for staff,
29 continuing education units, early childhood education competency
30 evaluations, work experience in child care, coaching or mentoring
31 completed, and education standards within an accreditation award.
- 32 b. ~~Effective January 1, 2006, for any new license issued to a child care~~
33 ~~facility with a rating of two to five stars, the rating shall be based on~~
34 ~~program standards and education levels of staff.~~
- 35 c. ~~By January 1, 2008, for~~ For any child care facility to maintain a license
36 or Notice of Compliance, the child care facility shall have a
37 compliance history of at least seventy-five percent (75%), as assessed
38 by the Department. When a child care facility fails to maintain a
39 compliance history of at least seventy-five percent (75%) for the past
40 18 months or during the length of time the facility has operated,
41 whichever is less, as assessed by the Department, the Department may
42 issue a provisional license or Notice of Compliance.
- 43 d. ~~Effective January 1, 2006, for any new license or Notice of~~
44 ~~Compliance issued to a child care facility, the facility shall maintain a~~
45 ~~compliance history of at least seventy five percent (75%), as assessed~~
46 ~~by the Department. When a child care facility fails to maintain a~~
47 ~~compliance history of at least seventy five percent (75%) for the past~~
48 ~~18 months or during the length of time the facility has operated,~~
49 ~~whichever is less, as assessed by the Department, the Department may~~
50 ~~issue a provisional license or Notice of Compliance.~~

- e. ~~The Department shall provide additional opportunities for child care providers to earn points for program standards and education levels of staff licensed facilities with a rating of two to five stars with an opportunity to earn recognition or acknowledgment for voluntary participation in other quality initiatives or specialties, including educational and programmatic options, that are implemented in addition to quality rating improvement system (QRIS) standards.~~

...."

SECTION 9D.2.(h) Nothing in this section shall be construed as interfering with the requirements of G.S. 110-88.1 regarding the training or curriculum offered by religious-sponsored child care facilities.

SECTION 9D.2.(i) The North Carolina Child Care Commission shall adopt, amend, or repeal any rules regarding star-rating system reform necessary to implement the provisions of this section, including any rule establishing the star rating to be automatically assessed for child care facilities designated as Head Start programs.

SECTION 9D.2.(j) Subsections (b) through (f) of this section are effective when they become law and expire on the date rules implementing QRIS reform become effective. The remainder of this section is effective when it becomes law.

CHILD CARE REGULATORY REFORMS

SECTION 9D.3.(a) The General Assembly recognizes the need to balance maintaining critical health, safety, and welfare standards for child care, as well as a well-established rating system used for informational purposes, with the need to move toward maximizing State funds for child care and increasing the supply of child care from State-funded sources. The General Assembly further recognizes the importance of continuing the child care stabilization grants funding while weighing the need to decrease the cost of child care through deregulatory actions and at the same time maintain child care subsidy reimbursement rates. The purpose of this provision, in part, is to encourage the business community to partner with the State in achieving this goal.

SECTION 9D.3.(b) To that end, by July 1, 2025, the Department of Health and Human Services, Division of Child Development and Early Education (Division), shall develop and implement a plan to separate the quality rating improvement system (QRIS) from the requirements and payments for participation in the State subsidized child care program using the market rate study submitted in 2025. The next market rate study shall be completed and made available to the public by May 1, 2025. After implementing the plan, licensed child care centers and homes may continue to receive star-ratings on a voluntary basis. However, the star-rating shall not impact the rate at which licensed child care centers or homes are reimbursed for subsidized child care.

SECTION 9D.3.(c) The Division of Child Development and Early Education shall ensure that the next market rate study also includes recommended rates that are not segmented by star-rating.

SECTION 9D.3.(d) Section 9D.3 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 paid the one star county market rate or the rate they charge privately paying parents unless prohibited by subsection (f) of this section. Licensed child care centers and homes, including religious sponsored child care facilities~~

operating pursuant to G.S. 110-106, that meet the minimum licensing standards as set forth in G.S. 110-91, that are participating in the subsidized child care program shall be paid the applicable market rate or the rate they charge privately paying parents.

- (2) ~~Licensed child care centers and homes with two or more stars shall receive the market rate for that rated license level for that age group unless prohibited by subsection (g) of this section.~~
- (3) No payments shall be made for transportation services charged by child care facilities.
- (4) Payments for subsidized child care services for postsecondary education shall be limited to a maximum of 20 months of enrollment. This shall not be determined before a family's annual recertification period.
- (5) The Department of Health and Human Services shall implement necessary rule changes to restructure services, including, but not limited to, targeting benefits to employment.

...

"SECTION 9D.3.(e) A market rate shall be calculated for child care centers and homes at each rated license level for each county and for each age group or age category of enrollees and shall be representative of fees charged to parents for each age group of enrollees within the county. The Division of Child Development and Early Education shall also calculate a statewide rate and regional market rate for each rated license level for each age category.

~~**"SECTION 9D.3.(f)** The Division of Child Development and Early Education shall continue implementing policies that improve the quality of child care for subsidized children, including a policy in which child care subsidies are paid, to the extent possible, for child care in the higher quality centers and homes only. The Division shall define higher quality, and subsidy funds shall not be paid for one or two star rated facilities. For those counties with an inadequate number of four and five star rated facilities, the Division shall continue a transition period that allows the facilities to continue to receive subsidy funds while the facilities work on the increased star ratings. The Division may allow exemptions in counties where there is an inadequate number of four and five star rated facilities for non star rated programs, such as religious programs.~~

"SECTION 9D.3.(g) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes and facilities operated pursuant to G.S. 110-106 may participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. ~~Except as authorized by subsection (f) of this section, no~~ **No** separate licensing requirements shall be used to select facilities to participate. In addition, child care facilities shall be required to meet any additional applicable requirements of federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission.

County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child care rate.

...."

SECTION 9D.3.(e) G.S. 110-90(4) is amended by adding a new sub-subdivision to read:

"f. A rated license shall have no impact on the rate at which a child care facility is reimbursed for subsidized child care."

SECTION 9D.3.(f) Nothing in this section shall be construed as impacting the star-rating requirements for the NC Prekindergarten (NC Pre-K) program.

SECTION 9D.3.(g) The North Carolina Child Care Commission shall adopt, amend, or repeal any rules regarding separating the star-rating system from requirements and payments for reimbursement for subsidized child care.

SECTION 9D.3.(h) G.S. 110-86(5a) reads as rewritten:

"(5a) Lead teacher. – An individual who is responsible for planning and implementing the daily program of activities for ~~a group~~ no more than two groups of children in a child care facility."

SECTION 9D.3.(i) G.S. 110-91(7)a. reads as rewritten:

"a. The Commission shall adopt rules for child care centers regarding staff-child ratios, group sizes and multi-age groupings other than for infants and toddlers, provided that these rules shall be no less stringent than those currently required for staff-child ratios as enacted in Section 156(e) of Chapter 757 of the 1985 Session Laws. Only one lead teacher shall be required for every two groups.

1. Except as otherwise provided in this subdivision, the staff-child ratios and group sizes for infants and toddlers in 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.

No child care center shall care for more than 25 children in one group. Child care centers providing care for 26 or more children shall provide for two or more groups according to the ages of children and shall provide separate supervisory personnel and separate identifiable space for each group.

2. When any preschool-aged child is enrolled in a child care center and the licensed capacity of the center is six through 12 children, the staff-child ratios shall be no less stringent than as follows:

Age	Ratio Staff/Children
0 to 12 months	1/5 preschool children plus 3 additional school-aged children
12 to 24 months	1/6 preschool children plus 2 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 developing the plan required by 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 new rates are implemented pursuant to this section.

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 county. For purposes of this section, a tier ~~one~~ one, tier two, and tier three county shall have the same designation as that established by the North Carolina Department of Commerce's ~~2023~~ 2024 County Tier Designations.

...

"SECTION 9D.9.(g) Of the funds appropriated in this section to the Division of Child Development and Early Education (Division) for the Tri-Share Child Care pilot program for the 2024-2025 fiscal year, the Division shall use up to one hundred thousand dollars (\$100,000) to conduct an evaluation of the program or contract a third party to evaluate the program. Within six months after completion of the pilot program, the Division shall submit a report the evaluation to the Joint Legislative Oversight Committee on Health and Human Services Services, the Office of State Budget and Management, and the Fiscal Research Division. The report evaluation shall include, at a minimum, each of the following:

- (1) The number of children served, by age and county.
- (2) Total pilot program costs, including any administrative costs.
- (3) The amount of funds needed to expand the program statewide.
- (4) The list of employers participating in the pilot program.
- (4a) Statistics that describe the uptake and use of the pilot program, such as (i) the number of applications received, (ii) the amount of funds requested, (iii) the number of applications approved, (iv) the total amount of funds awarded, and (v) the types of child care used by students receiving funds from the pilot program.
- (4b) An estimate of the number of families who would not otherwise access child care services except as a result of the pilot program.
- (4c) An assessment of any obstacles families and businesses faced in receiving pilot program funds or participating in the pilot program.

- 1 (4d) Recommendations on whether to continue the pilot program and, if so, what
 2 improvements might be made.
 3 (5) Any other relevant information deemed appropriate."
 4

5 **CLARIFY LANGUAGE/COMPENSATION GRANTS FOR CHILD CARE PROGRAMS**

6 **SECTION 9D.5.** Section 9L.2(b) of S.L. 2021-180, as amended by Section 9L.2(a)
 7 of S.L. 2022-74 and Section 9D.11 of S.L. 2023-134, reads as rewritten:

8 "**SECTION 9L.2.(b)** Of the funds appropriated in this act from federal Child Care and
 9 Development Block Grant funds received pursuant to ARPA to the Department of Health and
 10 Human Services, Division of Child Development and Early Education, the sum of five hundred
 11 three million seven hundred ninety-three thousand seven hundred eleven dollars (\$503,793,711)
 12 in nonrecurring funds shall be allocated for the following in response to the COVID-19
 13 pandemic:

- 14 (1) Up to two hundred seventy-four million dollars (\$274,000,000) of the funds
 15 shall be used as follows:
 16 a. A minimum of two hundred six million dollars (\$206,000,000) ~~but no~~
 17 ~~more than two hundred fifteen million dollars (\$215,000,000)~~ to (i)
 18 reduce the waitlist for children eligible for subsidized child care who
 19 are in foster care and (ii) after addressing the waitlist under item (i) of
 20 this sub-subdivision, work toward reducing the waitlist for children
 21 eligible for subsidized child care. Additionally, the Division shall use
 22 a portion of these funds to extend the compensation grants portion of
 23 the child care stabilization grants, as authorized under Section 3.2(a)
 24 of S.L. 2021-25, until these funds are exhausted.
 25 b. ~~A minimum of fifty million dollars (\$50,000,000) but no more than~~
 26 Up to fifty-nine million dollars (\$59,000,000) to modernize and
 27 improve early childhood technology infrastructure.

28 "
 29

30 **CHILD CARE STABILIZATION GRANTS FUNDING**

31 **SECTION 9D.6.** Of the funds appropriated in this act for the 2024-2025 fiscal year
 32 to the Department of Health and Human Services, Division of Child Development and Early
 33 Education (Division), the sum of one hundred nine million five hundred one thousand
 34 seventy-eight dollars (\$109,501,078) from State Fiscal Recovery Funds and the sum of
 35 twenty-five million four hundred ninety-eight thousand nine hundred twenty-two dollars
 36 (\$25,498,922) in nonrecurring funds from the Child Care and Development Fund Block Grant
 37 for quality and availability initiatives shall be used to continue the compensation grants portion
 38 of the child care stabilization grants. The Division shall decrease grant amounts from levels it
 39 has previously provided. The Division shall provide grants for four quarters using decreased
 40 amounts to stay within the funding limits provided in this section.
 41

42 **PART IX-E. HEALTH BENEFITS**

43 **DURATION OF MEDICAID PROGRAM MODIFICATIONS**

44 **SECTION 9E.1.(a)** Except for statutory changes or where otherwise specified, the
 45 Department of Health and Human Services shall not be required to maintain, after June 30, 2025,
 46 any modifications to the Medicaid program required by this Subpart.
 47

48 **SECTION 9E.1.(b)** Consistent with the duration of Medicaid program modifications
 49 established in subsection (a) of this section, the Department of Health and Human Services shall
 50 not be required to maintain, after June 30, 2025, any modifications to the Medicaid program
 51 required by Section 15 of S.L. 2023-129.

MODIFY MEDICAID RECEIVABLES ACCOUNTED FOR AS NONTAX REVENUE

SECTION 9E.2. Section 9E.5(b) of S.L. 2023-134 reads as rewritten:

"SECTION 9E.5.(b) For the 2023-2024 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred sixty-four million five hundred thousand dollars (\$164,500,000) with the Department of State Treasurer to be accounted for as nontax revenue. For the 2024-2025 fiscal year, the Department of Health and Human Services shall deposit from its revenues ~~eighty-eight million four hundred thousand~~ one hundred fifty-nine million five hundred thousand dollars (~~\$88,400,000~~) (\$159,500,000) with the Department of State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return of advanced General Fund appropriations, nonfederal revenue, fund balances, or other resources from State-owned and State-operated hospitals that are used to provide indigent and nonindigent care services. The return from State-owned and State-operated hospitals to the Department of Health and Human Services shall be made from nonfederal resources in the following manner:

...."

**CONTINGENT TRANSFER OF FUNDS FOR CHILDREN AND FAMILIES
SPECIALTY PLAN**

SECTION 9E.3. Funds from the Medicaid Contingency Reserve, described in G.S. 143C-4-11, shall be transferred to the Department of Health and Human Services, Division of Health Benefits (DHB), in accordance with this section. Beginning with December, 2024, for each month of the 2024-2025 fiscal year in which DHB makes capitation payments for the Children and Families Specialty Plan, as defined in G.S. 108D-1, the State Controller shall transfer five million dollars (\$5,000,000) in nonrecurring funds to DHB to be used for costs associated with the operation of the Children and Families Specialty Plan. To the extent that any funds are transferred under this section, the funds are appropriated for the purpose set forth in this section.

**TEMPORARILY EXTEND OPTION TO DECREASE MEDICAID ENROLLMENT
BURDEN ON COUNTY DEPARTMENTS OF SOCIAL SERVICES**

SECTION 9E.4.(a) Section 1.8(a) of S.L. 2023-7 reads as rewritten:

"SECTION 1.8.(a) Notwithstanding G.S. 108A-54(d) and in accordance with G.S. 143B-24(b), the Department of Health and Human Services (DHHS) is authorized, on a temporary basis to conclude ~~no later than 12 months after the date approved by the Centers for Medicare and Medicaid Services (CMS) for Medicaid coverage to begin in North Carolina for individuals described in section 1902(a)(10)(A)(i)(VIII) of the Social Security Act, by June 30, 2025,~~ to utilize the federally facilitated marketplace (Marketplace), also known as the federal health benefit exchange, to make Medicaid eligibility determinations. In accordance with G.S. 108A-54(b), these eligibility determinations shall be in compliance with all eligibility categories, resource limits, and income thresholds set by the General Assembly."

SECTION 9E.4.(b) Section 1.8(g) of S.L. 2023-7 reads as rewritten:

"SECTION 1.8.(g) Subsection (a) of this section expires ~~12 months after the date approved by the Centers for Medicare and Medicaid Services (CMS) for Medicaid coverage to begin in North Carolina for individuals described in section 1902(a)(10)(A)(i)(VIII) of the Social Security Act.~~ June 30, 2025."

INCREASE RATES FOR SPEECH THERAPY

SECTION 9E.5. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Health Benefits, the sum of four million dollars (\$4,000,000) in recurring funds for the 2024-2025 fiscal year shall be used to increase the Medicaid rates paid for speech-language therapy and audiology therapy services.

1
2 **INCREASE RATES FOR DURABLE MEDICAL EQUIPMENT**

3 **SECTION 9E.6.** Of the funds appropriated in this act to the Department of Health
4 and Human Services, Division of Health Benefits, the sum of nine million dollars (\$9,000,000)
5 in recurring funds for the 2024-2025 fiscal year shall be used to increase the Medicaid rates paid
6 for durable medical equipment.

7
8 **EXTEND DURABLE MEDICAL EQUIPMENT RATES IN MEDICAID MANAGED**
9 **CARE**

10 **SECTION 9E.7.** Section 11 of S.L. 2020-88, as amended by Section 3.6 of S.L.
11 2021-62, reads as rewritten:

12 **"DURABLE MEDICAL EQUIPMENT RATE**

13 **"SECTION 11.** For the first ~~five years~~ 10 years, ending June 30, 2031, of the ~~initial~~ standard
14 benefit plan prepaid health plan capitated contracts required under Article 4 of Chapter 108D of
15 the General Statutes, the reimbursement for durable medical equipment and supplies, orthotics,
16 and prosthetics under managed care shall be set at one hundred percent (100%) of the lesser of
17 the supplier's usual and customary rate or the maximum allowable Medicaid fee-for-service rates
18 for durable medical equipment and supplies, orthotics, and prosthetics."
19

20 **EXTEND PHARMACY REIMBURSEMENT RATES IN MEDICAID MANAGED CARE**

21 **SECTION 9E.8.** Section 9D.19A of S.L. 2021-180, as amended by Section 9D.8 of
22 S.L. 2022-74, reads as rewritten:

23 **"SECTION 9D.19A.(a)** Notwithstanding G.S. 108D-65(6)b., for the prepaid health plan
24 capitated contracts required under Article 4 of Chapter 108D of the General Statutes, the
25 reimbursement for the ingredient cost for covered outpatient drugs and the professional drug
26 dispensing fee shall be set at one hundred percent (100%) of the Medicaid pharmacy
27 fee-for-service reimbursement methodologies in Attachment 4.19-B of section 12 of the
28 Medicaid State Plan under Title XIX of the Social Security Act Medicaid Assistance Program,
29 as filed with, and approved by, the Centers for Medicare and Medicaid Services. The National
30 Average Drug Acquisition Cost (NADAC), when applicable and as allowed under the Medicaid
31 State Plan, plus a professional dispensing fee based on the cost of the dispensing study conducted
32 on behalf of the North Carolina Department of Health and Human Services, Division of Health
33 Benefits, will serve as the primary method utilized for reimbursement for retail community
34 pharmacy claims not dispensed utilizing covered outpatient drugs acquired through the 340B
35 drug discount program established under 42 U.S.C. § 256b. All claims utilizing drugs acquired
36 through the 340B drug discount program shall be reimbursed in accordance with the
37 CMS-approved Medicaid State Plan.

38 **"SECTION 9D.19A.(b)** This section is effective when it becomes law and expires June 30,
39 ~~2026-2031~~ 2031."
40

41 **ENSURE MEDICAID RECEIPTS FOR NC HEALTH WORKS IMPLEMENTATION**
42 **COSTS**

43 **SECTION 9E.9.(a)** For purposes of calculating the public hospital health
44 advancement assessments and the private hospital health advancement assessments under Part 3
45 of Article 7B of Chapter 108A of the General Statutes, for the assessment quarter in which this
46 subsection becomes effective, any reference to "total nonfederal receipts for health advancement"
47 in that Part shall be to the calculation in this subsection, notwithstanding the calculation under
48 G.S. 108A-147.3(b). The amount of the total nonfederal receipts for health advancement shall be
49 calculated by adding all of the following:

- 50 (1) The presumptive service cost component calculated under G.S. 108A-147.5.

- 1 (2) The HASP health advancement component calculated under
- 2 G.S. 108A-147.6.
- 3 (3) The administration component calculated under G.S. 108A-147.7.
- 4 (4) The State retention component under G.S. 108A-147.9.
- 5 (5) The positive or negative health advancement reconciliation adjustment
- 6 component calculated under G.S. 108A-147.11(a).
- 7 (6) Twelve million eight hundred thousand dollars (\$12,800,000).

8 **SECTION 9E.9.(b)** Notwithstanding the limitation on the use of funds under
9 G.S. 108A-147.13(a), DHHS may use twelve million eight hundred thousand dollars
10 (\$12,800,000) of the receipts collected under Part 3 of Article 7B of Chapter 108A of the General
11 Statutes during the 2024-2025 fiscal year for the Medicaid program.

12 **SECTION 9E.9.(c)** No later than September 1, 2024, DHHS shall submit to the Joint
13 Legislative Oversight Committee on Medicaid and the Fiscal Research Division a report that
14 details the amount of funds that DHHS provided to each county department of social services
15 from funding sources other than the proceeds of the health advancement assessments during the
16 2022-2023 fiscal year and the 2023-2024 fiscal year for the implementation of NC Health Works
17 under Section 1.1 of S.L. 2023-7 and the date that those amounts were provided to each county
18 department of social services.

19 **SECTION 9E.9.(d)** Subsections (a) and (b) of this section are effective on the first
20 day of the next assessment quarter after this act becomes law.

21 **ENSURE CERTAIN MEDICAID RECEIPTS**

22 **SECTION 9E.10.(a)** For purposes of calculating the public hospital modernized
23 assessments and the private hospital modernized assessments under Part 2 of Article 7B of
24 Chapter 108A of the General Statutes, for the assessment quarter in which this subsection
25 becomes effective, any reference to "total modernized nonfederal receipts" in that Part shall be
26 to the calculation in this subsection, notwithstanding the calculation under G.S. 108A-146.5(b).
27 The amount of the total modernized nonfederal receipts shall be calculated by adding all of the
28 following:

- 29 (1) One-fourth of the State's annual Medicaid payment as defined in
- 30 G.S. 108A-145.3.
- 31 (2) The managed care component under G.S. 108A-146.7.
- 32 (3) The fee-for-service component under G.S. 108A-146.9.
- 33 (4) The modernized HASP component under G.S. 108A-146.10.
- 34 (5) The GME component under G.S. 108A-146.11.
- 35 (6) The postpartum coverage component under G.S. 108A-146.12.
- 36 (7) Ten million seven hundred fifty thousand dollars (\$10,750,000).

37 **SECTION 9E.10.(b)** Notwithstanding the limitation on the use of funds under
38 G.S. 108A-146.15, the Department of Health and Human Services may use up to ten million
39 seven hundred fifty thousand dollars (\$10,750,000) of the receipts collected under Part 2 of
40 Article 7B of Chapter 108A of the General Statutes during the 2024-2025 fiscal year for the
41 Medicaid program.

42 **SECTION 9E.10.(c)** Subsections (a) and (b) of this section are effective on the first
43 day of the next assessment quarter after this act becomes law.

44 **MEDICAID HASP REIMBURSEMENT FOR PSYCHIATRIC HOSPITALS**

45 **SECTION 9E.11.(a)** G.S. 108A-148.1(a) reads as rewritten:

46 "(a) The healthcare access and stabilization program is a directed payment program that
47 provides acute care hospitals with increased reimbursements funded through hospital
48 assessments in accordance with this section. Upon the approval of CMS, the healthcare access
49 and stabilization program directed payment program shall additionally provide qualifying
50 and stabilization program directed payment program shall additionally provide qualifying
51 and stabilization program directed payment program shall additionally provide qualifying

1 freestanding psychiatric hospitals with increased reimbursements funded through hospital
2 assessments. A qualifying freestanding psychiatric hospital is a freestanding psychiatric hospital
3 as defined in G.S. 108A-145.3 that is Medicare-certified and submits Hospital Cost Report
4 Information System cost report data to CMS."

5 **SECTION 9E.11.(b)** The Department of Health and Human Services shall submit a
6 42 C.F.R. § 438.6(c) preprint requesting approval to include freestanding psychiatric hospitals in
7 the healthcare access and stabilization program (HASP) authorized under G.S. 108A-148.1, as
8 amended by subsection (a) of this section.

9 **SECTION 9E.11.(c)** G.S. 108A-145.3 reads as rewritten:

10 **"§ 108A-145.3. Definitions.**

11 The following definitions apply in this Article:

12 ...

13 (6c) Freestanding psychiatric hospital. – A hospital facility that is (i) licensed
14 under Article 2 of Chapter 122C of the General Statutes, (ii) primarily engaged
15 in providing to inpatients, by or under the supervision of a physician,
16 psychiatric services for the diagnosis and treatment of individuals with mental
17 illnesses, and (iii) not State-owned and State-operated.

18 (6d) HASP directed payments. – Payments made by the Department to prepaid
19 health plans to be used for (i) increased reimbursements to hospitals under the
20 HASP program and (ii) the costs to prepaid health plans from the gross
21 premiums tax under G.S. 105-228.5 and the insurance regulatory charge under
22 G.S. 58-6-25 associated with those hospital reimbursements.

23 ~~(6d)~~(6e) Healthcare access and stabilization program (HASP). – The directed
24 payment program providing increased reimbursements to acute care hospitals
25 and freestanding psychiatric hospitals as approved by CMS and authorized by
26 G.S. 108A-148.1.

27"

28 **SECTION 9E.11.(d)** G.S. 108A-146.1 reads as rewritten:

29 **"§ 108A-146.1. Public hospital modernized assessment.**

30 (a) The public hospital modernized assessment imposed under this Part shall apply to all
31 public acute care hospitals.

32 (b) The public hospital modernized assessment shall be assessed as a percentage of each
33 public acute care hospital's hospital costs. The assessment percentage shall be calculated
34 quarterly by the Department of Health and Human Services in accordance with this Part. The
35 percentage for each quarter shall equal the aggregate acute care hospital modernized assessment
36 collection amount under G.S. 108A-146.5 multiplied by the public hospital historical assessment
37 share and divided by the total hospital costs for all public acute care hospitals holding a license
38 on the first day of the assessment quarter."

39 **SECTION 9E.11.(e)** G.S. 108A-146.3 reads as rewritten:

40 **"§ 108A-146.3. Private hospital modernized assessment.**

41 (a) The private hospital modernized assessment imposed under this Part shall apply to all
42 private acute care hospitals.

43 (b) The private hospital modernized assessment shall be assessed as a percentage of each
44 private acute care hospital's hospital costs. The assessment percentage shall be calculated
45 quarterly by the Department of Health and Human Services in accordance with this Part. The
46 percentage for each quarter shall equal the aggregate acute care hospital modernized assessment
47 collection amount under G.S. 108A-146.5 multiplied by the private hospital historical assessment
48 share and divided by the total hospital costs for all private acute care hospitals holding a license
49 on the first day of the assessment quarter."

50 **SECTION 9E.11.(f)** Part 2 of Article 7B of Chapter 108A of the General Statutes is
51 amended by adding a new section to read:

1 **"§ 108A-146.4. Freestanding psychiatric hospital modernized assessment.**

2 (a) The freestanding psychiatric hospital modernized assessment imposed under this Part
3 shall apply to all freestanding psychiatric hospitals.

4 (b) The freestanding psychiatric hospital modernized assessment shall be assessed as a
5 percentage of each freestanding psychiatric hospital's hospital costs. The assessment percentage
6 shall be calculated quarterly by the Department of Health and Human Services in accordance
7 with this Part. The percentage for each quarter shall equal the modernized freestanding
8 psychiatric hospital HASP component under G.S. 108A-146.10A divided by the total hospital
9 costs for all freestanding psychiatric hospitals holding a license on the first day of the assessment
10 quarter."

11 **SECTION 9E.11.(g)** G.S. 108A-146.5 reads as rewritten:

12 **"§ 108A-146.5. Aggregate acute care hospital modernized assessment collection amount.**

13 (a) The aggregate modernized assessment collection amount is an amount of money that
14 is calculated by subtracting the modernized intergovernmental transfer adjustment component
15 under G.S. 108A-146.13 from the total modernized nonfederal receipts under subsection (b) of
16 this section and then adding the positive or negative amount of the modernized IGT actual
17 receipts adjustment component under G.S. 108A-146.14.

18 (b) The total modernized nonfederal receipts is the sum of all of the following:

19 (1) One-fourth of the State's annual Medicaid payment.

20 (2) The managed care component under G.S. 108A-146.7.

21 (3) The fee-for-service component under G.S. 108A-146.9.

22 (3a) The modernized acute care hospital HASP component under
23 G.S. 108A-146.10.

24 (3b) The modernized freestanding psychiatric hospital HASP component under
25 G.S. 108A-146.10A.

26 (4) The GME component under G.S. 108A-146.11.

27 (5) Beginning April 1, 2022, and ending March 31, 2027, the postpartum
28 coverage component under G.S. 108A-146.12.

29 (6) Beginning April 1, 2024, the home and community-based services component
30 under G.S. 108A-146.12A.

31 (c) The aggregate acute care hospital modernized assessment collection amount is an
32 amount of money equal to the aggregate modernized assessment collection amount under
33 subsection (a) of this section minus the modernized freestanding psychiatric hospital HASP
34 component under G.S. 108A-146.10A."

35 **SECTION 9E.11.(h)** G.S. 108A-146.10 reads as rewritten:

36 **"§ 108A-146.10. Modernized acute care hospital HASP component.**

37 The modernized acute care hospital HASP component is an amount of money that is
38 calculated each quarter by multiplying the aggregate amount of HASP directed payments due to
39 PHPs in the current quarter for ~~hospital~~-reimbursements to acute care hospitals that are not
40 attributable to newly eligible individuals by the nonfederal share for not newly eligible
41 individuals."

42 **SECTION 9E.11.(i)** Part 2 of Article 7B of Chapter 108A of the General Statutes is
43 amended by adding a new section to read:

44 **"§ 108A-146.10A. Modernized freestanding psychiatric hospital HASP component.**

45 The modernized freestanding psychiatric hospital HASP component is an amount of money
46 that is calculated each quarter by multiplying the aggregate amount of HASP directed payments
47 due to PHPs in the current quarter for reimbursements to freestanding psychiatric hospitals that
48 are not attributable to newly eligible individuals by the nonfederal share for not newly eligible
49 individuals."

50 **SECTION 9E.11.(j)** G.S. 108A-146.13 reads as rewritten:

51 **"§ 108A-146.13. Modernized presumptive IGT adjustment component.**

- 1 ...
- 2 (c) The modernized presumptive IGT adjustment component is an amount of money
- 3 equal to the sum of all of the following subcomponents:
- 4 (1) The public hospital IGT subcomponent is the total of the following amounts:
- 5 a. Sixteen and forty-three hundredths percent (16.43%) of the amount of
- 6 money that is equal to the total modernized nonfederal receipts under
- 7 G.S. 108A-146.5(b) for the current quarter minus the modernized
- 8 acute care hospital HASP component under G.S. 108A-146.10 for the
- 9 current quarter and minus the modernized freestanding psychiatric
- 10 hospital HASP component under G.S. 108A-146.10A for the current
- 11 quarter.
- 12 b. Sixty percent (60%) of the nonfederal share for not newly eligible
- 13 individuals of the aggregate amount of HASP directed payments due
- 14 to PHPs in the current quarter for reimbursements to public acute care
- 15 hospitals and that are not attributable to newly eligible individuals.
- 16 (2) The UNC Health Care System IGT subcomponent is the total of the following
- 17 amounts:
- 18 a. Four and sixty-two hundredths percent (4.62%) of the ~~difference of~~
- 19 amount of money that is equal to the total modernized nonfederal
- 20 receipts under G.S. 108A-146.5(b) for the current quarter minus the
- 21 modernized acute care hospital HASP component under
- 22 G.S. 108A-146.10 for the current quarter and minus the modernized
- 23 freestanding psychiatric hospital HASP component under
- 24 G.S. 108A-146.10A for the current quarter.
- 25 b. The nonfederal share for not newly eligible individuals of the
- 26 aggregate amount of HASP directed payments due to PHPs in the
- 27 current quarter for reimbursements to UNC Health Care System
- 28 hospitals that are not attributable to newly eligible individuals.
- 29 (3) The East Carolina University IGT subcomponent is the total of the following
- 30 amounts:
- 31 a. One and four hundredths percent (1.04%) of the ~~difference of amount~~
- 32 of money that is equal to the total modernized nonfederal receipts
- 33 under G.S. 108A-146.5(b) for the current quarter minus the
- 34 modernized acute care hospital HASP component under
- 35 G.S. 108A-146.10 for the current quarter and minus the modernized
- 36 freestanding psychiatric hospital HASP component under
- 37 G.S. 108A-146.10A for the current quarter.
- 38 b. The nonfederal share for not newly eligible individuals of the
- 39 aggregate amount of HASP directed payments due to PHPs in the
- 40 current quarter for reimbursements to the primary affiliated teaching
- 41 hospital for the East Carolina University Brody School of Medicine
- 42 that are not attributable to newly eligible individuals."

43 **SECTION 9E.11.(k)** G.S. 108A-147.1 reads as rewritten:

44 **"§ 108A-147.1. Public hospital health advancement assessment.**

45 (a) The public hospital health advancement assessment imposed under this Part shall

46 apply to all public acute care hospitals.

47 (b) The public hospital health advancement assessment shall be assessed as a percentage

48 of each public acute care hospital's hospital costs. The assessment percentage shall be calculated

49 quarterly by the Department in accordance with this Part. The percentage for each quarter shall

50 equal the aggregate acute care hospital health advancement assessment collection amount

51 calculated under G.S. 108A-147.3 multiplied by the public hospital historical assessment share

1 and divided by the total hospital costs for all public acute care hospitals holding a license on the
2 first day of the assessment quarter."

3 **SECTION 9E.11.(j)** G.S. 108A-147.2 reads as rewritten:

4 "**§ 108A-147.2. Private hospital health advancement assessment.**

5 (a) The private hospital health advancement assessment imposed under this Part shall
6 apply to all private acute care hospitals.

7 (b) The private hospital health advancement assessment shall be assessed as a percentage
8 of each private acute care hospital's hospital costs. The assessment percentage shall be calculated
9 quarterly by the Department in accordance with this Part. The percentage for each quarter shall
10 equal the aggregate acute care hospital health advancement assessment collection amount
11 calculated under G.S. 108A-147.3 multiplied by the private hospital historical assessment share
12 and divided by the total hospital costs for all private acute care hospitals holding a license on the
13 first day of the assessment quarter."

14 **SECTION 9E.11.(m)** Part 3 of Article 7B of Chapter 108A of the General Statutes
15 is amended by adding a new section to read:

16 "**§ 108A-147.2A. Freestanding psychiatric hospital health advancement assessment.**

17 (a) The freestanding psychiatric hospital health advancement assessment imposed under
18 this Part shall apply to all freestanding psychiatric hospitals.

19 (b) The freestanding psychiatric hospital health advancement assessment shall be
20 assessed as a percentage of each freestanding psychiatric hospital's hospital costs. The assessment
21 percentage shall be calculated quarterly by the Department in accordance with this Part. The
22 percentage for each quarter shall equal the health advancement freestanding psychiatric hospital
23 HASP component calculated under G.S. 108A-147.6A divided by the total hospital costs for all
24 freestanding psychiatric hospitals holding a license on the first day of the assessment quarter."

25 **SECTION 9E.11.(n)** G.S. 108A-147.3 reads as rewritten:

26 "**§ 108A-147.3. Aggregate acute care hospital health advancement assessment collection**
27 **amount.**

28 (a) The aggregate health advancement assessment collection amount is an amount of
29 money that is calculated quarterly by adjusting the total nonfederal receipts for health
30 advancement calculated under subsection (b) of this section by (i) subtracting the health
31 advancement presumptive IGT adjustment component calculated under G.S. 108A-147.9, (ii)
32 adding the positive or negative health advancement IGT actual receipts adjustment component
33 calculated under G.S. 108A-147.10, and (iii) subtracting the positive or negative IGT share of
34 the reconciliation adjustment component calculated under G.S. 108A-147.11(b).

35 (b) The total nonfederal receipts for health advancement is an amount of money that is
36 calculated quarterly by adding all of the following:

37 (1) The presumptive service cost component calculated under G.S. 108A-147.5.

38 (2) The ~~HASP~~—health advancement acute care hospital HASP component
39 calculated under G.S. 108A-147.6.

40 (2a) The health advancement freestanding psychiatric hospital HASP component
41 calculated under G.S. 108A-147.6A.

42 (3) The administration component calculated under G.S. 108A-147.7.

43 (4) The State retention component under G.S. 108A-147.9.

44 (5) The positive or negative health advancement reconciliation adjustment
45 component calculated under G.S. 108A-147.11(a).

46 (c) The aggregate acute care hospital health advancement assessment collection amount
47 is an amount of money equal to the aggregate health advancement assessment collection amount
48 under subsection (a) of this section minus the health advancement freestanding psychiatric
49 hospital HASP component under G.S. 108A-147.6A."

50 **SECTION 9E.11.(o)** G.S. 108A-147.5 reads as rewritten:

51 "**§ 108A-147.5. Presumptive service cost component.**

1 (a) For every State fiscal quarter prior to the fiscal quarter in which G.S. 108A-54.3A(24)
2 becomes effective, the presumptive service cost component is zero.

3 (b) For the State fiscal quarter in which G.S. 108A-54.3A(24) becomes effective, the
4 presumptive service cost component is the product of forty-eight million seven hundred fifty
5 thousand dollars (\$48,750,000) multiplied by the number of months in that State fiscal quarter in
6 which G.S. 108A-54.3A(24) is effective during any part of the month.

7 (c) For the first State fiscal quarter after the State fiscal quarter in which
8 G.S. 108A-54.3A(24) becomes effective, the presumptive service cost component is one hundred
9 forty-six million two hundred fifty thousand dollars (\$146,250,000).

10 (d) For the second State fiscal quarter after the State fiscal quarter in which
11 G.S. 108A-54.3A(24) becomes effective, and for each State fiscal quarter thereafter, the
12 presumptive service cost component is an amount of money that is the greatest of the following:

13 (1) The prior quarter's presumptive service cost component amount.

14 (2) The prior quarter's presumptive service cost component amount increased by
15 a percentage that is the sum of each monthly percentage change in the
16 Consumer Price Index: Medical Care for the most recent three months
17 available on the first day of the current quarter.

18 (3) The prior quarter's presumptive service cost component amount increased by
19 the percentage change in the weighted average of the base capitation rates for
20 standard benefit plans for all rating groups associated with newly eligible
21 individuals compared to the prior quarter. The weight for each rating group
22 shall be calculated using member months documented in the Medicaid
23 managed care capitation rate certification for standard benefit plans.

24 (4) The prior quarter's presumptive service cost component amount increased by
25 the percentage change in the weighted average of the base capitation rates for
26 BH IDD tailored plans for all rating groups associated with newly eligible
27 individuals compared to the prior quarter. The weight for each rating group
28 shall be calculated using member months documented in the Medicaid
29 managed care capitation rate certification for BH IDD tailored plans.

30 (5) The amount produced from multiplying 1.15 by the highest amount produced
31 when calculating, for each quarter that is at least two and not more than five
32 quarters prior to the current quarter, the actual nonfederal expenditures for the
33 applicable quarter minus the ~~HASP~~ health advancement acute care hospital
34 HASP component calculated under G.S. 108A-147.6 for the applicable
35 quarter and minus the health advancement freestanding psychiatric hospital
36 HASP component calculated under G.S. 108A-147.6A for the applicable
37 quarter."

38 **SECTION 9E.11.(p)** G.S. 108A-147.6 reads as rewritten:

39 **"§ 108A-147.6. ~~HASP health~~ Health advancement acute care hospital HASP component.**

40 The ~~HASP~~ health advancement acute care hospital HASP component is an amount of money
41 that is calculated by multiplying the aggregate amount of HASP directed payments due to PHPs
42 in the current quarter for ~~hospital~~ reimbursements to acute care hospitals attributable to newly
43 eligible individuals by the nonfederal share for newly eligible individuals."

44 **SECTION 9E.11.(q)** Part 3 of Article 7B of Chapter 108A of the General Statutes
45 is amended by adding a new section to read:

46 **"§ 108A-147.6A. Health advancement freestanding psychiatric hospital HASP component.**

47 The health advancement freestanding psychiatric hospital HASP component is an amount of
48 money that is calculated by multiplying the aggregate amount of HASP directed payments due
49 to PHPs in the current quarter for reimbursements to freestanding psychiatric hospitals
50 attributable to newly eligible individuals by the nonfederal share for newly eligible individuals."

51 **SECTION 9E.11.(r)** G.S. 108A-147.11 reads as rewritten:

1 **"§ 108A-147.11. Health advancement reconciliation adjustment component.**

2 (a) The health advancement reconciliation adjustment component is a positive or
3 negative dollar amount equal to the actual nonfederal expenditures for the quarter that is two
4 quarters prior to the current quarter minus the sum of the following specified amounts:

5 (1) The presumptive service cost component calculated under G.S. 108A-147.5
6 for the quarter that is two quarters prior to the current quarter.

7 (2) The positive or negative gross premiums tax offset amount calculated under
8 G.S. 108A-147.12(b).

9 (3) The ~~HASP~~ health advancement acute care hospital HASP component
10 calculated under G.S. 108A-147.6 for the quarter that is two quarters prior to
11 the current quarter.

12 (4) The health advancement freestanding psychiatric hospital HASP component
13 calculated under G.S. 108A-147.6A for the quarter that is two quarters prior
14 to the current quarter.

15 (b) The IGT share of the reconciliation adjustment component is a positive or negative
16 dollar amount that is calculated by multiplying the health advancement reconciliation adjustment
17 component calculated under subsection (a) of this section by the share of public hospital costs
18 calculated under subsection (c) of this section.

19 (c) The share of public hospital costs is calculated by adding total hospital costs for the
20 UNC Health Care System, total hospital costs for the primary affiliated teaching hospital for the
21 East Carolina University Brody School of Medicine, and sixty percent (60%) of the total hospital
22 costs for all public acute care hospitals and dividing that sum by the total hospital costs for all
23 acute care hospitals except for critical access hospitals."

24 **SECTION 9E.11.(s)** Subsections (c) through (r) of this section are effective on the
25 first day of the second assessment quarter after the date this act becomes law and apply to
26 assessments imposed on or after that date. The remainder of this section is effective when it
27 becomes law.

28
29 **REDUCING USE OF INAPPROPRIATE SETTINGS FOR DELIVERY OF**
30 **BEHAVIORAL HEALTH SERVICES**

31 **SECTION 9E.12.(a)** Section 9D.22 of S.L. 2021-180, as amended by Section 9D.9
32 of S.L. 2022-74 and Section 9E.19 of S.L. 2023-134, expires July 1, 2024.

33 **SECTION 9E.12.(b)** No later than October 1, 2024, the Department of Health and
34 Human Services (DHHS) shall report to the Joint Legislative Oversight Committee on Health
35 and Human Services and the Joint Legislative Oversight Committee on Medicaid on DHHS's
36 recent efforts to address the issue of the inappropriate use of acute care hospital settings for the
37 delivery of behavioral health services. The report shall include all of the following:

38 (1) Actions DHHS has taken, and plans to take, during the 2023-2025 fiscal
39 biennium to address this issue.

40 (2) An analysis of any gaps that will remain once current plans are implemented,
41 as well as any additional authority, resources, and funding needed to address
42 those gaps.

43 (3) Any impact, or anticipated impact, from the implementation of behavioral
44 health and intellectual/developmental disabilities tailored plans on this issue.

45 (4) The metrics DHHS uses and will use to measure the effectiveness of actions
46 taken to address this issue.

47 (5) Any measurable progress toward addressing this issue.

48
49 **EXTENDING AND CLARIFYING PRIMARY CARE PAYMENT REFORM TASK**
50 **FORCE**

51 **SECTION 9E.13.** Section 9E.28 of S.L. 2023-134 reads as rewritten:

1 "SECTION 9E.28.(a) There is established the North Carolina Primary Care Payment
2 Reform Task Force (Task Force) within the Department of Health and Human Services, Division
3 of Health Benefits, for budgetary purposes only.

4 ...

5 "SECTION 9E.28.(b) The Task Force established under subsection (a) of this section shall
6 have the following duties:

- 7 (1) Establish a definition of primary care to be utilized by the Task Force. This
8 term should be applicable to services and care provided under the NC
9 Medicaid program, the State Health Plan, and commercial insurance. Nothing
10 in this subdivision shall be construed as requiring the use of this definition in
11 administering the State Health Plan under Article 3B of Chapter 135 of the
12 General Statutes.
- 13 (2) Conduct an actuarial evaluation of the current healthcare spend on primary
14 care services, both as it relates to the NC Medicaid program and the
15 commercial market, including Medicare Advantage plans.
- 16 (3) Determine the adequacy of the primary care delivery system in North
17 Carolina, including the impact this system has on the supply of the primary
18 care providers in this State.
- 19 (4) Study the primary care payment landscape in other states, specifically
20 considering states that have implemented a minimum primary care spend.
- 21 (5) Identify data collection and measurement systems to inform creation of a
22 primary care investment target for the NC Medicaid program, the State Health
23 Plan, and commercial insurance. This includes a method by which to measure
24 improvements made toward that target.
- 25 (5a) Collect and compile data and other information related to healthcare spend on
26 primary care services in a manner that is compliant with HIPAA, the Health
27 Insurance Portability and Accountability Act of 1996. Within 30 days of a
28 request for data or information from the Task Force, all entities shall comply
29 with the Task Force's request to the extent allowable under federal or State
30 law.
- 31 (6) Evaluate the need for a permanent Primary Care Payment Reform Task Force,
32 or other similar entity, including which State agency or body is best suited to
33 oversee the work of that group.
- 34 (7) Perform any other studies, evaluations, or determinations the Task Force
35 considers necessary.

36 "SECTION 9E.28.(b1) The Department of Health and Human Services shall develop, and
37 the Task Force and the Department of Health and Human Services shall implement, a detailed
38 data security and safeguarding plan for the data requested pursuant to subsection (b) of this
39 section that includes all of the following:

- 40 (1) Guidelines for authorizing access to the data, including guidelines for
41 authentication of authorized access.
- 42 (2) Privacy compliance standards.
- 43 (3) Privacy and security audits.
- 44 (4) Breach planning, notification, and procedures.
- 45 (5) Data retention and disposition policies.
- 46 (6) Data security policies, including electronic, physical, and administrative
47 safeguards such as data encryption and training of employees.

48 "SECTION 9E.28.(b2) The data collected by the Task Force under subsection (b) of this
49 section, regardless of where it is housed, shall not be considered a public record within the
50 meaning of Chapter 132 of the General Statutes.

1 "SECTION 9E.28.(c) No later than April 1, 2024, and December 1, 2025, the Task Force
2 shall submit a report with its findings and recommendations to the Joint Legislative Oversight
3 Committee on Health and Human Services and the Joint Legislative Oversight Committee on
4 Medicaid. These findings and recommendations shall include specific, concrete, and actionable
5 steps to be undertaken by the State and upon which the General Assembly could act.

6 "SECTION 9E.28.(d) This section shall expire on May 1, ~~2024-2026.~~"
7

8 PART IX-F. HEALTH SERVICE REGULATION

9

10 PART IX-G. MENTAL HEALTH/DEVELOPMENTAL DISABILITIES/SUBSTANCE 11 USE SERVICES

12 ALLOW TRANSFER FOR SINGLE-STREAM FUNDING FOR FISCAL YEAR 13 2024-2025

14 SECTION 9G.1. Section 9G.1 of S.L. 2023-134 is amended by adding a new
15 subsection to read:

16 "SECTION 9G.1.(c) If, on or after June 1, 2025, the Office of State Budget Management
17 (OSBM) certifies a Medicaid budget surplus and sufficient cash in Budget Code 14445 to meet
18 total obligations for the 2024-2025 fiscal year, then DHB shall transfer to DMH/DD/SUS funds
19 not to exceed the amount of the certified surplus or thirty million dollars (\$30,000,000),
20 whichever is less, to be used for single-stream funding."
21

22 USE OF OPIOID SETTLEMENT FUNDS

23 SECTION 9G.2.(a) Section 9G.8 of S.L. 2023-134 reads as rewritten:

24 "SECTION 9G.8.(a) Definitions. – The following definitions apply in this section:

- 25 (1) Department. – The Department of Health and Human Services.
26 (2) Opioid Abatement Fund. – The Fund created by Section 9F.1 of S.L.
27 2021-180, as amended by Section 9F.1 of S.L. 2022-74.
28 (3) Opioid Abatement Reserve. – The Reserve created by Section 9F.1 of S.L.
29 2021-180, as amended by Section 9F.1 of S.L. 2022-74.
30

31 "SECTION 9G.8.(b) Funds Transferred to the Board of Governors of The University of
32 North Carolina. – The State Controller shall transfer from funds available in the Opioid
33 Abatement Reserve to the Board of Governors of The University of North Carolina the sum of
34 five million five hundred thousand dollars (\$5,500,000) in nonrecurring funds for the 2023-2024
35 fiscal year and the sum of five million five hundred thousand dollars (\$5,500,000) in nonrecurring
36 funds for the 2024-2025 fiscal year. The funds transferred are appropriated for the fiscal year in
37 which they are transferred for allocation to the University of North Carolina at Chapel Hill for
38 the North Carolina Collaboratory to be used as follows:

- 39 (1) Three hundred thousand dollars (\$300,000) in nonrecurring funds for the
40 2023-2024 fiscal year to conduct the study on judicially managed
41 accountability and recovery courts authorized by Section 8.11 of this act.
42 (2) Five million two hundred thousand dollars (\$5,200,000) in nonrecurring funds
43 for the 2023-2024 fiscal year and five million five hundred thousand dollars
44 (\$5,500,000) in nonrecurring funds for the 2024-2025 fiscal year to make
45 grants available on a competitive basis prescribed by the North Carolina
46 Collaboratory to each campus of the constituent institutions of The University
47 of North Carolina for opioid abatement research and development projects.

48 "SECTION 9G.8.(c) Funds Transferred to the Department of Health and Human Services.
49 – The State Controller shall transfer from funds available in the Opioid Abatement Reserve to
50 the Opioid Abatement Fund the sum of three million six hundred ninety-two thousand four
51 hundred sixty-one dollars (\$3,692,461) in nonrecurring funds for the 2023-2024 fiscal year and

1 the sum of ~~four million four hundred seventy-eight thousand four hundred sixty-two~~ dollars
 2 ~~(\$4,478,462)~~ forty-one million one hundred sixty-eight thousand eight hundred twelve dollars
 3 (\$41,168,812) in nonrecurring funds for the 2024-2025 fiscal year. The funds transferred are
 4 appropriated for the fiscal year in which they are transferred to the Department of Health and
 5 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use
 6 ~~Services, Services (DMH/DD/SUS),~~ to be allocated and used as follows:

7 (1) The sum of three million six hundred ninety-two thousand four hundred
 8 sixty-one dollars (\$3,692,461) in nonrecurring funds for the 2023-2024 fiscal
 9 year and the sum of thirty-five million eighteen thousand eight hundred twelve
 10 dollars (\$35,018,812) for the 2024-2025 fiscal year to be used to award
 11 directed grants according to the following schedule:

	Name of Recipient Entity	2023-2024	2024-2025
15	(1) Addiction Professionals of North Carolina, Inc.	\$200,000	\$0
16	(2) Adult & Teen Challenge of Sandhills, North Carolina	\$0	\$78,462 \$578,462
17	<u>Ashe County</u>	<u>\$0</u>	<u>\$700,000</u>
18	<u>Bertie County</u>	<u>\$0</u>	<u>\$1,000,000</u>
19	<u>Bethel Colony of Mercy, Inc.</u>	<u>\$0</u>	<u>\$700,000</u>
20	<u>Bladen County</u>	<u>\$0</u>	<u>\$1,000,000</u>
21	(3) Bridge to Recovery, Inc.	\$1,000,000	\$0
22	<u>Brunswick County</u>	<u>\$0</u>	<u>\$1,000,000</u>
23	<u>Camden County</u>	<u>\$0</u>	<u>\$1,000,000</u>
24	<u>Charlotte Rescue Mission</u>	<u>\$0</u>	<u>\$1,000,000</u>
25	<u>Chowan County</u>	<u>\$0</u>	<u>\$1,000,000</u>
26	<u>Christian Recovery Centers, Inc.</u>	<u>\$0</u>	<u>\$1,400,000</u>
27	(4) Clay County	\$0	\$1,000,000
28	(5) Columbus Regional Healthcare System	\$0	\$1,400,000
29	<u>Dare County</u>	<u>\$0</u>	<u>\$1,000,000</u>
30	<u>Duplin County</u>	<u>\$0</u>	<u>\$1,000,000</u>
31	(6) Freedom Farm Ministries	\$950,000	\$0
32	<u>Freedom House</u>	<u>\$0</u>	<u>\$500,000</u>
33	<u>Gateway of Hope Addiction Recovery Center</u>	<u>\$0</u>	<u>\$20,175</u>
34	<u>Graham County</u>	<u>\$0</u>	<u>\$900,000</u>
35	(7) Ground 40 Ministries	\$750,000	\$0
36	<u>Halifax County</u>	<u>\$0</u>	<u>\$1,000,000</u>
37	<u>Henderson County</u>	<u>\$0</u>	<u>\$1,000,000</u>
38	<u>Hyde County</u>	<u>\$0</u>	<u>\$1,000,000</u>
39	<u>Jones County</u>	<u>\$0</u>	<u>\$500,000</u>
40	<u>Lenoir County</u>	<u>\$0</u>	<u>\$1,000,000</u>
41	<u>Macon County</u>	<u>\$0</u>	<u>\$500,000</u>
42	<u>Montgomery County</u>		<u>\$1,500,000</u>
43	<u>Multiply Church Global</u>	<u>\$0</u>	<u>\$500,000</u>
44	<u>New Hanover County</u>	<u>\$0</u>	<u>\$1,000,000</u>
45	<u>New Life Christian Ministries of the Carolinas, Inc.</u>	<u>\$0</u>	<u>\$300,000</u>
46	<u>North Carolina Association for the Treatment of</u>		
47	<u>Opioid Dependence</u>	<u>\$0</u>	<u>\$500,000</u>
48	<u>North Carolina Association of Pharmacists</u>	<u>\$0</u>	<u>\$1,000,000</u>
49	<u>Northampton County</u>	<u>\$0</u>	<u>\$1,000,000</u>
50	<u>Onslow County</u>	<u>\$0</u>	<u>\$1,000,000</u>
51	(8) Pamlico County	\$0	\$1,000,000

1	<u>Pasquotank County</u>	\$0	\$500,000
2	<u>Pender County</u>	\$0	\$1,000,000
3	<u>Rockingham County</u>	\$0	\$1,000,000
4	(9) Safer Communities Ministry, Inc.	\$400,000	\$0
5	<u>Teen Challenge North Carolina Adolescent Program</u>	\$0	\$500,000
6	(10) The Samaritan Colony, Inc.	\$300,000	\$0
7	(11) Solus Christus	\$92,461	\$0
8	<u>Stokes County</u>	\$0	\$1,000,000
9	(12) Surry County	\$0	\$1,000,000
10	<u>Tyrrell County</u>	\$0	\$1,000,000
11	<u>Washington County</u>	\$0	\$1,000,000
12	<u>Will's Place, Inc.</u>	\$0	\$20,175

13 (2) The sum of one million one hundred fifty thousand dollars (\$1,150,000) in
14 nonrecurring funds for the 2024-2025 fiscal year to be used to fund
15 remediation programs, services, and activities the DMH/DD/SUS deems
16 necessary to respond to the negative impacts of the opioid epidemic within the
17 State. In addition, and notwithstanding Section 9F.1(c)(1)a. of S.L. 2022-74,
18 the Committee Report described in Section 43.2 of that act, or any other
19 provision of law to the contrary, the sum of one million eight hundred fifty
20 thousand dollars (\$1,850,000) in nonrecurring funds appropriated to the
21 DMH/DD/SUS for the 2022-2023 fiscal year for the Prescription Digital
22 Therapeutics Pilot Program authorized by Section 9F.2 of S.L. 2022-74 shall
23 instead be used to fund remediation programs, services, and activities the
24 DMH/DD/SUS deems necessary to respond to the negative impacts of the
25 opioid epidemic within the State. The Department of Health and Human
26 Services may use the funds allocated by this subdivision to (i) award directed
27 grants, (ii) transfer funds to other divisions within the Department of Health
28 and Human Services in the amounts and for the programs, services, and
29 activities the Department of Health and Human Services deems necessary, or
30 (iii) a combination of these options as long as any directed grants, programs,
31 services, and activities funded by this subdivision are consistent with the
32 purposes specified in this subdivision.

33 (3) The sum of three hundred forty thousand dollars (\$340,000) in nonrecurring
34 funds for the 2024-2025 fiscal year to be used to purchase opioid antagonist
35 nasal spray for local health departments. Local health departments shall
36 distribute the opioid antagonist nasal spray funded by this subdivision to
37 public school units. Once all public school units have received an initial
38 supply of opioid antagonist nasal spray, any remaining funds allocated by this
39 subdivision shall be used to purchase an additional supply of opioid antagonist
40 nasal spray for local health departments to distribute to public school units
41 that have used their initial supply. As used in this subdivision, the term "opioid
42 antagonist nasal spray" means a disposable drug delivery system that disperses
43 a solution of opioid antagonist, as defined in G.S. 90-12.7, into the respiratory
44 system through the nose to provide rapid, critical first aid for persons suffering
45 a potentially fatal opioid or fentanyl emergency. The Department of Health
46 and Human Services may transfer these allocated funds to the Division of
47 Public Health to be used as specified in this subdivision.

48 (4) The sum of four million six hundred sixty thousand dollars (\$4,660,000) in
49 nonrecurring funds to be transferred to the Division of Public Health to be
50 used as follows:

1 a. The sum of three million six hundred sixty thousand dollars
2 (\$3,660,000) in nonrecurring funds shall be used to purchase units of
3 opioid antagonist, as defined in G.S. 90-12.7, to be distributed free of
4 charge statewide, prioritizing counties located in rural or underserved
5 areas and law enforcement agencies serving those areas.

6 b. The sum of one million dollars (\$1,000,000) in nonrecurring funds
7 shall be used to purchase units of injectable opioid antagonist, as
8 defined in G.S. 90-12.7, to be distributed free of charge statewide to
9 EMS providers licensed under G.S. 131E 155.1.

10 **"SECTION 9G.8.(c1) Funds Transferred to the Department of Adult Correction.** – The State
11 Controller shall transfer from funds available in the Opioid Abatement Reserve to the Department
12 of Adult Correction the sum of four million dollars (\$4,000,000) in nonrecurring funds for the
13 2024-2025 fiscal year. The funds transferred are appropriated for the fiscal year in which they
14 are transferred to be used to expand the use of medication-assisted treatment for opioid use
15 disorder in correctional institutions.

16 **"SECTION 9G.8.(d) Limitation on the Use of Funds.** – Recipients of funds allocated under
17 subsection (c) of this section shall not use these funds for any purpose other than to fund opioid
18 remediation programs, services, and activities to respond to the negative impacts of the opioid
19 epidemic within the State of North Carolina.

20 **"SECTION 9G.8.(e) Reports on the Use of Funds.** – By September 1, 2024, recipients of
21 funds allocated under subsection (c) of this section for the 2023-2024 fiscal year, and by
22 September 1, 2025, recipients of directed grant funds allocated under subsection (c) of this
23 section for the 2024-2025 fiscal year shall report to the Department of Health and Human
24 Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services;
25 the Joint Legislative Oversight Committee on Health and Human Services; and the Fiscal
26 Research Division on the use of these allocated funds. The report shall include at least all of the
27 following for each recipient:

28 (1) An itemized list of expenditures.

29 (2) The types of opioid remediation programs, services, and activities funded,
30 broken down by geographic location and the number of people served at each
31 location."

32 **SECTION 9G.2.(b)** In the event that the Department of Health and Human Services
33 is unable to begin disbursement of all of the directed grant funds authorized for the 2024-2025
34 fiscal year by Section 9G.8(c) of S.L. 2023-134, as amended by this section, within the time
35 frame specified in Section 5.3 of this act due to the unavailability of funds in the Opioid
36 Abatement Fund, the Department of Health and Human Services shall, within the availability of
37 funds in the Opioid Abatement Fund, begin disbursement of as many directed grant funds as
38 possible within the time frame specified in Section 5.3 of this act. As additional funds are
39 deposited into the Opioid Abatement Fund, the Department of Health and Human Services shall
40 begin disbursement of as many additional directed grant funds as possible given the availability
41 of funds in the Opioid Abatement Fund no later than 30 days after each additional deposit.

42 **SECTION 9G.2.(c)** Effective retroactively to July 1, 2021, and notwithstanding any
43 other provision of law to the contrary, funds received by the State (i) as a result of a settlement,
44 as defined in G.S. 114-2.4A, relating to claims regarding the manufacturing, marketing,
45 distribution, dispensing, or sale of opioids or (ii) as a beneficiary of a confirmation order by a
46 bankruptcy court relating to claims regarding the manufacturing, marketing, distribution,
47 dispensing, or sale of opioids do not constitute State funds for the purpose of determining whether
48 a facility is excluded from licensure under G.S. 122C-22(a)(11).

49 **SECTION 9G.2.(d)** Section 9F.2 of S.L. 2022-74 is repealed.

50
51 **PART IX-H. PUBLIC HEALTH**

1
2 **EXTENSION OF GRANT PERIOD FOR COMPETITIVE GRANTS AWARDED TO**
3 **LOCAL HEALTH DEPARTMENTS TO IMPROVE MATERNAL AND CHILD**
4 **HEALTH**

5 **SECTION 9H.1.** Section 9H.1(b) of S.L. 2023-134 reads as rewritten:

6 "SECTION 9H.1.(b) The plan for administering the competitive grant process shall include
7 at least all of the following components:

8 ...

- 9 (4) Allows grants to be awarded to local health departments for up to ~~two~~three
10 years."

11
12 **REPORT ON RECOMMENDATIONS FOR A PLAN TO IMPROVE MATERNAL AND**
13 **INFANT LEVELS OF CARE IN NORTH CAROLINA**

14 **SECTION 9H.2.** By April 1, 2025, the Department of Health and Human Services,
15 Division of Public Health, shall report to the Joint Legislative Oversight Committee on Health
16 and Human Services and the Fiscal Research Division on recommendations for a plan to establish
17 maternal levels of care and to update neonatal levels of care to reduce maternal and infant
18 mortality rates within the State. The plan recommendations shall be consistent with guidelines
19 endorsed by the American College of Obstetricians and Gynecologists, the Society for
20 Maternal-Fetal Medicine, the American Academy of Pediatrics, the United States Centers for
21 Disease Control and Prevention, and the Association of Women's Health, Obstetric and Neonatal
22 Nurses. In developing these plan recommendations, the Department of Health and Human
23 Services, Division of Public Health, shall consult with maternal and infant health stakeholders in
24 North Carolina, including the North Carolina Healthcare Association, the North Carolina
25 Obstetrical and Gynecological Society, the North Carolina Pediatric Society, the North Carolina
26 Academy of Family Physicians, the North Carolina Institute of Medicine, other organizations
27 with expertise in this area, and individuals with lived experience.

28
29 **MODERNIZATION OF LOCAL HEALTH DIRECTOR QUALIFICATIONS**

30 **SECTION 9H.4.(a)** G.S. 130A-40 reads as rewritten:

31 "**§ 130A-40. Appointment of local health director.**

32 (a) A local board of health, after consulting with the appropriate county board or boards
33 of commissioners, shall appoint a local health director. All persons who are appointed to the
34 position of local health director ~~on or after January 1, 1992,~~ must possess at least one of the
35 following described minimum education and experience requirements for that ~~position,~~ ~~as~~
36 ~~follows:~~position:

- 37 (1) A medical ~~doctorate;~~ doctorate.
38 (2) A masters degree in ~~Public Health Administration,~~ public health
39 administration, and at least one year of employment experience in health
40 programs or health ~~services;~~ services.
41 (3) A masters degree in a public health discipline other than public health
42 administration, and at least three years of employment experience in health
43 programs or health ~~services;~~ services.
44 (4) A masters degree in public administration, and at least two years of experience
45 in health programs or health ~~services;~~ services.
46 (5) A masters degree in a field related to public health, and at least three years of
47 experience in health programs or health ~~services;~~ services.
48 (6) A bachelors degree in a field related to public health administration or public
49 administration and at least ~~three~~seven years of experience in health programs
50 or health ~~services.~~ services, of which at least three years includes supervisory
51 experience.

1 (b) Before appointing a person to the position of local health director under ~~subsection~~
2 subdivision (a)(5) or (a)(6) of this section, the local board of health shall forward the application
3 and other pertinent materials of such candidate to the State Health Director. If the State Health
4 Director determines that the candidate's ~~masters~~-degree is in a field not related to public health,
5 the State Health Director shall so notify the local board of health in writing within 15 days ~~of~~
6 after the State Health Director's receipt of the application and materials, and such candidate shall
7 be deemed not to meet the education requirements of ~~subsection-subdivision (a)(5) or (a)(6)~~ of
8 this section. If the State Health Director fails to act upon the application within 15 days ~~of~~
9 after receipt of the application and materials from the local board of health, the application shall be
10 deemed approved with respect to the education requirements of ~~subsection-subdivision (a)(5) or~~
11 (a)(6) of this section, and the local board of health may proceed with the appointment process.

12 (c) The State Health Director shall review requests of educational institutions to
13 determine whether a particular ~~masters~~-degree offered by the requesting institution is related to
14 public health for the purposes of ~~subsection-subdivision (a)(5) or (a)(6)~~ of this section. The State
15 Health Director shall act upon such requests within 90 days ~~of~~
16 after receipt of the request and pertinent materials from the institution, and shall notify the institution of its determination in
17 writing within the 90-day review period. If the State Health Director determines that an
18 institution's particular ~~masters~~-degree is not related to public health, the State Health Director
19 shall include the reasons therefor in ~~his~~
20 the written determination to the institution.

21 (d) When a local board of health fails to appoint a local health director within 60 days ~~of~~
22 after the creation of a vacancy, the State Health Director may appoint a local health director to
23 serve until the local board of health appoints a local health director in accordance with this
24 section."

25 **SECTION 9H.4.(b)** This section becomes effective July 1, 2024, and applies to all
26 persons appointed to the position of local health director on or after that date.

27 STATEWIDE CONTINUUM OF CARE PROGRAM

28 **SECTION 9H.5.(a)** Of the funds appropriated in this act from the General Fund to
29 the Department of Health and Human Services, Division of Public Health, for the 2024-2025
30 fiscal year, the sum of one million seven hundred thousand dollars (\$1,700,000) in nonrecurring
31 funds shall be allocated as a directed grant to the Human Coalition, a nonprofit organization, to
32 fund operation of the Human Coalition's statewide Continuum of Care Program, as expanded
33 pursuant to Section 9G.6 of S.L. 2021-180. These funds are in addition to the ARPA Temporary
34 Savings Fund funds appropriated for this program for the 2024-2025 fiscal year in Section 9H.12
35 of S.L. 2023-134 and shall be used for nonreligious, nonsectarian purposes only.

36 **SECTION 9H.5.(b)** The Human Coalition may use up to ten percent (10%) of these
37 allocated funds for administrative purposes.

38 **SECTION 9H.5.(c)** The Human Coalition shall include information pertaining to its
39 use of these allocated funds in the reports due under Section 9H.12(c) of S.L. 2023-134.

40 MODIFIED USE OF STATE FISCAL RECOVERY FUNDS FOR LEAD AND 41 ASBESTOS REMEDIATION PROGRAMS TO BENEFIT PUBLIC SCHOOL UNITS 42 AND CHILD CARE FACILITIES

43 **SECTION 9H.6.(a)** Section 9G.8 of S.L. 2021-180 reads as rewritten:

44 **"SECTION 9G.8.(a)** Of the funds appropriated in this act from the State Fiscal Recovery
45 Fund to the Department of Health and Human Services, Division of Public Health, the sum of
46 one hundred fifty million dollars (\$150,000,000) in nonrecurring funds for the 2021-2022 fiscal
47 year shall be allocated and used as follows for lead and asbestos remediation and abatement
48 programs to benefit public school units and child care facilities:

49 (1) ~~\$32,812,500 in nonrecurring funds shall be used to~~ To fund a voluntary
50 program for the testing and remediation of lead levels in drinking water at
51

1 participating public school units and child care facilities. As part of this
2 program, participating public school units shall be required to test for lead
3 levels in drinking water at their facilities, to the extent feasible and practical,
4 following the same model for testing conducted in child care facilities
5 pursuant to 15A NCAC 18A .2816. In addition, the program shall include at
6 least the following components:

- 7 a. The Department of Health and Human Services (DHHS) and the
8 Department of Public Instruction (DPI) shall develop a mechanism for
9 providing funding on a reimbursement basis for (i) the testing and
10 mitigation of lead in drinking water that meets the lead poisoning
11 hazard level, as set forth in G.S. 130A-131.7, that is identified in
12 public school units and child care facilities, ~~including~~ and (ii) the
13 replacement of service lines, pipes, and fixtures, as needed, or ~~for~~
14 the installation of filters at affected faucets within public school units and
15 child care facilities that test positive for lead in drinking water.
16 Reimbursement under the program is contingent upon the participating
17 public school unit or child care facility submitting to the DHHS or
18 DPI, as appropriate, an invoice signed by one of its representatives as
19 verification that the invoice accurately reflects the work completed.
20 ~~b. The Commission for Public Health, Child Care Commission, and State~~
21 ~~Board of Education shall adopt rules as necessary to implement this~~
22 ~~subdivision.~~

- 23 (2) ~~\$117,187,500 in nonrecurring funds shall be used to~~ To fund a voluntary
24 program for lead paint abatement and asbestos abatement in public school
25 units and child care facilities. As part of the program, participating public
26 school units and child care facilities shall be required to conduct inspections
27 for lead paint and asbestos hazards in their facilities. The program shall
28 include at least the following components:

- 29 a. DHHS and DPI shall develop a mechanism for providing funding on
30 a reimbursement basis for lead paint abatement, asbestos inspection
31 and abatement, or ~~both~~ both, in public school units and child care
32 facilities; provided, however, that the following conditions are met:
33 1. A professional accredited in accordance with G.S. 130A-447
34 or certified in accordance with G.S. 130A-453.03 determines
35 that action must be taken in response to an inspection report.
36 2. Lead paint, asbestos, or both are detected as part of an
37 inspection or as part of a capital, renovation, or repair project
38 that meets the lead-based paint hazard level, as set forth in
39 G.S. 130A-131.7, or that meets the definition of asbestos
40 containing material, as set forth in G.S. 130A-444. Capital
41 projects may include HVAC, window, or other ventilation
42 projects related to COVID-19 mitigation, or other capital,
43 renovation, or repair ~~projects undertaken during calendar years~~
44 ~~2021 through 2024~~ projects.
45 3. Reimbursement under the program is contingent upon the
46 participating public school unit or child care facility submitting
47 to the DHHS or DPI, as appropriate, an invoice signed by one
48 of its representatives as verification that the invoice accurately
49 reflects the work completed.
50 b. A requirement that public school unit recipients of funds allocated
51 under this subdivision shall provide matching funds in the amount of

one dollar (\$1.00) of local funds for every two dollars (\$2.00) of State funds. This requirement does not apply to any public school unit located in a low-wealth county, defined as a county in which one or more local school administrative units was a recipient of supplemental school funding allocated pursuant to G.S. 115C-472.22 for the 2021-2022 fiscal year. The DHHS shall reimburse any public school unit located in a low-wealth county for the cost of any matching funds 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

1 trauma-informed, standardized assessment statewide in all 100 counties. The rollout plan shall
 2 include all of the following:

- 3 (1) The development of the trauma-informed, standardized assessment template
 4 by ~~March 31, 2024~~September 30, 2024.
- 5 (2) The finalized trauma-informed, standardized assessment template by
 6 ~~September 30, 2024~~, March 31, 2025, including the standardized training
 7 curriculum, methodology for training, the selection of a vendor to manage and
 8 conduct the training and determine the process for the statewide rollout, and
 9 coordination with tribal jurisdictions.
- 10 (3) The phased-in approach of the trauma-informed, standardized assessment
 11 beginning on ~~October 1, 2024~~, April 1, 2025, and operating statewide by
 12 ~~September 30, 2025~~March 31, 2026.

13"

14 **SECTION 9J.1.(b)** Section 9J.12(d) of S.L. 2023-134 reads as rewritten:

15 **"SECTION 9J.12.(d)** Guidelines. – In developing the trauma-informed, standardized
 16 assessment and the rollout plan, the Department of Health and Human Services shall ensure the
 17 trauma-informed, standardized assessment does, at a minimum, all of the following:

- 18 (1) That juveniles between the ages of 4 and 17 being placed into foster care
 19 receive a trauma-informed, standardized assessment within 10 working days
 20 of their referral.
- 21 (2) That each juvenile who is included in any Medicaid children and families
 22 specialty plan, regardless of their type of placement, receives a
 23 trauma-informed, standardized ~~assessment~~assessment, provided that parent
 24 consent has been obtained when required.
- 25 (3) That each trauma-informed, standardized assessment may be administered in
 26 a face-to-face or telehealth encounter.
- 27 (4) That the county department of social services makes the referral for a
 28 trauma-informed, standardized assessment within five working days of a
 29 determination of abuse or neglect of the juvenile in accordance with
 30 ~~G.S. 7B-302~~G.S. 7B-302 for children in foster care or within five working
 31 days of obtaining parental consent for children who are at risk for entry into
 32 foster care.
- 33 (5) ~~After obtaining parental consent, that~~ That a juvenile is able to receive a
 34 trauma-informed, standardized assessment if the county department of social
 35 services (i) makes the determination that the juvenile is at ~~imminent~~imminent-risk for
 36 entry into foster ~~care~~care and (ii) obtains parental consent.
- 37 (6) Allows for individuals between the ages of 18 and 21 to receive an assessment,
 38 if necessary.
- 39 (7) Provides an evidence-informed and standardized template and content for the
 40 assessment.
- 41 (8) In the event the juvenile has an assigned care manager under the Medicaid
 42 program, that the responsible care management entity is notified of the referral
 43 for the assessment and to whom."

44 **SECTION 9J.1.(c)** This section is effective retroactively to July 1, 2023.

45
 46 **PART IX-K. EMPLOYMENT AND INDEPENDENCE FOR PEOPLE WITH**
 47 **DISABILITIES [RESERVED]**

48
 49 **PART IX-L. HHS MISCELLANEOUS**

50
 51 **CLINICAL MENTAL HEALTH COUNSELOR ACCREDITATION EXTENSION**

1			
2	04. Adoption Services – Special Children		
3	Adoption Fund	4,001,676	4,001,676
4			
5	05. Child Protective Services – Child Welfare		
6	Workers for Local DSS	11,387,190	11,387,190
7			
8	06. Child Welfare Program Improvement Plan	775,176	775,176
9			
10	07. Child Welfare Collaborative	400,000	400,000
11			
12	08. Child Welfare Initiatives	1,400,000	1,400,000
13			
14	Division of Child Development and Early Education		
15			
16	09. Subsidized Child Care Program	45,813,694	45,813,694
17			<u>52,316,626</u>
18			
19	10. Swap-Child Care Subsidy	12,600,000	12,600,000
20			
21	11. NC Pre-K Services	68,300,000	68,300,000
22			
23	Division of Public Health		
24			
25	12. Teen Pregnancy Prevention Initiatives	3,538,541	3,538,541
26			
27	DHHS Administration		
28			
29	13. Division of Social Services	2,478,284	2,478,284
30			
31	14. Division of Child and Family Well-Being	3,976	3,976
32			
33	15. Office of the Secretary	34,042	34,042
34			
35	16. Eligibility Systems – Operations and		
36	Maintenance	431,733	431,733
37			
38	17. NC FAST Implementation	428,239	428,239
39			
40	18. Division of Social Services – Workforce		
41	Innovation & Opportunity Act (WIOA)	93,216	93,216
42			
43	19. Division of Social Services TANF Modernization	1,667,571	1,667,571
44			
45	Transfers to Other Block Grants		
46			
47	Division of Child Development and Early Education		
48			
49	20. Transfer to the Child Care and		
50	Development Fund	21,773,001	21,773,001
51			

1	Division of Social Services		
2			
3	21. Transfer to Social Services Block		
4	Grant for Child Protective Services –		
5	Training	285,612	285,612
6			
7	22. Transfer to Social Services Block		
8	Grant for Child Protective Services	5,040,000	5,040,000
9			
10	23. Transfer to Social Services Block		
11	Grant for County Departments of		
12	Social Services for Children's Services	13,097,783	13,166,244
13			
14	24. Transfer to Social Services Block		
15	Grant – Foster Care Services	3,422,219	3,422,219
16			
17	25. Transfer to Social Services Block	1,582,000	1,582,000
18	Grant – Child Advocacy Centers		
19			
20	TOTAL TEMPORARY ASSISTANCE FOR		
21	NEEDY FAMILIES (TANF) FUNDS	\$312,353,987	<u>\$312,353,987</u>
22			<u>\$318,856,919</u>
23			
24	TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)		
25	EMERGENCY CONTINGENCY FUNDS		
26			
27	Local Program Expenditures		
28			
29	Division of Child Development and Early Education		
30			
31	01. Subsidized Child Care	\$34,440,000	\$35,440,000
32			
33	TOTAL TEMPORARY ASSISTANCE FOR		
34	NEEDY FAMILIES (TANF) EMERGENCY		
35	CONTINGENCY FUNDS	\$34,440,000	\$35,440,000
36			
37	SOCIAL SERVICES BLOCK GRANT		
38			
39	Local Program Expenditures		
40			
41	Divisions of Social Services and Aging and Adult Services		
42			
43	01. County Departments of Social Services	\$19,905,849	\$19,837,388
44			
45	02. County Departments of Social Services		
46	(Transfer From TANF)	13,097,783	13,166,244
47			
48	03. EBCI Tribal Public Health and Human Services	244,740	244,740
49			
50	04. Child Protective Services		
51	(Transfer From TANF)	5,040,000	5,040,000

1			
2	05. State In-Home Services Fund	1,943,950	1,943,950
3			
4	06. Adult Protective Services	2,138,404	<u>2,138,404</u>
5			<u>4,936,015</u>
6			
7	07. State Adult Day Care Fund	1,994,084	1,994,084
8			
9	08. Child Protective Services/CPS		
10	Investigative Services – Child Medical		
11	Evaluation Program	901,868	901,868
12			
13	09. Special Children Adoption Incentive Fund	462,600	462,600
14			
15	10. Child Protective Services – Child		
16	Welfare Training for Counties		
17	(Transfer From TANF)	285,612	285,612
18			
19	11. Home and Community Care Block		
20	Grant (HCCBG)	2,696,888	2,696,888
21			
22	12. Child Advocacy Centers		
23	(Transfer From TANF)	1,582,000	1,582,000
24			
25	13. Guardianship – Division of Social Services	1,802,671	1,802,671
26			
27	14. Foster Care Services		
28	(Transfer From TANF)	3,422,219	3,422,219
29	14A. Big Brothers Big Sisters of the Triangle, Inc.	350,000	350,000
30			
31	Division of Mental Health, Developmental Disabilities, and Substance Use Services		
32			
33	15. Mental Health Services – Adult and		
34	Child/Developmental Disabilities Program/		
35	Substance Use Services – Adult	4,149,595	4,149,595
36			
37	15A. Autism Society of North Carolina, Inc.	2,541,392	2,541,392
38			
39	15B. The Arc of North Carolina, Inc.	271,074	271,074
40			
41	15C. Easterseals UCP North Carolina & Virginia, Inc.	1,612,059	1,612,059
42			
43	DHHS Program Expenditures		
44			
45	Division of Services for the Blind		
46			
47	16. Independent Living Program & Program		
48	Oversight	3,880,429	<u>3,880,429</u>
49			<u>4,011,381</u>
50			
51	Division of Health Service Regulation		

1			
2	17. Adult Care Licensure Program	557,598	557,598
3			
4	18. Mental Health Licensure and		
5	Certification Program	266,158	266,158
6			
7	Division of Aging and Adult Services		
8			
9	19. Guardianship	3,825,443	3,825,443
10			
11	DHHS Administration		
12			
13	20. Division of Aging and Adult Services	743,284	743,284
14			<u>763,113</u>
15			
16	21. Division of Social Services	1,042,894	1,042,894
17			<u>1,060,787</u>
18			
19	22. Office of the Secretary/Controller's Office	639,167	639,167
20			<u>649,695</u>
21			
22	23. Legislative Increases/Fringe Benefits	293,655	587,310
23			
24	24. Division of Child Development and		
25	Early Education	13,878	13,878
26			
27	25. Division of Mental Health, Developmental		
28	Disabilities, and Substance Use Services	28,325	28,325
29			
30	26. Division of Health Service Regulation	258,960	258,960
31			<u>347,721</u>
32			
33	TOTAL SOCIAL SERVICES BLOCK GRANT	\$75,992,579	\$76,286,234
34			<u>\$79,351,808</u>
35			
36	LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT		
37			
38	Local Program Expenditures		
39			
40	Division of Social Services		
41			
42	01. Low-Income Energy Assistance		
43	Program (LIEAP)	\$67,836,069	\$67,836,069
44			<u>\$50,316,347</u>
45			
46	02. Crisis Intervention Program (CIP)	45,214,330	45,214,330
47			<u>38,699,719</u>
48			
49	Local Administration		
50			
51	Division of Social Services		

1			
2	03. County DSS Administration	8,789,246	8,789,246
3			<u>6,989,469</u>
4			
5	DHHS Administration		
6			
7	Division of Social Services		
8			
9	04. Administration	10,000	10,000
10			<u>6,500</u>
11			
12	05. Energy Portal (FIS Transaction Fees)	25,000	25,000
13			
14	Division of Central Management and Support		
15			
16	06. Office of the Secretary/Division of Information Resource		
17	Management (DIRM) (Accountable Results for		
18	Community Action (AR4CA) Replacement System)	166,750	166,750
19			
20	07. Office of the Secretary/DIRM	278,954	278,954
21			
22	08. Office of the Secretary/Controller's Office	18,378	18,378
23			
24	09. NC FAST Development	627,869	627,869
25			
26	10. NC FAST Operations and Maintenance	1,330,323	1,330,323
27			<u>1,830,000</u>
28			
29	Transfers to Other State Agencies		
30			
31	Department of Environmental Quality		
32			
33	11. Weatherization Program	13,220,309	13,220,309
34			<u>5,527,117</u>
35			
36	12. Heating Air Repair and Replacement		
37	Program (HARRP)	8,075,029	8,075,029
38			<u>3,375,990</u>
39			
40	13. Local Residential Energy Efficiency Service		
41	Providers – Weatherization	787,097	787,097
42			<u>329,068</u>
43			
44	14. Local Residential Energy Efficiency Service		
45	Providers – HARRP	437,276	437,276
46			<u>182,815</u>
47			
48	15. DEQ – Weatherization Administration	859,976	859,976
49			<u>359,537</u>
50			
51	16. DEQ – HARRP Administration	539,307	539,307

1			<u>225,472</u>
2			
3	Department of Administration		
4			
5	17. N.C. Commission on Indian Affairs	87,736	87,736
6			
7	TOTAL LOW-INCOME ENERGY		
8	ASSISTANCE BLOCK GRANT	\$148,303,649	<u>\$148,303,649</u>
9			<u>\$109,046,721</u>
10			
11	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT		
12			
13	Local Program Expenditures		
14			
15	Division of Child Development and Early Education		
16			
17	01. Child Care Services	\$289,070,072	<u>\$289,070,072</u>
18			<u>\$282,567,140</u>
19			
20			
21	02. Smart Start Subsidy	7,392,654	7,392,654
22			
23	03. Transfer from TANF Block Grant		
24	for Child Care Subsidies	21,773,001	21,773,001
25			
26	04. Quality and Availability Initiatives		
27	(TEACH Program \$3,800,000)	61,980,526	<u>61,980,526</u>
28			<u>87,479,448</u>
29			
30	DHHS Administration		
31			
32	Division of Child Development and Early Education		
33			
34	05. DCDEE Administrative Expenses	9,710,886	9,710,886
35			
36	06. Indirect Cost	7,346	7,346
37			
38	Division of Social Services		
39			
40	07. Direct Deposit for Child Care Payments	5,000	5,000
41			
42	08. Local Subsidized Child Care		
43	Services Support	18,780,355	18,780,355
44			
45	Division of Central Management and Support		
46			
47	09. NC FAST Operations and Maintenance	1,450,316	1,450,316
48			
49	10. DHHS Central Administration – DIRM		
50	Technical Services	979,762	<u>979,762</u>
51			<u>1,006,100</u>

1			
2	11. DHHS Central Administration	68,000	68,000
3			
4	Division of Child and Family Well-Being		
5			
6	12. Child Care Health Consultation Contracts	62,205	62,205
7			
8	TOTAL CHILD CARE AND DEVELOPMENT		
9	FUND BLOCK GRANT	\$411,280,123	<u>\$411,280,123</u>
10			<u>\$430,302,451</u>
11			
12	COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT		
13			
14	Local Program Expenditures		
15			
16	01. Mental Health Services – Child	\$2,477,666	\$2,477,666
17			
18	02. Mental Health Services – Adult/Child	19,690,452	<u>19,690,452</u>
19			<u>21,545,678</u>
20			
21	03. Mental Health Services – First		
22	Psychotic Symptom Treatment	5,416,756	5,416,756
23			
24	04. Child Behavioral Health (Division of Child		
25	and Family Well-Being)	5,246,350	5,246,350
26			
27	DHHS Administration		
28			
29	Division of Child and Family Well-Being		
30			
31	05. Administration	140,000	140,000
32			
33	Division of Mental Health, Developmental Disabilities, and Substance Use Services		
34			
35	06. Crisis Services	2,877,047	2,877,047
36			
37	07. Administration	332,351	332,351
38			
39	08. Adult/Child Mental Health Services	350,150	350,150
40			
41	Division of Public Health		
42			
43	09. NC Detect – Behavioral Health ER	35,000	35,000
44			
45	TOTAL COMMUNITY MENTAL HEALTH SERVICES		
46	BLOCK GRANT	\$36,565,772	<u>\$36,565,772</u>
47			<u>\$38,420,998</u>
48			
49	SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY SERVICES		
50	BLOCK GRANT		
51			

Local Program Expenditures

Division of Mental Health, Developmental Disabilities, and Substance Use Services

01. Substance Abuse – IV Drug	\$2,000,000	\$2,000,000
		<u>2,315,700</u>
02. Substance Abuse Prevention	20,245,927	20,245,927
		<u>20,746,854</u>
03. Substance Use Services – Treatment for Children/Adults (Healing Transitions, Inc. \$200,000; Triangle Residential Options for Substance Abusers, Inc., (TROSAs) \$3,225,000; First Step Farm of WNC, Inc. \$100,000; Addiction Recovery Care Association, Inc., (ARCA) \$2,000,000)	45,176,849	45,176,848
		<u>46,738,974</u>

DHHS Program Expenditures

Division of Mental Health, Developmental Disabilities, and Substance Use Services

04. Crisis Solutions Initiatives – Collegiate Wellness/Addiction Recovery	1,545,205	1,545,205
05. Veterans Initiatives	250,000	250,000

DHHS Administration

Division of Mental Health, Developmental Disabilities, and Substance Use Services

07. Administration	2,297,852	2,297,852
		<u>3,275,252</u>
08. Controlled Substance Reporting System	675,000	675,000

TOTAL SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY

SERVICES BLOCK GRANT	\$72,190,833	\$72,190,832
		<u>\$75,546,985</u>

MATERNAL AND CHILD HEALTH BLOCK GRANT

Local Program Expenditures

Division of Child and Family Well-Being

01. Children's Health Services (Prevent Blindness \$575,000; Nurse-Family Partnership \$1,102,308)	\$11,321,889	\$11,321,889
--	--------------	--------------

1			<u>\$11,438,221</u>
2			
3	Division of Public Health		
4			
5	02. Women's and Children's Health Services		
6	(March of Dimes \$350,000; Sickle Cell		
7	Centers \$100,000; Teen Pregnancy Prevention		
8	Initiatives \$650,000; Perinatal & Neonatal Outreach		
9	Coordinator Contracts \$440,000; Mountain Area		
10	Pregnancy Services \$50,000)	3,609,392	<u>3,609,392</u>
11			<u>4,538,805</u>
12			
13	03. Oral Health	51,119	<u>51,119</u>
14			<u>53,009</u>
15			
16	04. Evidence-Based Programs in Counties		
17	With the Highest Infant Mortality Rates	1,727,307	1,727,307
18			
19	DHHS Program Expenditures		
20			
21	05. Children's Health Services	1,344,492	<u>1,344,492</u>
22			<u>1,304,025</u>
23			
24	06. Women's Health – Maternal Health	252,695	<u>252,695</u>
25			<u>383,162</u>
26			
27	07. Women's and Children's Health – Perinatal		
28	Strategic Plan Support Position	80,669	<u>80,669</u>
29			<u>83,413</u>
30			
31	08. State Center for Health Statistics	158,583	158,583
32			
33	09. Health Promotion – Injury and		
34	Violence Prevention	87,271	87,271
35			
36	DHHS Administration		
37			
38	10. Division of Public Health Administration	340,646	340,646
39			
40	11. Division of Child and Family Well-Being		
41	Administration	211,925	211,925
42			
43	TOTAL MATERNAL AND CHILD		
44	HEALTH BLOCK GRANT	\$19,185,988	<u>\$19,185,988</u>
45			<u>\$20,326,367</u>
46			
47	PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT		
48			
49	Local Program Expenditures		
50			
51	01. Physical Activity and Prevention	\$3,081,442	\$3,081,442

1			<u>\$3,398,934</u>
2			
3	DHHS Program Expenditures		
4			
5	Division of Public Health		
6			
7	02. HIV/STD Prevention and		
8	Community Planning	135,063	135,063
9			
10	03. Oral Health Preventive Services	150,000	150,000
11			
12	04. Injury and Violence Prevention		
13	(Services to Rape Victims – Set-Aside)	217,935	217,935
14			
15	05. Performance Improvement and		
16	Accountability	560,182	560,182
17			
18	06. State Center for Health Statistics	48,000	48,000
19			
20	DHHS Administration		
21			
22	Division of Public Health		
23			
24	07. Division of Public Health	65,000	65,000
25			
26	TOTAL PREVENTIVE HEALTH AND HEALTH		
27	SERVICES BLOCK GRANT	\$4,257,622	<u>\$4,257,622</u>
28			<u>\$4,575,114</u>
29			
30	COMMUNITY SERVICES BLOCK GRANT		
31			
32	01. Community Action Agencies	\$22,862,029	\$20,244,923
33			<u>\$23,744,923</u>
34			
35	02. Limited Purpose Agencies/Discretionary Funding	457,553	504,718
36			
37	03. Office of Economic Opportunity	1,077,552	1,124,718
38			
39	04. Office of the Secretary/DIRM (Accountable Results for		
40	Community Action (AR4CA) Replacement System)	560,000	560,000
41			
42	05. Office of Economic Opportunity – Workforce		
43	Investment Opportunities Act (WIOA)	60,000	60,000
44			
45	TOTAL COMMUNITY SERVICES		
46	BLOCK GRANT	\$25,017,134	<u>\$22,494,359</u>
47			<u>\$25,994,359</u>
48	...		
49	"SOCIAL SERVICES BLOCK GRANT		
50	...		

1 **"SECTION 9M.1.(s)** Of the two million one hundred thirty-eight thousand four hundred
2 four dollars (\$2,138,404) appropriated in this act in the Social Services Block Grant to the
3 Division of Aging and Adult Services (Division) for Adult Protective Services for ~~each year of~~
4 ~~the 2023-2025 fiscal biennium, the 2023-2024 fiscal year and the four million nine hundred~~
5 thirty-six thousand fifteen dollars (\$4,936,015) appropriated in this act in the Social Services
6 Block Grant to the Division for Adult Protective Services for the 2024-2025 fiscal year, the sum
7 of eight hundred ninety-three thousand forty-one dollars (\$893,041) ~~for~~ in each year of the
8 2023-2025 fiscal biennium shall be used to increase the number of Adult Protective Services
9 workers where these funds can be the most effective. These funds shall be used to pay for salaries
10 and related expenses and shall not be used to supplant any other source of funding for staff. These
11 funds are also exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five
12 percent (25%).

13 ...

14 **"LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT**

15 ...

16 **"SECTION 9M.1.(u)** The sum of sixty-seven million eight hundred thirty-six thousand
17 sixty-nine dollars (\$67,836,069) for ~~each year of the 2023-2025 fiscal biennium the 2023-2024~~
18 fiscal year and the sum of fifty million three hundred sixteen thousand three hundred forty-seven
19 dollars (\$50,316,347) for the 2024-2025 fiscal year appropriated in this act in the Low-Income
20 Energy Assistance Block Grant to the Department of Health and Human Services, Division of
21 Social Services, shall be used for Energy Assistance Payments for the households of (i) elderly
22 persons age 60 and above with income up to one hundred fifty percent (150%) of the federal
23 poverty level and (ii) disabled persons eligible for services funded through the Division of Aging
24 and Adult Services.

25 County departments of social services shall submit to the Division of Social Services an
26 outreach plan for targeting households with 60-year-old household members no later than August
27 1 of each year. The outreach plan shall comply with the following:

- 28 (1) Ensure that eligible households are made aware of the available assistance,
29 with particular attention paid to the elderly population age 60 and above and
30 disabled persons receiving services through the Division of Aging and Adult
31 Services.
- 32 (2) Include efforts by the county department of social services to contact other
33 State and local governmental entities and community-based organizations to
34 (i) offer the opportunity to provide outreach and (ii) receive applications for
35 energy assistance.
- 36 (3) Be approved by the local board of social services or human services board
37 prior to submission.

38 **"CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT**

39 ...

40 **"SECTION 9M.1.(x)** Of the sixty-one million nine hundred eighty thousand five hundred
41 twenty-six dollars (\$61,980,526) appropriated in this act in the Child Care and Development
42 Block Grant for ~~each year of the 2023-2025 fiscal biennium the 2023-2024 fiscal year and the~~
43 eighty-seven million four hundred seventy-nine thousand four hundred forty-eight dollars
44 (\$87,479,448) appropriated in this act for the 2024-2025 fiscal year for quality and availability
45 initiatives to the Department of Health and Human Services, Division of Child Development and
46 Early Education, the sum of one million three hundred fifty thousand dollars (\$1,350,000) ~~for~~ in
47 each year of the 2023-2025 fiscal biennium shall be used to establish 18 new positions. From the
48 funds appropriated in this section for the 2024-2025 fiscal year, the sum of twenty-five million
49 four hundred ninety-eight thousand nine hundred twenty-two dollars (\$25,498,922) shall be used
50

1 to extend the compensation grants portion of the child care stabilization grants, as authorized
2 under Section 3.2(a) of S.L. 2021-25.

3 ...

4 **"SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY SERVICES**
5 **BLOCK GRANT**

6 **"SECTION 9M.1.(aa)** Of the two million two hundred ninety-seven thousand eight hundred
7 fifty-two dollars (\$2,297,852) provided in this section in the Substance Use Prevention,
8 Treatment, and Recovery Services Block Grant for ~~each year of the 2023-2025 fiscal biennium~~
9 the 2023-2024 fiscal year and the three million two hundred seventy-five thousand two hundred
10 fifty-two dollars (\$3,275,252) for the 2024-2025 fiscal year to the Department of Health and
11 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use
12 Services, for administration, the sum of nine hundred fifty-nine thousand four hundred dollars
13 (\$959,400) in each fiscal year shall be used to support nine new positions.

14 **"SECTION 9M.1.(bb)** Notwithstanding any other provision of law or provision of the
15 Committee Report described in Section 43.2 of S.L. 2022-74 to the contrary, the sum of one
16 million five hundred thousand dollars (\$1,500,000) in nonrecurring funds provided to Haywood
17 County and the sum of one million five hundred thousand dollars (\$1,500,000) in nonrecurring
18 funds provided to Madison County under the federal Substance Abuse Prevention and Treatment
19 Block Grant in Item 3 of Section 9L.1(a) and Section 9L.1(z2)(1) of S.L. 2021-180, as amended
20 in Section 9L.1 of S.L. 2022-74, for the 2022-2023 fiscal year for substance use treatment shall
21 remain available for expenditure in the ~~2023-2024~~ 2024-2025 fiscal year.

22
23 **"MATERNAL AND CHILD HEALTH BLOCK GRANT**

24 ...

25 **"SECTION 9M.1.(ee)** The sum of eighty thousand six hundred sixty-nine dollars (\$80,669)
26 for the 2023-2024 fiscal year and the sum of eighty-three thousand four hundred thirteen dollars
27 (\$83,413) for the 2024-2025 fiscal year allocated in this section in the Maternal and Child Health
28 Block Grant to the Department of Health and Human Services, Division of Public Health,
29 Women and Children's Health Section, ~~for each fiscal year of the 2023-2025 fiscal biennium~~
30 shall not be used to supplant existing State or federal funds. This allocation shall be used for a
31 Public Health Program Consultant position assigned full-time to manage the North Carolina
32 Perinatal Health Strategic Plan and provide staff support for the stakeholder work group.

33"

34
35 **PART X. AGRICULTURE AND CONSUMER SERVICES**

36
37 **CUSTOM EXEMPT MEAT PROCESSING GRANT FUNDING INCREASE**

38 **SECTION 10.1.(a)** Section 10.6(d) of S.L. 2023-134 reads as rewritten:

39 **"SECTION 10.6.(d)** Grant Criteria. – The Department shall develop policies and procedures
40 for the disbursement of the grants authorized by this section that include, at a minimum, the
41 following:

42 ...

- 43 (2) Limitation. – Grants under this section shall not exceed ~~thirty-four~~ thirty thousand
44 dollars ~~(\$30,000)-(\$40,000)~~ per grantee.

45"

46 **SECTION 10.1.(b)** This section is effective when it becomes law and applies to
47 grants awarded on or after that date.

48
49 **TOBACCO TRUST FUND ADMINISTRATIVE CAP INCREASE**

50 **SECTION 10.2.** G.S. 143-717(i) reads as rewritten:

"(i) Limit on Operating and Administrative Expenses. – All administrative expenses of the Commission shall be paid from the Fund. No more than ~~three hundred seventy five thousand dollars (\$375,000)~~ four hundred fifty thousand dollars (\$450,000) may be used each fiscal year for administrative and operating expenses of the Commission and its staff, provided that the Commission may annually adjust the administrative expense cap imposed by this subsection, so long as that any cap increase does not exceed the amount necessary to provide for statewide salary and benefit adjustments enacted by the General Assembly."

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."

1 **NATURAL GAS LOCAL DISTRIBUTION COMPANIES COST RECOVERY**
 2 **MODIFICATIONS**

3 **SECTION 11.4.(a)** G.S. 62-133.4 reads as rewritten:

4 **"§ 62-133.4. Gas cost adjustment for natural gas local distribution companies.**

5 ...

6 (c) Each natural gas local distribution company shall submit to the Commission
 7 information and data for an historical 12-month test period concerning the utility's actual cost of
 8 gas, volumes of purchased gas, sales volumes, negotiated sales volumes, and transportation
 9 volumes. This information and data shall be filed on an annual basis in the form and detail and
 10 at the time required by the Commission. The Commission, upon notice and hearing, shall
 11 compare the utility's prudently incurred costs with costs recovered from all the utility's customers
 12 that it served during the test period. If those prudently incurred costs are greater or less than the
 13 recovered costs, the Commission shall, subject to G.S. 62-158, require the utility to refund any
 14 overrecovery by credit to bill or through a decrement in its rates and shall permit the utility to
 15 recover any deficiency through an increment in its rates. If the Commission finds the
 16 overrecovery or deficiency has been or is likely to be substantially reduced, negated, or reversed
 17 before or during the period in which it would be credited or recovered, the Commission, in its
 18 discretion, may order the utility to make an appropriate adjustment or no adjustment to its rates,
 19 consistent with the public interest.

20 ...

21 (d1) The utility shall not recover from ratepayers, in any rate recovery proceeding or rider,
 22 the incremental cost of natural gas attributable to renewable energy biomass resources that
 23 exceeds the average system cost of gas unattributable to renewable energy biomass resources
 24 calculated and filed with the Commission pursuant to subsection (c) of this section. Each natural
 25 gas local distribution company that incurs costs attributable to renewable energy biomass
 26 resources shall submit the utility's actual cost thereof to the Commission monthly for purposes
 27 of determining the total amount of natural gas costs recoverable under this section.

28 (e) ~~As used in this section, the word "cost" or "costs" shall be defined by Commission~~
 29 ~~rule or order and may include all costs related to the purchase and transportation of natural gas~~
 30 ~~to the natural gas local distribution company's system.~~ The following definitions apply in this
 31 section:

- 32 (1) "Cost" or "costs" shall be defined by Commission rule or order and may
 33 include all costs related to the production, purchase, and transportation of
 34 natural gas to the natural gas local distribution company's system.
 35 (2) "Domestic wastewater" means water-carried human wastes together with all
 36 other water-carried wastes normally present in wastewater from non-industrial
 37 processes.
 38 (3) "Natural gas" or "gas" includes gas derived from renewable energy biomass
 39 resources.
 40 (4) "Renewable energy biomass resources" includes agricultural waste, animal
 41 waste, wood waste, spent pulping liquors, organic waste, combustible
 42 residues, combustible gases, energy crops, landfill methane, or domestic
 43 wastewater."

44 **SECTION 11.4.(b)** G.S. 62-133.7A reads as rewritten:

45 **"§ 62-133.7A. Rate adjustment ~~mechanism~~ mechanisms for natural gas local distribution**
 46 **company rates.**

47 (a) In setting rates for a natural gas local distribution company in a general rate case
 48 proceeding under G.S. 62-133, the Commission may adopt, implement, modify, or eliminate a
 49 rate adjustment ~~mechanism~~ mechanisms to enable the company to recover the prudently incurred
 50 capital investment and associated costs of ~~complying~~ any of the following, including a return
 51 based on the company's then authorized return:

- 1 (1) Complying with federal gas pipeline safety requirements, including a return
 2 based on the company's then authorized return requirements.
 3 (2) Producing and transporting natural gas, as defined in G.S. 62-133.4(e)(3), or
 4 consistent with the intent and purpose of G.S. 62-133.4.

5 (b) The Commission shall adopt, implement, modify, or eliminate ~~a~~ any of the rate
 6 adjustment ~~mechanism~~ mechanisms authorized under this section only upon a finding by the
 7 Commission that the mechanism is in the public interest."
 8

9 **RURAL ELECTRIFICATION AUTHORITY/FEE UPDATE**

10 **SECTION 11.5.(a)** G.S. 117-3 reads as rewritten:

11 **"§ 117-3. Authority not granted power to fix rates or order line extensions; right of**
 12 **suggestion and petition.**

13 ~~The~~ Except as provided in G.S. 117-3.1(b), the Authority itself shall not be a rate-making
 14 body, and shall have no power to fix the rates or service charges, or to order the extension of
 15 lines by the power companies. ~~The~~ Except as provided in G.S. 117-3.1(b), the function of making
 16 rates and service charges and orders for the extension of lines shall remain in the Utilities
 17 Commission of North Carolina, and the Authority shall only have the right of suggestion and
 18 petition to the Utilities Commission of its opinion as to the proper rates and service charges and
 19 line extensions, and no rate recommended or suggested by the Authority shall be effective until
 20 approved by the Utilities Commission: Provided, that if the Utilities Commission of North
 21 Carolina does not have the right under the existing law to fix service charges in addition to the
 22 rates prescribed for electrical energy, and the power to order line extensions, such power and
 23 authority is hereby granted the Utilities Commission of North Carolina to fix and promulgate
 24 service charges in addition to rates in any community which avails itself of this Article, and form
 25 a corporation authorized hereunder to be known as electric membership corporation, and to order
 26 line extensions when it shall determine that the same is proper and feasible."

27 **SECTION 11.5.(b)** G.S. 117-3.1 reads as rewritten:

28 **"§ 117-3.1. Regulatory fee.**

29 ...

30 (b) Rate. – For each fiscal year, year in which the General Assembly does not establish a
 31 rate, the regulatory fee shall be the greater of the following:

- 32 (1) ~~The rate established by the General Assembly for that year for each electric~~
 33 ~~membership corporation's North Carolina meter connected for service and~~
 34 ~~each telephone membership corporation's North Carolina access line~~
 35 ~~connected for service for each quarter of the year.~~
 36 (2) Four cents (4¢) rate proposed by the Authority in accordance with this
 37 subsection, which shall not be more than six cents (6¢) for each electric
 38 membership corporation's North Carolina meter connected for service and for
 39 each telephone membership corporation's North Carolina access line
 40 connected for service for each quarter of the year.

41 When the Authority prepares its budget request for the upcoming fiscal year, the Authority
 42 shall propose a rate for the regulatory fee. For fiscal years beginning in an odd-numbered year,
 43 that proposed rate shall be included in the budget message the Governor submits to the General
 44 Assembly pursuant to G.S. 143C-3-5. For fiscal years beginning in an even-numbered year, that
 45 proposed rate shall be included in a special budget message the Governor shall submit to the
 46 General Assembly. ~~If the General Assembly decides to set the regulatory fee at a rate higher than~~
 47 ~~the rate in subdivision (2) of this subsection, it shall set the regulatory fee by law.~~

48 The regulatory fee may not exceed the amount necessary to generate funds sufficient to defray
 49 the estimated cost of the operations of the Authority for the upcoming fiscal year, including a
 50 reasonable margin for a reserve fund. The amount of the reserve may not exceed the estimated
 51 cost of operating the Authority for the upcoming fiscal year. In calculating the amount of the

1 reserve, the General Assembly shall consider all relevant factors that may affect the cost of
2 operating the Authority or a possible unanticipated increase or decrease in North Carolina electric
3 meters and North Carolina telephone access lines.

4"

6 **PART XII. ENVIRONMENTAL QUALITY**

8 **2021 WATER/SEWER PROJECTS FROM STATE FISCAL RECOVERY FUNDS** 9 **EXPENDITURE**

10 **SECTION 12.1.(a)** Recipients of funding from the State Fiscal Recovery Fund for
11 water, wastewater, and stormwater projects under Sections 12.13 and 12.14 of S.L. 2021-180, as
12 amended, shall prioritize spending those funds prior to spending funds from other State or federal
13 sources for other water, wastewater, and stormwater projects. The Department of Environmental
14 Quality and the Office of State Budget and Management shall not approve payments or transfer
15 funds for new water, wastewater, and stormwater project funding through State or federal sources
16 unless the recipient for funding is meeting all milestones necessary to spend their funding from
17 the State Fiscal Recovery Fund prior to December 31, 2026.

18 **SECTION 12.1.(b)** Notwithstanding Section 12.13(f)(6) of S.L. 2021-180, the funds
19 granted to the Town of Canton may be used for water and wastewater infrastructure projects.

20 **SECTION 12.1.(c)** Subsection (a) of this section does not apply to any funds
21 appropriated or allocated to the Town of Canton for water, wastewater, or stormwater projects.

22 **UNION COUNTY WASTEWATER PROJECT CLARIFICATION**

23 **SECTION 12.2.** Funds allocated to Union County by Section 12.13(f)(63) of S.L.
24 2021-180 may, notwithstanding that subdivision, be also used by the County for an expansion of
25 the 12-Mile Creek water reclamation facility.

26 **NASH COUNTY WATER AND WASTEWATER REALLOCATIONS**

27 **SECTION 12.2A.** Fifteen million dollars (\$15,000,000) of the funds allocated to
28 Nash County by Section 12.2(e)(126) of S.L. 2023-134 shall instead be allocated to the following
29 local governments in the indicated amounts for water and wastewater projects, subject to the
30 applicable directives of Section 12.2 of S.L. 2023-134 not inconsistent with this section:

- 31 (1) Five million dollars (\$5,000,000) to the Town of Bailey.
- 32 (2) One million dollars (\$1,000,000) to the Town of Middlesex.
- 33 (3) Three million dollars (\$3,000,000) to the Town of Nashville.
- 34 (4) Four million dollars (\$4,000,000) to the City of Rocky Mount.
- 35 (5) One million dollars (\$1,000,000) to the Town of Spring Hope.
- 36 (6) One million dollars (\$1,000,000) to the Town of Whitakers.

37 **CITY OF SANFORD WATER/SEWER PROJECT**

38 **SECTION 12.2B.** Notwithstanding the Committee Report described in Section 43.2
39 of this act or any other provision of this act to the contrary, funds appropriated in this act to the
40 Department of Commerce for a grant to Golden L.E.A.F. shall instead be appropriated to the
41 Department of Environmental Quality to be used to provide a grant to the City of Sanford for a
42 water or wastewater infrastructure project or for repayment of a loan for a water or wastewater
43 infrastructure project from Golden L.E.A.F. The directives and limitations of Section 12.2 of S.L.
44 2023-134 not inconsistent with this section apply to these funds.

45 **2023 WATER/SEWER GENERAL FUND DEADLINES**

46 **SECTION 12.3.(a)** Deadlines for Project Completions. – Recipients of funding for
47 projects under Section 12.2(e) of S.L. 2023-134 shall comply with the following schedule:
48

- 1 (1) No later than December 31, 2026, provide to the Department of
- 2 Environmental Quality (Department) a completed request for funding form
- 3 with a project budget that describes a project that is eligible for funding under
- 4 applicable State or federal law and consistent with the purposes for the
- 5 funding as set forth in Section 12.2(e) of S.L. 2023-134.
- 6 (2) No later than December 31, 2028, enter into a construction contract for the
- 7 project.
- 8 (3) No later than June 30, 2031, expend all funding allocated under Section
- 9 12.2(e) of S.L. 2023-134.

10 **SECTION 12.3.(b)** Extension of Deadline. – The Department may extend the
 11 applicable deadline set forth in subsection (a) of this section and set a new deadline with a date
 12 certain, if the Department finds good cause for the recipient of funding failing to meet the
 13 applicable deadline.

14 **SECTION 12.3.(c)** Reversion of Unspent Funds. – If a recipient for funding under
 15 Section 12.2(e) of S.L. 2023-134 (i) fails to meet any of the deadlines set forth in subsection (a)
 16 or (b) of this section or (ii) complies with the applicable deadline but there remains unexpended
 17 or unbudgeted funds in excess of the needs of the eligible project, then unencumbered funds shall
 18 revert in accordance with Section 12.2(c) of S.L. 2023-134 on the next business day after the
 19 applicable deadline has passed.

20 **SECTION 12.3.(d)** Reporting Requirement. – Beginning October 30, 2024, and no
 21 later than 30 days after each subsequent quarter thereafter, the Department shall report to (i) the
 22 chairs of the House Appropriations, Agriculture and Natural and Economic Resources, (ii) the
 23 chairs of the Senate Appropriations on Agriculture, Natural, and Economic Resources, (iii) each
 24 member who represents a district with an active project under Section 12.2(e) of S.L. 2023-134,
 25 and (iv) the Fiscal Research Division detailing, at a minimum, each project's progress and
 26 funding status. This reporting requirement expires when all funds are expended and those projects
 27 are completed.

28 **SECTION 12.3.(e)** Applicability. – This section only applies to funds allocated
 29 under Section 12.2(e) of S.L. 2023-134 from the General Fund.

30
 31 **HARVEST REPORTING SYSTEM REVISIONS**

32 **SECTION 12.4.(a)** Section 6(f) of S.L. 2023-137 reads as rewritten:

33 "**SECTION 6.(f)** Subsection (a) of this section becomes effective ~~December 1, 2024,~~
 34 December 1, 2025, and applies to violations committed on or after that date. Subsection (b) of
 35 this section becomes effective ~~December 1, 2025, December 1, 2026,~~ and applies to violations
 36 committed on or after that date. Subsection (c) of this section becomes effective ~~December 1,~~
 37 2026, December 1, 2027, and applies to violations committed on or after that date. The remainder
 38 of this section is effective when it becomes law."

39 **SECTION 12.4.(b)** Notwithstanding any other provision of S.L. 2023-134 or of the
 40 Committee Report described in Section 43.2 of that act to the contrary, the sum of five million
 41 dollars (\$5,000,000) in nonrecurring funds appropriated to the Department of Environmental
 42 Quality in S.L. 2023-134 for the 2023-2024 fiscal year for a harvest reporting system for persons
 43 engaged in recreational and commercial harvesting of fish may be used for implementation as
 44 well as development of that system.

45
 46 **NPDES STORMWATER GENERAL PERMIT FEE CORRECTION**

47 **SECTION 12.5.** G.S. 143-215.3D(a)(10) reads as rewritten:

48 "(10) NPDES Stormwater Permits. – The permit fee and annual fee for NPDES
 49 stormwater permits is as follows:

50 ...

- 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 preparation by a licensed professional engineer or a person under the responsible charge of a licensed professional engineer unless the dam is associated with a coal combustion residuals surface impoundment, as defined by G.S. 130A-309.201.
- (3) ~~The~~ Except as otherwise provided, the owner of the dam shall update the Emergency Action Plan annually and shall submit it to the Department and the Department of Public Safety for their review and approval within one year of the prior approval.
- (3a) If the dam meets the criteria for exclusion under G.S. 143-215.25A(a)(6) but requires an Emergency Action Plan, then the owner of the dam shall update the Emergency Action Plan every five years and shall submit it to the Department and the Department of Public Safety for their review and approval at least one year prior to the expiration of the previous Emergency Action Plan.

...."

SECTION 12.6.(b) If the Department of Environmental Quality has determined that a failure of a dam less than 25 feet in height or that has an impoundment capacity of less than 50 acre-feet would result in loss of human life or significant damage to property below the dam prior to the effective date of this section, then their requirement to have an updated Emergency Action

1 Plan every year shall be updated every five years under G.S. 143-215.31(a1)(3a), as enacted by
2 this section, beginning after the approval date of the next Emergency Action Plan.

3 **SECTION 12.6.(c)** This section becomes effective October 1, 2024, and applies to
4 inspections of dams that occur on or after that date.

6 **DAM RESILIENCE AND INFRASTRUCTURE NEEDS FUND**

7 **SECTION 12.7.(a)** Part 3 of Article 21 of Chapter 143 of the General Statutes is
8 amended by adding a new section to read:

9 **"§ 143-215.32B. Dam Resilience and Infrastructure Needs Fund.**

10 (a) Establishment; Purpose. – There is established within the Department a special,
11 nonreverting account to be known as the Dam Resilience and Infrastructure Needs Fund to
12 receive federal funds under the United States Army Corps of Engineers Water Infrastructure
13 Financing Program (WIFP) and any other public funds appropriated for purposes consistent with
14 this section. This section provides to the Division of Energy, Mineral, and Land Resources of the
15 Department of Environmental Quality all necessary authority to serve as the State Administrative
16 Agency for this Fund. The Fund shall consist of any funds received from federal or State sources
17 that are appropriated for dam repair, modification, removal, and other remediation efforts related
18 to dam structural integrity and safety.

19 (b) Eligible Uses. – Funds received from the WIFP or other federal sources may be used
20 to disburse loans to eligible subrecipients in this State, consistent with federal Program rules
21 published in the Federal Register and State law and rule. Any funds received from other State or
22 federal sources shall be used consistent with the purposes and restrictions from the funding
23 source, including grants, if applicable.

24 (c) Priority. – The Department, through the Division, shall assign priority for loans from
25 the Fund to eligible subrecipients based on the Risk-Based Prioritization Method established
26 under the Federal Emergency Management Agency Rehabilitation of High Hazard Potential
27 Dams Grant Program. The Department may develop priority criteria for grants from other federal
28 or State sources, if applicable.

29 (d) Rulemaking. – The Department may adopt rules necessary to implement the
30 provisions of this section.

31 (e) Reporting Requirement. – The Department shall submit an annual report no later than
32 October 1 of each year to the Joint Legislative Committee on Agriculture and Natural and
33 Economic Resources and the Fiscal Research Division on the previous State fiscal year's loans,
34 grants, or other disbursements from the Fund. The report shall include, at a minimum, the types,
35 amounts, and recipients of loans, grants, and disbursements. If loans are disbursed, the report
36 shall include (i) any defaults, (ii) interest rates, and (iii) efforts to recapture funds loaned to those
37 recipients in the event of delinquent payment."

38 **SECTION 12.7.(b)** The Department of Environmental Quality may use existing
39 funds to create up to two full-time equivalent positions to operate the Dam Resilience and
40 Infrastructure Needs Fund program as set forth in this section.

41 **SHALLOW DRAFT FUND AMENDMENTS**

42 **SECTION 12.8.** G.S. 143-215.73F, as amended by Section 4.12 of S.L. 2024-1,
43 reads as rewritten:

44 **"§ 143-215.73F. Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund.**

45 ...

46 (b) Uses of Fund. – Revenue in the Fund may only be used for the following purposes:

- 47 (1) To provide the State's share of the costs associated with any dredging project
48 designed to keep shallow draft navigation channels located in State waters or
49 waters of the State located within lakes navigable and safe.
50

- 1 (2) For aquatic weed control projects in waters of the State that either address (i)
- 2 a noxious aquatic weed designated under Article 15 of Chapter 113A of the
- 3 General Statutes, (ii) cyanobacteria causing harmful algal blooms or
- 4 producing cyanotoxins such as cylindrospermopsin and saxitoxins, or (iii)
- 5 other aquatic vegetation not so designated, if the vegetation obstructs public
- 6 water access or access by watercraft to public watercraft launching or docking
- 7 areas. Funding for aquatic weed control projects is limited to ~~one million~~
- 8 dollars ~~(\$1,000,000)~~ two million dollars (\$2,000,000) in each fiscal year.
- 9 (3) For administrative support of activities related to beach and inlet management
- 10 in the State, limited to ~~one hundred thousand dollars (\$100,000)~~ one hundred
- 11 twenty thousand dollars (\$120,000) in each fiscal year.
- 12 (3a) For administrative support of Fund operations, limited to one hundred
- 13 thousand dollars (\$100,000) in each fiscal year.

14 ...
 15 (b2) Invoice Approval Required. – Any invoices submitted to the Secretary for
 16 reimbursement or payment from the Fund for projects undertaken for the purpose set forth in
 17 subdivision (1) of subsection (b) of this section shall be signed by the representative of the unit
 18 of local government sponsoring the project.

19 ...
 20 (f1) Administrative Expense Adjustment. – The Secretary may annually adjust the
 21 administrative expense caps imposed by subdivisions (b)(3) and (b)(3a) of this section, so long
 22 as any cap increase does not exceed the amount necessary to provide for statewide salary and
 23 benefit adjustments enacted by the General Assembly.

24 "
 25
 26 **MODERNIZE WASTEWATER PERMITTING TO SUPPORT ENVIRONMENTALLY**
 27 **SOUND ECONOMIC DEVELOPMENT**

28 **SECTION 12.9.(a)** The General Assembly finds all of the following:

- 29 (1) Residents of the State should be assured enjoyment of, and access to, proven
- 30 and reasonable methods of treating and disposing of wastewater that embrace
- 31 new technologies.
- 32 (2) As the State continues to grow and attract businesses, it is critical that
- 33 wastewater treatment and disposal facilities are provided for those businesses;
- 34 and adequate and affordable housing that is proximate to those businesses
- 35 must be available to assure the success of those businesses.
- 36 (3) Residents of the State should be assured treatment in an equitable manner to
- 37 their counterparts within other states comprising the United States
- 38 Environmental Protection Agency's (USEPA) Region 4 where permits are
- 39 authorized and issued for the discharge of treated wastewater from
- 40 municipalities, businesses, and developments to, for example, receiving
- 41 waters "in which natural flow is intermittent, or under certain circumstances
- 42 non-existent" (Alabama Admin. Code r. 335-6-10-.09).
- 43 (4) The discharge of treated wastewater to low flow or zero flow receiving waters
- 44 is of low risk to the environment, protects and improves water quality, and
- 45 provides the most prudent use of ratepayer funds.
- 46 (5) For all these reasons, it is necessary to establish methodologies and rules for
- 47 the discharge of treated domestic wastewaters with low risk following site
- 48 specific criteria to surface waters of the State, including wetlands, perennial
- 49 streams, and unnamed tributaries of named and classified streams and
- 50 intermittent streams or drainage courses where the 7Q10 flow or 30Q2 flow

1 of the receiving waters is estimated to be low flow or zero flow, as determined
2 by the United States Geological Survey (USGS).

- 3 (6) This act preserves and maintains the authority of the Department of
4 Environmental Quality (Department) for appropriate review, including
5 opportunities for public comment, and requires the Department and the
6 Environmental Management Commission (Commission) to seek necessary
7 approvals from USEPA to adopt temporary and permanent rules to authorize
8 discharges of wastewater to such receiving waters.

9 **SECTION 12.9.(b)** G.S. 143-215.1(c8) is repealed.

10 **SECTION 12.9.(c)** Section 12.9 of S.L. 2023-134 is repealed.

11 **SECTION 12.9.(d)** No later than August 1, 2024, the Department of Environmental
12 Quality (Department) and the Environmental Management Commission (Commission) shall
13 develop and submit to the United States Environmental Protection Agency for USEPA's approval
14 draft rules that establish methodologies and permitting requirements for the discharge of treated
15 domestic wastewaters with low risk following site-specific criteria to surface waters of the State,
16 including wetlands, perennial streams, and unnamed tributaries of named and classified streams
17 and intermittent streams or drainage courses where the 7Q10 flow or 30Q2 flow of the receiving
18 water is estimated to be low flow or zero flow, or under certain conditions non-existent, as
19 determined by the United States Geological Survey (USGS). Within 20 days of the date USEPA
20 approves the draft rules submitted pursuant to this subsection, the Commission shall initiate the
21 process for temporary and permanent rules pursuant to Chapter 150B of the General Statutes.
22 The draft rules submitted to USEPA for approval shall include all of the following:

- 23 (1) Defined terms. –

- 24 a. "Treated domestic wastewater" shall mean sewage and wastewater
25 comprised of waste and wastewater from household, commercial or
26 light industrial operations (e.g., homes, restaurants, car washes,
27 laundromats servicing only domestic laundry) excluding any industrial
28 process wastewater regulated by USEPA under the Categorical
29 Pretreatment Standards.
30 b. "Low-risk discharges" means discharges of 2 million gallons per day
31 or less of treated domestic wastewater when the dissolved oxygen
32 content (DO) of the effluent is significantly higher (1.5 mg/l or greater)
33 than the DO of the receiving water during low flow periods and the
34 biological oxygen demand content (BOD) of the effluent is
35 significantly lower (1.5 mg/l or more) than the DO of the effluent.
36 c. "Sag" means a reduction in the existing DO in the background surface
37 receiving water to which treated wastewater will be discharged. Sag is
38 typically related to nutrient elements within treated wastewater, which
39 may promote the growth of oxygen-consuming micro-organisms,
40 increasing the BOD, which at elevated levels may reduce DO in the
41 background surface water body.

- 42 (2) Criteria for permitting. –

- 43 a. Applicants shall be required to demonstrate, through an analysis
44 comparing the limits of the NPDES permit to the characteristics of the
45 receiving water, that a proposed discharge meets criteria for a low-risk
46 discharge as defined in this subsection. When a discharge is
47 determined to be low-risk, the applicant shall demonstrate using
48 simple modeling of the applicant's choosing, provided that the model
49 chosen is utilized elsewhere in USEPA Region 4, such as the
50 Streeter-Phelps model used in the State of Alabama, to show that the
51 Sag, if any, in the DO of the receiving water will not exceed 0.1mg/l.

- 1 b. Discharges to low flow or zero flow receiving waters shall be subject
2 to the following conditions:
 - 3 1. The receiving waters fall within any of the following
4 categories:
 - 5 I. The 7Q10 or 32Q2 flow statistics are estimated to be
6 zero by the USGS.
 - 7 II. The drainage area of the discharge point is less than 5
8 square miles as specified by the USGS on-line tools or
9 other methodology that meets the standard of care for
10 such work.
 - 11 III. The 7Q10 flow is estimated to be less than 1 cubic foot
12 per second by the USGS.
 - 13 2. The proposed flow for any wastewater discharge shall be the
14 lesser of the following:
 - 15 I. No more than one-tenth of the flow generated by the
16 one-year, 24-hour storm event given the drainage area
17 and calculated using the rational method. The rational
18 method shall be used to calculate the peak runoff for
19 the one-year, 24-hour precipitation event in cubic feet
20 per second. The peak runoff shall then be divided by 10
21 and multiplied by 646,272 to convert the result to
22 gallons per day of allowable discharge at the point
23 studied.
 - 24 II. Two million gallons per day.
 - 25 3. All discharges shall be directed to buffer systems that utilize
26 low-energy methodologies to function as a buffer between the
27 discharge and the receiving waters. Buffer systems shall
28 consist of one of the following:
 - 29 I. High-rate infiltration basins that may include
30 engineered materials to achieve high rates of
31 infiltration, which engineered materials shall have an
32 ASTM gradation of a fine to coarse grain sand, and
33 angular to maintain structural integrity of the slope.
 - 34 II. Constructed free-surface wetlands having a hydraulic
35 residence time of 14 days.
 - 36 III. Other suitable technologies that provide a physical or
37 hydraulic residence time buffer, or both, between the
38 discharge and the receiving waters.
 - 39 4. Discharge to areas that are 50 feet upland of the receiving
40 waters or wetlands at a non-erosive velocity equal to or less
41 than 2 feet per second through an appropriately designed
42 energy dissipater, or other applicable designs, that meet the
43 standard of practice for professional engineers for such
44 devices.
 - 45 5. Utilize more than one outfall to the receiving stream so that no
46 one outfall exceeds 1 cubic foot per second based on the
47 average daily flow of the discharge. Discharges from buffer
48 systems shall be allowed to be placed at increments along a
49 stream or receiving waters at no less than 50 linear feet.
 - 50 6. No discharge shall be permitted to classified shellfish waters
51 (SA), tidal waters (SC), water supply waters (WS), or

- 1 outstanding resource waters (ORW). Discharges to unnamed
2 tributaries of classified shellfish waters, however, shall be
3 authorized in compliance with requirements of this section and
4 only when a low-risk situation is present. Discharges to
5 nutrient sensitive waters (NSW) may require additional
6 modeling and allocation of flow and will be at the discretion of
7 the Department.
- 8 7. The following effluent limits shall generally apply except
9 where (i) the applicant and Department agree to more stringent
10 limits or (ii) complex modeling conducted pursuant to
11 sub-sub-subdivision 8. of this sub-subdivision demonstrates
12 that Sag in the DO content of the receiving water of 0.1 mg/l
13 or less will occur and water quality standards are protected:
- 14 I. Biological oxygen demand (BOD₅) shall not exceed 5.0
15 mg/l monthly average.
- 16 II. NH₃, 0.5 mg/l monthly average, 1.0 mg/l daily
17 maximum.
- 18 III. Total nitrogen shall not exceed 4.0 mg/l monthly
19 average.
- 20 IV. Total phosphorus, 1.0 mg/l monthly average, 2.0 mg/l
21 daily maximum.
- 22 V. Fecal coliforms, 14 colonies/100ml or less.
- 23 VI Dissolved oxygen, 7.0 mg/l or greater.
- 24 VII. Total suspended solids, 5.0 mg/l monthly average,
25 8mg/l daily maximum.
- 26 VIII. Nitrate, 1.0 mg/l monthly average, 2.0 mg/l daily
27 maximum.
- 28 8. If an applicant proposes less stringent effluent limits than those
29 set forth in sub-sub-subdivision 7. of this sub-subdivision, the
30 applicant shall conduct more complex modeling using any
31 model accepted elsewhere in USEPA Region 4 that the
32 applicant elects to use to confirm that a Sag in the DO content
33 of the receiving water of 0.1 mg/l or less will occur and water
34 quality standards are protected.
- 35 9. The Department shall not require an applicant to obtain
36 mapping data from the USGS as part of an application. In lieu,
37 an engineer of record licensed in the State of North Carolina
38 may prepare required mapping utilizing either USGS maps or
39 other maps approved by the Department.
- 40 10. Within 30 days of the filing of an application for a wastewater
41 discharge subject to this section, the Department shall (i)
42 determine whether or not the application is complete and notify
43 the applicant accordingly and (ii) if the Department determines
44 an application is incomplete, specify all such deficiencies in
45 the notice to the applicant. The applicant may file an amended
46 application or supplemental information to cure the
47 deficiencies identified by the Department for the Department's
48 review. If the Department fails to issue a notice as to whether
49 or not the application is complete within the requisite 30-day
50 period, the application shall be deemed complete. Within 180
51 days of the filing of a completed application, the Commission

1 shall either grant or deny the permit. If the Commission fails
2 to act in the requisite time frame, ten percent (10%) of the
3 application fee shall be returned to the applicant for each
4 working day beyond the 180-day period.

5 **SECTION 12.9.(e)** No later than September 1, 2024, the Department in conjunction
6 with the North Carolina Collaboratory at the University of North Carolina at Chapel Hill
7 (Collaboratory) shall convene a Wastewater General Permit Working Group (Working Group)
8 consisting of Department and Collaboratory staff and a maximum of five consulting experts
9 appointed by the Director of the Collaboratory in the fields of environmental regulation,
10 wastewater regulation, water quality regulation, and wastewater treatment regulation, to develop
11 the draft rules for the implementation of a Wastewater Treatment and Discharge General Permit
12 process for the State. The Working Group shall report its findings to the Environmental Review
13 Commission no later than March 15, 2025. Following consideration by the Environmental
14 Review Commission, and after making any changes required by the Environmental Review
15 Commission, the Department shall develop and submit proposed rules to USEPA for its approval.
16 Within 20 days of the date USEPA approves the draft rules submitted pursuant to this subsection,
17 the Commission shall initiate the process for temporary and permanent rules pursuant to Chapter
18 150B of the General Statutes.

19 **SECTION 12.9.(f)** Beginning September 1, 2024, and quarterly thereafter until such
20 times as permanent rules as required by subsections (d) and (e) of this section have become
21 effective, the Department and the Environmental Management Commission shall report on their
22 activities to implement subsections (d) and (e) of this section to the Environmental Review
23 Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and
24 Economic Resources, the Senate Appropriations Committee on Agriculture, Natural and
25 Economic Resources, and the House of Representatives Appropriations Committee on
26 Agriculture and Natural and Economic Resources of the General Assembly.

27 **SECTION 12.9.(g)** This section is effective when it becomes law.
28

29 **PFAS REMEDIATION AND PREVENTION FUNDING**

30 **SECTION 12.10.(a)** Notwithstanding any other provision of law or of the
31 Committee Report referenced in Section 43.2 of this act to the contrary, of the funds appropriated
32 in this act to the Department of Environmental Quality ("DEQ") from the General Fund for the
33 Shallow Draft Navigation Channel and Aquatic Weed Fund, the sum of two million one hundred
34 thirty thousand three hundred fifty-seven dollars (\$2,130,357) in recurring funds shall not be used
35 for those purposes but shall instead be used by DEQ to establish a technical assistance program
36 to support industry and municipalities as they implement treatment and management programs
37 to prevent the release of per- and polyfluoroalkyl Substances ("PFAS") into the environment and
38 to remove PFAS from drinking water supplies.

39 **SECTION 12.10.(b)** Notwithstanding any other provision of law or of the
40 Committee Report referenced in Section 43.2 of this act to the contrary, of the funds appropriated
41 in this act to the Department of Commerce ("Commerce") for the One NC program, the sum of
42 seven hundred fifty thousand dollars (\$750,000) in nonrecurring funds for the 2024-2025 fiscal
43 year shall not be used for those purposes but shall instead be transferred to the Department of
44 Environmental Quality to be used for equipment and lab supplies to increase its capacity to
45 analyze PFAS (and other emerging compounds) samples in-house and thereby improve
46 turnaround time and customer service.
47

48 **PART XIII. LABOR [RESERVED]**

49 **PART XIV. NATURAL AND CULTURAL RESOURCES**

50
51

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 Paddle Trail in Cleveland and Rutherford Counties, (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:
- ...

- i. To establish and operate a central motor fleet and such subsidiary related facilities as the Secretary may deem necessary, and to that end:
- ...
- 3. To require on a schedule determined by the Department all State agencies to transfer ownership, custody or control of any or all passenger motor vehicles within the ownership, custody or control of that agency to the Department, except those motor vehicles under the ownership, custody or control of ~~the~~ the following:
 - I. The North Carolina Zoological Park.
 - II. The North Carolina Division of Parks and Recreation of the Department of Natural and Cultural Resources.
 - III. The Highway Patrol, the State Bureau of Investigation, the State Capitol Police, or the Alcohol Law Enforcement Division of the Department of Public Safety, ~~the~~ Safety.
 - IV. The Samarcand Training Academy, ~~or the~~ Academy.
 - V. The constituent institutions of The University of North Carolina which are used primarily for law-enforcement purposes.

...."

SECTION 14.3.(c) G.S. 121-4 reads as rewritten:

"§ 121-4. Powers and duties of the Department of Natural and Cultural Resources.

The Department of Natural and Cultural Resources shall have the following powers and duties:

- (1) To accept gifts, devises, and endowments for purposes which fall within the general legal powers and duties of the Department. Unless otherwise specified by the donor or testator, the Department may either expend both the principal and interest of any gift or devises or may invest such funds in whole or in part, by and with the consent of the State Treasurer. The Department may recognize gifts by ~~naming~~ naming, allowing the sponsorship of, or allowing logo or advertisement placement on, exhibits, equipment, buildings, features, or other property belonging to, or programs administered ~~by~~ by, the Department.

...."

SECTION 14.3.(d) G.S. 143B-135.209 reads as rewritten:

"§ 143B-135.209. North Carolina Zoo Fund.

...

(c) Approval. – The Secretary may approve the use of the North Carolina Zoo Fund for repair and renovation projects at the North Carolina Zoological Park that comply with the following:

- (1) The total project cost is less than ~~five hundred thousand dollars (\$500,000)~~ one million dollars (\$1,000,000).
- (2) The project meets the criteria to be classified as a repair or renovation under G.S. 143C-8-13(a).
- (3) The project is paid for from funds appropriated to the Fund.
- (4) The project does not obligate the State to provide increased recurring funding for operations.

...."

SECTION 14.3.(e) G.S. 143C-8-7 reads as rewritten:

"§ 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~~ on
 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.

27
 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."

44
 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 **PART XVII. INDIGENT DEFENSE SERVICES [RESERVED]**

39 **PART XVIII. JUSTICE**

40 **PROHIBIT NONCITIZENS FROM RECEIVING CERTAIN PUBLIC SAFETY**

41 **CERTIFICATIONS**

42 **SECTION 18.1.(a)** Article 1 of Chapter 17C of the General Statutes is amended by
43 adding a new section to read:

44 **"§ 17C-17. Prohibition against certifying noncitizens.**

45 The Commission shall not certify or recertify any person under this Chapter that is not a
46 citizen of the United States."

47 **SECTION 18.1.(b)** G.S. 17C-10(c) reads as rewritten:
48
49
50

1 "(c) In addition to the requirements of subsection (b) of this section, the Commission, by
2 rules and regulations, shall fix other qualifications for the employment, training, and retention of
3 criminal justice officers including minimum age, education, physical and mental standards,
4 ~~citizenship~~, good moral character, experience, and such other matters as relate to the competence
5 and reliability of persons to assume and discharge the responsibilities of criminal justice officers.
6 The Commission shall prescribe the means for presenting evidence of fulfillment of these
7 requirements. The Commission shall require the administration of a psychological screening
8 examination, including a face-to-face, in-person interview conducted by a licensed psychologist,
9 to determine the criminal justice officer's psychological suitability to properly fulfill the
10 responsibilities of the criminal justice officer. If face-to-face, in-person is not practicable, the
11 face-to-face evaluation can be virtual as long as both the audio and video allow for a professional
12 clinical evaluation in a clinical environment. The psychological screening examination shall be
13 given (i) prior to the initial certification or (ii) prior to the criminal justice officer performing any
14 action requiring certification by the Commission.

15 Where minimum educational standards are not met, yet the individual shows potential and a
16 willingness to achieve the standards by extra study, they may be waived by the Commission for
17 the reasonable amount of time it will take to achieve the standards required. Such an educational
18 waiver shall not exceed 12 months."

19 **SECTION 18.1.(c)** Article 1 of Chapter 17E of the General Statutes is amended by
20 adding a new section to read:

21 "**§ 17E-6.6. Prohibition against certifying noncitizens.**

22 The Commission shall not certify or recertify any person under this Chapter that is not a
23 citizen of the United States."

24 **SECTION 18.1.(d)** G.S. 17E-7(c) reads as rewritten:

25 "(c) In addition to the requirements of subsection (b) of this section, the Commission, by
26 rules and regulations, may fix other qualifications for the employment and retention of justice
27 officers including minimum age, education, physical and mental standards, ~~citizenship~~, good
28 moral character, experience, and such other matters as relate to the competence and reliability of
29 persons to assume and discharge the responsibilities of the office. The Commission shall
30 prescribe the means for presenting evidence of fulfillment of these requirements. The
31 Commission shall require the administration of a psychological screening examination, including
32 a face-to-face, in-person interview conducted by a licensed psychologist, to determine the justice
33 officer's psychological suitability to properly fulfill the responsibilities of the justice officer. If
34 face-to-face, in-person is not practicable, the face-to-face evaluation can be virtual as long as
35 both the audio and video allow for a professional clinical evaluation in a clinical environment.
36 The psychological screening examination shall be given (i) prior to the initial certification or (ii)
37 prior to the criminal justice officer performing any action requiring certification by the
38 Commission.

39 Where minimum educational standards are not met, yet the individual shows potential and a
40 willingness to achieve the standards by extra study, they may be waived by the Commission for
41 the reasonable amount of time it will take to achieve the standards required. Upon petition from
42 a sheriff, the Commission may grant a waiver of any provisions of this section (17E-7) for any
43 justice officer serving that sheriff."

44 **SECTION 18.1.(e)** This section is effective when it becomes law and applies to
45 certifications and recertifications awarded on or after that date.

47 **REMOVE CERTAIN CONSTRAINTS FOR LATERAL TRANSFERS OF LAW** 48 **ENFORCEMENT OFFICERS**

49 **SECTION 18.2.(a)** Article 1 of Chapter 17C of the General Statutes is amended by
50 adding a new section to read:

51 "**§ 17C-10.2. Transfer of certified officers.**

1 (a) Notwithstanding any other provision of law, the Commission, the Division, and a law
 2 enforcement agency considering the application for employment of a criminal justice officer shall
 3 be granted access to and allowed to review the applicant's personnel file maintained by any law
 4 enforcement agency holding, or who has previously held, the applicant's certification, if each of
 5 the following circumstances exists:

- 6 (1) The applicant currently holds a general or probationary certification from the
 7 Commission or the Sheriffs' Education and Training Standards Commission.
 8 (2) The applicant has less than a 12-month break in service.
 9 (3) The applicant is applying to obtain certification with another law enforcement
 10 agency.

11 (b) A law enforcement agency and its personnel providing access and review of a
 12 personnel file pursuant to this section shall not be held civilly or criminally liable for doing so."

13 **SECTION 18.2.(b)** Article 2 of Chapter 17E of the General Statutes is amended by
 14 adding a new section to read:

15 **"§ 17E-7.1. Transfer of certified officers.**

16 (a) Notwithstanding any other provision of law, the Commission, the Division, and a
 17 sheriff's office considering the application for employment of a justice officer shall be granted
 18 access to and allowed to review the applicant's personnel file maintained by any law enforcement
 19 agency holding, or who has previously held, the applicant's certification, if each of the following
 20 circumstances exist:

- 21 (1) The applicant currently holds a general or probationary certification from the
 22 Commission or the Criminal Justice Education and Training Standards
 23 Commission.
 24 (2) The applicant has less than a 12-month break in service.
 25 (3) The applicant is applying to obtain certification with another law enforcement
 26 agency.

27 (b) A sheriff's office and its personnel providing access and review of a personnel file
 28 pursuant to this section shall not be held civilly or criminally liable for doing so."

29 **SECTION 18.2.(c)** This section is effective when it becomes law and applies to
 30 applications for employment submitted before, on, or after that date.

31
 32 **EXEMPT CERTAIN LAW ENFORCEMENT TRAINING MATERIALS AND**
 33 **ELIGIBILITY GUIDELINE DETERMINATIONS FROM RULE MAKING**

34 **SECTION 18.3.** G.S. 150B-1(d) reads as rewritten:

35 "(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the
 36 following:

- 37 ...
- 38 (6a) The Criminal Justice Education and Training Standards Commission with respect to
 39 establishing minimum ~~standards~~ standards, all course-related
 40 materials for entry-level and in-service ~~training for criminal justice officers~~
 41 ~~under G.S. 17C-6(a)(14); training, and all other Commission courses pursuant~~
 42 ~~to G.S. 17C-6, and identifying or classifying misdemeanors for purposes of~~
 43 ~~certification eligibility and continued eligibility under G.S. 17C-6(a)(3) and~~
 44 ~~G.S. 17C-1.~~
 45 (6b) The Sheriffs' Education and Training Standards Commission with respect to
 46 establishing minimum ~~standards~~ standards, all course-related materials for
 47 entry-level and in-service ~~training for justice officers under~~
 48 ~~G.S. 17E-4(a)(11); training, and all other Commission courses pursuant to~~
 49 ~~G.S. 17E-4, and identifying or classifying misdemeanors for purposes of~~
 50 ~~certification eligibility and continued eligibility under G.S. 17E-4(a)(3) and~~
 51 ~~G.S. 17E-9.~~

1 "

2
3 **ALLOWING FOR EXPEDITED PROCESS IN CERTAIN LAW ENFORCEMENT**
4 **OFFICER CERTIFICATION DETERMINATIONS**

5 **SECTION 18.4.** The Criminal Justice Education and Training Standards
6 Commission and the Sheriffs' Education and Training Standards Commission may adopt
7 temporary rules under G.S. 150B-21.1 to provide an expedited procedure allowing criminal
8 justice officers and justice officers currently certified in this State or another state, or who have
9 been certified within the previous 12-month period in this State or another state, to transfer the
10 certification to a different criminal justice agency within this State. If either Commission adopts
11 a temporary rule pursuant to this section, that Commission shall adopt a corresponding permanent
12 rule by June 30, 2025.

13
14 **PART XIX. ADULT CORRECTION [RESERVED]**

15
16 **PART XIX-A. DEPARTMENT OF ADULT CORRECTION ADMINISTRATION**

17
18 **AMEND REPORTING REQUIREMENTS**

19 **SECTION 19A.1.(a)** G.S. 20-196.5 is recodified as G.S. 143B-1504 and reads as
20 rewritten:

21 "**§ 143B-1504. Report on gang prevention recommendations.**

22 The ~~State Highway Patrol, Department of Adult Correction,~~ in conjunction with the State
23 Bureau of Investigation and the Governor's Crime Commission, shall develop recommendations
24 concerning the establishment of priorities and needed improvements with respect to gang
25 prevention and shall report those recommendations to the chairs of the House of Representatives
26 and Senate Appropriations Committees on Justice and Public Safety and to the chairs of the Joint
27 Legislative Oversight Committee on Justice and Public Safety on or before March 1 of each
28 year."

29 **SECTION 19A.1.(b)** G.S. 143B-1470(c) reads as rewritten:

30 "(c) The Department of Adult Correction shall report ~~quarterly~~ annually by September 1
31 of each year to the Joint Legislative Oversight Committee on Justice and Public Safety and the
32 chairs of the Justice and Public Safety Appropriations Committees ~~on~~ on all of the following:

33 (1) The percentage of the total inmates requiring hospitalization or hospital
34 services who receive that treatment at each hospital.

35 ...

36 (4a) The volume of scheduled and emergent services listed by hospital and, of that
37 volume, the number of those services that are provided by contracted and
38 noncontracted providers.

39 (4b) The volume of scheduled and emergent admissions listed by hospital and, of
40 that volume, the percentage of those services that are provided by contracted
41 and noncontracted providers.

42 (5) The volume of inpatient medical services provided to Medicaid-eligible
43 inmates, the cost of treatment, the estimated savings of paying the nonfederal
44 portion of Medicaid for the services, and the length of time between the date
45 the claim was filed and the date the claim was paid.

46 (5a) The status of the implementation of the claims processing system and efforts
47 to address the backlog of unpaid claims.

48 (6) The hospital utilization, including the amount paid to individual hospitals, the
49 number of inmates served, the number of claims, and whether the hospital was
50 a contracted or noncontracted facility.

- 1 (7) The total cost and volume for the previous fiscal quarter for emergency room
2 visits originating from Central Prison and NCCIW Hospitals to UNC
3 Hospitals, UNC Rex Healthcare, and WakeMed Hospital.
- 4 (8) The total payments for Medicaid and non-Medicaid eligible inmates to UNC
5 Hospitals, UNC Rex Healthcare, and WakeMed Hospital, including the
6 number of days between the date the claim was filed and the date the claim
7 was paid.
- 8 (9) A list of hospitals under contract.
- 9 (10) The reimbursement rate for contracted providers. The Department shall
10 randomly audit high-volume contracted providers to ensure adherence to
11 billing at the contracted rate.

12 Reports ~~submitted on August 1~~ shall include totals for the previous fiscal year for all the
13 information requested."

14 **SECTION 19A.1.(c)** This section is effective when it becomes law and applies to
15 reports submitted on or after that date.

16
17 **FURTHER DELINEATE REIMBURSEMENT PROCEDURES FOR ROADWAY**
18 **CLEANUP PROGRAM**

19 **SECTION 19A.2.(a)** Section 19C.10 of S.L. 2021-180 reads as rewritten:

20 "**SECTION 19C.10.(a)** Notwithstanding G.S. 162-58, and consistent with the provisions of
21 Article 3 of Chapter 148 of the General Statutes, sheriffs having custody of inmates under the
22 Statewide Misdemeanant Confinement Program may utilize those inmates to maintain the
23 cleanliness of areas along local and State roadways.

24 "**SECTION 19C.10.(b)** For purposes of this section, the following definitions shall apply:

- 25 (1) Housing night. – A night spent by an individual inmate in the custody of the
26 sheriff pursuant to the Statewide Misdemeanant Confinement Program.
- 27 ~~(1)~~(2) Road mile. – A section of roadside equaling 1 mile in length, not including
28 any roadsides that are parallel to that section.
- 29 ~~(2)~~(3) Work hour. – An hour worked by an individual inmate, including time spent
30 traveling to and from work sites and break time taken during work efforts.

31 "**SECTION 19C.10.(c)** A sheriff that utilizes inmates pursuant to subsection (a) of this
32 section shall coordinate with the Department of Transportation before and after a cleanup project
33 to ensure that cleanup efforts are not unnecessarily duplicated by either the sheriff's office or the
34 Department of Transportation. The sheriff shall also ensure that all inmates utilized pursuant to
35 this subsection are appropriately guarded while working and that food, water, and bathroom
36 facilities are accessible in reasonable amounts and times.

37 "**SECTION 19C.10.(d)** A sheriff that utilizes inmate labor pursuant to subsection (a) of this
38 section for a combined total of ~~500~~-work hours in one calendar month exceeding the minimum
39 required work hours under subsection (d1) of this section shall submit a record documenting
40 those work hours and the corresponding road miles to the North Carolina Sheriffs' Association
41 ~~and Association.~~ A sheriff meeting the requirements of this section shall be reimbursed by the
42 Statewide Misdemeanant Confinement Program for caring for and housing the inmates of the
43 Statewide Misdemeanant Confinement Program at a rate of at least ~~sixty-seventy~~ dollars (~~\$60.00~~)
44 (~~\$60.00~~) per day, per inmate held under the Statewide Misdemeanant Confinement Program for
45 each calendar month in which ~~500~~-the minimum required work hours were completed.
46 Participating sheriffs shall comply with all requirements established by the Statewide
47 Misdemeanant Confinement Program necessary to certify the work hours worked and housing
48 nights and to confirm funding availability. This increased reimbursement rate shall be paid to
49 participating sheriffs only until the funds that have been specifically appropriated by the General
50 Assembly for this purpose are exhausted. Funds allocated under this section shall not revert but
51 shall be available until expended.

1 "SECTION 19C.10.(d1) The minimum required work hours to be reimbursed at the
2 increased rate per day under subsection (d) of this section shall be as follows:

- 3 (1) Fifty work hours, if the sheriff did not exceed 100 housing nights in the
4 calendar month three months prior to the calendar month in which the work
5 hours occur.
6 (2) One hundred fifty work hours, if the sheriff totals 101 to 200 housing nights
7 in the calendar month three months prior to the calendar month in which the
8 work hours occur.
9 (3) Two hundred fifty work hours, if the sheriff totals 201 to 300 housing nights
10 in the calendar month three months prior to the calendar month in which the
11 work hours occur.
12 (4) Three hundred fifty work hours, if the sheriff totals 301 to 400 housing nights
13 in the calendar month three months prior to the calendar month in which the
14 work hours occur.
15 (5) Four hundred fifty work hours, if the sheriff totals 401 to 500 housing nights
16 in the calendar month three months prior to the calendar month in which the
17 work hours occur.
18 (6) Five hundred work hours, if the sheriff exceeds 500 housing nights in the
19 calendar month three months prior to the calendar month in which the work
20 hours occur.

21 "SECTION 19C.10.(e) The North Carolina Sheriffs' Association shall report no later than
22 the fifteenth day of each month to the Office of State Budget and Management and the Fiscal
23 Research Division regarding (i) the counties with sheriffs' offices that utilized inmate labor
24 pursuant to subsection (a) of this section, (ii) the number of total work hours performed by
25 inmates in each participating county, and (iii) the number of road miles cleaned by inmates in
26 each participating county, and (iv) the number of housing nights logged in each
27 participating county.

28 "SECTION 19C.10.(f) The North Carolina Sheriffs' Association shall report no later than
29 October 1 of each year to the chairs of the House of Representatives Appropriations Committee
30 on Justice and Public Safety, the chairs of the Senate Appropriations Committee on Justice and
31 Public Safety, the chairs of the Joint Legislative Oversight Committee on Justice and Public
32 Safety, and the chairs of the Joint Legislative Transportation Oversight Committee regarding (i)
33 the counties with sheriffs' offices that utilized inmate labor pursuant to subsection (a) of this
34 section, (ii) the number of total work hours performed by inmates in each participating county,
35 and (iii) the number of road miles cleaned by inmates in each participating county, and
36 (iv) the number of housing nights logged in each participating county.

37 "SECTION 19C.10.(g) This section is effective when it becomes law."

38 SECTION 19A.2.(b) This section is effective when it becomes law and applies to
39 work hours performed in the next calendar month after this section becomes effective.

40
41 **PART XIX-B. PRISONS [RESERVED]**

42
43 **PART XIX-C. COMMUNITY SUPERVISION [RESERVED]**

44
45 **PART XIX-D. REHABILITATION AND REENTRY [RESERVED]**

46
47 **PART XIX-E. PUBLIC SAFETY [RESERVED]**

48
49 **PART XIX-F. DEPARTMENT OF PUBLIC SAFETY ADMINISTRATION**
50 **[RESERVED]**
51

PART XIX-G. LAW ENFORCEMENT

FUNDS TO UPGRADE FUELING AND VEHICLE MAINTENANCE AT THE STATE HIGHWAY PATROL STATION IN HUNTERSVILLE, NORTH CAROLINA

SECTION 19G.1A.(a) Notwithstanding the Committee Report described in Section 43.2 of this act or any other provision of law to the contrary, six hundred forty-three thousand one hundred fifty dollars (\$643,150) of the funds appropriated from the General Fund to the State Highway Patrol for the 2024-2025 fiscal year to support operating expenses shall instead be allocated to the State Highway Patrol Station in Huntersville, North Carolina to be used for the following purposes:

- (1) Six hundred forty thousand dollars (\$640,000) for fuel infrastructure to include an above-ground storage tank, fuel dispenser, FuelMaster Live functionality, and a concrete island with an awning, lights, and electrical outlets.
- (2) Three thousand dollars (\$3,000) for an air compressor for filling tires to be located on the concrete island funded in subdivision (1) of this section.
- (3) One hundred fifty dollars (\$150.00) for a vehicle vacuum to be located on the concrete island funded in subdivision (1) of this section.

SECTION 19G.1A.(b) The State Highway Patrol shall enter into a memorandum of agreement with the Department of Transportation for the creation, use, and maintenance of the items funded by this section.

TECHNICAL CORRECTIONS RELATED TO MAKING THE STATE BUREAU OF INVESTIGATION AN INDEPENDENT DEPARTMENT

SECTION 19G.2.(a) Parts 1 through 4 of Article 27A of Chapter 14 of the General Statutes read as rewritten:

"Part 1. Registration Programs, Purpose and Definitions Generally.

...

"§ 14-208.6. Definitions.

The following definitions apply in this Article:

...

~~(1e) Department.—The Department of Public Safety.~~

...

(4) Reportable conviction. – Any of the following:

- a. A final conviction for an offense against a minor, a sexually violent offense, or an attempt to commit any of those offenses unless the conviction is for aiding and abetting. A final conviction for aiding and abetting is a reportable conviction only if the court sentencing the individual finds that the registration of that individual under this Article furthers the purposes of this Article as stated in G.S. 14-208.5.
- b. A final conviction in another state of an offense, which if committed in this State, is substantially similar to an offense against a minor or a sexually violent offense as defined by this section, or a final conviction in another state of an offense that requires registration under the sex offender registration statutes of that state.
- c. A final conviction in a federal jurisdiction (including a court martial) of an offense, which is substantially similar to an offense against a minor or a sexually violent offense as defined by this section.
- d. A final conviction for a violation of G.S. 14-202(d), (e), (f), (g), or (h), or a second or subsequent conviction for a violation of G.S. 14-202(a),

- 1 (a1), or (c), only if the court sentencing the individual issues an order
 2 pursuant to G.S. 14-202(l) requiring the individual to register.
- 3 e. A final conviction for a violation of G.S. 14-43.14, only if the court
 4 sentencing the individual issues an order pursuant to G.S. 14-43.14(e)
 5 requiring the individual to register.
- 6 f. A final conviction in a State court-martial proceeding imposing
 7 confinement under G.S. 127A-48 or G.S. 127A-49 for an offense
 8 which is substantially similar to an offense against a minor or a
 9 sexually violent offense as defined in this section.
- 10 (4a) SBI. – The North Carolina State Bureau of Investigation.
- 11 (5) Sexually violent offense. – A violation of former G.S. 14-27.6 (attempted rape
 12 or sexual offense), G.S. 14-27.21 (first-degree forcible rape), G.S. 14-27.22
 13 (second-degree forcible rape), G.S. 14-27.23 (statutory rape of a child by an
 14 adult), G.S. 14-27.24 (first-degree statutory rape), G.S. 14-27.25(a) (statutory
 15 rape of a person who is 15 years of age or younger and where the defendant is
 16 at least six years older), G.S. 14-27.26 (first-degree forcible sexual offense),
 17 G.S. 14-27.27 (second-degree forcible sexual offense), G.S. 14-27.28
 18 (statutory sexual offense with a child by an adult), G.S. 14-27.29 (first-degree
 19 statutory sexual offense), G.S. 14-27.30(a) (statutory sexual offense with a
 20 person who is 15 years of age or younger and where the defendant is at least
 21 six years older), G.S. 14-27.31 (sexual activity by a substitute parent or
 22 custodian), G.S. 14-27.32 (sexual activity with a student), G.S. 14-27.33
 23 (sexual battery), G.S. 14-43.11 (human trafficking) if (i) the offense is
 24 committed against a minor who is less than 18 years of age or (ii) the offense
 25 is committed against any person with the intent that they be held in sexual
 26 servitude, G.S. 14-43.13 (subjecting or maintaining a person for sexual
 27 servitude), G.S. 14-178 (incest between near relatives), G.S. 14-190.6
 28 (employing or permitting minor to assist in offenses against public morality
 29 and decency), G.S. 14-190.9(a1) (felonious indecent exposure),
 30 G.S. 14-190.16 (first degree sexual exploitation of a minor), G.S. 14-190.17
 31 (second degree sexual exploitation of a minor), G.S. 14-190.17A (third degree
 32 sexual exploitation of a minor), G.S. 14-202.1 (taking indecent liberties with
 33 children), G.S. 14-202.3 (Solicitation of child by computer or certain other
 34 electronic devices to commit an unlawful sex act), G.S. 14-202.4(a) (taking
 35 indecent liberties with a student), G.S. 14-205.2(c) or (d) (patronizing a
 36 prostitute who is a minor or has a mental disability), G.S. 14-205.3(b)
 37 (promoting prostitution of a minor or a person who has a mental disability),
 38 G.S. 14-318.4(a1) (parent or caretaker commit or permit act of prostitution
 39 with or by a juvenile), or G.S. 14-318.4(a2) (commission or allowing of sexual
 40 act upon a juvenile by parent or guardian). The term also includes the
 41 following: a solicitation or conspiracy to commit any of these offenses; aiding
 42 and abetting any of these offenses.
- 43 ...
- 44 (8) Statewide registry. – The central registry compiled by the ~~Department~~ SBI in
 45 accordance with G.S. 14-208.14.
- 46 ...
- 47 "Part 2. Sex Offender and Public Protection Registration Program.
- 48 **"§ 14-208.7. Registration.**
- 49 ...

1 (b) The ~~Department of Public Safety-SBI~~ shall provide each sheriff with forms for
2 registering persons as required by this Article. The registration form shall require all of the
3 following:

- 4 (1) The person's full name, each alias, date of birth, sex, race, height, weight, eye
5 color, hair color, drivers license number, and home address.
- 6 (1a) A statement indicating what the person's name was at the time of the
7 conviction for the offense that requires registration; what alias, if any, the
8 person was using at the time of the conviction of that offense; and the name
9 of the person as it appears on the judgment imposing the sentence on the
10 person for the conviction of the offense.
- 11 (2) The type of offense for which the person was convicted, the date of conviction,
12 and the sentence imposed.
- 13 (3) A current photograph taken by the sheriff, without charge, at the time of
14 registration.
- 15 (4) The person's fingerprints taken by the sheriff, without charge, at the time of
16 registration.
- 17 (5) A statement indicating whether the person is a student or expects to enroll as
18 a student within a year of registering. If the person is a student or expects to
19 enroll as a student within a year of registration, then the registration form shall
20 also require the name and address of the educational institution at which the
21 person is a student or expects to enroll as a student.
- 22 (6) A statement indicating whether the person is employed or expects to be
23 employed at an institution of higher education within a year of registering. If
24 the person is employed or expects to be employed at an institution of higher
25 education within a year of registration, then the registration form shall also
26 require the name and address of the educational institution at which the person
27 is or expects to be employed.
- 28 (7) Any online identifier that the person uses or intends to use.

29 (c) When a person registers, the sheriff with whom the person registered shall
30 immediately send the registration information to the ~~Department of Public Safety-SBI~~ in a manner
31 determined by the ~~Department of Public Safety-SBI~~. The sheriff shall retain the original
32 registration form and other information collected and shall compile the information that is a
33 public record under this Part into a county registry.

34 ...

35 **"§ 14-208.8. Prerelease notification.**

36 (a) At least 10 days, but not earlier than 30 days, before a person who will be subject to
37 registration under this Article is due to be released from a penal institution, an official of the
38 penal institution shall do all of the following:

- 39 (1) Inform the person of the person's duty to register under this Article and require
40 the person to sign a written statement that the person was so informed or, if
41 the person refuses to sign the statement, certify that the person was so
42 informed.
- 43 (2) Obtain the registration information required under G.S. 14-208.7(b)(1), (2),
44 (5), (6), and (7), as well as the address where the person expects to reside upon
45 the person's release.
- 46 (3) Send the ~~Department of Public Safety-SBI~~ and the sheriff of the county in
47 which the person expects to reside the information collected in accordance
48 with subdivision (2) of this subsection.

49 ...

50 **"§ 14-208.8A. Notification requirement for out-of-county employment if temporary
51 residence established.**

1 ...
2 (c) Notice to ~~Department of Public Safety-SBI.~~ Upon receiving the notice required
3 under subsection (a) of this section, the sheriff shall immediately forward the information to the
4 ~~Department of Public Safety. The Department of Public Safety-SBI.~~ The SBI shall notify the
5 sheriff of the county where the person is working and maintaining a temporary residence of the
6 person's place of employment and temporary address in that county.

7 **"§ 14-208.9. Change of address; change of academic status or educational employment**
8 **status; change of online identifier; change of name.**

9 (a) If a person required to register changes address, the person shall report in person and
10 provide written notice of the new address not later than the third business day after the change to
11 the sheriff of the county with whom the person had last registered. If the person moves to another
12 county, the person shall also report in person to the sheriff of the new county and provide written
13 notice of the person's address not later than the tenth day after the change of address. Upon receipt
14 of the notice, the sheriff shall immediately forward this information to the ~~Department of Public~~
15 ~~Safety-SBI.~~ When the ~~Department of Public Safety-SBI~~ receives notice from a sheriff that a
16 person required to register is moving to another county in the State, the ~~Department of Public~~
17 ~~Safety-SBI~~ shall inform the sheriff of the new county of the person's new residence.

18 (b) If a person required to register intends to move to another state, the person shall report
19 in person to the sheriff of the county of current residence at least three business days before the
20 date the person intends to leave this State to establish residence in another state or jurisdiction.
21 The person shall provide to the sheriff a written notification that includes all of the following
22 information: the address, municipality, county, and state of intended residence.

23 (1) If it appears to the sheriff that the record photograph of the sex offender no
24 longer provides a true and accurate likeness of the sex offender, then the
25 sheriff shall take a photograph of the offender to update the registration.

26 (2) The sheriff shall inform the person that the person must comply with the
27 registration requirements in the new state of residence. The sheriff shall also
28 immediately forward the information included in the notification to the
29 ~~Department of Public Safety-SBI,~~ and the ~~Department of Public Safety-SBI~~
30 shall inform the appropriate state official in the state to which the registrant
31 moves of the person's notification and new address.

32 (b1) A person who indicates his or her intent to reside in another state or jurisdiction and
33 later decides to remain in this State shall, within three business days after the date upon which
34 the person indicated he or she would leave this State, report in person to the sheriff's office to
35 which the person reported the intended change of residence, of his or her intent to remain in this
36 State. If the sheriff is notified by the sexual offender that he or she intends to remain in this State,
37 the sheriff shall promptly report this information to the ~~Department of Public Safety-SBI.~~

38 (c) If a person required to register changes his or her academic status either by enrolling
39 as a student or by terminating enrollment as a student, then the person shall, within three business
40 days, report in person to the sheriff of the county with whom the person registered and provide
41 written notice of the person's new status. The written notice shall include the name and address
42 of the institution of higher education at which the student is or was enrolled. The sheriff shall
43 immediately forward this information to the ~~Department of Public Safety-SBI.~~

44 (d) If a person required to register changes his or her employment status either by
45 obtaining employment at an institution of higher education or by terminating employment at an
46 institution of higher education, then the person shall, within three business days, report in person
47 to the sheriff of the county with whom the person registered and provide written notice of the
48 person's new status not later than the tenth day after the change to the sheriff of the county with
49 whom the person registered. The written notice shall include the name and address of the
50 institution of higher education at which the person is or was employed. The sheriff shall
51 immediately forward this information to the ~~Department of Public Safety-SBI.~~

1 (e) If a person required to register changes an online identifier, or obtains a new online
2 identifier, then the person shall, within 10 days, report in person to the sheriff of the county with
3 whom the person registered to provide the new or changed online identifier information to the
4 sheriff. The sheriff shall immediately forward this information to the ~~Department of Public~~
5 ~~Safety-SBI.~~

6 (f) If a person required to register changes his or her name pursuant to Chapter 101 of
7 the General Statutes or by any other method, then the person shall, within three business days,
8 report in person to the sheriff of the county with whom the person registered to provide the name
9 change to the sheriff. The sheriff shall immediately forward this information to the ~~Department~~
10 ~~of Public Safety-SBI.~~

11 **"§ 14-208.9A. Verification of registration information.**

12 (a) The information in the county registry shall be verified semiannually for each
13 registrant as follows:

- 14 (1) Every year on the anniversary of a person's initial registration date, and again
15 six months after that date, the ~~Department of Public Safety-SBI~~ shall mail a
16 nonforwardable verification form to the last reported address of the person.

17 ...

18 **"§ 14-208.12A. Request for termination of registration requirement.**

19 ...

20 (a3) If the court denies the petition, the person may again petition the court for relief in
21 accordance with this section one year from the date of the denial of the original petition to
22 terminate the registration requirement. If the court grants the petition to terminate the registration
23 requirement, the clerk of court shall forward a certified copy of the order to the ~~Department of~~
24 ~~Public Safety-SBI~~ to have the person's name removed from the registry.

25 ...

26 **"§ 14-208.12B. Registration requirement review.**

27 ...

28 (i) No sheriff, or employee of a sheriffs' office, district attorney's office, or the ~~North~~
29 ~~Carolina State Bureau of Investigation-SBI~~ shall incur any civil or criminal liability under North
30 Carolina law as the result of the performance of official duties under this Article.

31 **"§ 14-208.13. File with Criminal Information Network.**

32 (a) The ~~Department of Public Safety-SBI~~ shall include the registration information in the
33 Criminal Information Network as set forth in ~~G.S. 143B-905-G.S. 143B-1208.15.~~

34 (b) The ~~Department of Public Safety-SBI~~ shall maintain the registration information
35 permanently even after the registrant's reporting requirement expires.

36 **"§ 14-208.14. Statewide registry; ~~Department of Public Safety-SBI~~ designated custodian of**
37 **statewide registry.**

38 (a) The ~~Department of Public Safety-SBI~~ shall compile and keep current a central
39 statewide sex offender registry. The ~~Department-SBI~~ is the State agency designated as the
40 custodian of the statewide registry. As custodian the ~~Department-SBI~~ has the following
41 responsibilities:

- 42 (1) To receive from the sheriff or any other law enforcement agency or penal
43 institution all sex offender registrations, changes of address, changes of
44 academic or educational employment status, and prerelease notifications
45 required under this Article or under federal law. The ~~Department-SBI~~ shall
46 also receive notices of any violation of this Article, including a failure to
47 register or a failure to report a change of address.
- 48 (2) To provide all need-to-know law enforcement agencies (local, State, campus,
49 federal, and those located in other states) immediately upon receipt by the
50 ~~Department-SBI~~ of any of the following: registration information, a prerelease

1 notification, a change of address, a change of academic or educational
2 employment status, or notice of a violation of this Article.

3 (2a) To notify the appropriate law enforcement unit at an institution of higher
4 education as soon as possible upon receipt by the ~~Department~~ SBI of relevant
5 information based on registration information or notice of a change of
6 academic or educational employment status. If an institution of higher
7 education does not have a law enforcement unit, then the ~~Department~~ SBI
8 shall provide the information to the local law enforcement agency that has
9 jurisdiction for the campus.

10 (3) To coordinate efforts among law enforcement agencies and penal institutions
11 to ensure that the registration information, changes of address, change of
12 name, prerelease notifications, and notices of failure to register or to report a
13 change of address are conveyed in an appropriate and timely manner.

14 (4) To provide public access to the statewide registry in accordance with this
15 Article.

16 (4a) To maintain the system for public access so that a registrant's full name, any
17 aliases, and any legal name changes are cross-referenced and a member of the
18 public may conduct a search of the system for a registrant under any of those
19 names.

20 (5) To maintain a system allowing an entity to access a list of online identifiers of
21 persons in the central sex offender registry.

22 ...

23 **"§ 14-208.15. Certain statewide registry information is public record: access to statewide**
24 **registry.**

25 (a) The information in the statewide registry that is public record is the same as in
26 G.S. 14-208.10. The ~~Department of Public Safety~~ SBI shall release any other relevant
27 information that is necessary to protect the public concerning a specific person, but shall not
28 release the identity of the victim of the offense that required registration under this Article.

29 (b) The ~~Department of Public Safety~~ SBI shall provide free public access to automated
30 data from the statewide registry, including photographs provided by the registering sheriffs, via
31 the Internet. The public will be able to access the statewide registry to view an individual
32 registration record, a part of the statewide registry, or all of the statewide registry. The
33 ~~Department of Public Safety~~ SBI may also provide copies of registry information to the public
34 upon written request and may charge a reasonable fee for duplicating costs and mailings costs.

35 (c) Upon request of an institution of higher education, the Sheriff of the county in which
36 the educational institution is located shall provide a report containing the registry information for
37 any registrant who has stated that the registrant is a student or employee, or expects to become a
38 student or employee, of that institution of higher education. The ~~Department of Public Safety~~
39 SBI shall provide each sheriff with the ability to generate the report from the statewide registry.
40 The report shall be provided electronically without charge. The institution of higher education
41 may receive a written report upon payment of reasonable duplicating costs and mailing costs.

42 **"§ 14-208.15A. Release of online identifiers to entity; fee.**

43 (a) The ~~Department of Public Safety~~ SBI may release registry information regarding a
44 registered offender's online identifier to an entity for the purpose of allowing the entity to
45 prescreen users or to compare the online identifier information with information held by the entity
46 as provided by this section.

47 (b) An entity desiring to prescreen its users or compare its database of registered users to
48 the list of online identifiers of persons in the statewide registry may apply to the ~~Department of~~
49 Public Safety SBI to access the information. An entity that complies with the criteria developed
50 by the ~~Department of Public Safety~~ SBI regarding the release and use of the online identifier
51 information and pays the fee may screen new users or compare its database of registered users to

1 the list of online identifiers of persons in the statewide registry as frequently as the ~~Department~~
2 ~~of Public Safety-SBI~~ may allow for the purpose of identifying a registered user associated with
3 an online identifier contained in the statewide registry.

4 (c) The ~~Department of Public Safety-SBI~~ may charge an entity that submits a request for
5 the online identifiers of persons in the statewide registry an annual fee of one hundred dollars
6 (\$100.00). Fees collected under this section shall be credited to the ~~Department of Public Safety-~~
7 ~~SBI~~ and applied to the cost of providing this service.

8 (d) The ~~Department of Public Safety-SBI~~ shall develop standards regarding the release
9 and use of online identifier information. The standards shall include a requirement that the
10 information obtained from the statewide registry shall not be disclosed for any purpose other than
11 for prescreening its users or comparing the database of registered users of the entity against the
12 list of online identifiers of persons in the statewide registry.

13 ...

14 "Part 3. Sexually Violent Predator Registration Program.

15 ...

16 "**§ 14-208.22. Additional registration information required.**

17 ...

18 (b) The ~~Department of Public Safety-SBI~~ shall provide each sheriff with forms for
19 registering persons as required by this Article.

20 ...

21 "Part 4. Registration of Certain Juveniles Adjudicated for Committing Certain Offenses.

22 ...

23 "**§ 14-208.27. Change of address.**

24 If a juvenile who is adjudicated delinquent and required to register changes address, the
25 juvenile court counselor for the juvenile shall provide written notice of the new address not later
26 than the third business day after the change to the sheriff of the county with whom the juvenile
27 had last registered. Upon receipt of the notice, the sheriff shall immediately forward this
28 information to the ~~Department of Public Safety-SBI~~. If the juvenile moves to another county in
29 this State, the ~~Department of Public Safety-SBI~~ shall inform the sheriff of the new county of the
30 juvenile's new residence.

31 ...

32 "**§ 14-208.31. File with Criminal Information Network.**

33 (a) The ~~Department of Public Safety-SBI~~ shall include the registration information in the
34 Criminal Information Network as set forth in ~~G.S. 143B-905~~G.S. 143B-1208.15.

35 (b) The ~~Department of Public Safety-SBI~~ shall maintain the registration information
36 permanently even after the registrant's reporting requirement expires; however, the records shall
37 remain confidential in accordance with Article 32 of Chapter 7B of the General Statutes.

38"

39 **SECTION 19G.2.(b)** G.S. 143B-905 is recodified as G.S. 143B-1208.15 and reads
40 as rewritten:

41 "**§ 143B-1208.15. Criminal Information Network.**

42 (a) The ~~Department of Public Safety~~ State Bureau of Investigation is authorized to
43 establish, devise, maintain and operate a system for receiving and disseminating to participating
44 agencies information collected, maintained and ~~correlated under authority of G.S. 143B-902-~~
45 ~~correlated~~. The system shall be known as the Criminal Information Network.

46 (b) The ~~Department of Public Safety~~ State Bureau of Investigation is authorized to
47 cooperate with the Division of Motor Vehicles, Department of Administration, and other State,
48 local and federal agencies and organizations in carrying out the purpose and intent of this section,
49 and to utilize, in cooperation with other State agencies and to the extent as may be practical,
50 computers and related equipment as may be operated by other State agencies.

1 (c) ~~The Department of Public Safety, State Bureau of Investigation,~~ after consultation
2 with participating agencies, shall adopt rules and regulations governing the organization and
3 administration of the Criminal Information Network, including rules and regulations governing
4 the types of information relating to the administration of criminal justice to be entered into the
5 system, and who shall have access to such information. The rules and regulations governing
6 access to the Criminal Information Network shall not prohibit an attorney who has entered a
7 criminal proceeding in accordance with G.S. 15A-141 from obtaining information relevant to
8 that criminal proceeding. The rules and regulations governing access to the Criminal Information
9 Network shall not prohibit an attorney who represents a person in adjudicatory or dispositional
10 proceedings for an infraction from obtaining the person's driving record or criminal history.

11 (d) ~~The Department-Bureau~~ may impose monthly fees on participating agencies. The
12 monthly fees collected under this subsection shall be used to offset the cost of operating and
13 maintaining the Criminal Information Network.

14 (1) ~~The Department-Bureau~~ may impose a monthly circuit fee on agencies that
15 access the Criminal Information Network through a circuit maintained and
16 operated by the ~~Department of Public Safety, State Bureau of Investigation.~~
17 The amount of the monthly fee is three hundred dollars (\$300.00) plus an
18 additional fee amount for each device linked to the Network. The additional
19 fee amount varies depending upon the type of device. For a desktop device
20 after the first seven desktop devices, the additional monthly fee is twenty-five
21 dollars (\$25.00) per device. For a mobile device, the additional monthly fee is
22 twelve dollars (\$12.00) per device.

23 (2) ~~The Department-Bureau~~ may impose a monthly device fee on agencies that
24 access the Criminal Information Network through some other approved
25 means. The amount of the monthly device fee varies depending upon the type
26 of device. For a desktop device, the monthly fee is twenty-five dollars
27 (\$25.00) per device. For a mobile device, the fee is twelve dollars (\$12.00)
28 per device."

29 **SECTION 19G.2.(c)** G.S. 143B-901 is recodified as G.S. 143B-1208.16 and reads
30 as rewritten:

31 "**§ 143B-1208.16. Reporting system and database on certain domestic-violence-related**
32 **homicides; reports by law enforcement agencies required; annual report to the**
33 **General Assembly.**

34 ~~The Department of Public Safety, State Bureau of Investigation,~~ in consultation with the
35 North Carolina Council for Women/Domestic Violence Commission, the North Carolina
36 Sheriffs' Association, and the North Carolina Association of Chiefs of Police, shall develop a
37 reporting system and database that reflects the number of homicides in the State where the
38 offender and the victim had a personal relationship, as defined by G.S. 50B-1(b). The information
39 in the database shall also include the type of personal relationship that existed between the
40 offender and the victim, whether the victim had obtained an order pursuant to G.S. 50B-3, and
41 whether there was a pending charge for which the offender was on pretrial release pursuant to
42 G.S. 15A-534.1. All State and local law enforcement agencies shall report information to the
43 ~~Department of Public Safety, State Bureau of Investigation~~ upon making a determination that a
44 homicide meets the reporting system's criteria. The report shall be made in the format adopted
45 by the ~~Department of Public Safety, State Bureau of Investigation.~~ The ~~Department of Public~~
46 ~~Safety, State Bureau of Investigation~~ shall report to the chairs of the Joint Legislative Oversight
47 Committee on Justice and Public Safety, no later than April 1 of each year, with the data collected
48 for the previous calendar year."

49 **SECTION 19G.2.(d)** G.S. 143B-986 is recodified as G.S. 143B-1208.17.

50 **SECTION 19G.2.(e)** G.S. 143B-987 is recodified as G.S. 143B-1208.18 and reads
51 as rewritten:

1 "§ 143B-1208.18. Authority to designate areas for protection of public officials.

2 (a) The Director of the State Bureau of Investigation is authorized to designate buildings
3 and grounds which constitute temporary residences or temporary offices of any public official
4 being protected under authority of ~~G.S. 143B-986~~, G.S. 143B-1208.17, or any area that will be
5 visited by any such official, a public building or facility during the time of such use.

6"

7 **SECTION 19G.2.(f)** G.S. 14-132(c)(3) reads as rewritten:

8 "(3) Designated by the Director of the State Bureau of Investigation in accordance
9 with ~~G.S. 143B-987~~.G.S. 143B-1208.18."

10 **SECTION 19G.2.(g)** G.S. 143B-1325(c)(13)a. is repealed.

11 **SECTION 19G.2.(h)** Section 38.4(a) of S.L. 2023-134 reads as rewritten:

12 "**SECTION 38.4.(a)** In accordance with G.S. 143B-1325(c)(13), and notwithstanding any
13 other provision of Article 15 of Chapter 143B of the General Statutes to the contrary, the State
14 Highway ~~Patrol~~, ~~the State Bureau of Investigation~~, ~~Patrol~~ and the Division of Emergency
15 Management within the Department of Public Safety shall continue to be entirely exempt from
16 any and all information technology oversight by the Department of Public Safety and the
17 Department of Information Technology. The State Highway ~~Patrol~~, ~~the State Bureau of~~
18 ~~Investigation~~, ~~Patrol~~ and the Division of Emergency Management shall initiate a pilot project
19 where those divisions shall be deemed as separate, stand-alone entities within the Department of
20 Public Safety in all matters related to information technology, and each shall autonomously
21 manage their own respective information technology infrastructure and all associated services
22 without oversight from the Department of Information Technology or the Department of Public
23 Safety. Exemption from information technology oversight includes, but is not limited to, the
24 following:

25"

26 **SECTION 19G.2.(i)** G.S. 74F-6(16) reads as rewritten:

27 "(16) Request that the State Bureau of Investigation conduct criminal history record
28 checks of applicants for licensure and apprenticeships pursuant to
29 ~~G.S. 143B-1209.26~~.G.S. 143B-1209.27."

30 **SECTION 19G.2.(j)** G.S. 90-356(15) reads as rewritten:

31 "(15) Request that the State Bureau of Investigation conduct criminal history record
32 checks of applicants for licensure pursuant to
33 ~~G.S. 143B-1209.47~~.G.S. 143B-1209.52."

34 **SECTION 19G.2.(k)** G.S. 120-32(2a) reads as rewritten:

35 "(2a) Obtain a criminal history record check of a prospective employee, volunteer,
36 or contractor of the General Assembly and lobbyists and liaison personnel
37 registered under Chapter 120C of the General Statutes. The criminal history
38 record check shall be conducted by the State Bureau of Investigation as
39 provided in ~~G.S. 143B-973~~.G.S.143B-1209.55. The criminal history report
40 shall be provided to the Legislative Services Officer and is not a public record
41 under Chapter 132 of the General Statutes."

42 **SECTION 19G.2.(l)** G.S. 143-143.10(b)(6) reads as rewritten:

43 "(6) To request that the State Bureau of Investigation conduct criminal history
44 checks of applicants for licensure pursuant to
45 ~~G.S. 143B-1209.24~~.G.S. 143B-1209.25."

46 **SECTION 19G.2.(m)** G.S. 143B-1209.50(b) reads as rewritten:

47 "(b) The State Bureau of Investigation may provide to the Executive Director of the State
48 Board a current or prospective employee's criminal history from the State and National
49 Repositories of Criminal Histories. The ~~Department of Public Safety Bureau~~ may provide the
50 criminal history record check report regarding any prospective appointee for the position of
51 Executive Director to the chair of the State Board in accordance with G.S. 163-27(a) or to the

1 chair or chairs of each standing committee handling the legislation regarding the appointment of
2 the Executive Director in accordance with G.S. 163-27(b). The Executive Director shall provide
3 to the Bureau, along with the request, the fingerprints of the current or prospective employee, a
4 form signed by the current or prospective employee consenting to the criminal record check and
5 use of fingerprints and other identifying information required by the State and National
6 Repositories, and any additional information required by the Bureau. The fingerprints of the
7 current or prospective employee shall be used for a search of the State's criminal history record
8 file, and the Bureau shall forward a set of fingerprints to the Federal Bureau of Investigation for
9 a national criminal history record check."

10 **SECTION 19G.2.(n)** G.S. 153A-94.2 reads as rewritten:

11 **"§ 153A-94.2. Criminal history record checks of employees permitted.**

12 The board of commissioners may adopt or provide for rules and regulations or ordinances
13 concerning a requirement that any applicant for employment be subject to a criminal history
14 record check of State and National Repositories of Criminal Histories conducted by the State
15 Bureau of Investigation in accordance with ~~G.S. 143B-1209.25.~~ G.S. 143B-1209.26. The local
16 or regional public employer may consider the results of these criminal history record checks in
17 its hiring decisions."

18 **SECTION 19G.2.(o)** G.S. 153A-233 reads as rewritten:

19 **"§ 153A-233. Fire-fighting and prevention services.**

20 A county may establish, organize, equip, support, and maintain a fire department; may
21 prescribe the duties of the fire department; may provide financial assistance to nonprofit
22 volunteer fire departments; may contract for fire-fighting or prevention services with one or more
23 counties, cities or other units of local government, nonprofit volunteer fire departments, or with
24 an agency of the State government; and may for these purposes appropriate funds not otherwise
25 limited as to use by law. A county shall ensure that any county, city or other unit of local
26 government, or nonprofit volunteer fire department with whom the county contracts for
27 fire-fighting or prevention services shall obtain a criminal history record check for an applicant
28 prior to offering that applicant a paid or volunteer position providing fire-fighting or prevention
29 services. The criminal history record check shall be conducted and evaluated as provided in
30 ~~G.S. 143B-1209.23.~~ G.S. 143B-1209.24. The county may also designate fire districts or parts of
31 existing districts and prescribe the boundaries thereof for insurance grading purposes."

32 **SECTION 19G.2.(p)** G.S. 153A-234(b) reads as rewritten:

33 "(b) The fire marshal shall obtain a criminal history record check for an applicant prior to
34 offering that applicant a paid or volunteer position with the fire department. The criminal history
35 record check shall be conducted and evaluated as provided in
36 ~~G.S. 143B-1209.23.~~ G.S. 143B-1209.24."

37 **SECTION 19G.2.(q)** G.S. 160A-164.2 reads as rewritten:

38 **"§ 160A-164.2. Criminal history record check of employees permitted.**

39 The council may adopt or provide for rules and regulations or ordinances concerning a
40 requirement that any applicant for employment be subject to a criminal history record check of
41 State and National Repositories of Criminal Histories conducted by the State Bureau of
42 Investigation in accordance with ~~G.S. 143B-1209.25.~~ G.S. 143B-1209.26. The city may consider
43 the results of these criminal history record checks in its hiring decisions."

44 **SECTION 19G.2.(r)** G.S. 160A-292(b) reads as rewritten:

45 "(b) The fire chief shall obtain a criminal history record check for an applicant prior to
46 offering that applicant a paid or volunteer position with the fire department. The criminal history
47 record check shall be conducted and evaluated as provided in
48 ~~G.S. 143B-1209.23.~~ G.S. 143B-1209.24."

49 **SECTION 19G.2.(s)** G.S. 163-27.2(b) reads as rewritten:

50 "(b) A criminal history record check shall be required of all current or prospective
51 permanent or temporary employees of the State Board and all current or prospective county

1 directors of elections, which shall be conducted by the State Bureau of Investigation as provided
 2 in ~~G.S. 143B-1209.49~~. ~~G.S. 143B-1209.49(d)~~. ~~G.S. 143B-969~~. ~~G.S. 143B-1209.50~~. A criminal
 3 history record check report received in accordance with ~~G.S. 143B-969~~ G.S. 143B-1209.50 is
 4 not a public record under Chapter 132 of the General Statutes."

5 **SECTION 19G.2.(t)** G.S. 163-35(b) reads as rewritten:

6 "(b) Appointment, Duties; Termination. – Upon receipt of a nomination from the county
 7 board of elections stating that the nominee for director of elections is submitted for appointment
 8 upon majority selection by the county board of elections the Executive Director shall issue a
 9 letter of appointment of such nominee to the chairman of the county board of elections within 10
 10 days after receipt of the nomination, unless good cause exists to decline the appointment. The
 11 Executive Director may delay the issuance of appointment for a reasonable time if necessary to
 12 obtain a criminal history records check sought under ~~G.S. 143B-1209.49~~. G.S. 143B-1209.50.
 13 The Executive Director shall apply the standards provided in G.S. 163-27.2 in determining
 14 whether a nominee with a criminal history shall be selected. If the Executive Director determines
 15 a nominee shall not be selected and does not issue a letter of appointment, the decision of the
 16 Executive Director of the State Board shall be final unless the decision is, within 10 days from
 17 the official date on which it was made, deferred by the State Board. If the State Board defers the
 18 decision, then the State Board shall make a final decision on appointment of the director of
 19 elections and may direct the Executive Director to issue a letter of appointment. If an Executive
 20 Director issues a letter of appointment, the county board of elections shall enter in its official
 21 minutes the specified duties, responsibilities and designated authority assigned to the director by
 22 the county board of elections. The specified duties and responsibilities shall include adherence
 23 to the duties delegated to the county board of elections pursuant to G.S. 163-33. A copy of the
 24 specified duties, responsibilities and designated authority assigned to the director shall be filed
 25 with the State Board of Elections. In the event the Executive Director is recused due to an actual
 26 or apparent conflict of interest from rendering a decision under this section, the chair and
 27 vice-chair of the State Board shall designate a member of staff to fulfill those duties."

28 **SECTION 19G.2.(u)** G.S. 163-37.1(b) reads as rewritten:

29 "(b) The county board of elections shall require a criminal history record check of all
 30 current or prospective employees, which shall be conducted by the State Bureau of Investigation
 31 as provided in ~~G.S. 143B-1209.50~~. ~~G.S. 143B-970~~. G.S. 143B-1209.51. A criminal history
 32 record check report received in accordance with ~~G.S. 143B-970~~ G.S. 143B-1209.50(d)
 33 G.S. 143B-1209.51 is not a public record under Chapter 132 of the General Statutes."

34 **SECTION 19G.2.(v)** This section is effective when it becomes law and applies to
 35 reports submitted, applications and requests received, and fees collected, on or after that date.

37 TECHNICAL CORRECTION TO STATUTORY CROSS-REFERENCE

38 **SECTION 19G.3.** G.S. 143B-393(a) reads as rewritten:

39 "(a) There is hereby created the North Carolina Council for Women and Youth
 40 Involvement of the Department of Administration. The Council shall perform the following
 41 functions and duties:

42 ...

- 43 (9) Consult with the Department of Public Safety on a reporting system and
 44 database on certain domestic violence-related homicides, as provided in
 45 ~~G.S. 143B-903~~. G.S. 143B-1208.16.

46"

48 ADD STATE BUREAU OF INVESTIGATION TO LAW GOVERNING THE USE OF 49 SEIZED AND FORFEITED ASSETS

50 **SECTION 19G.4.(a)** Section 19G.2 of S.L. 2023-134 reads as rewritten:

1 "SECTION 19G.2.(a) Seized and forfeited assets transferred to the Department of Justice,
2 Department of Public Safety, State Bureau of Investigation, and Department of Adult Correction
3 during the 2023-2025 fiscal biennium pursuant to applicable federal law shall be credited to the
4 budget of the recipient department and shall result in an increase of law enforcement resources
5 for that department. The Department of Justice, Department of Public Safety, State Bureau of
6 Investigation, and Department of Adult Correction shall each make the following reports to the
7 chairs of the House of Representatives Appropriations Committee on Justice and Public Safety
8 and the Senate Appropriations Committee on Justice and Public Safety:

9 (1) A report upon receipt of any assets.

10 (2) A report that shall be made prior to use of the assets on their intended use and
11 the departmental priorities on which the assets may be expended.

12 (3) A report on receipts, expenditures, encumbrances, and availability of these
13 assets for the previous fiscal year, which shall be made no later than
14 September 1 of each year.

15 "SECTION 19G.2.(b) The General Assembly finds that the use of seized and forfeited assets
16 transferred pursuant to federal law for new personnel positions, new projects, acquisition of real
17 property, repair of buildings where the repair includes structural change, and construction of or
18 additions to buildings may result in additional expenses for the State in future fiscal periods.
19 Therefore, the Department of Justice, Department of Public Safety, State Bureau of Investigation,
20 and Department of Adult Correction are prohibited from using these assets for such purposes
21 without the prior approval of the General Assembly.

22"

23 SECTION 19G.4.(b) This section is effective when it becomes law and applies to
24 assets seized and forfeited on or after that date.

25 26 ADD STATE BUREAU OF INVESTIGATION AS SUBMITTER OF REPORT ON 27 VACANT POSITIONS

28 SECTION 19G.5. G.S. 120-12.1 reads as rewritten:

29 "§ 120-12.1. Reports on vacant positions in various departments.

30 The Judicial Department, the Department of Justice, the Department of Adult Correction, the
31 State Bureau of Investigation, and the Department of Public Safety shall each report by February
32 1 of each year to the Chairs of the House and Senate Appropriations Committees and the Chairs
33 of the House and Senate Appropriations Subcommittees on Justice and Public Safety on all
34 positions within that department that have remained vacant for 12 months or more. The report
35 shall include the original position vacancy dates, the dates of any postings or repostings of the
36 positions, and an explanation for the length of the vacancies."
37

38 TRANSFER CENTER FOR SAFER SCHOOLS AND THE TASK FORCE FOR SAFER 39 SCHOOLS TO THE STATE BUREAU OF INVESTIGATION

40 SECTION 19G.6.(a) The Center for Safer Schools and the Task Force for Safer
41 Schools are transferred to the State Bureau of Investigation. These transfers have all of the
42 elements of a Type I transfer, as described in G.S. 143A-6.

43 SECTION 19G.6.(b) Article 13A of Chapter 143B of the General Statutes is
44 amended by adding a new Part 3 to be entitled "The Center for Safer Schools and the Task Force
45 for Safer Schools."

46 SECTION 19G.6.(c) G.S. 115C-105.57 is recodified in Part 3 of Article 13A of
47 Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as
48 G.S. 143B-1209.59 and reads as rewritten:

49 "§ 143B-1209.59. Center for Safer Schools.

50 (a) Center for Safer Schools Established. – There is established the Center for Safer
51 Schools. The Center for Safer Schools shall be administratively located in the ~~Department of~~

1 ~~Public Instruction~~ State Bureau of Investigation. The Center for Safer Schools shall consist of
2 an Executive Director appointed by the ~~Superintendent of Public Instruction~~ Director of the State
3 Bureau of Investigation and such other professional, administrative, technical, and clerical
4 personnel as may be necessary to assist the Center for Safer Schools in carrying out its powers
5 and duties.

6 (b) Executive Director. – The Executive Director shall report to and serve at the pleasure
7 of the ~~Superintendent of Public Instruction~~ Director of the State Bureau of Investigation at a
8 salary established by the ~~Superintendent~~ Director within the funds appropriated for this purpose.

9 (c) Powers and Duties. – The Center for Safer Schools shall have the following duties,
10 and all other powers and duties provided in ~~this Article~~ Article 8C of Chapter 115C of the General
11 Statutes:

12 ...

13 (e) Annual Census of School Resource Officers. – The Center for Safer Schools shall
14 conduct an annual census of school resource officers located in each public school unit. As part
15 of the census, each public school unit shall report to the Center by January 15 of each year with
16 the following information regarding school resource officers in the unit:

17 ...

18 The Center shall compile the information submitted pursuant to this subsection and submit a
19 report detailing this information at the statewide and local levels to the Joint Legislative
20 Education Oversight ~~Committee~~ Committee, the State Bureau of Investigation, and the State
21 Board of Education by March 1 of each year.

22"

23 **SECTION 19G.6.(d)** G.S. 115C-105.60 is recodified in Part 3 of Article 13A of
24 Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as
25 G.S. 143B-1209.60 and reads as rewritten:

26 "**§ 143B-1209.60. School resource officer grants.**

27 ...

28 (b) Program; Purpose. – The ~~Superintendent of Public Instruction~~ Executive Director of
29 the Center for Safer Schools shall establish the School Resource Officer Grants Program
30 (Program). To the extent funds are made available for the Program, its purpose shall be to
31 improve safety in qualifying public school units by providing grants for school resource officers.

32 (c) Grant Applications. – A qualifying public school unit may submit an application to
33 the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools for
34 one or more grants pursuant to this section. The application shall include an assessment, to be
35 performed in conjunction with a local law enforcement agency, of the need for improving school
36 safety within the qualifying public school unit that would receive the funding. The application
37 shall identify current and ongoing needs and estimated costs associated with those needs.

38 (d) Criteria and Guidelines. – By November 1, ~~2019~~, 2024, and August 1 of each year
39 thereafter in which funds are made available for the Program, the ~~Superintendent of Public~~
40 ~~Instruction~~ Executive Director of the Center for Safer Schools shall develop criteria and
41 guidelines for the administration and use of the grants pursuant to this section, including any
42 documentation required to be submitted by applicants. In assessing grant applications, the
43 ~~Superintendent of Public Instruction~~ Executive Director shall consider at least all of the following
44 factors:

- 45 (1) The level of resources available to the qualifying public school unit that would
46 receive the funding.
- 47 (2) Whether the qualifying public school unit has received other grants for school
48 safety.
- 49 (3) The overall impact on student safety in the qualifying public school unit if the
50 identified needs are funded.

1 (e) Award of Funds. – From funds made available for grants for school resource officers,
 2 the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools shall
 3 award grants to qualifying public school units for school resource officers in elementary and
 4 middle schools, as follows:

- 5 (1) Public school units located, in whole or in part, in a county with at least one
 6 local school administrative unit that received low-wealth supplemental
 7 funding in the previous fiscal year shall have grants matched on the basis of
 8 four dollars (\$4.00) in State funds for every one dollar (\$1.00) in non-State
 9 funds. All other public school units shall be matched on the basis of two
 10 dollars (\$2.00) in State funds for every one dollar (\$1.00) in non-State funds.
 11 (2) Qualifying public school units may use these funds to employ school resource
 12 officers in elementary and middle schools, to train them, or both.
 13 (3) Training shall be provided, in partnership with the qualifying public school
 14 unit, by a community college, a local law enforcement agency, or the North
 15 Carolina Justice Academy. Any training shall include instruction on research
 16 into the social and cognitive development of elementary school and middle
 17 school children.

18 ...

19 (g) Report. – No later than April 1, ~~2020, 2025~~, and each year thereafter in which funds
 20 are made available for the Program, the ~~Superintendent of Public Instruction~~ Executive Director
 21 of the Center for Safer Schools shall report on the Program to the Joint Legislative Education
 22 Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services,
 23 the Joint Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative
 24 Commission on Governmental Operations, and the Fiscal Research Division. The report shall
 25 include the identity of each entity that received a grant through the Program, the amount of
 26 funding provided to each entity that received a grant, the use of funds by each entity that received
 27 a grant, and recommendations for the implementation of additional effective school safety
 28 measures.

29 (h) Disbursement. – The Executive Director of the Center for Safer Schools may enter
 30 into a memorandum of understanding with the Department of Public Instruction to disburse
 31 grants awarded under this section."

32 **SECTION 19G.6.(e)** G.S. 115C-105.49A is recodified in Part 3 of Article 13A of
 33 Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as
 34 G.S. 143B-1209.61.

35 **SECTION 19G.6.(f)** G.S. 115C-105.55 is recodified in Part 3 of Article 13A of
 36 Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as
 37 G.S. 143B-1209.62 and reads as rewritten:

38 "**§ 143B-1209.62. Establish Task Force for Safer Schools.**

39 (a) Task Force Established. – There is hereby created the Task Force for Safer Schools
 40 within the ~~North Carolina Department of Public Instruction~~ State Bureau of Investigation.

41 (b) Membership. – The Task Force shall consist of 25 members. The composition of the
 42 Task Force shall include all of the following:

- 43 (1) ~~The Secretary of the Department of Public Safety~~ Director of the State Bureau
 44 of Investigation or the ~~Secretary's~~ Director's designee.

45"

46 **SECTION 19G.6.(g)** G.S. 115C-105.56 is recodified in Part 3 of Article 13A of
 47 Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as
 48 G.S. 143B-1209.63 and reads as rewritten:

49 "**§ 143B-1209.63. Task Force for Safer Schools; powers and duties.**

50 The Task Force shall have all of the following duties:

- 51 (1) To serve as an advisory board to the Center for Safer Schools.

- 1 (2) To provide guidance and recommendations to the Governor, Superintendent
2 of Public Instruction, and the General Assembly to improve statewide policy
3 to enhance statewide and local capacities to create safer schools.
- 4 (3) To encourage interagency collaboration among State and local government
5 agencies to achieve effective policies and streamline efforts to create safer
6 schools.
- 7 (4) To Assist the Center for Safer Schools in collecting and disseminating
8 information on recommended best practices and community needs related to
9 creating safer schools in North Carolina.
- 10 (5) Other duties as assigned by the ~~State Board of Education~~ Director of the State
11 Bureau of Investigation."

12 **SECTION 19G.6.(h)** Section 7.36 of S.L. 2023-134 reads as rewritten:

13 "...

14 "**SECTION 7.36.(b)** Program; Purpose. – The ~~Superintendent of Public Instruction~~
15 Executive Director of the Center for Safer Schools shall establish the School Safety Grants
16 Program (Program) for the ~~2023-2025 fiscal biennium~~ 2024-2025 fiscal year. The purpose of
17 the Program shall be to improve safety in public school units by providing grants in ~~each fiscal~~
18 ~~year of the 2023-2025 fiscal biennium~~ the 2024-2025 fiscal year for (i) services for students in
19 crisis, (ii) school safety training, (iii) safety equipment in schools, and (iv) subsidizing the School
20 Resource Officer Grants Program.

21 "**SECTION 7.36.(c)** Grant Applications. – A public school unit may submit an application
22 to the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools
23 for one or more grants pursuant to this section in ~~each year of the 2023-2025 fiscal biennium~~ the
24 2024-2025 fiscal year. The application shall include an assessment, to be performed in
25 conjunction with a local law enforcement agency, of the need for improving school safety within
26 the public school unit that would receive the funding or services. The application shall identify
27 current and ongoing needs and estimated costs associated with those needs.

28 "**SECTION 7.36.(d)** Criteria and Guidelines. – ~~By January 15, 2024, the Superintendent of~~
29 ~~Public Instruction~~ The Executive Director of the Center for Safer Schools shall develop criteria
30 and guidelines for the administration and use of the grants pursuant to this section, including any
31 documentation required to be submitted by applicants. In assessing grant applications, the
32 ~~Superintendent of Public Instruction~~ Executive Director shall consider at least all of the following
33 factors:

- 34 (1) The level of resources available to the public school unit that would receive
35 the funding.
- 36 (2) Whether the public school unit has received other grants for school safety.
- 37 (3) The overall impact on student safety in the public school unit if the identified
38 needs are funded.

39 "**SECTION 7.36.(e)** Grants for Students in Crisis. – Of the funds appropriated ~~to the~~
40 ~~Department of Public Instruction~~ by this act for the grants provided in this section, the
41 ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools, in
42 consultation with the Department of Health and Human Services, shall award grants to public
43 school units to contract with community partners to provide or pay for the provision of any of
44 the following crisis services:

- 45 (1) Crisis respite services for parents or guardians of an individual student to
46 prevent more intensive or costly levels of care.
- 47 (2) Training and expanded services for therapeutic foster care families and
48 licensed child placement agencies that provide services to students who (i)
49 need support to manage their health, welfare, and safety and (ii) have any of
50 the following:
51 a. Cognitive or behavioral problems.

- 1 b. Developmental delays.
 2 c. Aggressive behavior.
 3 (3) Evidence-based therapy services aligned with targeted training for students
 4 and their parents or guardians, including any of the following:
 5 a. Parent-child interaction therapy.
 6 b. Trauma-focused cognitive behavioral therapy.
 7 c. Dialectical behavior therapy.
 8 d. Child-parent psychotherapy.
 9 (4) Any other crisis service, including peer-to-peer mentoring, that is likely to
 10 increase school safety. Of the funds appropriated to the Department of Public
 11 ~~Instruction~~ by this act for the grants provided in this section, the
 12 ~~Superintendent Executive Director~~ shall use no more than three hundred fifty
 13 thousand dollars (\$350,000) in ~~each year of the 2023-2025 fiscal biennium~~ the
 14 2024-2025 fiscal year for the services identified in this subdivision.

15 **"SECTION 7.36.(f)** Grants for Training to Increase School Safety. – Of the funds
 16 appropriated to the Department of Public Instruction by this act for the grants provided in this
 17 section, the ~~Superintendent of Public Instruction, Executive Director of the Center for Safer~~
 18 Schools, in consultation with the Department of Health and Human Services, shall award grants
 19 to public school units to contract with community partners to address school safety by providing
 20 training to help students develop healthy responses to trauma and stress. The training shall be
 21 targeted and evidence-based and shall include any of the following services:

- 22 (1) Counseling on Access to Lethal Means (CALM) training for school health
 23 support personnel, local first responders, and teachers on the topics of suicide
 24 prevention and reducing access by students to lethal means.
 25 (2) Training for school health support personnel on comprehensive and
 26 evidence-based clinical treatments for students and their parents or guardians,
 27 including any of the following:
 28 a. Parent-child interaction therapy.
 29 b. Trauma-focused cognitive behavioral therapy.
 30 c. Behavioral therapy.
 31 d. Dialectical behavior therapy.
 32 e. Child-parent psychotherapy.
 33 (3) Training for students and school employees on community resilience models
 34 to improve understanding and responses to trauma and significant stress.
 35 (4) Training for school health support personnel on Modular Approach to
 36 Therapy for Children with Anxiety, Depression, Trauma, or Conduct
 37 problems (MATCH-ADTC), including any of the following components:
 38 a. Trauma-focused cognitive behavioral therapy.
 39 b. Parent and student coping skills.
 40 c. Problem solving.
 41 d. Safety planning.
 42 (5) Any other training, including the training on the facilitation of peer-to-peer
 43 mentoring, that is likely to increase school safety. Of the funds appropriated
 44 to the Department of Public Instruction by this act for the grants provided in
 45 this section, the ~~Superintendent Executive Director~~ shall use no more than
 46 three hundred fifty thousand dollars (\$350,000) in ~~each year of the 2023-2025~~
 47 fiscal biennium the 2024-2025 fiscal year for the services identified in this
 48 subdivision.

49 **"SECTION 7.36.(g)** Grants for Safety Equipment. – Of the funds appropriated to the
 50 ~~Department of Public Instruction~~ by this act for the grants provided in this section, the
 51 ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools shall

1 award grants to public school units for (i) the purchase of safety equipment for school buildings
2 and (ii) training associated with the use of safety equipment purchased pursuant to this
3 subsection. Notwithstanding G.S. 115C-218.105(b), charter schools may receive grants for
4 school safety equipment pursuant to this subsection.

5 **"SECTION 7.36.(h)** Artificial Intelligence (AI) Pilot. – Of the funds appropriated to the
6 Department of Public Instruction by this act for the grants provided in this section for the
7 2023-2024 fiscal year, the Department shall allocate (i) three million two hundred thousand
8 dollars (\$3,200,000) as a directed grant to New Hanover County Schools and (ii) two million
9 dollars (\$2,000,000) as a directed grant to Davidson County Schools for an AI School Safety
10 Pilot Program. In conducting the Pilot Program, participating public school units shall comply
11 with the following:

- 12 (1) Funds allocated for the Pilot Program shall be used for the implementation of
13 a school safety system that integrates AI technology into existing access
14 controls, alerting protocols, and intercom systems.
- 15 (2) No later than January 15, 2025, the participating public school units, in
16 coordination with the ~~Department of Public Instruction, Center for Safer~~
17 Schools, shall report to the Joint Legislative Education Oversight Committee
18 the following information:
 - 19 a. The schools that participated in the Pilot Program.
 - 20 b. How grant funds were spent.
 - 21 c. The impact the Pilot Program had on school safety outcomes.
 - 22 d. Any noted capabilities of the AI system that could not be accomplished
23 by more traditional safety measures.
 - 24 e. Any other information the participating public school units or the
25 Department deem relevant to the report.

26 **"SECTION 7.36.(i)** Subsidizing School Resource Officer Grants Program. – If the
27 ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools receives
28 applications for grants for school resource officers under ~~G.S. 115C-105.60~~ G.S. 143B-1208.20
29 in excess of the amount of funding appropriated for school resource officer grants in the
30 ~~2023-2025 fiscal biennium, 2024-2025 fiscal year, the Superintendent~~ Executive Director may
31 use the funds appropriated to the ~~Department of Public Instruction~~ for the grants provided for in
32 this section to cover the unmet need for school resource officer grants.

33 ...
34 **"SECTION 7.36.(k)** Administrative Costs. – Of the funds appropriated to the ~~Department~~
35 ~~of Public Instruction~~ by this act for the grants provided in this section, the ~~Superintendent of~~
36 ~~Public Instruction~~ Executive Director of the Center for Safer Schools may retain a total of up to
37 one hundred thousand dollars (\$100,000) in ~~each fiscal year of the 2023-2025 fiscal biennium~~
38 the 2024-2025 fiscal year for administrative costs associated with the Program.

39 **"SECTION 7.36.(k1)** Disbursement. – The Executive Director of the Center for Safer
40 Schools may enter into a memorandum of understanding with the Department of Public
41 Instruction to disburse grants awarded under this section.

42 **"SECTION 7.36.(l)** Nonrevert. – Notwithstanding any provision of law to the contrary, the
43 nonrecurring funds appropriated to the Department of Public Instruction in the 2022-2023 fiscal
44 year for the 2021-2023 School Safety Grants Program under Section 7.19 of S.L. 2021-180 and
45 the nonrecurring funds appropriated by this act for the 2023-2025 School Safety Grants Program
46 shall not revert to the General Fund but shall remain available for the purposes for which they
47 were appropriated until June 30, 2025.

48 **"SECTION 7.36.(m)** Program Report. – No later than ~~April 1 of each fiscal year in which~~
49 ~~funds are awarded pursuant to this section, April 1, 2025,~~ the Superintendent of Public Instruction
50 Executive Director of the Center for Safer Schools shall report on the Program to the Joint
51 Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on

1 Health and Human Services, the Joint Legislative Oversight Committee on Justice and Public
 2 Safety, the Joint Legislative Commission on Governmental Operations, the Senate
 3 Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Fiscal
 4 Research Division. The report shall include at least the following information:

- 5 (1) The identity of each public school unit and community partner that received
 6 grant funds through the Program.
- 7 (2) The amount of funding received by each entity identified pursuant to
 8 subdivision (1) of this subsection.
- 9 (3) The services, training, and equipment purchased with grant funds by each
 10 entity that received a grant.
- 11 (4) Recommendations for the implementation of additional effective school
 12 safety measures.

13"

14 **SECTION 19G.6.(i)** G.S. 115C-105.51 reads as rewritten:

15 "**§ 115C-105.51. Anonymous tip lines and monitoring and response applications.**

16 ...

17 (b) ~~The Department of Public Instruction and the~~ Center for Safer Schools, in
 18 collaboration with the Department of Public Instruction and the Department of Public Safety,
 19 Division of Emergency Management, shall implement and maintain an anonymous safety tip line
 20 application available statewide for purposes of receiving anonymous student information on
 21 internal or external risks to the school population, school buildings, and school-related activities.
 22 Public secondary schools shall inform students about the application and provide opportunities
 23 for students to learn about its purpose and function. The governing body of each public secondary
 24 school shall work with the ~~Department of Public Instruction, Division of School Operations, and~~
 25 ~~the~~ Center for Safer ~~Schools~~ Schools, in collaboration with the Department of Public Instruction,
 26 Division of School Operations, to ensure that employees of the public secondary schools receive
 27 adequate training in its operation.

28 ...

29 (d) The Department of Public Instruction and the Department of Public Safety shall
 30 ensure that the anonymous safety tip line application is integrated with and supports the statewide
 31 School Risk and Response Management System (SRRMS) as provided in ~~G.S. 115C-105.49A-~~
 32 G.S. 143B-1209.61. Where technically feasible and cost efficient, the Department of Public
 33 Instruction and the Department of Public Safety are encouraged to implement a single solution
 34 supporting both the anonymous safety tip line application and panic alarm system.

35"

36 **SECTION 19G.6.(j)** G.S. 115C-105.52(a) reads as rewritten:

37 "(a) ~~The Department of Public Instruction and the~~ Center for Safer Schools, in
 38 consultation with the Department of Public Instruction and the Department of Public Safety, shall
 39 develop and adopt policies on the placement of school crisis kits in schools and on the contents
 40 of those kits. The kits shall include, at a minimum, basic first-aid supplies and communications
 41 devices."

42 **SECTION 19G.6.(k)** G.S. 115C-105.53(b) reads as rewritten:

43 "(b) ~~The Department of Public Instruction and the~~ Center for Safer Schools, in
 44 consultation with the Department of Public Instruction and the Department of Public Safety, shall
 45 develop standards and guidelines for the preparation and content of schematic diagrams and
 46 necessary updates. Public school units and participating nonpublic schools may use these
 47 standards and guidelines to assist in the preparation of their schematic diagrams."

48 **SECTION 19G.6.(l)** G.S. 115C-105.65 reads as rewritten:

49 "**§ 115C-105.65. Threat assessment teams.**

50 ...

1 (b) The Center for Safer Schools shall develop guidance for threat assessment teams for
2 public school units and all public school units shall have access to the guidance. The Center shall
3 develop the guidance by (i) collecting information and best practices from schools with existing
4 threat assessment teams and (ii) consulting with the Department of Public Instruction, the Task
5 Force for Safer Schools, Disability Rights North Carolina, the North Carolina School Psychology
6 Association, the State Bureau of Investigation, and relevant State government agencies. This
7 guidance shall not reference or reveal any information that has been excluded as a public record
8 under G.S. 115C-47(40), Part 2 of Article 8C of this Chapter, or any other relevant statute. The
9 guidance shall include, at a minimum, the best practices for the following:

10 ...

11 (f) Any information shared among members of the threat assessment team pursuant to
12 this ~~subsection~~ section shall remain confidential, shall not be a public record subject to Chapter
13 132 of the General Statutes, and shall only be released in connection with an emergency under
14 the standards established by the Family Educational Rights and Privacy Act in 20 U.S.C. §
15 1232g(b)(1)(I).

16"

17 **SECTION 19G.6.(m)** G.S. 115C-12(40) reads as rewritten:

18 "(40) Adopt School Risk Management Plans. – Each local board of education shall,
19 in coordination with local law enforcement and emergency management
20 agencies, adopt a School Risk Management Plan (SRMP) relating to incidents
21 of school violence for each school in its jurisdiction. In constructing and
22 maintaining these plans, local boards of education and local school
23 administrative units shall utilize the School Risk and Response Management
24 System (SRRMS) established pursuant to ~~G.S. 115C-105.49A.~~
25 G.S. 143B-1209.61. These plans are not a public record as the term "public
26 record" is defined under G.S. 132-1 and shall not be subject to inspection and
27 examination under G.S. 132-6."

28 **SECTION 19G.6.(n)** G.S. 115C-12(47) reads as rewritten:

29 "(47) Duty Regarding Child Abuse and Neglect. – The State Board of Education, in
30 consultation with the Superintendent of Public Instruction, shall adopt a rule
31 requiring information on child abuse and neglect, including age-appropriate
32 information on sexual abuse, to be provided by public school units to students
33 in grades six through 12. This rule shall also apply to high schools under the
34 control of The University of North Carolina. Information shall be provided in
35 the form of (i) a document provided to all students at the beginning of each
36 school year, (ii) a display posted in visible, high-traffic areas throughout each
37 public secondary school, and (iii) a video, produced in accordance with
38 ~~G.S. 115C-105.57(e)(2a),~~ G.S. 143B-1209.59(c)(2a), shown to all students no
39 more than five days after the first day of the school year. The document,
40 display, and video shall include, at a minimum, the following information:

- 41 a. Likely warning signs indicating that a child may be a victim of abuse
42 or neglect, including age-appropriate information on sexual abuse.
- 43 b. The telephone number used for reporting abuse and neglect to the
44 department of social services in the county in which the school is
45 located, in accordance with G.S. 7B-301.
- 46 c. A statement that information reported pursuant to sub-subdivision b.
47 of this subdivision shall be held in the strictest confidence, to the extent
48 permitted by law, pursuant to G.S. 7B-302(a1).
- 49 d. Repealed by Session Laws 2023-65, s. 7.2(a), effective June 29, 2023,
50 and applicable beginning with the 2023-2024 school year."

51 **SECTION 19G.6.(o)** G.S. 115C-150.12C(17)a. reads as rewritten:

1 "a. School Risk Management Plan. – The board of trustees, in
2 coordination with local law enforcement agencies, shall adopt a
3 School Risk Management Plan (SRMP) relating to incidents of school
4 violence. In constructing and maintaining these plans, the board of
5 trustees shall utilize the School Risk and Response Management
6 System established pursuant to ~~G.S. 115C-105.49A~~
7 G.S. 143B-1209.61. These plans are not considered a public record as
8 the term "public record" is defined under G.S. 132-1 and shall not be
9 subject to inspection and examination under G.S. 132-6."

10 **SECTION 19G.6.(p)** G.S. 115C-551(b)(1) reads as rewritten:

11 "(1) School Risk Management Plan. – In coordination with local law enforcement
12 agencies, adopt a School Risk Management Plan (SRMP) relating to incidents
13 of school violence. In constructing and maintaining these plans, the school
14 may utilize the School Risk and Response Management System (SRRMS)
15 established pursuant to ~~G.S. 115C-105.49A~~, G.S. 143B-1209.61. These plans
16 are not considered a public record as the term "public record" is defined under
17 G.S. 132-1 and shall not be subject to inspection and examination under
18 G.S. 132-6."

19 **SECTION 19G.6.(q)** G.S. 115C-559(b)(1) reads as rewritten:

20 "(1) School Risk Management Plan. – In coordination with local law enforcement
21 agencies, adopt a School Risk Management Plan (SRMP) relating to incidents
22 of school violence. In constructing and maintaining these plans, the school
23 may utilize the School Risk and Response Management System (SRRMS)
24 established pursuant to ~~G.S. 115C-105.49A~~, G.S. 143B-1209.61. These plans
25 are not considered a public record as the term "public record" is defined under
26 G.S. 132-1 and shall not be subject to inspection and examination under
27 G.S. 132-6."

28 **SECTION 19G.6.(r)** G.S. 166A-19.12(22) reads as rewritten:

29 "(22) Serving as the lead State agency for the implementation and maintenance of
30 the statewide School Risk and Response Management System (SRRMS)
31 under ~~G.S. 115C-105.49A~~, G.S. 143B-1209.61."

32 **SECTION 19G.6.(s)** The Department of Public Instruction shall transfer to the State
33 Bureau of Investigation any funds that did not revert under Section 7.36(l) of S.L. 2023-134 that
34 are to be used for any grant program administered by the Center for Safer Schools. Nothing in
35 this subsection shall be construed as abrogating or amending the date set forth in Section 7.36(l)
36 of S.L. 2023-134 by which the funds shall revert to the General Fund.

37 **SECTION 19G.6.(t)** Grant funds awarded under Section 7.36 of S.L. 2023-134 and
38 G.S. 115C-105.60 before the effective date of this act are not abated or affected by this act, and
39 the statutes that would be applicable but for this act remain applicable to those grant funds.

40 **SECTION 19G.6.(u)** Except as otherwise prohibited by federal law, the Department
41 of Public Instruction shall transfer to the State Bureau of Investigation any federal funds received
42 by the Department for any program administered by the Center for Safer Schools.

43
44 **PART XIX-H. JUVENILE JUSTICE [RESERVED]**

45
46 **PART XIX-I. EMERGENCY MANAGEMENT AND NATIONAL GUARD [RESERVED]**

47
48 **PART XX. ADMINISTRATION [RESERVED]**

49
50 **PART XXI. ADMINISTRATIVE HEARINGS [RESERVED]**

PART XXII. OFFICE OF STATE AUDITOR [RESERVED]**PART XXIII. BUDGET AND MANAGEMENT****OSBM/ADMINISTER VETERANS LIFE CENTER CHALLENGE GRANT**

SECTION 23.1. G.S. 143B-1218 reads as rewritten:

"§ 143B-1218. Veterans Life Center; challenge grant to provide rehabilitation and reintegration services to veterans.

(a) There is hereby established in the ~~Department of Military and Veterans Affairs Office of State Budget and Management~~ (hereinafter "OSBM") a challenge grant program for the Veterans Life Center (hereinafter "Center"), a nonprofit corporation, which shall be administered by the ~~Department~~ OSBM as provided in this section. Funds appropriated by the General Assembly for the challenge grant program shall be used to allocate funds to the Center for the purpose of providing rehabilitation and reintegration services and support to veterans across the State, and those funds shall not be used for any other purpose without the express authorization of the General Assembly.

(b) The maximum amount of State funds that may be disbursed to the Center under this section is seven hundred fifty thousand dollars (\$750,000) in each fiscal year. The ~~Department~~ OSBM shall disburse State funds on a dollar-for-dollar basis each quarter so that the Center will receive a State dollar for each non-State dollar raised by the Center each quarter, but in no case shall the ~~Department~~ OSBM disburse State funds to the Center if the Center has not raised non-State funds in that quarter of the fiscal year. The Center shall demonstrate, to the satisfaction of the ~~Department~~ OSBM, that it has raised the non-State funds required by this subsection prior to the disbursement of State funds. The Center shall not supplant, shift, or reallocate Center funds for the purpose of achieving the non-State dollars required by this subsection.

(b1) Notwithstanding the provisions of subsection (b) of this section, if the OSBM does not disburse grant funds to the Veterans Life Center in a fiscal year because the Center did not satisfy the requirements of the grant contract between the OSBM and the Center on or before June 30 of that fiscal year, the grant funds shall not revert on June 30 but shall remain available to the OSBM to disburse to the Center in the following fiscal year as long as the Center satisfies the grant contract requirements. In such a case, the OSBM is authorized to disburse grant funds to the Veterans Life Center in an amount greater than seven hundred fifty thousand dollars (\$750,000) in a fiscal year because the amount disbursed is for both the prior fiscal year and the current fiscal year.

(c) Not later than July 1 of each year, the ~~Department~~ OSBM shall submit a written report to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division on all of the following information, and the Center shall provide the information to the ~~Department~~ OSBM in the manner and time period requested by the ~~Department~~ OSBM for purposes of preparing the report:

- (1) The total number of veterans served.
- (2) The types of services provided to veterans, and the number of veterans who received each type of service.
- (3) Demographics of the veterans served, including each veteran's county of residence.
- (4) Average length of stay for veterans, and the average number of veterans in the Center facility on a daily basis.
- (5) The total number of veterans who completed the care program, and the number who received postgraduate mentoring from the Center."

OSBM/ADMINISTER GRANT PROGRAM FOR COUNTY VETERANS OFFICES

SECTION 23.2.(a) Section 33.13 of S.L. 2023-134 is repealed.

1 **SECTION 23.2.(b)** Notwithstanding the provisions of Section 33.13 of S.L.
2 2023-134 or any other provision of S.L. 2023-134 or the Committee Report described in Section
3 43.2 of that act to the contrary, the sum of one million five hundred thousand dollars (\$1,500,000)
4 in nonrecurring funds appropriated to the Department of Military and Veterans Affairs for the
5 2023-2024 fiscal year shall not be used for that purpose and shall not revert to the General Fund
6 on June 30, 2024, but shall instead be appropriated to the Office of State Budget and Management
7 – Special Appropriations to be used as provided in subsection (c) of this section.

8 **SECTION 23.2.(c)** Of the funds appropriated in this act to the Office of State Budget
9 and Management – Special Appropriations, the sum of three million dollars (\$3,000,000) in
10 nonrecurring funds for the 2024-2025 fiscal year shall be used to establish and administer a grant
11 program for existing county veterans offices (hereinafter "CVO") to provide services to veterans.
12 The following shall apply to the grant program:

- 13 (1) The CVO must be located in a county in which there are eight or less certified
14 veteran service officers (hereinafter "VSO"). The VSO may be an employee
15 with the federal government, State of North Carolina, county, or an entity in
16 the county, including a nonprofit organization. The CVO shall provide proof,
17 as required by the OSBM, that there are eight or less certified VSOs working
18 in the county.
- 19 (2) Each grant recipient shall receive an equal amount.
- 20 (3) Only one grant may be awarded to a CVO in the 2024-2025 fiscal year.
- 21 (4) Applicants are not required to provide a match for the grant funds.
- 22 (5) Applications must be received by the deadline set by OSBM.
- 23 (6) Grants shall be made as soon as practicable.

24 **SECTION 23.2.(d)** Not later than September 1, 2025, the OSBM shall report to the
25 Joint Legislative Oversight Committee on General Government, the House Appropriations
26 Committee on General Government, the Senate Appropriations Committee on General
27 Government and Information Technology, and the Fiscal Research Division on all of the
28 following:

- 29 (1) The name of each CVO that received a grant and the amount of the grant.
- 30 (2) The number of veterans served by each CVO, by county.
- 31 (3) A description of the services that were provided to veterans using the grant
32 funds, by county.

33 **PART XXIV. BUDGET AND MANAGEMENT – SPECIAL APPROPRIATIONS**

34 **REVERSION OF DARE COUNTY AFFORDABLE HOUSING FUNDS**

35 **SECTION 24.1.** Notwithstanding any provision of S.L. 2022-74 or the Committee
36 Report referenced in Section 43.2 of that act or any other provision of law to the contrary, the
37 directed grant in the sum of thirty-five million dollars (\$35,000,000) in nonrecurring funds for
38 the 2022-2023 fiscal year to be provided by the Office of State Budget and Management – Special
39 Appropriations to Dare County to construct affordable housing shall not be used for that purpose
40 but shall instead revert to the Housing Trust Fund on June 30, 2024. The authority granted to
41 Dare County to use the funds to construct affordable housing was repealed in Section 6.5 of S.L.
42 2024-1.
43
44
45

46 **CORRECT GRANT RECIPIENT FOR TREATMENT AND REMOVAL OF NOXIOUS** 47 **AQUATIC WEEDS TREATMENT IN PERSON COUNTY**

48 **SECTION 24.2.** Section 24.7 of S.L. 2023-134 reads as rewritten:

49 **"SECTION 24.7.** Of the funds appropriated in this act to the Office of State Budget and
50 Management, Special Appropriations, from the Regional Economic Development Reserve
51 (Reserve), the sum of two hundred fifty thousand dollars (\$250,000) in nonrecurring funds for

1 the 2023-2024 fiscal year shall be used to provide a directed grant to ~~Person County~~ the
 2 Person-Caswell Lake Authority for the treatment and removal of native and noxious aquatic
 3 weeds in Hyco Lake, including Brittle Naiad, Creeping Water Primrose, Nitella, Hydrilla,
 4 Alligator Weed, Watermilfoil, Salvinia, and Chara. Any unexpended funds in the Reserve after
 5 the effective treatment of native and noxious aquatic weeds in Hyco Lake may be used for other
 6 surface bodies in Person County, including Mayo Lake. Funds appropriated for the purposes
 7 authorized in this section shall not revert to the Reserve on June 30, 2024, but shall remain
 8 available to ~~Person County~~ the Person-Caswell Lake Authority to use as provided in this section.
 9 For purposes of this section, native and noxious aquatic weeds in Hyco Lake, including Brittle
 10 Naiad, Creeping Water Primrose, Nitella, Hydrilla, Alligator Weed, Watermilfoil, Salvinia, and
 11 Chara shall be considered a "noxious aquatic weed" under Article 15 of Chapter 113A of the
 12 General Statutes."
 13

14 **PART XXV. OFFICE OF STATE CONTROLLER**

15 **STATE AGENCIES REQUIRED TO ACCEPT ELECTRONIC PAYMENTS**

16 **SECTION 25.1.(a)** G.S.147-86.10 reads as rewritten:
 17

18 **"§ 147-86.10. Statement of policy.**

19 It is the policy of the State of North Carolina that all agencies, institutions, departments,
 20 bureaus, boards, commissions, and officers of the State, whether or not subject to the State
 21 Budget Act, Chapter 143C of the General Statutes, shall devise techniques and procedures for
 22 the receipt, deposit, and disbursement of moneys coming into their control and custody which
 23 are designed to maximize interest-bearing investment of cash, and to minimize idle and
 24 nonproductive cash balances. This policy shall apply to the General Court of Justice as defined
 25 in Article IV of the North Carolina Constitution, the public school units as defined in
 26 G.S. 147-86.12, and the community colleges with respect to the receipt, deposit, and
 27 disbursement of moneys required by law to be deposited with the State Treasurer and with respect
 28 to moneys made available to them for expenditure by warrants drawn on the State Treasurer. This
 29 policy shall include the acceptance of electronic payments in accordance with ~~G.S. 147-86.22 to~~
 30 ~~the maximum extent possible consistent with sound business practices.~~ G.S. 147-86.22."

31 **SECTION 25.1.(b)** G.S. 147-86.11 reads as rewritten:
 32

33 **"§ 147-86.11. Cash management for the State.**

34 ...
 35 (e) Elements of Plan. – For moneys received or to be received, the statewide cash
 36 management plan shall provide at a minimum that:

37 ...
 38 (6) State agencies shall accept payment by electronic payment in accordance with
 39 ~~G.S. 147-86.22 to the maximum extent possible consistent with sound~~
 40 ~~business practices.~~ G.S. 147-86.22.

41"

42 **SECTION 25.1.(c)** G.S. 147-86.22 reads as rewritten:
 43

44 **"§ 147-86.22. Statewide accounts receivable program.**

45 ...
 46 (b) Electronic Payment. – Notwithstanding the provisions of G.S. 147-86.20 and
 47 G.S. 147-86.21, this subsection applies to debts owed a community college, a local school
 48 administrative unit, an area mental health, developmental disabilities, and substance abuse
 49 authority, and the Administrative Office of the Courts, and to debts payable to or through the
 50 office of a clerk of superior court or a magistrate, as well as to debts owed to other State agencies
 51 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

36 CONFORMING CHANGES

37 **SECTION 25.1.(d)** G.S. 18B-404 reads as rewritten:

38 "**§ 18B-404. Additional provisions for purchase and transportation by mixed beverage**
 39 **permittees.**

40 ...

41 (e) Electronic Payment. – A local board shall accept electronic payments for any
 42 spirituous liquor purchased by a mixed beverages permittee. A local board may ~~not~~ charge a fee
 43 for accepting electronic payments under this subsection. ~~For purposes of this subsection, the term~~
 44 ~~"electronic payment" means payment by debit card or by electronic funds transfer as defined in~~
 45 ~~G.S. 105-228.90, but does not include payment by charge card or credit card.~~subsection as
 46 provided in G.S. 147-86.22(b).

47 (f) Delivery Service. – A local board shall offer delivery service to mixed beverage
 48 permittees. In providing delivery of purchased products to mixed beverage permittees, the local
 49 board may use its employees or contract with one or more independent contractors and may
 50 charge a fee to the permittee. A local board in a Tier 1 or Tier 2 county, as defined in
 51 G.S. 143B-472.35(a2)(18), may request an exemption to this requirement from the ABC

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.

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
 37 **OFFICE OF STATE FIRE MARSHAL EXPENSES**

38 **SECTION 30.2.** G.S. 58-6-25 reads as rewritten:

39 **"§ 58-6-25. Insurance regulatory charge.**

40 ...

41 (d) Use of Proceeds. – The Insurance Regulatory Fund is created as an interest-bearing
 42 special fund to which the proceeds of the charge levied in this section and all fees collected under
 43 Articles 69 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the General
 44 Statutes shall be credited. Moneys in the Fund may be spent only pursuant to appropriation by
 45 the General Assembly, and the Fund is subject to the provisions of the State Budget Act. All
 46 money credited to the Fund shall be used to reimburse the General Fund for the following:

47 ...

48 (7) Money appropriated to the Department of Insurance and the Office of the State
 49 Fire Marshal in the Department of Insurance to pay its expenses incurred in
 50 connection with providing staff support for State boards and commissions,
 51 including the North Carolina Manufactured Housing Board, State Fire and

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"

12
 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 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.

15 **FIREFIGHTERS' CANCER INSURANCE PILOT PROGRAM MADE PERMANENT**

16 **SECTION 30.5.(a)** Chapter 58 of the General Statutes is amended by adding a new
17 Article to read:

18 "Article 86A.

19 "Firefighters' Cancer Insurance Program.

20 "**§ 58-86A-1. Firefighters' Cancer Insurance Program established; purpose.**

21 There is hereby established the Firefighters' Cancer Insurance Program in the Office of the
22 State Fire Marshal. The purpose of the Program is to provide health benefits as authorized by this
23 Article to eligible firefighters with a new diagnosis of cancer on or after January 1, 2022. The
24 health benefits provided under this Program shall be supplemental to any other health benefits
25 authorized by law for firefighters. The Office of the State Fire Marshal shall administer the
26 Program instead of purchasing private insurance for that purpose, and the Office shall perform
27 this duty by contracting with a third-party administrator. The contracting procedure for the
28 third-party administrator is not subject to Article 3C of Chapter 143 of the General Statutes. The
29 Office of the State Fire Marshal may use up to ten percent (10%) of the funds appropriated in
30 each fiscal biennium for the Program for the reasonable and necessary expenses incurred by the
31 Office in administering the Program.

32 "**§ 58-86A-2. Definitions.**

33 The following definitions apply in this Article:

- 34 (1) Cancer. – Malignant neoplasms of the body that may be caused by exposure
35 to heat, radiation, or a known carcinogen, as defined by the World Health
36 Organization's International Agency for Research on Cancer.
37 (2) Eligible firefighter. – A firefighter who meets the requirements of
38 G.S. 58-86A-3.
39 (3) Fire department. – Any organization that is not a federal agency, including
40 any public or government-sponsored organization, that is located and based in
41 this State and provides rescue, fire suppression, and related activities.
42 (4) Firefighter. – As defined in G.S. 58-84-5(3a).

43 "**§ 58-86A-3. Eligibility.**

44 To be eligible to receive benefits under the Program, a firefighter:

- 45 (1) Must meet either of the following criteria:
46 a. Have served in a North Carolina fire department or in a fire department
47 on a military base in North Carolina for a minimum of five continuous
48 years; provided, however, if a firefighter, during those five years,
49 experiences a lapse in service of no more than six months, the
50 firefighter shall not be ineligible to receive benefits under the
51 Program.

1 b. Have been included on the certified roster submitted to the North
2 Carolina State Firefighters' Association pursuant to G.S. 58-86-25 for
3 a period of no more than 10 years as "retired/nonactive" after the
4 firefighter no longer meets the definition of the term "firefighter"
5 under G.S. 58-84-5(3a).

6 (2) Must have received a new diagnosis of cancer on or after January 1, 2022. A
7 firefighter with a diagnosis of cancer prior to January 1, 2022, is not eligible
8 for benefits in the Program for that previously diagnosed cancer type but
9 remains eligible for benefits in the Program upon diagnosis of any other
10 cancer type, even if the other cancer type diagnosed on or after January 1,
11 2022, metastasized from a cancer diagnosed before January 1, 2022. A
12 firefighter is not eligible to receive benefits under the Program if the
13 firefighter is receiving benefits related to cancer under the North Carolina
14 Workers' Compensation Act established in Article 1 of Chapter 97 of the
15 General Statutes.

16 **"§ 58-86A-4. Benefits.**

17 The following benefits shall be provided under the Program:

18 (1) Lump sum benefit. – Not to exceed a total of seventy-four thousand dollars
19 (\$74,000), a lump sum benefit of thirty-seven thousand dollars (\$37,000) for
20 each diagnosis of cancer shall be payable to an eligible firefighter upon
21 sufficient proof to the insurance carrier, the Department, the Office of the
22 State Fire Marshal, or other applicable payor of a diagnosis of cancer by a
23 board-certified, licensed physician in the medical specialty appropriate for the
24 type of cancer diagnosed.

25 (2) Disability benefit. – Upon sufficient proof to the insurance carrier, the
26 Department, the Office of the State Fire Marshal, or other applicable payor of
27 total disability resulting from the diagnosis of cancer or that the cancer
28 precludes the firefighter from serving as a firefighter, the following disability
29 benefits shall be paid to an eligible firefighter beginning six months after the
30 total disability or inability to perform the duties of a firefighter, whichever
31 applies:

32 a. For a nonvolunteer firefighter. – A monthly benefit that is either (i)
33 equal to seventy-five percent (75%) of the firefighter's monthly salary
34 or (ii) five thousand dollars (\$5,000), whichever is less.

35 b. For a volunteer firefighter. – A monthly benefit of one thousand five
36 hundred dollars (\$1,500).

37 **"§ 58-86A-5. Limitations on disability benefit.**

38 The following limitations apply to disability benefits under this section:

39 (1) Disability benefits shall continue for no more than 36 consecutive months.

40 (2) Any firefighter receiving disability benefits may be required to have his or her
41 condition reevaluated to determine if that firefighter has regained the ability
42 to perform the duties of a firefighter. If that reevaluation indicates that the
43 firefighter has regained the ability to perform the duties of a firefighter, then
44 the monthly disability benefits shall cease on the last day of the month the
45 reevaluation was conducted.

46 (3) If there is no reevaluation performed under subdivision (2) of this section, but
47 the firefighter's treating physician determines that the firefighter is again able
48 to perform the duties of a firefighter, then the disability benefits shall cease on
49 the last day of the month that the physician made the determination.

50 (4) If a firefighter returns to work as a firefighter before exhaustion of the 36
51 months of disability benefit an eligible firefighter may receive under this

1 section, and if there is a subsequent recurrence of disability caused by cancer
 2 that again precludes the firefighter from performing the duties of a firefighter,
 3 then the firefighter shall be entitled to any remaining monthly disability
 4 benefits, not to exceed 36 months in total.

5 (5) The monthly disability benefit shall be subordinate to any other benefit paid
 6 from any source to the firefighter solely for a disability related to the cancer
 7 diagnosis, so long as that source is not private insurance purchased solely by
 8 the firefighter. Disability benefits under this section shall be limited to the
 9 difference between the benefit amount paid by the other source and the
 10 amounts specified under G.S. 58-86A-4(3).

11 **§ 58-86A-6. Reporting requirements.**

12 On January 1 of each year, the Office of the State Fire Marshal shall submit a report to the
 13 Joint Oversight Committee on General Government, the Governor, and the Fiscal Research
 14 Division that includes all of the following information:

15 (1) The number, type, and primary work location of all firefighters participating
 16 in the program. For purposes of this section, the term "type" means a
 17 volunteer, employee, contractor, or member of a rated and certified fire
 18 department, or employee of a county fire marshal's office whose sole duty is
 19 to act as fire marshal, deputy fire marshal, assistant fire marshal, or firefighter
 20 of the county.

21 (2) The number of benefit claims filed, by type.

22 (3) The types of cancer for which benefit claims were filed, by type.

23 (4) All benefits paid out under this section, by type."

24 **SECTION 30.5.(b)** Effective July 1, 2025, G.S. 105-228.5(d)(3) reads as rewritten:

25 "(d) Tax Rates; Disposition. –

26 ...
 27 (3) Additional Rate on Property Coverage Contracts. – An additional tax at the
 28 rate of seventy-four hundredths percent (0.74%) applies to gross premiums on
 29 insurance contracts for property coverage. The tax is imposed on ten percent
 30 (10%) of the gross premiums from insurance contracts for automobile
 31 physical damage coverage and on one hundred percent (100%) of the gross
 32 premiums from all other contracts for property coverage. Twenty percent
 33 (20%) of the net proceeds of this additional tax must be credited to the
 34 Volunteer Fire Department Fund established in Article 87 of Chapter 58 of
 35 the General Statutes. Twenty percent (20%) of the net proceeds must be
 36 credited to the Department of Insurance for disbursement pursuant to
 37 G.S. 58-84-25. ~~Up to twenty percent (20%).~~ Ten percent (10%) of the net
 38 proceeds, as determined in accordance with G.S. 58-87-10(f), must be
 39 credited to the Workers' Compensation Fund. ~~Fund established in~~
 40 G.S. 58-87-10, but in no event shall the Fund reserve exceed forty-five million
 41 dollars (\$45,000,000). Ten percent (10%) of the net proceeds must be credited
 42 to the Office of the State Fire Marshal in the Department of Insurance to be
 43 used to fund the Firefighters' Cancer Insurance Program established in Article
 44 86A of Chapter 58 of the General Statutes, but in no event shall the amount
 45 credited to the Office of the State Fire Marshal exceed ten million dollars
 46 (\$10,000,000). The remaining net ~~proceeds~~ proceeds, including the net
 47 proceeds that exceed the limits established in this subdivision for the Workers'
 48 Compensation Fund and the Office of the State Fire Marshal, must be credited
 49 to the General Fund. The additional tax imposed on property coverage
 50 contracts under this subdivision is a special purpose assessment based on gross
 51 premiums and not a gross premiums tax.

...."

SECTION 30.5.(c) G.S. 58-87-10 reads as rewritten:

"§ 58-87-10. Workers' Compensation Fund for the benefit of certain safety workers.

...

(f) Funding Study. – The Office of the State Fire Marshal shall annually conduct an actuarial study that shall do all of the following:

...

(3) Calculate how much revenue from the State and from member premiums would be required to meet the needs of the Fund for each of the following scenarios:

a. The Fund receives ~~twenty percent (20%)~~ ten percent (10%) of the net proceeds from the tax collected under G.S. 105-228.5(d)(3).

...

(g) Allocation of Taxes. – On or before March 1 of each year, the Office of the State Fire Marshal must notify the Secretary of Revenue of the amount required to meet the needs of the Fund, as determined by the study conducted under subsection (f) of this section, for the upcoming fiscal year. The Secretary of Revenue shall remit that amount, subject to the ~~twenty percent (20%)~~ ten percent (10%) limitation in G.S. 105-228.5(d)(3), to the Fund.

...."

SECTION 30.5.(d) G.S. 58-87A-1 reads as rewritten:

"§ 58-78A-1. Office of the State Fire Marshal.

...

(b) The Office of the State Fire Marshal shall be responsible for all of the following:

...

(9a) Firefighters' Cancer Insurance Program, Article 86A of Chapter 58 of the General Statutes.

...."

SECTION 30.5.(e) G.S. 153A-233 reads as rewritten:

"§ 153A-233. Fire-fighting and prevention services.

A county may establish, organize, equip, support, and maintain a fire department; may prescribe the duties of the fire department; may provide financial assistance to nonprofit volunteer fire departments; may contract for fire-fighting or prevention services with one or more counties, cities or other units of local government, nonprofit volunteer fire departments, or with an agency of the State government; and may for these purposes appropriate funds not otherwise limited as to use by law. A county shall ensure that any county, city or other unit of local government, or nonprofit volunteer fire department with whom the county contracts for fire-fighting or prevention services shall obtain a criminal history record check for an applicant over the age of 18 prior to offering that applicant a paid or volunteer position providing fire-fighting or prevention services. The criminal history record check shall be conducted and evaluated as provided in ~~G.S. 143B-1209.23.~~ G.S. 143B-1209.23, or, if an applicant has been a resident of North Carolina for over five years and reports no charges or convictions on the application, the record check requirement of this section may be conducted through the county clerk of court or a third-party vendor. The county may also designate fire districts or parts of existing districts and prescribe the boundaries thereof for insurance grading purposes."

SECTION 30.5.(f) G.S. 153A-234 reads as rewritten:

"§ 153A-234. Fire marshal.

...

(b) The fire ~~marshal~~ marshal, or the fire marshal's designee, shall obtain a criminal history record check for an applicant over the age of 18 prior to offering that applicant a paid or volunteer position with the fire department. The criminal history record check shall be conducted and evaluated as provided in ~~G.S. 143B-1209.23.~~ G.S. 143B-1209.23, or, if an applicant has been a

1 resident of North Carolina for over five years and reports no charges or convictions on the
 2 application, the record check requirement of this section may be conducted through the county
 3 clerk of court or a third-party vendor."

4 **SECTION 30.5.(g)** G.S. 160A-292 reads as rewritten:

5 **"§ 160A-292. Duties of fire chief.**

6 ...

7 (b) The fire chief, or the fire chief's designee, shall obtain a criminal history record
 8 check for an applicant over the age of 18 prior to offering that applicant a paid or volunteer
 9 position with the fire department. The criminal history record check shall be conducted and
 10 evaluated as provided in ~~G.S. 143B-1209.23~~, G.S. 143B-1209.23, or, if an applicant has been a
 11 resident of North Carolina for over five years and reports no charges or convictions on the
 12 application, the record check requirement of this section may be conducted through the county
 13 clerk of court or a third-party vendor."

14 **SECTION 30.5.(h)** Sections 30.5.(a) through (c) of this Section become effective
 15 July 1, 2025, and apply to the distribution of net proceeds of the gross premiums tax collected on
 16 or after that date. Section 30.5(d) of this Section becomes effective July 1, 2025. Sections 30.5.(e)
 17 through (g) of this Section become effective when this act becomes law and apply to applications
 18 submitted on or after that date.

19
 20 **PART XXXI. INSURANCE – INDUSTRIAL COMMISSION [RESERVED]**

21
 22 **PART XXXII. LIEUTENANT GOVERNOR [RESERVED]**

23
 24 **PART XXXIII. MILITARY AND VETERANS AFFAIRS**

25
 26 **NORTH CAROLINA VETERANS CEMETERY TRUST FUND/CODIFY LANGUAGE**

27 **SECTION 33.1.** Article 8A of Chapter 65 of the General Statutes is amended by
 28 adding a new section to read:

29 **"§ 65-45. North Carolina Veterans Cemeteries Trust Fund.**

30 (a) There is hereby established the North Carolina Veterans Cemeteries Trust Fund
 31 (hereinafter "Fund"), a special fund within the Department of Military and Veterans Affairs. The
 32 Fund shall be maintained as a special fund and shall be administered by the Department to carry
 33 out the operations and maintenance of the State's veterans' cemeteries. Interest accruing from the
 34 monies in the Fund shall be credited to the Fund. The Fund shall consist of the following sources
 35 of funding:

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

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

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

46
 47 **AMENDING THE LAWS RELATING TO STATE VETERANS CEMETERIES AND**
 48 **DMVA**

49 **SECTION 33.2.(a)** Article 8A of Chapter 65 of the General Statutes is amended by
 50 adding a new section to read:

51 **"§ 65-45. Burial service.**

1 Graveside services are not permitted at State veterans cemeteries. Committal services shall
 2 be held in the chapel on the cemetery grounds or at a committal shelter on the cemetery grounds.
 3 Committal services may last up to 60 minutes. Family members and other attendees are required
 4 to exit the cemetery grounds when the service ends. Family members may return to the gravesite
 5 after the burial of the casket or urn is completed and the area is cleared of all equipment and
 6 materials."

7 **SECTION 33.2.(a1)** G.S. 65-43 reads as rewritten:

8 "**§ 65-43. Definitions.**

9 For purposes of this Article, the following definitions shall apply, unless the context requires
 10 otherwise:

11 ...

12 (2) ~~A "legal resident" of a state means a person whose principal residence or~~
 13 ~~abode is in that state, who uses that state to establish his or her right to vote~~
 14 ~~and other rights in a state, and who intends to live in that state, to the exclusion~~
 15 ~~of maintaining a legal residence in any other state.~~

16 (3) A "qualified veteran" means a veteran who ~~meets the requirements of~~
 17 ~~sub-subdivisions a. and b. of this subdivision:~~

18 a. ~~A veteran who served an honorable military service or who served a~~
 19 ~~period of honorable nonregular service and is any of the following:~~

20 ~~1.a. A veteran who is entitled to retired pay for nonregular service under~~
 21 ~~10 U.S.C. §§ 12731-12741, as amended.~~

22 ~~2.b. A veteran who would have been entitled to retired pay for nonregular~~
 23 ~~service under 10 U.S.C. §§ 12731-12741, as amended, but for the fact~~
 24 ~~that the person was under 60 years of age.~~

25 ~~3.c. A veteran who is eligible for interment in a national cemetery under~~
 26 ~~38 U.S.C. § 2402, as amended.~~

27 b. ~~Who is a legal resident of North Carolina:~~

28 ~~1. At the time of death, or~~

29 ~~2. For a period of at least 10 years, or~~

30 ~~3. At the time he or she entered the Armed Forces of the United~~
 31 ~~States."~~

32 **SECTION 33.2.(a2)** G.S. 65-43.2 reads as rewritten:

33 "**§ 65-43.2. Proof of eligibility.**

34 ...

35 (b) The survivors or legal representative of the deceased shall notify the funeral director
 36 that the deceased is to be interred in a veterans cemetery. The survivor or legal representative
 37 shall furnish the funeral director with documentary evidence of the veteran's honorable military
 38 ~~service and evidence to establish that the veteran is a legal resident of North Carolina.~~ service.
 39 The funeral director shall notify the superintendent of the nearest State veterans cemetery to
 40 arrange for the interment and convey to the superintendent all evidence to establish the veteran's
 41 eligibility."

42 **SECTION 33.2.(b)** Article 14 of Chapter 143B of the General Statutes reads as
 43 rewritten:

44 "Article 14.

45 "Department of Military and Veterans Affairs

46 "Part 1. General Provisions.

47 "**§ 143B-1210. Organization.**

48 (a) There is established the Department of Military and Veterans Affairs. The head of the
 49 Department of Military and Veterans Affairs is the Secretary of Military and Veterans Affairs,
 50 who shall be known as the Secretary.

1 (b) The powers and duties of the deputy secretaries and the divisions and directors of the
 2 Department shall be subject to the direction and control of the Secretary of Military and Veterans
 3 Affairs.

4 **"§ 143B-1211. Powers and duties of the Department of Military and Veterans Affairs.**

5 It shall be the duty of the Department of Military and Veterans Affairs to do all of the
 6 following:

7 ...
 8 (10) Manage and maintain the State's veterans nursing homes and cemeteries and
 9 their associated assets to the standard befitting those who have worn the
 10 uniform of the Armed Forces according to federal guidelines. Plan for
 11 expansion and grow the capacity of these facilities and any new ~~facilities as~~
 12 ~~required pending the availability of designated funds.~~facilities. Funds to
 13 perform the duties required by this subdivision shall be spent pursuant to
 14 appropriation by the General Assembly; provided, however, the expenditure
 15 of funds for the State's veterans nursing homes shall be in accordance with
 16 G.S. 143B-1294(c). The Department may enter into contracts to perform the
 17 duties required by this subdivision.

18 ...
 19 (12) ~~Provide administrative, organizational, and funding support to the Governor's~~
 20 ~~Working Group for Veterans.~~

21 ...
 22 (25) Report to the Joint Legislative Oversight Committee on General Government
 23 and the Fiscal Research Division no later than February 1 of each year the
 24 name of each county that applied for funds under subdivision (24) of this
 25 section and the amount of funds provided to each county.

26 **"§ 143B-1217. Military Presence Stabilization Fund.**

27 ...
 28 (b) Notwithstanding the provisions of G.S. 143B-1214 and subsection (a) of this section,
 29 funds appropriated to the Military Presence Stabilization Fund may be used for the following
 30 purposes:

31 ...
 32 (8) ~~Fully fund a position at the North Carolina Economic Development Center.~~

33 ...
 34 "Part 2. Veterans' Affairs Commission.

35 ...
 36 **"§ 143B-1224. Definitions.**

37 As used in this Part the terms defined in this section shall have the following meaning:

38 ...
 39 (2) "Armed Forces" means the United States Army, Navy, Marine Corps, Air
 40 Force, Space Force, and Coast Guard, including their reserve components.

41 ...
 42 "Part 8. Miscellaneous Provisions.

43 ...
 44 **"§ 143B-1276. Korean and Vietnam veterans; benefits and privileges.**

45 (a) All benefits and privileges now granted by the laws of this State to veterans of World
 46 War I and World War II and their dependents and next of kin are hereby extended and granted
 47 to veterans of the Korean Conflict and their dependents and next of kin.

48 For the purposes of this section, the term "veterans of the Korean Conflict" means those
 49 persons serving in the Armed Forces of the United States during the period beginning on June
 50 27, 1950, and ending on January 31, 1955.

1 (b) All benefits and privileges now granted by the laws of this State to veterans of World
2 War I, World War II, the Korean Conflict, and their dependents and next of kin are hereby
3 extended and granted to veterans of the Vietnam era and their dependents and next of kin.

4 For purposes of this section, the term "veterans of the Vietnam era" means those persons
5 serving in the Armed Forces of the United States during the period beginning August 5, 1964,
6 and ending on ~~such date as shall be prescribed by Presidential proclamation or concurrent~~
7 ~~resolution of the Congress.~~May 7, 1975.

8 ...

9 "Part 9. Priority in Employment Assistance for Veterans of the Armed Forces of the United
10 States.

11 ...

12 "**§ 143B-1285. Implementation and performance measures.**

13 ~~The North Carolina Commission on Workforce Preparedness~~NC Works Commission shall:

14 ...

15 "Part 10. State Veterans Home.

16 ...

17 "**§ 143B-1291. ~~Establishment.~~Establishment of State veterans homes; closing homes.**

18 (a) Establishment. – The State of North Carolina shall construct, maintain, and operate
19 veterans homes for the aged and infirm veterans resident in this State under the administrative
20 authority and control of the Department of Military and Veterans Affairs. There is vested in the
21 Department ~~any and all the~~ powers and authority ~~that may be necessary~~ to enable it to establish
22 and operate the ~~homes and to~~ homes; provided, however, funds to construct, maintain, and
23 operate the homes shall be pursuant to appropriation by the General Assembly except as provided
24 in G.S. 143B-1294(c). The Department shall issue rules necessary to operate the homes in
25 compliance with applicable State and federal statutes and regulations. The Department may enter
26 into contracts to construct and maintain veterans homes in accordance with the provisions of
27 Articles 3, 3C, 3D, and 8 of Chapter 143 of the General Statutes and procedures established by
28 the Division of Purchase and Contract and the Office of State Construction. The Department may
29 enter into contracts to operate veterans homes as provided in G.S. 143B-1295.

30 (b) Report Condition Assessment Results. – If the Department determines, based upon
31 an assessment conducted by the Office of State Construction, the Department, or an entity with
32 whom the Department has contracted to conduct the assessment, that a State veterans home
33 requires repair in order to maintain the home in a safe and habitable condition, the Department
34 shall, not later than three calendar days after receiving the assessment report, submit a report of
35 the assessment findings to the Joint Legislative Oversight Committee on General Government,
36 the House Appropriations Committee on General Government, the Senate Appropriations
37 Committee on General Government and Information Technology, and the Fiscal Research
38 Division. The report shall, at a minimum, include the name of the State agency or other entity
39 that conducted the assessment, the reason for the assessment, the dangerous conditions found,
40 the Department's recommendations for remedying the dangerous conditions, and the estimated
41 costs of remedying the dangerous conditions.

42 ...

43 "**§ 143B-1293. North Carolina Veterans Home Trust Fund.**

44 ...

45 (c) Use of Fund. – The trust fund created in subsection (a) of this section shall be used
46 by the Department of Military and Veterans Affairs to do the following:

47 (1) To pay for the care of veterans in said State veterans homes;

48 (2) To pay the general operating expenses of the State veterans homes, including
49 the payment of salaries and wages of officials and employees of said homes;
50 and

1 (3) To pay the costs to remodel, repair, construct, modernize, or add
2 improvements to buildings and facilities at the homes.

3 ...
4 **"§ 143B-1294. Funding.**

5 ...
6 (c) All funds received by the Department shall be deposited in the North Carolina
7 Veterans Home Trust Fund, except for any funds deposited into special agency accounts
8 established pursuant to G.S. 143B-1293(d)(3). The Veterans' Affairs Commission shall authorize
9 the expenditure of all funds from the North Carolina Veterans Home Trust ~~Fund.~~ Fund pursuant
10 to appropriation by the General Assembly; provided, however, notwithstanding any provision of
11 Chapter 143C of the General Statutes, the Veterans' Affairs Commission is authorized to expend
12 up to one million dollars (\$1,000,000) in each fiscal year for capital projects or improvements at
13 State veterans nursing homes without appropriation by the General Assembly. The Veterans'
14 Affairs Commission ~~may~~ may, by majority vote, delegate authority to the ~~Assistant~~ Secretary of
15 the Department of Military and Veterans Affairs for the expenditure of funds to expend funds, as
16 provided in this subsection, from the North Carolina Veterans Home Trust Fund for operations
17 of the State ~~Veterans Nursing Homes.~~ veterans nursing homes. The delegation of authority shall
18 apply only to the person holding the office of Secretary of the Department at the time the vote is
19 undertaken, and a new vote to delegate authority must be undertaken by the Commission each
20 time a person is appointed to serve as Secretary or designated to serve as chair of the Commission
21 under G.S. 143B-1221.

22 **"§ 143B-1295. Contracted operation of homes.**

23 The Department of Military and Veterans Affairs, in consultation with the Veterans' Affairs
24 ~~Commission~~ Commission, may contract with persons or other nongovernmental entities to
25 operate each State veterans home. Contracts for the procurement of services to manage,
26 administer, and operate any State veterans home shall be awarded on a competitive basis through
27 the solicitation of proposals and through the procedures established by statute and the Division
28 of Purchase and Contract. A contract may be awarded to the vendor whose proposal is most
29 advantageous to the State, taking into consideration cost, program suitability, management plan,
30 excellence of program design, key personnel, corporate or company resources, financial
31 condition of the vendor, experience and past performance, and any other qualities deemed
32 necessary by the ~~Veterans' Affairs Commission~~ Department and set out in the solicitation for
33 proposals. Any contract awarded under this section shall not exceed five years in length. The
34 ~~Veterans' Affairs Commission~~ Department is not required to select or recommend the vendor
35 offering the lowest cost proposal but shall select or recommend the vendor who, in the opinion
36 of the ~~Commission,~~ Department, offers the proposal most advantageous to the veterans and the
37 State of North Carolina.

38 **"§ 143B-1296. Program staff.**

39 The Department shall appoint and fix the salary of ~~an Administrative Officer~~ a Program
40 Director for the State veterans home program. The ~~Administrative Officer~~ Program Director shall
41 be an honorably discharged veteran who has served in active military service in the Armed Forces
42 of the United States for other than training purposes. The ~~Administrative Officer~~ Program
43 Director shall direct the establishment of the State veterans home program, coordinate the master
44 planning, land acquisition, and construction of all State veterans homes under the procedures ~~of~~
45 established by the Office of State Construction, and oversee the ongoing operation of ~~said~~ the
46 veterans homes. The ~~Division~~ Department may hire any required additional administrative staff
47 to ~~help~~ assist with administrative and operational responsibilities at each established State
48 veterans home.

49 ...
50 **"§ 143B-1298. Eligibility and priorities.**

1 (a) To be eligible for admission to a State veterans home, an applicant shall meet the
2 following requirements:

3 ...

- 4 (3) The veteran shall be disabled by age, disease, or other reason as determined
5 through a physical examination by a ~~State veterans home licensed~~ physician;
6 and

7 ...

8 **"§ 143B-1299. ~~Deposit required.~~ Cost of maintaining residence in State veterans home.**

9 Each resident of any State veterans home shall pay to the Department of Military and
10 Veterans Affairs the cost of maintaining his or her residence at the home. ~~This deposit Funds~~
11 collected from residents under this section shall be placed in the North Carolina Veterans Home
12 Trust Fund and shall be in an amount and in the form prescribed by the Veterans' Affairs
13 Commission in consultation with the ~~Assistant Secretary for Department of Military and~~
14 Veterans Affairs.

15 **"§ 143B-1300. Report and budget.**

16 (a) ~~The Assistant Secretary for Veterans Affairs shall report annually to the Secretary of~~
17 ~~the Department of Military and Veterans Affairs and shall report annually to the Joint Legislative~~
18 Oversight Committee on General Government and the Fiscal Research Division on the activities
19 of the State Veterans Homes Program. This report shall contain an accounting of all monies
20 received and expended, statistics on residents in the homes during the year, recommendations to
21 ~~the Secretary, the Governor, Governor~~ and the General Assembly ~~as to the program, on ways to~~
22 improve the services provided by the homes, and such other matters as may be deemed pertinent.

23 ...

24 **"§ 143B-1301. Detailed annual report.**

25 By March 1 of odd-numbered years and September 1 of even-numbered years, the
26 Department of Military and Veterans Affairs shall report to the Joint Legislative Oversight
27 Committee on General Government, the Senate Appropriations Committee on General
28 Government and Information Technology, the House of Representatives Appropriations
29 Committee on General Government, and the Fiscal Research Division on the status of the State
30 Veterans Homes program by providing a general overview of the State Veterans Homes and a
31 specific description of each facility which shall include, at a minimum, all of the following:

32 ...

- 33 (1a) Facility condition assessment, including any structural, mechanical,
34 plumbing, electrical, or other issue that affects the integrity of the facility that
35 should be repaired or replaced within the 12 months immediately following
36 submission of the report required by this section.

37 ...

38 "Part 11. North Carolina Military Affairs Commission.

39 ...

40 **"§ 143B-1311. Membership.**

41 ...

42 (b) The voting members of the Commission shall be appointed as follows:

- 43 (1) Thirteen members appointed by the Governor, consisting of:

44 ...

- 45 d. One person residing near ~~Ft. Bragg, Fort Liberty~~, who is retired from
46 the military and is actively involved in a military affairs organization,
47 or a person who is involved in military issues through civic,
48 commercial, or governmental relationships.

49 ...

- 50 h. One person who is a resident of North Carolina with a long-term
51 connection to the State and who is a current or retired member of a

1 reserve component of the United States Air Force, Army, Navy, Space
 2 Force, or ~~Marines~~ Marine Corps and who is involved in a military
 3 affairs organization or involved in military issues through civic,
 4 commercial, or governmental relationships.

5 (2) Five members appointed by the Speaker of the House of Representatives,
 6 consisting of:

7 ...

8 e. One person residing near ~~Ft. Bragg~~ Fort Liberty, who is retired from
 9 the military and is actively involved in a military affairs organization,
 10 or a person who is involved in military issues through civic,
 11 commercial, or governmental relationships.

12 (3) Five members appointed by the President Pro Tempore of the Senate,
 13 consisting of:

14 ...

15 e. One person residing near ~~Ft. Bragg~~ Fort Liberty, who is retired from
 16 the military and is actively involved in a military affairs organization,
 17 or a person who is involved in military issues through civic,
 18 commercial, or governmental relationships.

19 ...

20 (h) The initial meeting of the Commission shall be within 30 days of the effective date of
 21 this act at a time and place to be determined by the Secretary of Commerce. The first order of
 22 business at the initial meeting of the Commission shall be the adoption of bylaws and
 23 establishment of committees, after which the Commission shall meet upon the call of the
 24 ~~Chairman or the Secretary of the Department of Military and Veterans Affairs.~~ chair. The
 25 members shall receive no compensation for attendance at meetings, except a per diem expense
 26 reimbursement. Members of the Commission who are not officers or employees of the State shall
 27 receive reimbursement for subsistence and travel expenses at rates set out in G.S. 138-5 from
 28 funds made available to the Commission. Members of the Commission who are officers or
 29 employees of the State shall be reimbursed for travel and subsistence at the rates set out in
 30 G.S. 138-6 from funds made available to the Commission. Members of the Commission who are
 31 also members of the General Assembly shall receive subsistence and travel expenses as
 32 authorized by G.S. 120-3.1. The Department of Military and Veterans Affairs shall use funds
 33 within its budget for the per diem, subsistence, and travel expenses authorized by this
 34 subsection."

35 **SECTION 33.2.(c)** Part 3 and Part 6 of Article 14 of Chapter 143B of the General
 36 Statutes are repealed.

37 **SECTION 33.2.(d)** This section is effective when it becomes law.

38 **RENOVATE FAYETTEVILLE STATE VETERANS HOME**

39 **SECTION 33.3.** Notwithstanding any provision of this act or the Committee Report
 40 described in Section 43.2 of this act to the contrary, there is appropriated from the cash balance
 41 of the North Carolina Veterans Home Trust Fund, Budget Code 63050, to the Department of
 42 Military and Veterans Affairs, the sum of thirty-four million eight hundred thousand dollars
 43 (\$34,800,000) in nonrecurring funds to begin making necessary renovations to the Fayetteville
 44 State Veterans Home with the goal of reopening the Home not later than June 30, 2026.

46 **PART XXXIV. REVENUE [RESERVED]**

47 **PART XXXV. SECRETARY OF STATE [RESERVED]**

48 **PART XXXVI. TREASURER**

CLARIFY AUTHORITY TO MODIFY LOAN

SECTION 36.1.(a) G.S. 53-180 is amended by adding a new subsection to read:

"(l) Loan Modification or Restructuring. – A loan contract may be modified or restructured so long as the interest rate after the original maturity date does not exceed the eight percent (8%) per annum limitation set forth in G.S. 53-173(d). A modification or restructuring may provide for a reduction of interest rate, reduction of principal, reduction in the amount of accrued interest, suspension of or modification of payment amounts, extension of the term of the loan, or any combination of these terms. A modification of payment amounts for the term of a loan modification or restructuring is not subject to subsection (a) of this section but shall not provide for a balloon payment. A licensee shall document the terms of any agreement to modify or restructure an existing loan contract by setting forth the terms of the modified or restructured loan in its loan records and shall provide to the borrower a written notice of the changes. A licensee shall not charge a borrower a fee to modify or restructure a loan unless authorized by G.S. 53-177(c). A licensee shall not require additional collateral as a condition for a loan modification or restructuring."

SECTION 36.1.(b) This section becomes effective October 1, 2024, and applies to loan contracts modified or restructured on or after that date.

TECHNICAL CORRECTION TO CONSUMER FINANCE ACT

SECTION 36.2.(a) G.S. 53-178 reads as rewritten:

"§ 53-178. No further charges; no splitting contracts; certain contracts void.

No further or other charges or insurance commissions shall be directly or indirectly contracted for or received by any licensee, affiliate, parent, subsidiary, or licensee under the same ownership, management, or control, whether partial or complete, except those specifically authorized by this Article, by the Commissioner under G.S. 53-172 or any other statute. No licensee shall divide into separate parts any contract made for the purpose of or with the effect of obtaining interest or charges in excess of those authorized by this Article. All balances due to a licensee from any person as a borrower or as an endorser, guarantor or surety for any borrower or otherwise jointly or severally, shall be considered a part of any loan being made by a licensee to such person for the purpose of computing interest or charges, or exceeding the maximum loan amount of fifteen thousand dollars (\$15,000) established in G.S. 53-176(a)."

SECTION 36.2.(b) This section is effective when it becomes law.

PART XXXVII. GENERAL GOVERNMENT – MISCELLANEOUS**INCREASE HOUR REQUIREMENT FOR MASSAGE THERAPY LICENSURE**

SECTION 37.1.(a) G.S. 90-629 reads as rewritten:

"§ 90-629. Requirements for licensure to practice.

Upon application to the Board and the payment of the required fees, an applicant may be licensed as a massage and bodywork therapist if the applicant meets all of the following qualifications:

- (1) Has obtained a high school diploma or equivalent.
- (2) Is 18 years of age or older.
- (3) Is of good moral character as determined by the Board.
- (4) Has successfully completed a training program consisting of a minimum of 500-650 in-class hours of supervised instruction at a Board-approved school.
- (5) Has passed a competency assessment examination that meets generally accepted psychometric principles and standards and is approved by the Board.

1 (6) Has submitted fingerprint cards in a form acceptable to the Board at the time
2 the license application is filed and consented to a criminal history record check
3 by the State Bureau of Investigation.

4 (7) Demonstrates satisfactory proof of proficiency in the English language."

5 **SECTION 37.1.(b)** This section becomes effective July 1, 2024, and applies to
6 licenses issued on or after that date.

8 **PART XXXVIII. INFORMATION TECHNOLOGY**

10 **STATE AGENCY INCIDENT RESPONSE/ENHANCE DIT RISK MANAGEMENT**

11 **SECTION 38.1.(a)** Of the funds appropriated in this act to the Department of
12 Information Technology (DIT), Information Technology Fund, the sum of twenty million dollars
13 (\$20,000,000) for the 2024-2025 fiscal year shall be used to enhance DIT's capabilities with
14 respect to each of the following areas:

15 (1) State agency adherence to plans and policies related to cybersecurity incident,
16 security alert, advisory response, and security awareness and agency
17 cybersecurity training protocols.

18 (2) Monitoring and ensuring State agency adherence to risk assessment policy for
19 identification and remediation of critical security vulnerabilities, including,
20 but not limited to, significant cybersecurity incidents.

21 (3) Review of State agency incident response plans to ensure security standards
22 are met with respect to cybersecurity incidents.

23 **SECTION 38.1.(a1)** The funds allocated in subsection (a) of this section shall be
24 used to fund these projects and purposes:

25 (1) Office of the State Controller. – Cloud based security position.

26 (2) Department of Insurance. – Departmentwide cybersecurity.

27 (3) Office of State Human Resources. – Time-limited position for information
28 technology security.

29 (4) Office of the Secretary of State. – Cybersecurity and infrastructure
30 enhancement administration.

31 (5) Department of Public Instruction. – K-12 cybersecurity service endpoint.

32 (6) Department of Public Instruction. – Cybersecurity regional support.

33 (7) Department of Public Instruction. – Cyber capacity expansion project.

34 (8) State Bureau of Investigation. – Cybersecurity upgrades.

35 **SECTION 38.1.(b)** Beginning with the 2025-2027 fiscal biennium, the costs of
36 DIT's enhanced role in enterprise-wide cybersecurity shall be established as part of the Internal
37 Service Fund rates charged to agencies pursuant to G.S. 143B-1333.

38 **SECTION 38.1.(c)** G.S. 143B-1378 reads as rewritten:

39 "**§ 143B-1378. Assessment of agency compliance with cybersecurity standards, plans and**
40 **standards; reporting requirements.**

41 (a) At a minimum, the State CIO shall annually assess the ability of each State agency,
42 and each agency's contracted vendors, to comply with the current cybersecurity enterprise-wide
43 set of standards established pursuant to this section. The assessment shall include, at a minimum,
44 the rate of compliance with the enterprise-wide security standards and an assessment of security
45 organization, security practices, security information standards, network security architecture,
46 and current expenditures of State funds for information technology security. The assessment of
47 a State agency shall also estimate the initial cost to implement the security measures needed for
48 agencies to fully comply with the standards as well as the costs over the lifecycle of the State
49 agency information system. Each State agency shall submit information required by the State
50 CIO for purposes of this assessment. The State CIO shall include the information obtained from
51 the assessment in the State Information Technology Plan. The State CIO shall consider an

1 agency's noncompliance with cybersecurity plans and standards when reviewing agency requests
2 under Part 3 (Information Technology Projects and Management) and Part 4 (Information
3 Technology Procurement) of this Article.

4 (b) Beginning March 1, 2025, and then annually thereafter, the State CIO shall report
5 each agency that is not complying with agency or statewide cybersecurity plans or standards to
6 the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research
7 Division."

8 **SECTION 38.1.(d)** The following definitions apply in this section:

- 9 (1) Cybersecurity incident. – As defined by G.S. 143B-1320(4a).
- 10 (2) Significant cybersecurity incident. – As defined by G.S. 143B-1320(16a).
- 11 (3) State agency or agency. – As defined by G.S. 143B-1320(17).

12 **GDAC/ESTABLISH SCHOLARPATH PLATFORM**

13 **SECTION 38.2.(a)** Section 7.48 of S.L. 2023-134 is repealed.

14 **SECTION 38.2.(b)** G.S. 143B-1385(b)(3) reads as rewritten:

15 "(3) Powers and duties. – The State CIO shall, through the GDAC, do all of the
16 following:
17

18 ...

- 19 o. Implement the online platform creating a twelfth-grade transition
20 program for all high school students. The program shall include an
21 education planning and communication platform that helps students
22 and parents prepare for transition to twelfth grade."

23 **SECTION 38.2.(c)** Of the funds appropriated in this act to the Department of
24 Information Technology (DIT), the Government Data Analytics Center (GDAC) shall use up to
25 five million dollars (\$5,000,000) in nonrecurring funds for the 2024-2025 fiscal year to contract
26 with MyScholar, LLC, to implement the ScholarPath platform to create the Twelfth Grade
27 Transition Program for all high school students. The GDAC shall implement and manage the
28 Program, which shall consist of the following:

- 29 (1) An education planning and communication platform that helps students and
30 parents prepare for transition to twelfth grade, regardless of public school unit
31 participation.
- 32 (2) Utilize O*NET data and additional student surveys to connect and match
33 students to pathways that meet the interests of the students, current workforce
34 initiatives, and opportunities in high demand careers.
- 35 (3) Give students the ability to be connected to colleges, the workforce, and the
36 military, while protecting student data through deindividualized and
37 encrypted methods.
- 38 (4) Include a platform accessible by single sign-on through any North Carolina
39 school provided email.

40 The data collected shall be able to be housed in the State and shall be used to help
41 identify the workforce needs in the State. MyScholar, LLC, shall provide requested information
42 to the Economic Development Partnership of North Carolina, the Department of Labor, and the
43 Department of Public Instruction.

44 **SECTION 38.2.(d)** Notwithstanding the Committee Report described in Section
45 43.2 of S.L. 2023-134 or any other provision of law to the contrary, funds appropriated to the
46 Department of Public Instruction in the amount of two million five hundred thousand dollars
47 (\$2,500,000) in nonrecurring funds for the 2023-2024 fiscal year shall instead be appropriated to
48 the Government Data Analytics Center (Budget Fund 104414) for the purposes described in
49 subsections (b) and (c) of this section. The funds appropriated for the purposes described in this
50 section shall be considered an information technology project within the meaning of
51 G.S. 143C-1-2.

1 **SECTION 38.2.(e)** Subsection (d) of this section becomes effective June 30, 2024.
2 The remainder of this section becomes effective July 1, 2024.
3

4 **MIDDLE MILE BROADBAND REDUNDANCY**

5 **SECTION 38.3.(a)** The Department of Information Technology shall use up to
6 twenty million dollars (\$20,000,000) in unencumbered funds from the Growing Rural Economies
7 with Access to Technology Fund established in G.S. 143B-1373(b) for the purpose of funding
8 any submitted middle mile grant applications under the federal National Telecommunications
9 and Information Administration (NTIA) Middle Mile Grant Program impacting tier 1 and tier 2
10 counties that are unfunded by the Department. The funding shall be used for any middle mile
11 projects that close a fiber loop to create redundancies for areas consisting of barrier islands or
12 any area where an outage results in downstream outages. Special consideration shall be given to
13 those projects with a significant impact on public safety and the maintenance of emergency
14 communication during natural disasters and public emergency events. A grant recipient under
15 this section shall provide matching funds of up to one million dollars (\$1,000,000). State funding
16 for any single grant under this section shall not exceed twenty million dollars (\$20,000,000).

17 **SECTION 38.3.(b)** This section expires on June 30, 2025.
18

19 **COMPLETING ACCESS TO BROADBAND PROGRAM CHANGES**

20 **SECTION 38.4.(a)** Notwithstanding the county project cost responsibility in
21 G.S. 143B-1373.1(d) and (e), of the funds appropriated to the Department of Information
22 Technology (Department) from the State Fiscal Recovery Fund and the Coronavirus Capital
23 Projects Fund for projects under the Completing Access to Broadband grant program (Program)
24 in G.S. 143B-1373.1, the Department shall utilize up to one hundred ninety million dollars
25 (\$190,000,000) to provide the county project cost responsibility required in G.S. 143B-1373.1(e)
26 and the State project cost responsibility for the 37 counties that have committed to the
27 Department to participate in the Program and provide the county match as of May 1, 2024. A
28 county may decline to accept any portion of the county project cost responsibility funding from
29 the Department described in this subsection by notifying the Department within 30 days of the
30 effective date of this section.

31 **SECTION 38.4.(b)** G.S. 143B-1373.1 reads as rewritten:

32 **"§ 143B-1373.1. Completing Access to Broadband program.**

33 ...

34 (d) A broadband service provider selected for a project under this section ~~may~~ shall
35 provide ~~up to~~ at least thirty percent (30%) of the total estimated project cost. The Office ~~may~~
36 shall commit up to ~~thirty five~~ seventy percent (~~35%~~) (70%) of the total estimated project cost
37 from monies in the CAB Fund. ~~The county requesting the project shall be responsible for at least~~
38 ~~thirty five percent (35%) of the total estimated project cost and shall utilize federal American~~
39 ~~Rescue Plan Act (P.L. 117-2) funds or nonrestricted general funds for that purpose. In the event~~
40 ~~CAB Fund monies are insufficient to fund a project, a county may increase its share of the total~~
41 ~~estimated project cost, or the Office may adjust the scope of the project to meet the level of~~
42 ~~available funding. No county may receive more than eight million dollars (\$8,000,000) in~~
43 ~~aggregate funding from the CAB Fund in any single fiscal year.~~

44 ~~(e) Notwithstanding the project cost responsibility allocations in subsection (d) of this~~
45 ~~section, for a county receiving from the federal government less than an aggregate of eight~~
46 ~~million dollars (\$8,000,000) in federal American Rescue Plan Act (P.L. 117-2) funds, a~~
47 ~~broadband service provider selected for a project shall provide not less than fifteen percent (15%)~~
48 ~~of the total estimated project cost. If a broadband service provider provides more than fifteen~~
49 ~~percent (15%) of the total estimated project cost, the State and county cost responsibilities shall~~
50 ~~be equally apportioned. The following cost responsibility allocations for counties meeting the~~
51 ~~requirements of this subsection and the State apply:~~

1 Direct Federal Funds Received ~~County Responsibility~~ ~~State Responsibility~~

2 \$250,000, up to \$4,000,000 ~~5%, minimum~~ Up to 80%

3 \$4,000,000, up to \$8,000,000 ~~10%, minimum~~ Up to 75%

4 (f) A broadband service provider selected for a project under this section shall enter into
5 an agreement with the Office that shall include the project description, time lines, benchmarks,
6 proposed broadband speeds, and any other information and documentation the Office deems
7 necessary. All proposed broadband speeds must meet or exceed the federal guidelines for use of
8 American Rescue Plan Act (P.L. 117-2) funds. ~~Upon execution of an agreement, the county shall~~
9 ~~provide its portion of the total estimated project costs to the Office to be combined with CAB~~
10 ~~Funds awarded for the project and placed in a separate project account.~~ The Office shall provide
11 project oversight, and, upon completion of established benchmarks in the project agreement, the
12 Office shall disburse funds ~~from the project account~~ to the broadband service provider. The
13 forfeiture provisions in G.S. 143B-1373(l) shall apply to agreements entered into under this
14 section."

15 **SECTION 38.4.(c)** Subsection (b) of this section becomes effective July 1, 2024,
16 and applies to grant funding requests submitted on or after that date. The remainder of this section
17 becomes effective July 1, 2024.

18 19 **CONSTITUENT ENGAGEMENT ENHANCEMENT/DEPARTMENT OF SECRETARY** 20 **OF STATE**

21 **SECTION 38.5.** With the funds appropriated in this act to the Department of
22 Information Technology for constituent engagement enhancement, the Department shall submit
23 a request for proposals for constituent engagement software to be implemented with the
24 Department of Secretary of State. The constituent engagement software shall be designed to
25 ensure that critical agency online services are optimized and automated and be used to increase
26 efficiency by automating and improving agency constituent processes.

27 28 **ENTERPRISE-WIDE CYBERSECURITY PLAN**

29 **SECTION 38.6.(a)** Findings. – The General Assembly finds that it is in the best
30 interests of the State for the Department of Information Technology (DIT) to lead the State's
31 cybersecurity efforts comprehensively rather than having State agencies handle cybersecurity
32 individually in a fragmentary way.

33 **SECTION 38.6.(b)** State Cybersecurity Plan. – During the 2024-2025 fiscal year:

- 34 (1) The DIT shall begin planning for implementation of an enterprise-wide
35 cybersecurity program for State government to protect the State's digital assets
36 and mitigate risks and damage, across State agencies, from cyberattacks such
37 as data breaches, ransomware attacks, social engineering, and software
38 vulnerabilities. The DIT may issue requests for information and proposals.
- 39 (2) The initial planning phase may consist of risk assessment, investment
40 calculation, protection recommendations, and cost-efficiency analysis, or
41 other considerations, as appropriate, across State agencies, relative to the
42 following cybersecurity policies:
- 43 a. Access control.
 - 44 b. Cloud.
 - 45 c. Data protection.
 - 46 d. Data retention.
 - 47 e. Email.
 - 48 f. Information.
 - 49 g. Network.
 - 50 h. Physical.
 - 51 i. Privacy.

1 j. Website.

2 **SECTION 38.6.(c)** Report. – By March 1, 2025, the DIT shall report to the Joint
3 Legislative Oversight Committee on Information Technology and the Fiscal Research Division
4 on (i) its assessment of the efficacy of various technologies, tactics, and processes used by State
5 agencies to protect State digital assets against unauthorized use, abuse, or infiltration by threat
6 actors, (ii) its requirements for running enterprise-wide cybersecurity and how program costs can
7 be built into the rate structure, and (iii) any requests for information or proposals issued for
8 implementation of the State's enterprise-wide cybersecurity plan.
9

10 **DMV DATA ASSESSMENT**

11 **SECTION 38.7.** With the funds appropriated in this act for DMV Data Assessment,
12 the Friday Institute for Educational Innovation at North Carolina State University (Friday
13 Institute), in collaboration with the Department of Information Technology, shall study the
14 feasibility of modernizing the customer service experience at Division of Motor Vehicles (DMV)
15 locations by expanding the availability and use of customer self-service kiosks at DMV locations.
16 The study shall consider the following:

- 17 (1) Hardware and software needs, including printers, scanning technology, and
18 broadband access.
- 19 (2) Potential impact on staffing, including staff time, staff duties and
20 responsibilities, and staffing needs.
- 21 (3) Potential cost-savings.
- 22 (4) Potential reductions in wait times for DMV customers.
- 23 (5) Assessment of available technology and an analysis of procurement options
24 and partnerships with third-party vendors.
- 25 (6) Assessment of best practices from other states that have implemented similar
26 systems.
- 27 (7) Recommendations on funding needs and potential legislation from the
28 General Assembly.

29 The Friday Institute shall submit a report containing the findings of the study
30 described in this section on or before March 1, 2025, to the Joint Legislative Oversight
31 Committee on Information Technology and the Fiscal Research Division.
32

33 **DIGITAL IDENTITY VERIFICATION STUDY**

34 **SECTION 38.8.** The Department of Information Technology shall study the benefits
35 of utilizing a common platform for digital identity verification to securely access State services
36 and sensitive information in a way that improves the citizen experience and reduces the risk of
37 fraud. In doing so, the Department shall consider utilizing a credential service provider that
38 minimizes the frequency of identity verification events while enabling use of a portable and
39 reusable credential across State government agencies. The Department shall report its findings
40 to the Joint Oversight Committee on Information Technology and the Fiscal Research Division
41 by February 1, 2025.
42

43 **RURAL CENTER BROADBAND MAP ASSISTANCE**

44 **SECTION 38.9.** Notwithstanding G.S. 143B-1373, from the funds received by the
45 Department of Information Technology for the Growing Rural Economies with Access to
46 Technology grant program, the Department of Information Technology shall, no later than
47 August 1, 2024, provide the sum of one million dollars (\$1,000,000) in the form of a grant to the
48 NC Rural Center (Rural Center) to support the Rural Center as it continues its efforts to assist
49 development tier one and tier two areas, in advance of the upcoming challenge process for the
50 federal Broadband Equity, Access, and Deployment (B.E.A.D.) grant program, with the
51 following:

- 1 (1) Surveying and identifying unserved, underserved, and underrepresented
2 communities and other areas not accurately reflected on current broadband
3 maps.
- 4 (2) Assisting the Department of Information Technology in mapping assets to
5 catalogue broadband adoption, affordability, equity, access, and deployment
6 activities.
- 7 (3) Assisting the Department of Information Technology in meeting federal local
8 coordination requirements.
- 9 (4) Assisting local governments in the preparation and submission of challenges
10 to the broadband maps as a part of the upcoming challenge process for the
11 federal B.E.A.D. grant program.

12 **BEAD GRANT PROGRAM**

13 **SECTION 38.10.(a)** Definitions. – As used in this section, the following definitions
14 apply:
15

- 16 (1) BEAD. – Broadband Equity, Access, and Deployment.
- 17 (1a) Broadband service. – For the purposes of this section, a terrestrially deployed
18 mass-market retail service by wire or radio that provides the capability to
19 transmit data to and receive data from all or substantially all internet
20 endpoints, including any capabilities that are incidental to and enable the
21 operation of the communications service, but excluding dial-up internet access
22 service.
- 23 (2) Broadband serviceable location (BSL). – A location where broadband service
24 is or could be installed, as identified by the Federal Communications
25 Commission for purposes of its Broadband DATA Maps.
- 26 (3) Community anchor institution (CAI). – A school, library, health clinic, health
27 center, hospital or other medical provider, public safety entity, institution of
28 higher education, public housing organization, or community support
29 organization that facilitates greater use of broadband service by vulnerable
30 populations, including, but not limited to, low-income individuals,
31 unemployed individuals, and aged individuals.
- 32 (4) Department. – The Department of Information Technology.
- 33 (5) Eligible location. – An unserved or underserved BSL not located in a protected
34 area or a CAI where qualifying broadband service is not available.
- 35 (6) Eligible project. – A discrete and specific project intended to construct and
36 deploy qualifying broadband service to an eligible location or to a
37 combination of eligible locations. A "project" may constitute a single
38 unserved or underserved BSL, or a grouping of BSLs in which not less than
39 eighty percent (80%) of BSLs served by the project are unserved or
40 underserved locations, provided that the Office may not award funding under
41 this section to construct and deploy infrastructure for the provision of
42 qualifying broadband service to any served BSL.
- 43 (7) Extremely high cost per location threshold. – A BEAD subsidy cost per
44 location above which the Office may decline to select a proposal if use of an
45 alternative technology meeting the BEAD program's technical requirements
46 is necessitated by the fact that selection of an eligible project proposing to
47 provision service via end-to-end fiber-optic facilities to each end-user
48 premises would be cost prohibitive. The Office will develop a methodology
49 for calculating this threshold in a manner that maximizes use of the best
50 available technology while ensuring that the program can, at a minimum, meet
51 the prioritization requirements. The Office will post the methodology for

- 1 public comment before implementation. The Office shall not, unless it is
2 determined that it does not have sufficient funding to select each
3 highest-scoring application in the initial round described in this section, utilize
4 the extremely high cost per location threshold in the initial round.
- 5 (7a) FCC. – The Federal Communications Commission.
- 6 (8) High-cost outlier. – Any unserved or underserved location that an applicant
7 identifies as a risk to disproportionately affect the cost of an applicant's project
8 budget.
- 9 (9) IIA. – Infrastructure Investment and Jobs Act (P.L. 117-58).
- 10 (9a) Infrastructure. – Facilities, equipment, materials, and structures that an entity
11 installs either for its core business or public enterprise purposes. Examples
12 include, but are not limited to, copper wire, coaxial cable, optical cable, loose
13 tube cable, communication huts, conduits, vaults, patch panels, mounting
14 hardware, poles, generators, battery and cabinet, network nodes, network
15 routers, network switches, microwave relay, microwave receivers, site
16 routers, outdoor cabinets, towers, easements, rights-of-way, and buildings or
17 structures owned by the entity that are made available for location or
18 collocation purposes.
- 19 (10) Infrastructure costs. – Costs related to the construction of broadband
20 infrastructure for the extension of broadband service for an eligible project,
21 including installation, acquiring or updating easements, backhaul
22 infrastructure, and testing costs. The term also includes engineering and any
23 other costs associated with securing a lease to locate or collocate infrastructure
24 on public or private property or structures, but not including the actual
25 monthly lease payment. The term does not include overhead or administrative
26 costs.
- 27 (11) Low-cost broadband service option. – A broadband service offered to
28 low-income households that meets the eligibility requirements for the federal
29 Affordable Connectivity Program, or similar replacement program, in the
30 project area for at least the length of time defined by federal requirements. A
31 low-cost broadband service option must be made available and include the
32 following elements:
- 33 a. Provide typical download speeds of at least 100 Mbps and typical
34 upload speeds of at least 20 Mbps.
- 35 b. Provide typical latency measurements of no more than 100
36 milliseconds.
- 37 c. Not be subject to nongovernmental imposed surcharges and be subject
38 only to the same acceptable use policies to which subscribers to all
39 other broadband internet access service plans offered to home
40 subscribers by the participating subgrantee must adhere.
- 41 d. Shall be offered at a price that does not exceed the highest price listed
42 in the FCC's 2024 Urban Rate Survey data for Fixed Broadband
43 Service for a service offering in North Carolina that provides a
44 download speed of 100 Mbps, upload speed of 20 Mbps, and an
45 unlimited capacity allowance. The price may be adjusted by the
46 subgrantee based on the Consumer Price Index, as defined by the
47 United States Bureau of Labor Statistics, beginning with an adjustment
48 in the first new calendar year after the date of enactment of this section.
- 49 e. In the event the provider later increases the speeds of one of its
50 low-cost plans, it will permit eligible subscribers that are subscribed

- 1 to that plan to upgrade to those new speeds at no more than a
2 commensurate change in cost.
- 3 (12) Multi-dwelling units (MDUs). – Multiple separate residential units within a
4 single or several buildings.
- 5 (13) NTIA. – The National Telecommunications and Information Administration
6 of the United States Department of Commerce.
- 7 (14) Office. – The Broadband Infrastructure Office in the Department of
8 Information Technology.
- 9 (15) Protected areas. – BSLs subject to an enforceable commitment as defined in
10 the NTIA Notice of Funding Opportunity or where a broadband service
11 provider has been designated to receive funds through other State- or federally
12 funded programs designed specifically for the deployment of qualifying
13 broadband service if such funding is intended to result in construction of
14 broadband to the location within 18 months or for the duration of the federal
15 funding program, or if the broadband service provider is otherwise in good
16 standing with the funding agency's regulations governing the funding
17 program. Any CAI where a private provider submits documentation
18 satisfactory to the Department that such provider currently offers broadband
19 service that will be scalable to a qualifying broadband service after the
20 conclusion of the challenge process shall be also considered protected. Upon
21 submission of documentation satisfactory to the Office, a protected area shall
22 remain protected until project completion.
- 23 (16) Qualifying broadband service. – A reliable broadband service meeting the
24 following criteria:
- 25 a. To a location that is not a CAI with a speed of not less than 100 Mbps
26 for downloads and not less than 20 Mbps for uploads.
- 27 b. To a CAI with a speed of not less than 1 Gbps for downloads and
28 uploads.
- 29 (17) Reliable broadband service. – Terrestrial-based broadband service (i) with
30 ninety-five percent (95%) of latency measurements during testing windows
31 falling at or below 100 milliseconds round-trip time and (ii) which is designed
32 to ensure that network outages should not exceed, on average, 48 hours over
33 any 365-day period except in the case of natural disasters or other force
34 majeure occurrences. Locations served exclusively by satellite, terrestrial
35 fixed wireless services utilizing entirely licensed spectrum, using a hybrid of
36 licensed and unlicensed spectrum, or a technology not specified by the FCC
37 for purposes of its Broadband DATA Maps, do not meet the definition of
38 "reliable broadband service" and will be considered "unserved" for the
39 purposes of determining eligible locations.
- 40 (18) Secretary. – The Secretary of Information Technology.
- 41 (19) Subgrantee. – An eligible recipient who receives BEAD funds for an eligible
42 project.
- 43 (20) Underserved. – A BSL that has access to reliable broadband service equal to
44 or greater than 25 Mbps download and 3 Mbps upload but less than 100 Mbps
45 download and 20 Mbps upload. Unless otherwise determined by the
46 Department based on competent findings of fact, locations that the FCC's
47 Broadband DATA Maps show to have available qualifying broadband service
48 delivered via (i) DSL or (ii) terrestrial fixed wireless services utilizing entirely
49 licensed spectrum, or using a hybrid of licensed and unlicensed spectrum,
50 shall be considered "underserved" for the purpose of determining eligible
51 locations.

1 (21) Unserved. – A BSL that does not have access to reliable broadband service
2 with transmission speeds of at least 25 Mbps download and at least 3 Mbps
3 upload.

4 **SECTION 38.10.(b)** Consistency With Federal Law. – Except as defined in this
5 section, terms in this section shall have the meaning prescribed to them in the IJJA and in the
6 Notice of Funding Opportunity for the BEAD Program (BEAD NOFO) published by NTIA on
7 May 13, 2022, including any subsequent guidance issued by NTIA with respect to the program
8 after the issuance of the BEAD NOFO. In the event of any actual conflict between this section
9 and legal requirements contained in the IJJA, the provisions of the IJJA shall take precedence.
10 Should any instances of actual conflict arise, the Department shall report to the Joint Legislative
11 Oversight Committee on Information Technology and the Fiscal Research Division any actions
12 taken to conform with federal law.

13 **SECTION 38.10.(c)** Consistency With State Policy. – Consistent with the policy of
14 the State, the Office shall not prescribe the rates of service which applicants may deliver, nor
15 shall the Office indirectly regulate the rates of service which applicants may deliver by affording
16 any preference or differentiated scoring weight based on the specific rate of service which an
17 applicant may deliver. The Office shall not make mandatory any optional conditions contained
18 in Section IV.C.1.e. of the BEAD NOFO.

19 **SECTION 38.10.(d)** GREAT 3.0 Fund. – The Growing Rural Economies with
20 Access to Technology for Broadband Equity, Access, and Deployment Fund (GREAT 3.0 Fund)
21 is established as a special revenue fund in the Department of Information Technology. The
22 Secretary may award subgrants from the GREAT 3.0 Fund to eligible recipients for eligible
23 projects. The State shall not be obligated for funds committed for project costs from the GREAT
24 3.0 Fund in excess of those sums appropriated by the General Assembly to the GREAT 3.0 Fund.
25 The funds shall be used by the eligible recipient to pay for infrastructure costs associated with an
26 eligible project. State and federal funds appropriated to this Fund shall be considered an
27 information technology project within the meaning of G.S. 143C-1-2. The grants shall be
28 considered fixed amount subawards for purposes of the federal requirements within the meaning
29 of the Policy Notice on Tailoring the Application of the Uniform Guidance to the BEAD Program
30 issued by the NTIA. The Office shall further make available to awardees all options available
31 under the BEAD Letter of Credit Waiver issued by NTIA.

32 **SECTION 38.10.(e)** Priority. – The Office shall prioritize projects proposed to
33 address the following in order:

- 34 (1) Unserved BSLs.
- 35 (2) Underserved BSLs.
- 36 (3) Community anchor institutions.

37 **SECTION 38.10.(f)** Project Proposals; Use of Funds. – The Office may seek
38 proposals to serve unserved BSLs, underserved BSLs, and community anchor institutions
39 collectively or separately, provided that it prioritizes awarding projects that address, at minimum,
40 all unserved BSLs. Once the Office reports that projects will address all unserved BSLs, it shall
41 prioritize projects that address, at minimum, all underserved BSLs. If the Department has entered
42 into subgrant agreements for deployment of service to all unserved and underserved locations in
43 the State, it may use any remaining funds in the GREAT 3.0 Fund for digital literacy and
44 awareness or other purposes consistent with nondeployment activities described in the BEAD
45 NOFO.

46 **SECTION 38.10.(g)** Challenge Process. – The Office shall develop and implement
47 a formal challenge process that conforms with the published regulations and guidelines of the
48 BEAD program, including the requirement that challenges based upon speed tests must be
49 conducted and submitted in conformance with the specifications of the NTIA's speed test
50 guidance and may not be submitted by an individual subscriber. In developing the challenge
51 process, the Office shall solicit input from stakeholders and consider the adaptability of the

1 challenge process to fit existing State broadband grant programs and all applicable federal
2 requirements. The challenge process shall be open to submissions from internet providers, county
3 and municipal government entities, and community anchor institutions and shall establish
4 procedures that allow a period of at least 30 calendar days of the opening of the challenge window
5 to submit challenges, and a period of at least 30 calendar days from notification of any challenge
6 to the classification of a location determined to be valid by the Office during the challenge phase
7 for the submission of rebuttal evidence. Prior to selecting subgrantees, the Office shall publish a
8 statewide map indicating eligible locations that may be included in an eligible project.

9 **SECTION 38.10.(h)** Prequalification. – The Office shall develop a prequalification
10 process to identify potential subgrantees with the financial, managerial, operational, and
11 technical capacity to complete an eligible project. The Office shall prequalify broadband service
12 providers based on the minimum eligibility criteria in the GREAT 3.0 program. Information
13 submitted by a broadband service provider as part of the prequalification process may be
14 considered during the subgrantee selection process. Information contained in an application that
15 is identified as proprietary by an applicant for a subgrant pursuant to the prequalification process
16 shall not be considered a public record.

17 **SECTION 38.10.(i)** Applications. – The Office shall develop a subgrantee selection
18 process that shall be administered in multiple rounds. Applications for subgrants will be
19 submitted at times designated by the Office and will include, at a minimum, the following
20 information:

- 21 (1) The identity of the applicant and its qualifications and experience with
22 broadband deployment and administration of federal subgrants.
- 23 (2) The total cost and duration of the proposed project.
- 24 (3) The amount to be funded by the applicant. The applicant shall fund a
25 minimum of twenty-five percent (25%) of the cost of the project unless the
26 project is in an NTIA-defined high-cost area or a waiver is granted pursuant
27 to the BEAD Program guidelines as set forth by NTIA.
- 28 (4) A list of the eligible locations that will have access to qualifying broadband
29 service as a result of the project.
- 30 (5) The proposed construction time line, not to exceed four years, unless the
31 Department extends the four-year deadline if (i) the subgrantee has a specific
32 plan for use of the grant funds, with project completion expected by a specific
33 date not more than one year after the four-year deadline, (ii) the construction
34 project is underway, or (iii) extenuating circumstances require an extension of
35 time to allow the project to be completed.
- 36 (6) A description of the services to be provided, including the proposed upload
37 and download broadband speeds to be delivered.
- 38 (7) A description of proposed cost tiers available to customers upon completion
39 of the proposed project.
- 40 (8) A description of the applicant's proposed low-cost broadband service option
41 applicable to eligible subscribers in BEAD-funded areas. The Office may not
42 impose additional requirements on qualifying low-cost service options as a
43 condition of grant eligibility.
- 44 (9) Technology type of the proposed service.
- 45 (10) Any other information or supplementary documentation requested by the
46 Office. The Office shall ensure that subgrant applications contain sufficient
47 information to allow the Office to reasonably evaluate subgrantees' ability to
48 comply with all program requirements, including all subgrantee qualifications
49 and conditions required under federal law.

50 **SECTION 38.10.(j)** Competitive Subgrantee Selection Process. – The Office shall
51 implement a competitive subgrantee selection process that conforms with published regulations

1 and guidelines under the BEAD Program under the IJA. Applications receiving the highest score
2 shall receive priority status for the awarding of subgrants pursuant to this section. As a means of
3 breaking a tie for applications receiving the same score, the Office shall give priority to the
4 application proposing to serve the highest number of new unserved and underserved locations.
5 Applications shall be scored on an objective 100-point scale that is published prior to the
6 submission of applications for subgrants. The Office shall determine whether or not a subgrantee
7 has the capacity to perform multiple projects and shall not be required to award multiple projects
8 to a prequalified subgrantee that has failed to demonstrate its ability to perform.

9 **SECTION 38.10.(k)** Subgrant Award Agreements. – Applicants awarded subgrants
10 pursuant to this section shall enter into an agreement with the Office. Selections are contingent
11 until an agreement is executed. The agreement shall contain all of the elements outlined in
12 subsection (i) of this section and any other provisions the Office may require; provided, however,
13 the Department may not impose requirements or contract conditions requiring that broadband
14 service be offered at a specific price or that otherwise constitutes rate regulation. The agreement
15 shall contain a provision governing the time line, milestones, and minimum requirements and
16 thresholds for disbursement of grant funds measured by the progress of the project or disbursed
17 on any other basis that may be necessary to effectuate every option made available in the BEAD
18 Letter of Credit Waiver issued by NTIA on November 1, 2023. If applicable, the agreement shall
19 identify the amount of matching funds the subgrantee must contribute to the project. The Office
20 shall monitor the project to ensure (i) that the subgrantee is making adequate progress towards
21 project completion by the required deadline, (ii) compliance with all relevant and applicable
22 federal, State, and local laws, rules, and regulations, and (iii) compliance with all NTIA
23 guidelines for the BEAD Program and any guidelines developed by the Office.

24 **SECTION 38.10.(l)** Letter of Credit. – The Office shall require a letter of credit or
25 an alternative form of satisfactory performance security, such as a performance bond, from the
26 subgrantee to secure the subgrantee's performance of its obligations under the grant contract
27 consistent with the federal requirements. The Office shall give full effect to the NTIA BEAD
28 Letter of Credit Waiver as a means of enabling a subgrantee to satisfy the requirements of this
29 subsection. Subject to further waiver from NTIA to the extent the same may be required, the
30 Office shall permit an alternative means of satisfying the requirement of this subsection for a
31 subgrantee that demonstrates that it has more than one hundred million dollars (\$100,000,000)
32 in telecommunications or electric plant in production in the State.

33 **SECTION 38.10.(m)** Annual Report. – The Department of Information Technology
34 shall submit an annual report to the Joint Legislative Oversight Committee on Information
35 Technology and the Fiscal Research Division upon completion of each funding round. The report
36 shall contain at least all of the following:

- 37 (1) The number of subgrant projects applied for and the number of grant
38 agreements entered into.
- 39 (2) A time line for each subgrant agreement and the number of households and
40 businesses expected to benefit from each agreement.
- 41 (3) The amount of matching funds required for each agreement and the total
42 amount of investment.
- 43 (4) A summary of areas receiving subgrants that are now being provided
44 broadband service and the advertised broadband speeds for those areas.
- 45 (5) Any breaches of agreements, grant fund forfeitures, or subsequent reductions
46 or refunds of matching funds.
- 47 (6) Any recommendations for the GREAT 3.0 program, including better sources
48 and methods for improving outcomes and accountability.

49 **SECTION 38.10.(n)** Progress Report. – Upon completion of two rounds of
50 subgrantee selection, the Department shall report to the Joint Legislative Oversight Committee
51 on Information Technology and the Fiscal Research Division the following:

- 1 (1) The number of remaining unserved and underserved locations in the State.
- 2 (2) The amount of remaining funding for the GREAT 3.0 program.
- 3 (3) The estimated amount of subgrant funding needed to award projects serving
- 4 all remaining unserved and underserved locations in the State.
- 5 (4) The amount of funding available for nondeployment activities.

6 **SECTION 38.10.(o)** Retention of Funds. – In administering the IJA for the BEAD
7 Program, the Department may utilize up to two percent (2%) of allocated BEAD grant funds for
8 planning and administrative purposes.

9 **SECTION 38.10.(p)** Section 38.10(p) of S.L. 2021-180 reads as rewritten:

10 "**SECTION 38.10.(p)** This section is effective when it becomes law. ~~Subsections (b) through~~
11 ~~(k) of this section expire December 31, 2024.~~"

12 **SECTION 38.10.(q)** The State Controller shall establish a Broadband Equity,
13 Access, and Deployment Reserve (Reserve) in the General Fund to maintain federal funds
14 received from the federal Infrastructure Investment and Jobs Act (P.L. 117-58) for the Broadband
15 Equity, Access, and Deployment Program. The State Controller shall transfer funds to the
16 Growing Rural Economies with Access to Technology for Broadband Equity, Access, and
17 Deployment Fund established in subsection (d) of this section only as needed to meet the
18 appropriations set out in subsequent legislation. Funds reserved in the Reserve do not constitute
19 an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North
20 Carolina Constitution.

21 **PLASMA GAMES GRANT PROGRAM/DIT**

22 **SECTION 38.11.(a)** Section 7.69 of S.L. 2023-134 is repealed.

23 **SECTION 38.11.(b)** The Department of Information Technology shall create a grant
24 program for public school units to apply for funds to contract with Plasma Games, Inc., for the
25 use of educational software to be used in science, technology, engineering, and math (STEM)
26 and career and technical education (CTE) courses. The Department shall make an application
27 available to public school units by November 15, 2024, and August 1 of each year thereafter that
28 funds are made available for this purpose. Public school units shall submit applications by
29 January 15, 2025, and October 1 of each year thereafter that funds are available. The Department
30 shall make determinations on grant recipients by March 15, 2025, and December 1 of each year
31 thereafter that funds are made available. The Department shall prioritize issuing grants to public
32 school units that participated in the pilot program created pursuant to Section 3.5(a)(25) of S.L.
33 2021-25, as amended by S.L. 2021-180, and are actively utilizing license grants pursuant to that
34 pilot program.

35 **SECTION 38.11.(c)** The Department shall report to the Joint Legislative Oversight
36 Committee on Information Technology and the Fiscal Research Division May 15, 2025, and each
37 year thereafter that funds are made available for the program created by subsection (b) of this
38 section, on the outcomes of the program. The report shall include at least the following:

- 39 (1) The number of public school units that submitted grant applications.
- 40 (2) The number of grants awarded.
- 41 (3) The percentage of grants that were awarded to public school units that
- 42 participated in the pilot program created pursuant to Section 3.5(a)(25) of S.L.
- 43 2021-25, as amended by S.L. 2021-180. This subdivision applies only to the
- 44 report for May 15, 2025.
- 45 (4) The average size of grants awarded.
- 46 (5) The average daily membership of each public school unit that received grant
- 47 awards.
- 48 (6) The ratio of grant funds received by each public school unit to the average
- 49 daily membership of the public school unit.
- 50 (7) The total number of licenses in active use in the State.
- 51

(8) Any other information the Department deems relevant.

SECTION 38.11.(d) The Department of Public Instruction shall assist the Department of Information Technology with any information necessary to institute the grant program described in this section, including information relating to grants that were awarded to public school units that participated in the pilot program created pursuant to Section 3.5(a)(25) of S.L. 2021-25, as amended by S.L. 2021-180.

SECTION 38.11.(e) Notwithstanding the Committee Report described in Section 43.2 of S.L. 2023-134 or any other provision of law to the contrary, funds appropriated to the Department of Public Instruction for the Plasma Games in the amount of three million (\$3,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the amount of one million eight hundred thousand dollars (\$1,800,000) in recurring funds for the 2024-2025 fiscal year shall instead be appropriated to the Department of Information Technology for the purposes described in this section. Funds appropriated for the purposes described in this section shall be considered an information technology project within the meaning of G.S. 143C-1-2.

SECTION 38.11.(f) Subsection (e) of this section becomes effective June 30, 2024. The remainder of this section becomes effective July 1, 2024.

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:

Council of State	Annual Salary
Lieutenant Governor	\$168,384 <u>\$169,958</u>
Attorney General	168,384 <u>169,958</u>
Secretary of State	168,384 <u>169,958</u>
State Treasurer	168,384 <u>169,958</u>
State Auditor	168,384 <u>169,958</u>
Superintendent of Public Instruction	168,384 <u>169,958</u>
Agriculture Commissioner	168,384 <u>169,958</u>
Insurance Commissioner	168,384 <u>169,958</u>
Labor Commissioner	168,384 <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:

Executive Branch Officials	Annual Salary
Chairman, Alcoholic Beverage Control Commission	\$140,844\$142,212
State Controller	196,119198,023
Commissioner of Banks	158,076159,611
Chair, Board of Review, Division of Employment Security	155,055156,561
Members, Board of Review, Division of Employment Security	153,160154,647
Chairman, Parole Commission	155,055156,561
Full-time Members of the Parole Commission	143,364144,756
Chairman, Utilities Commission	175,765177,472
Members of the Utilities Commission	158,076159,611
Executive Director, North Carolina Agricultural Finance Authority	137,161138,493
State Fire Marshal	139,050140,400"

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:

Judicial Branch Officials	Annual Salary
Chief Justice, Supreme Court	\$203,073\$205,054
Associate Justice, Supreme Court	197,802199,732
Chief Judge, Court of Appeals	194,674196,573
Judge, Court of Appeals	189,621191,471
Judge, Senior Regular Resident Superior Court	174,250175,950
Judge, Superior Court	169,125170,775
Chief Judge, District Court	167,548169,183
Judge, District Court	162,620164,207
Chief Administrative Law Judge	144,736
District Attorney	167,337168,944
Assistant Administrative Officer of the Courts	151,815152,552
Public Defender	167,337168,944
Director of Indigent Defense Services	168,565170,210"

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."

1 **SECTION 39.4.(b)** Effective July 1, 2024, Section 39.6(b1) of S.L. 2023-134 reads
 2 as rewritten:

3 **"SECTION 39.6.(b1)** The district attorney of a judicial district, with the approval of the
 4 Administrative Officer of the Courts, and the public defender of a judicial district, with the
 5 approval of the Commission on Indigent Defense Services, shall set the salaries of assistant
 6 district attorneys and assistant public defenders in that district such that the average salary of
 7 those assistants in that district, for the 2024-2025 fiscal year, does not exceed ~~one hundred one~~
 8 ~~thousand two hundred ninety nine dollars (\$101,299)~~ one hundred two thousand two hundred
 9 seventy-three dollars (\$102,273) and the minimum salary of any assistant is at least ~~fifty four~~
 10 ~~thousand three hundred sixty nine dollars (\$54,369)~~, fifty-four thousand eight hundred
 11 ninety-two dollars (54,892), effective July 1, 2024."
 12

13 **CLERKS OF SUPERIOR COURT**

14 **SECTION 39.5.** Effective July 1, 2024, G.S. 7A-101(a) reads as rewritten:

15 "(a) The clerk of superior court is a full-time employee of the State and shall receive an
 16 annual salary, payable in equal monthly installments, based on the number of State-funded
 17 assistant and deputy clerks of court as determined by the Administrative Office of Court's
 18 workload formula, according to the following schedule:

Assistants and Deputies	Annual Salary
0-19	\$111,726 <u>\$112,811</u>
20-29	123,488 <u>124,687</u>
30-49	135,248 <u>136,561</u>
50-99	147,010 <u>148,437</u>
100 and above	149,949 <u>151,405</u>

25 If the number of State-funded assistant and deputy clerks of court as determined by the
 26 Administrative Office of Court's workload formula changes, the salary of the clerk shall be
 27 changed, on July 1 of the fiscal year for which the change is reported, to the salary appropriate
 28 for that new number, except that the salary of an incumbent clerk shall not be decreased by any
 29 change in that number during the clerk's continuance in office."
 30

31 **ASSISTANT AND DEPUTY CLERKS OF COURT**

32 **SECTION 39.6.** Effective July 1, 2024, G.S. 7A-102(c1) reads as rewritten:

33 "(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time deputy
 34 clerk serving as head bookkeeper per county, shall be paid an annual salary subject to the
 35 following minimum and maximum rates:

Assistant Clerks and Head Bookkeeper	Annual Salary
Minimum	\$40,482 <u>\$40,875</u>
Maximum	74,792 <u>75,519</u>
Deputy Clerks	Annual Salary
Minimum	\$36,315 <u>\$36,667</u>
Maximum	58,740 <u>59,310</u> "

44 **MAGISTRATES**

45 **SECTION 39.7.** Effective July 1, 2024, G.S. 7A-171.1(a)(1) reads as rewritten:

46 "(1) A full-time magistrate shall be paid the annual salary indicated in the table set
 47 out in this subdivision. A full-time magistrate is a magistrate who is assigned
 48 to work an average of not less than 40 hours a week during the term of office.
 49 The Administrative Officer of the Courts shall designate whether a magistrate
 50 is full-time. Initial appointment shall be at the entry rate. A magistrate's salary
 51 shall increase to the next step every two years on the anniversary of the date

the magistrate was originally appointed for increases to Steps 1 through 3, and every four years on the anniversary of the date the magistrate was originally appointed for increases to Steps 4 through 6:

Table of Salaries of Full-Time Magistrates

Step Level	Annual Salary
Entry Rate	\$47,228 <u>\$47,686</u>
Step 1	\$50,714 <u>\$51,206</u>
Step 2	\$54,475 <u>\$55,004</u>
Step 3	\$58,457 <u>\$59,024</u>
Step 4	\$63,228 <u>\$63,841</u>
Step 5	\$68,973 <u>\$69,643</u>
Step 6	\$75,415 <u>\$76,147</u>

LEGISLATIVE EMPLOYEES

SECTION 39.8. Effective July 1, 2024, Section 39.10(a1) of S.L. 2023-134 reads as rewritten:

"**SECTION 39.10.(a1)** Effective July 1, 2024, the annual salaries of the Legislative Services Officer and of nonelected employees of the General Assembly in effect on June 30, 2024, shall be legislatively increased by ~~three percent (3%)~~four percent (4%)."

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:

...

1 (2) Effective July 1, 2024, the State Board of Community Colleges shall provide
2 community college faculty and non-faculty personnel with an
3 across-the-board salary increase in the amount of ~~three percent (3%)~~ four
4 percent (4%)."

5 SECTION 39.11.(b) Effective July 1, 2024, Section 39.13(b1) of S.L. 2023-134
6 reads as rewritten:

7 "SECTION 39.13.(b1) Effective July 1, 2024, the minimum salaries for nine-month,
8 full-time curriculum community college faculty for the 2024-2025 fiscal year are as follows:

	Minimum Salary
	2024-2025
10 Education Level	
11 Vocational Diploma/Certificate or Less	\$43,120\$43,539
12 Associate Degree or Equivalent	43,72044,145
13 Bachelor's Degree	46,32146,771
14 Master's Degree or Education Specialist	48,62949,102
15 Doctoral Degree	51,95652,461"

17 THE UNIVERSITY OF NORTH CAROLINA

18 SECTION 39.12. Effective July 1, 2024, Section 39.14(2) of S.L. 2023-134 reads as
19 rewritten:

20 "(2) Effective July 1, 2024, the Board of Governors of The University of North
21 Carolina shall provide SHRA employees, EHRA employees, and teachers
22 employed by the North Carolina School of Science and Mathematics with an
23 across-the-board salary increase in the amount of ~~three percent (3%)~~ four
24 percent (4%)."

26 CORRECTIONAL OFFICERS/YOUTH COUNSELORS/YOUTH COUNSELOR
27 TECHNICIANS/YOUTH SERVICES BEHAVIORAL SPECIALISTS – SALARY
28 SCHEDULE

29 SECTION 39.13. Effective July 1, 2024, Section 39.15(b) of S.L. 2023-134, as
30 amended by Section 8.2 of S.L. 2024-1, reads as rewritten:

31 "SECTION 39.15.(b) The following annual salary schedule applies under subsections (a)
32 and (a1) of this section for the ~~2023–2025 fiscal biennium, effective for each year on July 1, 2023,~~
33 ~~and July 1, 2024, respectively:~~ 2024-2025 fiscal year, effective July 1, 2024:

	FY 2024-25		
Experience	COI	COII	COIII
38 0	\$37,621\$40,908	\$38,859\$42,254	\$41,558\$45,910
39 1	\$40,253\$43,771	\$41,578\$45,211	\$44,468\$48,354
40 2	\$42,670\$46,398	\$44,117\$47,972	\$47,137\$51,256
41 3	\$44,803\$48,718	\$46,277\$50,320	\$49,494\$53,818
42 4	\$46,594\$50,665	\$48,128\$52,333	\$51,473\$55,971
43 5	\$47,993\$52,186	\$49,571\$53,902	\$53,017\$57,650
44 6+	\$48,953\$53,230	\$50,563\$54,981	\$54,078\$58,803"

46 STATE LAW ENFORCEMENT OFFICER SALARY SCHEDULE/INCREASES

47 SECTION 39.14.(a) Effective July 1, 2024, Section 39.16(b) of S.L. 2023-134 reads
48 as rewritten:

49 "SECTION 39.16.(b) The following annual salary schedule applies under subsection (a) of
50 this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1, 2024, for each
51 respective fiscal year:

	Years of Experience	FY 2023-24	FY 2024-25
1			
2	0	53,477	53,477 54,012
3	1	56,954	56,954 57,524
4	2	60,656	60,656 61,263
5	3	64,599	64,599 65,245
6	4	68,798	68,798 69,486
7	5	73,270	73,270 74,003
8	6+	78,033	78,033 78,813"

9 **SECTION 39.14.(b)** Effective July 1, 2024, the annual salaries of employees of the
 10 State Bureau of Investigation compensated under Section 39.16(c) of S.L. 2023-134 shall be
 11 legislatively increased by one percent (1%).

12 **SECTION 39.14.(c)** Effective July 1, 2024, the annual salaries of employees of
 13 Alcohol Law Enforcement compensated under Section 39.16(d) of S.L. 2023-134 shall be
 14 legislatively increased by one percent (1%).

15
 16 **STATE HIGHWAY PATROL/SALARY SCHEDULE/INCREASE**

17 **SECTION 39.15.(a)** Effective July 1, 2024, Section 39.17(b) of S.L. 2023-134 reads
 18 as rewritten:

19 **"SECTION 39.17.(b)** The following annual salary schedule applies under subsection (a) of
 20 this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1, 2024, for each
 21 respective fiscal year:

	Years of Experience	FY 2023-24	FY 2024-25
23			
24	0	55,000	55,000 55,550
25	1	58,575	58,575 59,161
26	2	62,382	62,382 63,006
27	3	66,437	66,437 67,101
28	4	70,755	70,755 71,463
29	5	75,354	75,354 76,108
30	6+	80,252	80,252 81,055"

31 **SECTION 39.15.(b)** Effective July 1, 2024, the annual salaries of employees of the
 32 State Highway Patrol compensated under Section 39.17(c) of S.L. 2023-134 shall be legislatively
 33 increased by one percent (1%).

34 **SECTION 39.15.(c)** Effective July 1, 2024, the annual salaries of employees of State
 35 Highway Patrol compensated under Section 39.17(d) of S.L. 2023-134 shall be legislatively
 36 increased by one percent (1%).

37
 38 **PROBATION AND PAROLE OFFICERS/JUVENILE COURT COUNSELORS –**
 39 **SALARY SCHEDULE**

40 **SECTION 39.16.** Effective July 1, 2024, Section 39.18(b) of S.L. 2023-134 reads as
 41 rewritten:

42 **"SECTION 39.18.(b)** The following annual salary schedule applies under subsections (a)
 43 and (a1) of this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1,
 44 2024, for each respective fiscal year:

	Years of Experience	FY 2023-24	FY 2024-25
46			
47	0	44,099	44,224 49,391
48	1	46,965	48,374 52,601
49	2	50,019	51,520 56,021
50	3	53,270	54,868 59,662
51	4	56,733	58,435 63,541

1	5	60,420	62,233 67,670
2	6+	64,348	66,278 72,070"

3
4 **STATE AGENCY TEACHERS**

5 **SECTION 39.17.** For the 2023-2025 fiscal biennium, employees of schools operated
6 by the Department of Health and Human Services, the Department of Public Safety, the
7 Department of Adult Correction, and the State Board of Education who are paid on the Teacher
8 Salary Schedule shall be paid as authorized under this act.

9
10 **UPDATED SALARY-RELATED CONTRIBUTIONS**

11 **SECTION 39.18.** Section 39.26(c) of S.L. 2023-134 reads as rewritten:

12 "SECTION 39.26.(c) Effective July 1, 2024, the State's employer contribution rates
13 budgeted for retirement and related benefits as a percentage of covered salaries for the 2024-2025
14 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the
15 University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated
16 Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth
17 below:

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
21 Retirement	16.79% 17.41%	16.79% 17.41%	6.84%	37.00% 37.24%	
22	22.00% 20.54%				
23 Disability	0.13%	0.13%	0.13%	0.00%	0.00%
24 Death	0.13%	0.13%	0.00%	0.00%	0.00%
25 Retiree Health	6.99%	6.99%	6.99%	6.99%	6.99%
26 NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%
27					
28 Total Contribution					
29 Rate	24.04% 24.66%	29.04% 29.66%	13.96%	43.99% 44.23%	
30	28.99% 27.53%				

31 The rate for teachers and State employees and State law enforcement officers includes one
32 one-hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement."

33
34 **ONE-TIME SUPPLEMENT FOR RETIREES OF THE TEACHERS' AND STATE**
35 **EMPLOYEES' RETIREMENT SYSTEM, THE JUDICIAL RETIREMENT**
36 **SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM**

37 **SECTION 39.19.(a)** G.S. 135-5 is amended by adding a new subsection to read:

38 "(aaa) On or before October 31, 2024, a one-time cost-of-living supplement payment shall
39 be made to, or on account of, beneficiaries who are living as of September 1, 2024, and whose
40 retirement commenced on or before September 1, 2024. The payment shall be two percent (2%)
41 of the beneficiary's annual retirement allowance payable as of September 1, 2024, and shall not
42 be prorated for date of retirement commencement. If the beneficiary dies before the payment is
43 made, then the payment shall be payable to the member's legal representative. No beneficiary
44 shall have a vested right to any future supplemental payments under this Article."

45 **SECTION 39.19.(b)** G.S. 135-65 is amended by adding a new subsection to read:

46 "(ll) On or before October 31, 2024, a one-time cost-of-living supplement payment shall
47 be made to, or on account of, beneficiaries who are living as of September 1, 2024, and whose
48 retirement commenced on or before September 1, 2024. The payment shall be two percent (2%)
49 of the beneficiary's annual retirement allowance payable as of September 1, 2024, and shall not
50 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 additional ten dollars and ~~fifty cents (\$10.50)-~~ eighty cents (\$10.80) per month for each additional year of ~~such~~ creditable military service; provided, however, that the total pension shall not exceed two hundred ~~ten~~ sixteen dollars ~~(\$210.00)-(\$216.00)~~ per month. ~~The requirements for~~

(a1) To receive a pension are that under this section, each member shall shall meet all of the following requirements:

- (1) ~~Have~~ The individual served and qualified for at least 20 years' creditable military service, including National Guard, reserve and active duty, under the same requirement specified for entitlement to retired pay for nonregular service under Chapter 67, Title 10, United States Code.
- (2) ~~Have at~~ At least 15 years of the ~~af~~ orementioned service required under subdivision (1) of this subsection was as a member of the North Carolina National Guard.
- (3) ~~Have~~ The individual received an honorable discharge from the North Carolina National Guard.

...."

ENHANCE BENEFITS UNDER NORTH CAROLINA FIREFIGHTERS' AND RESCUE SQUAD WORKERS' PENSION FUND AND MAKE TECHNICAL CHANGES TO THE RELATED STATUTES

SECTION 39.21.(a) G.S. 58-86-55 reads as rewritten:

"§ 58-86-55. Monthly pensions upon attaining the age of 55 years.

(a) The monthly pension benefit under this section is one hundred seventy-five dollars (\$175.00) and is payable per month from the Pension Fund, unless otherwise provided.

(a1) Any member who has served 20 years as an "eligible firefighter" or "eligible firefighter or eligible rescue squad worker" worker in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30, this Article and who has attained the age of 55 years is entitled to be paid a monthly pension from this fund. The monthly pension shall be in the amount of one hundred seventy dollars (\$170.00) per month. Any retired firefighter receiving a pension shall, effective July 1, 2008, receive a pension of one hundred seventy dollars (\$170.00) per month benefit under this section.

1 (b) ~~Members shall pay ten dollars (\$10.00) per month as required by G.S. 58-86-35 and~~
2 ~~G.S. 58-86-40 for a period of no longer than 20 years. No "eligible rescue squad member" shall~~
3 ~~receive a pension prior to July 1, 1983.~~

4 (c) A member who is totally and permanently disabled while in the discharge of the
5 member's official duties as a result of bodily injuries sustained or as a result of extreme exercise
6 or extreme activity experienced in the course and scope of those official duties and who leaves
7 the fire or rescue squad service because of this disability shall be entitled to be paid ~~from the fund~~
8 ~~a monthly benefit in an amount of one hundred seventy dollars (\$170.00) per month a monthly~~
9 ~~pension benefit under this section~~ beginning the first month after the member's fifty-fifth
10 birthday. All applications for disability are subject to the approval of the ~~board who~~ Board, and
11 the Board may appoint physicians to examine and evaluate the disabled member prior to approval
12 of the application, and annually thereafter. ~~Any G.S. 58-86-41 shall not apply to a disabled~~
13 ~~member shall not be required to make the monthly payment of ten dollars (\$10.00) as required~~
14 ~~by G.S. 58-86-35 and G.S. 58-86-40.~~member.

15 (d) A member who is totally and permanently disabled for any ~~cause, cause~~ other than
16 ~~line of duty, those under subsection (c) of this section,~~ who leaves the fire or rescue squad service
17 because of this ~~disability~~ disability, and who has at least 10 years of service with the ~~pension~~
18 ~~fund, Pension Fund~~ may be permitted to continue making a monthly contribution of ~~ten dollars~~
19 ~~(\$10.00) in the amount required under G.S. 58-86-41~~ to the fund until the member has made
20 contributions for a total of 240 months. ~~The~~ Upon attaining the age of 55, that member shall ~~upon~~
21 ~~attaining the age of 55 years~~ be entitled to receive a pension as provided by this section. ~~monthly~~
22 ~~pension benefit under this section.~~ All applications for disability are subject to the approval of
23 the ~~board who~~ Board, and the Board may appoint physicians to examine and evaluate the disabled
24 member prior to approval of the ~~application~~ application, and annually thereafter.

25 (d1) Benefits ~~payable from the Pension Fund~~ shall be paid in the following manner when
26 a member is killed in the line of duty and the requirements of Article 12A of Chapter 143 of the
27 General Statutes are met:

28 (1) If the member had been receiving a monthly pension ~~fund~~ benefit under this
29 section prior to being killed in the line of duty, then there shall be paid to the
30 member's principal beneficiary, if only one principal beneficiary is eligible
31 and has not accepted a return of contributions, ~~an amount of one hundred~~
32 ~~seventy dollars (\$170.00) per month the monthly pension benefit amount~~
33 beginning the month following the member's month of death, payable until
34 the beneficiary's death. If the member became a member prior to July 1, 2018,
35 and had not designated a principal beneficiary prior to being killed in the line
36 of duty, there shall be paid to the member's living spouse upon the spouse's
37 application to the Board, ~~an amount of one hundred seventy dollars (\$170.00)~~
38 ~~per month the monthly pension benefit amount~~ beginning the month following
39 the member's month of death, payable until the spouse's death.

40 (2) If the member had been receiving a monthly pension ~~fund~~ benefit under this
41 section prior to being killed in the line of duty and the beneficiary is not
42 payable as described in subdivision (1) of this subsection, then a lump sum
43 payment equal to the difference between the amount paid into the member's
44 separate account by or on behalf of the member and the amount received by
45 the member as a pensioner ~~will~~ shall be paid to the eligible beneficiaries, or if
46 there are no eligible beneficiaries, shall be paid to the member's estate.

47 (3) If the member had not yet begun receiving a monthly pension benefit under
48 this section prior to being killed in the line of duty, then there shall be paid to
49 the member's principal beneficiary, if only one principal beneficiary is eligible
50 and has not accepted a return of contributions, ~~an amount of one hundred~~
51 ~~seventy dollars (\$170.00) per month the monthly pension benefit amount~~

beginning the month following the month the member would have attained age 55, or if the member had already attained age 55, beginning the month following the member's month of death, payable until the beneficiary's death. If the member became a member prior to July 1, 2018, and had not designated a principal beneficiary prior to being killed in the line of duty, then there shall be paid to the member's living spouse upon the spouse's application to the Board, ~~an amount of one hundred seventy dollars (\$170.00) per month the~~ monthly pension benefit amount beginning the month following the month the member would have attained age 55, or if the member had attained age 55, beginning the month following the member's month of death, payable until the spouse's death.

- (4) If the member had not yet begun receiving a monthly ~~benefit pension under this section~~ prior to being killed in the line of duty and the beneficiary is not payable as described in subdivision (3) of this subsection, then a lump sum payment equal to the member's contributions will be paid to the eligible beneficiaries, or if there are no eligible beneficiaries, a return of the contributions shall be paid to the member's estate.

~~A beneficiary under this subsection shall not be required to make the monthly payment of ten 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 after the member has been killed in the line of duty.~~

(e) ~~A member who, because the~~ If a member has at least 10 years of service with the Pension Fund and that member's (i) residence is annexed by a city under Part 2 or Part 3 of Article 4A of Chapter 160A of the General Statutes, or whose (ii) department is closed because of an annexation by a city under Part 2 or Part 3 of Article 4A of Chapter 160A of the General Statutes, or whose (iii) volunteer department is taken over by a city or county, and because of such that annexation or takeover the member is unable to perform as a firefighter or rescue squad worker of any status, and if the member has at least 10 years of service with the pension fund, may then the member shall be permitted to continue making a monthly contribution of ten dollars (\$10.00) in the amount required under G.S. 58-86-41 to the fund until the member has made contributions for a total of 240 months. The Upon completion of the total 240 months of contributions, and upon a member upon attaining the age of 55 years and completion of such contributions age 55, the member shall be entitled to receive a monthly pension as provided by benefit under this section. Any application to make monthly contributions under this section shall be subject to a finding of eligibility by the Board of Trustees upon application of the member.

(f) ~~The pensions benefits provided under this Article shall be in addition to all other pensions or benefits under any other statutes of the State of North Carolina or the United States, notwithstanding any exclusionary provisions of other pensions or retirement systems provided by law."~~

SECTION 39.21.(b) Article 86 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"§ 58-86-41. Amount due for membership; payments credited to separate member accounts.

(a) Unless otherwise provided under this Article, each member of the Pension Fund shall pay the sum of fifteen dollars (\$15.00) per month to the Pension Fund for membership in the fund for a period not to exceed 20 years.

(b) Unless otherwise provided under this Article, all payments due in any calendar year shall be made no later than March 31 subsequent to the end of the calendar year in which the payment was due.

(c) The Pension Fund shall not award fully credited service based on payments received later than March 31 subsequent to the end of the calendar year in which the month occurred unless the payment is applied as provided in G.S. 58-86-45(a1).

1 (d) Payments made in accordance with this section shall be credited to the separate
2 account of the member and shall be kept by the custodian in a manner that allows the payments
3 to be made available upon a member's withdrawal from membership or retirement."

4 **SECTION 39.21.(c)** G.S. 58-86-35 reads as rewritten:

5 "**§ 58-86-35. Firefighters' application for membership in fund; ~~monthly payments by~~**
6 **~~members; payments credited to separate accounts of members; Pension Fund;~~**
7 **termination of membership.**

8 (a) ~~Those firefighters~~ Firefighters who are eligible for membership in the Pension Fund
9 pursuant to G.S. 58-86-25 may apply to the board ~~Board~~ for membership. ~~Each firefighter upon~~
10 ~~becoming a member of the fund shall pay the director of the fund the sum of ten dollars (\$10.00)~~
11 ~~per month; each payment shall be made no later than March 31 subsequent to the end of the~~
12 ~~calendar year in which the month occurred. The Pension Fund shall not award fully credited~~
13 ~~service based on payments received later than March 31 subsequent to the end of the calendar~~
14 ~~year in which the month occurred unless the payment is applied as provided in G.S. 58-86-45(a1).~~
15 The monthly payments shall be credited to the separate account of the member and shall be kept
16 by the custodian so it is available for payment on withdrawal from 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.(d)** G.S. 58-86-40 reads as rewritten:

23 "**§ 58-86-40. Rescue squad worker's application for membership in funds; ~~monthly~~**
24 **~~payments by members; payments credited to separate accounts of members;~~**
25 **Pension Fund; termination of membership.**

26 (a) ~~Those rescue~~ Rescue squad workers eligible for membership in the Pension Fund
27 pursuant to G.S. 58-86-30 may apply to the board ~~Board~~ for membership. ~~Each eligible rescue~~
28 ~~squad worker upon becoming a member shall pay the director of the fund the sum of ten dollars~~
29 ~~(\$10.00) per month; each payment shall be made no later than March 31 subsequent to the end~~
30 ~~of the calendar year in which the month occurred. The Pension Fund shall not award fully~~
31 ~~credited service based on payments received later than March 31 subsequent to the end of the~~
32 ~~calendar year in which the month occurred unless the payment is applied as provided in~~
33 ~~G.S. 58-86-45(a1). The monthly payments shall be credited to the separate account of the~~
34 ~~member and shall be kept by the custodian so it is available for payment on withdrawal from~~
35 ~~membership or retirement.~~

36 (b) A member may elect to terminate membership in the ~~fund~~ Pension Fund at any time
37 and request the refund of payments previously made to the fund. ~~However, a~~ A member's
38 delinquency in making the monthly payments required by this ~~section~~ Article does not result in
39 the termination of membership without ~~such an~~ election to terminate membership in the Pension
40 Fund made by the member."

41 **SECTION 39.21.(e)** G.S. 58-86-45 reads as rewritten:

42 "**§ 58-86-45. Additional retroactive membership.**

43 (a1) Any firefighter or rescue squad worker who is 35 years of age or older and who is a
44 current or former member of a fire department or rescue squad chartered by the State of North
45 Carolina may purchase credit for any periods of service to any chartered fire department or rescue
46 squad not otherwise creditable by making a lump sum payment to the Annuity Savings Fund
47 equal to the full liability of the service credits calculated on the basis of the assumptions used for
48 purposes of the actuarial valuation of the system's liabilities, which payment shall take into
49 account the retirement allowance arising on account of the additional service credit commencing
50 at the earliest age at which the member could retire on a retirement allowance, as determined by
51 the board of trustees upon the advice of the consulting actuary, plus an administrative fee to be

1 set by the board of trustees. This provision for the payment of a lump sum for service "not
 2 otherwise creditable" shall apply, inter alia, to all purchases of service credits for months as to
 3 which timely payments were not previously made pursuant to G.S. 58-86-35 or G.S. 58-86-40,
 4 ~~whichever is applicable~~ in accordance with G.S. 58-86-41.

5 (b) An eligible firefighter or rescue squad worker who is not yet 35 years old may apply
 6 to the ~~board of trustees~~ Board for membership in the ~~fund~~ Pension Fund at any time. Upon
 7 becoming a member, the worker may make a lump sum payment of ~~ten dollars (\$10.00) per~~
 8 ~~month~~ in the amount required under G.S. 58-86-41 at the time of the payment for each month
 9 retroactively to the time the worker first became eligible to become a member, plus interest at an
 10 annual rate to be set by the ~~board~~ Board upon advice from actuary for each year of retroactive
 11 payments. Upon making this lump sum payment, the worker shall be given credit for all prior
 12 service in the same manner as if the worker had applied for membership upon first becoming
 13 eligible.

14 (c) A member of the Pension Fund who is not yet 35 years old may receive credit for the
 15 prior service upon making a lump sum payment of ~~ten dollars (\$10.00) in the amount required~~
 16 ~~under G.S. 58-86-41 at the time of the payment~~ for each month since the worker first became
 17 eligible, plus interest at an annual rate to be set by the ~~board~~ Board for each year of retroactive
 18 payments. Upon making this lump sum payment, the date of membership shall be the same as if
 19 the worker had applied for membership upon first becoming eligible. This provision for the
 20 payment of a lump sum for service "not otherwise creditable" shall apply, inter alia, to all
 21 purchases of service credits for months as to which timely payments were not previously made
 22 pursuant to G.S. 58-86-35 or G.S. 58-86-40, whichever is applicable, for any firefighter or rescue
 23 squad worker who is not yet 35 years of age or older and who is a current or former member of
 24 a fire department or rescue squad chartered by the State of North Carolina."

25 **SECTION 39.21.(f)** The Revisor of Statutes shall replace the phrase "G.S. 58-86-35
 26 or G.S. 58-86-40" with the phrase "G.S. 58-86-41" in each instance it appears in G.S. 58-86-2.

27 **SECTION 39.21.(g)** This section applies to membership contributions due to the
 28 North Carolina Firefighters' and Rescue Squad Workers' Pension Fund (Pension Fund) on or after
 29 January 1, 2025. Any membership contribution payments made to the Pension Fund on or before
 30 March 31, 2025, for service in the 2024 calendar year shall be in the amount of ten dollars
 31 (\$10.00) per month of service.

32 **SECTION 39.21.(h)** This section applies to pension benefit amounts payable from
 33 the Pension Fund due to a member or beneficiary on or after January 1, 2025. If a member or
 34 beneficiary becomes eligible to receive a pension benefit from the Pension Fund on or before
 35 December 31, 2024, but the pension benefit amount is paid from the Pension Fund on or after
 36 January 1, 2025, then the pension amount benefit due to the member or beneficiary shall be the
 37 amount applicable to the pension benefit amount that was effective for each respective month to
 38 which the benefit applies.

39 **SECTION 39.21.(i)** This section is effective January 1, 2025.

40
 41 **PART XL. CAPITAL**

42
 43 **CAPITAL IMPROVEMENT & REPAIRS AND RENOVATIONS APPROPRIATIONS**

44 **SECTION 40.1.** Section 40.1 of S.L. 2023-134, as amended by Section 9.1 of S.L.
 45 2024-1, reads as rewritten:

46 **"SECTION 40.1.(a)** The following agency capital improvement projects have been assigned
 47 a project code for reference to allocations in this Part, past allocations, and for intended project
 48 support by the General Assembly for future fiscal years:

Agency Capital Improvement Project	Project Code
Department of Agriculture and Consumer Services	
Tidewater Research Station–Swine Unit Replacements	DACs21-2

1	NCFS–Region 1 Headquarters	DACS21-4
2	Troxler Science Building–Overflow Parking	DACS23-1
3	Western NC Farmers Market	DACS23-2
4	Raleigh State Farmers Market–Improvements	DACS23-3
5	Pesticide Storage, Loading, & Cleaning Facilities	DACS23-4
6	Cherry Research Station–Administrative Office	DACS23-5
7	Griffith Forest Center–Central Warehouse & Office	DACS23-6
8	D-6 HQ (Cumberland Co.)–Maintenance Shop Replacement	DACS23-7
9	Research Stations–New Maintenance Shop Facilities	DACS23-8
10	Piedmont Research Station–Bridge	DACS23-9
11	Research Stations–Multipurpose Facilities	DACS23-10
12	NCFS–New County Offices, Region 3	DACS23-11
13	Tuttle Educational State Forest–Office & Education Center	DACS23-12
14	D-12–New Headquarters & Shop	DACS23-13
15	NCFS–Property Purchase	DACS23-14
16	<u>NCFS–Cherokee County Office</u>	<u>DACS24-1</u>
17	<u>State Fair Lunch Facility Renovation</u>	<u>DACS24-2</u>
18	<u>Western NC Ag Center Capital Improvements</u>	<u>DACS24-3</u>
19		
20	Department of Environmental Quality	
21	Reedy Creek Laboratory	DEQ21-1
22		
23	Department of Health and Human Services	
24	Walter B. Jones–New Medical Office Bldg.	DHHS23-1
25	Broughton Hospital–New Maintenance & Warehouse Facility	DHHS23-2
26	Cherry Hospital–New Maintenance Bldg.	DHHS23-3
27	South Piedmont Medical Examiner	DHHS23-4
28		
29	Department of Natural and Cultural Resources	
30	Fort Fisher Aquarium–Aquarium Expansion	DNCR21-5
31	NC Museum of History–Expansion	DNCR21-13
32	Zoo–New Aviary	DNCR23-1
33	NC Museum of Art at Winston-Salem/SECCA	DNCR23-2
34	Stone Mountain State Park–Parking Lot	DNCR23-4
35	North Carolina Maritime Museum at Beaufort	DNCR23-5
36	Town Creek Indian Mound State Historic Site–	
37	Visitor Center & Exhibit Improvements	DNCR23-6
38	State Historic Sites–Three New Visitor Centers	DNCR23-7
39	Thomas Day House–Site Development	DNCR23-8
40	Lake Waccamaw State Park–New Campground	DNCR23-12
41	Lumber River State Park–Wire Pasture Access Development	DNCR23-13
42	NC Maritime Museum at Southport	DNCR23-14
43	NC Transportation Museum	DNCR23-15
44	Fort Fisher Historic Site	DNCR23-16
45		
46	Department of Administration	
47	State Government Executive Headquarters	DOA22-1
48	Department of Instruction Building Renovation	DOA22-3
49	Service Campus	DOA23-1
50	State Agency Lease	DOA23-2
51	Archdale Building Demolition	DOA23-3

1	Caswell Square Demolition	DOA23-4
2	Parking Deck–Wilmington Street	DOA23-5
3	Albemarle Building Facility Improvements	DOA23-6
4		
5	Department of Commerce	
6	Wanchese Marine Industrial Park–Covered Workspace	COMM23-1
7		
8	Department of Adult Correction	
9	Stun Fencing	DAC23-1
10	DARTCenter–Exterior Envelope Repairs	DAC23-2
11	Sampson CC–Gatehouse	DAC23-3
12	Gaston CC–Modular Medical Office	DAC23-4
13	Storage Buildings	DAC23-6
14		
15	Department of Public Safety	
16	State Highway Patrol–	
17	Viper Building	DPS21-6
18	Auditorium	DPS23-3
19	Training Academy Facilities Enhancement–Phases 3-6	DPS23-4
20	Training Center Cadet Dorm & Training Bldg.	DPS23-7
21	State Bureau of Investigation–	
22	Headquarters & Building 12 Renovation	DPS21-9
23	Logistics Building–Phase 1	DPS23-11
24	Juvenile Justice–	
25	Richmond YDC	DPS21-1
26	New Youth Detention Center	DPS23-1
27	Cabarrus YDC–Perimeter Fence Modifications	DPS23-5
28	Cabarrus–New Modular Office	DPS23-6
29	Emergency Management–	
30	Badin Logistics Support Center Shed	DPS23-8
31	Badin Warehouse Expansion	DPS23-9
32	Badin Lot Acquisition	DPS23-10
33	National Guard–	
34	NCNG Matching Fund	NG23-1
35	Ballentine Building/NCNG Museum	NG23-2
36	Constable Building	NG23-3
37	Rocky Mount Complex/MILCON	NG23-4
38	Special Forces Complex	NG23-5
39	Winston Salem Storage Buildings	NG23-6
40	Louisburg Readiness Center	NG23-9
41		
42	Department of Public Instruction	
43	Center for the Advancement of Teaching	DPI21-1
44	<u>NC School for the Deaf Renovation</u>	<u>DPI24-1</u>
45		
46	Department of Insurance	
47	Office of State Fire Marshal–	
48	Land Development & Training Center	DOI21-1
49		
50	Department of Transportation	
51	North Carolina Global TransPark Authority–	

1	Aircraft Maintenance Repair & Overhaul Facility	TRAN23-1
2	DOT– New County Buildings	TRAN23-2
3		
4	General Assembly	
5	Education Campus Project	NCGA21-3
6	Education Campus Parking Deck	NCGA23-1
7	Education Campus Demolition	NCGA23-2
8		
9	The University of North Carolina	
10	Appalachian State University–	
11	Peacock Hall/Business	UNC/ASU21-1
12	Hickory Campus	UNC/ASU22-1
13	Walker Hall–Interior Renovation	UNC/ASU23-1
14	<u>Wey Hall–Renovation</u>	<u>UNC/ASU24-1</u>
15	University of North Carolina at Charlotte–	
16	Smith Hall–Comprehensive Renovation	UNC/CLT23-1
17	Colvard Hall–Comprehensive Renovation	UNC/CLT23-2
18	Esports	UNC/CLT23-3
19	Stadium Upgrades	UNC/CLT23-4
20	<u>NC Solar & Battery Energy Recycling Initiative</u>	<u>UNC/CLT24-1</u>
21	University of North Carolina at Chapel Hill–	
22	Business School	UNC/CH20-1
23	Nursing School Renovation	UNC/CH20-2
24	Gardner Hall–Comprehensive Renovation	UNC/CH23-1
25	<u>S.T.E.M. Building</u>	<u>UNC/CH24-1</u>
26	Elizabeth City State University–	
27	<u>Sky Bridge</u>	<u>UNC/ECS21-2</u>
28	Flight School	UNC/ECS21-4
29	Infrastructure Repairs–Phase 3	UNC/ECS23-1
30	Jenkins Hall/Dixon Hall–Labs/Classroom/Bldg. Renovation	UNC/ECS23-2
31	<u>Statesville Flight School</u>	<u>UNC/ECS24-1</u>
32	East Carolina University–	
33	Brody School of Medicine	UNC/ECU21-1
34	Howell Science Building North–Comprehensive Renovation	UNC/ECU23-1
35	Leo Jenkins Building/Health Sciences–Comprehensive Renovation	UNC/ECU23-2
36	Medical Examiner Office	UNC/ECU23-3
37	Regional Children's Behavioral Health Facility	UNC/ECU23-4
38	Dental School Planning	UNC/ECU23-5
39	Fayetteville State University–	
40	College of Education	UNC/FSU21-2
41	Butler Targeted Renovation	UNC/FSU23-1
42	H.L. Cook Building–Renovation & Addition	UNC/FSU23-2
43	North Carolina Agricultural & Technical State University–	
44	Martena Hall–Renovation, Phase 2	UNC/A&T23-1
45	Health and Human Sciences Bldg.	UNC/A&T23-2
46	North Carolina Central University–	
47	Dent Building–Comprehensive Renovation	UNC/NCC23-1
48	Edmonds Classroom Building–Comprehensive Renovation	UNC/NCC23-2
49	University Theater Renovation	UNC/NCC23-3
50	North Carolina State University–	
51	S.T.E.M. Building	UNC/NCS20-1

1	Mann Hall–Renovation, Phase 2	UNC/NCS23-1
2	Dabney Hall–Renovation, Phase 2	UNC/NCS23-2
3	Polk Hall–Renovation, Phase 2	UNC/NCS23-3
4	Veterinary School–Large Animal Hospital	UNC/NCS23-4
5	Engineering Classroom Building	UNC/NCS23-5
6	Nuclear Study	UNC/NCS23-6
7	Business School	UNC/NCS23-7
8	<u>Poe Hall</u>	<u>UNC/NCS24-1</u>
9	North Carolina School of Science and Math–	
10	Morganton Campus	
11	Wellness Center	UNC/SSM23-1
12	Durham Campus	
13	Renovation of Residence Halls	UNC/SSM23-2
14	Academic Commons Addition	UNC/SSM23-4
15	University of North Carolina at Asheville–	
16	Lipinsky Hall–Comp. Modernization/Addition	UNC/AVL23-1
17	Sherrill Center	UNC/AVL23-2
18	Gateway Signage	UNC/AVL23-3
19	Repairs & Renovations	UNC/AVL23-4
20	<u>Public Safety Enhancements</u>	<u>UNC/AVL24-1</u>
21	University of North Carolina at Greensboro–	
22	Moore Building–Renovation	UNC/GBO23-1
23	University of North Carolina at Pembroke–	
24	Health Sciences Center	UNC/PEM21-1
25	Givens Performing Arts Center–Renovation or Replacement	UNC/PEM23-1
26	University of North Carolina School of the Arts–	
27	Stevens Center–Renovation, Phase 2	UNC/SA23-1
28	New High School Residence Hall	UNC/SA23-2
29	University of North Carolina at Wilmington–	
30	Cameron Hall–Comprehensive Renovation/Expansion	UNC/WIL23-1
31	Kenan Auditorium–Comprehensive Renovation/Expansion	UNC/WIL23-2
32	DeLoach Hall–Modernization	UNC/WIL23-3
33	Health Education Bldg.	UNC/WIL23-4
34	Western Carolina University–	
35	Replacement Engineering Building	UNC/WCU23-1
36	Winston-Salem State University–	
37	K.R. Williams Auditorium	UNC/WSS21-1
38	Eller Hall–Renovation & Elevator Addition	UNC/WSS23-1
39	Pegram Hall–Renovation & Elevator Addition	UNC/WSS23-2
40	Campus Police Improvements	UNC/WSS23-3
41	UNC Board of Governors–	
42	UNC Lease Funds	UNC/BOG21-1
43	NC Care Health Clinics	UNC/BOG23-1
44	NC Care Hospital Investment	UNC/BOG23-2
45	Children's Hospital	UNC/BOG23-3
46	<u>System Office Personnel Increase</u>	<u>UNC/BOG24-1</u>
47	PBS North Carolina	UNC/PBS23-1
48		
49	Repairs and Renovations–The University of North Carolina	UNC/R&R21
50	Repairs and Renovations–State Agencies (non-UNC)	R&R21
51	SCIF-Related Personnel	PERS21

1	OSBM Flexibility Funds		FLEX21
2	Debt Payoff		DST23-1
3	Wildlife Resources Commission–Setzer Hatchery Revision		WRC23-1
4	"SECTION 40.1.(b) This subsection authorizes the following capital projects in the		
5	2023-2025 fiscal biennium based upon projected cash flow needs for the authorized projects. The		
6	authorizations provided in this subsection represent the maximum amount of funding from the		
7	State Capital and Infrastructure Fund that may be expended on each project and do not reflect		
8	authorizations from other non-State Capital and Infrastructure Fund sources. An additional action		
9	by the General Assembly is required to increase the maximum authorization for any of the		
10	projects listed:		
11	Capital Improvements–		
12	State Capital and	Previous	New/Updated
13	Infrastructure Fund	Project Authorization	Project Authorization
14	DACS21-2	\$3,518,000	\$7,018,000
15	DACS21-4	4,000,000	8,100,000
16	DACS23-1	N/A	2,500,000
17	DACS23-2	N/A	200,000
18	DACS23-3	N/A	13,000,000
19	DACS23-4	N/A	1,750,000
20	DACS23-5	N/A	749,000
21	DACS23-6	N/A	750,000
22	DACS23-7	N/A	4,000,000
23	DACS23-8	N/A	5,000,000
24	DACS23-9	N/A	750,000
25	DACS23-10	N/A	6,200,000
26	DACS23-11	N/A	3,000,000
27	DACS23-12	N/A	4,000,000
28	DACS23-13	N/A	5,000,000
29	DACS23-14	N/A	12,000,000
30	<u>DACS24-1</u>	<u>N/A</u>	<u>1,250,000</u>
31	<u>DACS24-2</u>	<u>N/A</u>	<u>4,000,000</u>
32	<u>DACS24-3</u>	<u>N/A</u>	<u>5,000,000</u>
33	DEQ21-1	55,000,000	68,300,000
34	DHHS23-1	N/A	1,352,000
35	DHHS23-2	N/A	5,983,000
36	DHHS23-3	N/A	5,405,000
37	DHHS23-4	N/A	20,000,000
38	DNCR21-5	15,000,000	45,000,000
39	DNCR21-13	60,000,000	180,000,000
40	DNCR23-1	N/A	60,000,000
41	DNCR23-2	N/A	15,000,000
42	DNCR23-4	N/A	620,000
43	DNCR23-5	N/A	10,000,000
44	DNCR23-6	N/A	5,500,000
45	DNCR23-7	N/A	16,721,240
46	DNCR23-8	N/A	4,000,000
47	DNCR23-12	N/A	3,000,000
48	DNCR23-13	N/A	2,500,000
49	DNCR23-14	N/A	2,000,000
50	DNCR23-15	N/A	5,000,000
51	DNCR23-16	N/A	2,800,000

1	DOA22-1	88,000,000	88,000,000
2	DOA22-3	15,000,000	60,000,000
3	DOA23-1	N/A	33,744,000
4	DOA23-2	N/A	
5	4,500,000 <u>6,500,000</u>		
6	DOA23-3	N/A	11,000,000
7	DOA23-4	N/A	15,000,000
8	DOA23-5	N/A	45,000,000
9	DOA23-6	N/A	5,000,000
10	COMM23-1	N/A	250,000
11	DAC23-1	N/A	23,992,000
12	DAC23-2	N/A	2,960,212
13	DAC23-3	N/A	1,521,000
14	DAC23-4	N/A	1,078,000
15	DAC23-6	N/A	3,488,000
16	DPS21-1	10,702,952	14,702,952
17	DPS21-6	7,139,374	10,634,998
18	DPS23-1	N/A	40,450,000
19	DPS23-3	N/A	
20	35,000,000 <u>41,000,000</u>		
21	DPS23-4	N/A	194,000,000
22	DPS23-5	N/A	886,000
23	DPS23-6	N/A	690,000
24	DPS23-7	N/A	43,336,785
25	DPS23-8	N/A	527,000
26	DPS23-9	N/A	5,048,828
27	DPS23-10	N/A	4,198,414
28	DPS23-11	N/A	13,883,000
29	NG23-2	N/A	12,500,000
30	NG23-3	N/A	16,428,582
31	NG23-4	N/A	8,500,000
32	NG23-5	N/A	8,000,000
33	NG23-6	N/A	550,000
34	NG23-9	N/A	3,666,667
35	DPI21-1	23,416,952	30,416,952
36	<u>DPI24-1</u>	<u>N/A</u>	<u>1,500,000</u>
37	DOI21-1	3,500,000	58,500,000
38	TRAN23-1	N/A	350,000,000
39	TRAN23-2	N/A	3,400,000
40	NCGA21-3	269,000,000	320,000,000
41	NCGA23-1	N/A	65,000,000
42	NCGA23-2	N/A	10,000,000
43	UNC/ASU21-1	25,000,000	40,000,000
44	UNC/ASU22-1	9,000,000	50,000,000
45	UNC/ASU23-1	N/A	18,000,000
46	<u>UNC/ASU24-1</u>	<u>N/A</u>	<u>7,000,000</u>
47	UNC/CLT23-1	N/A	36,000,000
48	UNC/CLT23-2	N/A	45,000,000
49	UNC/CLT23-3	N/A	1,500,000
50	UNC/CLT23-4	N/A	25,000,000
51	<u>UNC/CLT24-1</u>	<u>N/A</u>	<u>5,000,000</u>

1	UNC/CH20-1	75,000,000	89,250,000
2	UNC/CH20-2	65,200,000	87,900,000
3	UNC/CH23-1	N/A	25,000,000
4	<u>UNC/CH24-1</u>	<u>N/A</u>	<u>17,500,000</u>
5	<u>UNC/ECS21-2</u>	<u>2,500,000</u>	<u>7,500,000</u>
6	UNC/ECS21-4	34,000,000	54,000,000
7	UNC/ECS23-1	N/A	20,000,000
8	UNC/ECS23-2	N/A	12,500,000
9	<u>UNC/ECS24-1</u>	<u>N/A</u>	<u>3,000,000</u>
10	UNC/ECU21-1	215,000,000	265,000,000
11	UNC/ECU23-1	N/A	46,000,000
12	UNC/ECU23-2	N/A	18,900,000
13	UNC/ECU23-3	N/A	35,000,000
14	UNC/ECU23-4	N/A	50,000,000
15	UNC/ECU23-5	N/A	1,000,000
16	UNC/FSU23-1	N/A	20,750,000
17	UNC/FSU23-2	N/A	10,000,000
18	UNC/A&T23-1	N/A	9,700,000
19	UNC/A&T23-2	N/A	125,500,000
20	UNC/NCC23-1	N/A	12,073,798
21	UNC/NCC23-2	N/A	12,999,424
22	UNC/NCC23-3	N/A	8,500,000
23	UNC/NCS23-1	N/A	30,000,000
24	UNC/NCS23-2	N/A	80,000,000
25	UNC/NCS23-3	N/A	63,000,000
26	UNC/NCS23-4	N/A	120,000,000
27	UNC/NCS23-5	N/A	200,000,000
28	UNC/NCS23-6	N/A	3,000,000
29	UNC/NCS23-7	N/A	4,500,000
30	<u>UNC/NCS24-1</u>	<u>N/A</u>	<u>180,000,000</u>
31	UNC/SSM23-1	N/A	12,000,000
32	UNC/SSM23-2	N/A	28,988,042
33	UNC/SSM23-4	N/A	10,000,000
34	UNC/AVL23-1	N/A	26,150,000
35	UNC/AVL23-2	N/A	5,000,000
36	UNC/AVL23-3	N/A	1,000,000
37	UNC/AVL23-4	N/A	4,000,000
38	<u>UNC/AVL24-1</u>	<u>N/A</u>	<u>2,000,000</u>
39	UNC/GBO23-1	N/A	24,200,000
40	UNC/PEM23-1	N/A	61,000,000
41	UNC/SA23-1	N/A	51,000,000
42	UNC/SA23-2	N/A	24,500,000
43	UNC/WIL23-1	N/A	40,050,000
44	UNC/WIL23-2	N/A	21,600,000
45	UNC/WIL23-3	N/A	12,150,000
46	UNC/WIL23-4	N/A	8,000,000
47	UNC/WCU23-1	N/A	95,300,000
48	UNC/WSS23-1	N/A	10,800,000
49	UNC/WSS23-2	N/A	16,000,000
50	UNC/WSS23-3	N/A	4,000,000
51	UNC/BOG21-1	15,000,000	18,750,000

1	UNC/BOG23-1	N/A	210,000,000
2	UNC/BOG23-2	N/A	150,000,000
3	UNC/BOG23-3	N/A	319,746,392
4	UNC/BOG24-1	N/A	4,000,000
5	UNC/PBS23-1	N/A	49,500,000
6	FLEX21	100,000,000	175,000,000
7	WRC/23-1	N/A	20,000,000

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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:

20	Project Code	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
21							
22	UNC/R&R21	280,503,250,000	298,384.5	200,000	200,000	200,000	200,000
23	R&R21	200,000	200,000	200,000	200,000	200,000	200,000
24	DACS21-2	N/A	2,000	1,500	N/A	N/A	N/A
25	DACS21-4	750	1,850	1,500	N/A	N/A	N/A
26	DACS23-3	N/A	3,000	2,000	4,000	4,000	N/A
27	DACS23-7	N/A	N/A	4,000	N/A	N/A	N/A
28	DACS23-8	N/A	N/A	2,000	1,000	1,000	1,000
29	DACS23-9	N/A	N/A	750	N/A	N/A	N/A
30	DACS23-10	N/A	N/A	2,000	2,000	2,200	N/A
31	DACS23-11	N/A	N/A	N/A	1,500	1,500	N/A
32	DACS23-12	N/A	N/A	N/A	4,000	N/A	N/A
33	DACS23-13	N/A	N/A	N/A	5,000	N/A	N/A
34	DEQ21-1	3,325	28,650	17,075	N/A	N/A	N/A
35	DNCR21-13	15,000	24,250	86,800	30,950	N/A	N/A
36	DNCR23-1	3,000	3,000	30,000	24,000	N/A	N/A
37	DNCR23-7	2,000	7,721.24	7,000	N/A	N/A	N/A
38	DOA22-1	N/A	N/A	8,800	22,000	35,200	22,000
39	DOA22-3	N/A	N/A	N/A	N/A	21,000	N/A
40	DOA23-1	500	N/A	N/A	N/A	1,000	20,244
41	DOA23-2	2,900	800	800	N/A	N/A	N/A
42	DOA23-3	N/A	N/A	N/A	N/A	N/A	11,000
43	DOA23-4	N/A	N/A	15,000	N/A	N/A	N/A
44	DOA23-5	2,000	3,000	40,000	N/A	N/A	N/A
45	DOI21-1	5,500	13,750	49,500	22,000	N/A	N/A
46	DAC23-1	4,776.39	9,607.8	9,607.8	N/A	N/A	N/A
47	DAC23-6	N/A	449	2,439	600	N/A	N/A
48	DPS21-6	N/A	836.88	2,658.75	N/A	N/A	N/A
49	DPS21-9	3,268.05	30,000	19,793.24	N/A	N/A	N/A
50	DPS23-1	N/A	600	10,000	29,850	N/A	N/A
51	DPS23-3	N/A	4,400	8,500	13,600	8,500	N/A

1	DPS23-4	N/A	N/A	N/A	N/A	N/A	19,000			
2	DPS23-7	2,000	4,333.68	10,834.2	17,334.71	8,834.2	N/A			
3	DPS23-9	1,000	2,024.4	2,024.4	N/A	N/A	N/A			
4	DPS23-11	2,028.5	5,927.25	5,927.25	N/A	N/A	N/A			
5	NG23-1	4,000	6,000	6,000	N/A	N/A	N/A			
6	NG23-2	1,500	6,000	5,000	N/A	N/A	N/A			
7	NG23-4	N/A	2,000	6,500	N/A	N/A	N/A			
8	NG23-5	N/A	N/A	800	4,000	3,200	N/A			
9	NG23-9	N/A	666.7	3,000	N/A	N/A	N/A			
10	TRAN23-1	50,000	125,000	125,000	50,000	N/A	N/A			
11	NCGA21-3	N/A	N/A	65,250	74,750	N/A	N/A			
12	NCGA23-1	6,500	16,250	26,000	16,250	N/A	N/A			
13	WRC23-1	8,000	6,000	6,000	N/A	N/A	N/A			
14	UNC/ASU21-1	N/A	7,500	7,500	N/A	N/A	N/A			
15	UNC/ASU22-1	N/A	4,100	19,003.7	12,300	21,996.3	14,350	N/A	10,250	N/A
16	UNC/ASU23-1	N/A	1,800	6,300	9,900	N/A	N/A			
17	UNC/CLT23-1	N/A	3,600	N/A	5,449.1	12,600	26,950.9	19,800	N/A	
18	UNC/CLT23-2	N/A	N/A	N/A	N/A	N/A	4,500	N/A		
19	UNC/CH20-2	N/A	15,756.95	17,693.05	N/A	N/A	N/A			
20	UNC/CH23-1	N/A	N/A	N/A	N/A	2,500	10,000			
21	UNC/ECS21-4	N/A	30,827.27	9,172.73	N/A	N/A	N/A			
22	UNC/ECS23-1	N/A	2,000	8,000	10,000	N/A	N/A			
23	UNC/ECS23-2	N/A	N/A	N/A	N/A	1,250	N/A			
24	UNC/ECU21-1	N/A	20,000	84,007.3	85,742.72	N/A	N/A			
25	UNC/ECU23-1	N/A	4,600	13,800	16,100	11,500	N/A			
26	UNC/ECU23-2	N/A	N/A	N/A	N/A	1,890	N/A			
27	UNC/ECU23-3	8,750	17,500	8,750	N/A	N/A	N/A			
28	UNC/FSU21-2	N/A	36,376.1	6,573.9	N/A	N/A	N/A			
29	UNC/FSU23-1	N/A	N/A	N/A	N/A	2,075	N/A			
30	UNC/FSU23-2	1,000	3,500	5,500	N/A	N/A	N/A			
31	UNC/A&T23-1	970	3,395	5,335	N/A	N/A	N/A			
32	UNC/A&T23-2	N/A	N/A	N/A	N/A	2,000	18,825			
33	UNC/NCC23-1	1,207.4	N/A	4,829.5	6,036.9	N/A	N/A			
34	UNC/NCC23-2	N/A	1,299.94	N/A	4,549.8	7,149.68	N/A			
35	UNC/NCC23-3	N/A	850	N/A	2,975	4,675	N/A			
36	UNC/NCS20-1	N/A	6,025.2	22,224.8	N/A	N/A	N/A			
37	UNC/NCS23-1	N/A	3,000	27,000	N/A	N/A	N/A			
38	UNC/NCS23-2	N/A	8,000	24,000	56,741.7	28,000	15,258.3	20,000	N/A	
39	UNC/NCS23-3	N/A	6,300	18,900	42,814.3	22,050	13,885.7	15,750	N/A	
40	UNC/NCS23-4	N/A	N/A	7,000	35,000	33,942.9	35,000	29,057.1	N/A	
41	UNC/NCS23-5	N/A	N/A	N/A	20,000	60,000	60,000			
42	UNC/NCS24-1	N/A	5,000	N/A	N/A	87,500	87,500			
43	UNC/SSM23-2	N/A	12,750	3,500	11,663.5	N/A	4,574.6	12,738.4	N/A	
44	UNC/SSM23-4	N/A	N/A	N/A	N/A	1,000	N/A			
45	UNC/AVL23-1	2,615	6,537.5	11,767.5	5,230	N/A	N/A			
46	UNC/GBO23-1	N/A	2,420	N/A	8,470	13,310	N/A			
47	UNC/PEM21-1	N/A	N/A	N/A	N/A	26,927	36,400	32,223	22,750	N/A
48	UNC/PEM23-1	N/A	6,100	24,400	30,500	N/A	N/A			
49	UNC/SA23-1	5,100	12,750	22,950	N/A	10,200	13,321.2	N/A	19,828.8	
50	UNC/SA23-2	N/A	N/A	N/A	N/A	2,450	8,575			
51	UNC/WIL23-1	N/A	4,005	10,012.5	16,020	10,012.5	N/A			

1	UNC/WIL23-2	N/A	2,160	5,400	8,640	5,400	N/A
2	UNC/WIL23-3	N/A	1,215	4,860	6,075	N/A	N/A
3	UNC/WCU23-1	N/A	2,000	N/A	9,530	33,355	50,415
4	UNC/WSS21-1	N/A	N/A	N/A 37,050	N/A	22,800 N/A	14,250N/A
5	UNC/WSS23-1	N/A	800	1,080	N/A	3,780	5,140
6	UNC/WSS23-2	N/A	800	1,600	N/A	5,600	8,000
7	UNC/BOG21-1	3,750	3,750	3,750	3,750	N/A	N/A
8	UNC/BOG23-1	25,000	80,000	105,000	N/A	N/A	N/A
9	UNC/BOG23-3	143,864.4	72,382	103,500	N/A	N/A	N/A
10	<u>UNC/BOG24-1</u>	<u>N/A</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>N/A</u>
11	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

Name of Project	Funding Authorized	
	FY 2023-2024	FY 2024-2025
Department of Natural and Cultural Resources		
Electric Vehicle Fast Chargers	\$2,000,000	\$0
Brunswick Town State Historic Site– Historical Restorations	150,000	0
<u>Mary Ann Brittain Education Center</u>	<u>0</u>	<u>2,200,000</u>
<u>Fort Fisher Aquarium Energy Efficiency System</u>	<u>0</u>	<u>2,000,000</u>
<u>Jennette's Pier Weather Station Upgrades</u>	<u>0</u>	<u>100,000</u>
Department of Agriculture and Consumer Services		
Arena and Barn Replacement	1,900,000	0
ASC Lab Renovation	400,000	0
Grain Storage and Drying Improvements	370,000	0
Equipment Shelters Replacement	0	300,000
NCFS Facility and Infrastructure Improvements	1,000,000	0
PTFM Facility and Infrastructure Improvements	1,000,000	0
Raleigh FM Facility and Infrastructure Improvements	1,000,000	0
RS Infrastructure Repairs and Renovations	1,250,000	0
State Fair Gate 8 Restroom Renovation	1,500,000	0
State Fair Infrastructure Improvements	20,000,000	0
State Fair Lunch Facility Renovation	25,500,000	0
Vet Infrastructure Repairs and Renovations	250,000	0
WNCAGCTR Facility and Infrastructure Improvements	1,250,000	0
<u>State Fair Flower Show Building</u>	<u>0</u>	<u>2,250,000</u>
<u>Piedmont Aviary</u>	<u>0</u>	<u>2,000,000</u>
<u>Raleigh State Farmers Market Improvements</u>	<u>0</u>	<u>5,000,000</u>
Department of Public Safety		
Alcoholic Beverage Control– Warehouse Precast Repair	275,000	0
ABC New Campus–Advanced Planning	4,700,000	0
Department of Adult Correction		
Old Craggy Laundry Wastewater/Stormwater Repl.	742,000	0

1	Wildlife Resources Commission		
2	Land Acquisition	5,000,000	5,000,000
3	Game Land Improvements	2,000,000	0
4	Caswell Depot Expansion	2,460,000	0
5	Mills River Equipment Storage	355,000	0
6	Morganton Depot Equipment Storage	340,000	0
7	Rhems Depot Equipment Storage	415,000	0
8	Troy Depot Office/Shop & Storage	1,900,000	0
9	Shooting Range Office & Classroom Constr.	3,100,000	0
10	Mount Holly Depot	0	2,400,000
11	Marion Aquaculture Building	0	600,000
12	<u>Sykes Depot Greenhouse</u>	<u>0</u>	<u>60,000</u>
13	<u>D7 Storage Building</u>	<u>0</u>	<u>400,000</u>
14	<u>Caswell Shooting Range Expansion</u>	<u>0</u>	<u>3,850,000</u>
15	<u>Coastal Restoration & Resiliency</u>	<u>0</u>	<u>500,000</u>
16	<u>Washington Baum Bridge Public Fishing Access</u>	<u>0</u>	<u>875,000</u>
17	<u>Department of Military and Veterans Affairs</u>		
18	<u>Sandhills State Veterans Cemetery</u>	<u>0</u>	<u>2,307,236</u>
19	<u>Eastern Carolina State Veterans Cemetery</u>	<u>0</u>	<u>507,150</u>
20	<u>Coastal Carolina State Veterans Cemetery</u>	<u>0</u>	<u>771,750</u>
21	<u>Salisbury State Veterans Home</u>	<u>0</u>	<u>11,438,910</u>

22
 23 **TOTAL AMOUNT OF NON-GENERAL**
 24 **FUND/NON-SCIF CAPITAL PROJECTS**
 25 **AUTHORIZED**

\$78,857,000 **\$8,300,000**
\$42,560,046"

26
 27
 28 **VARIOUS CAPITAL CHANGES & CORRECTIONS**

29 **SECTION 40.4.(a)** Section 40.1(i) of S.L. 2023-134 is repealed.

30 **SECTION 40.4.(b)** Notwithstanding G.S. 143C-8-11, the funding allocated for the
 31 repairs and renovations of the historic Superintendent's House located on the campus of North
 32 Carolina School for the Deaf described in Section 40.1(c1)(5) of S.L. 2021-180 shall not revert
 33 and the project authorization shall not lapse until the project has been completed.

34 **SECTION 40.4.(c)** Notwithstanding Section 23.12(g) of S.L. 2006-66 and Section
 35 31.22 of S.L. 2015-241, or any other provision of law to the contrary, the Department of Adult
 36 Correction may use up to one million six hundred twelve thousand four hundred eighty-one
 37 dollars (\$1,612,481) from the projects described in Section 23.12(g) of S.L. 2006-66 and Section
 38 31.22 of S.L. 2015-241 to finance capital facility costs of HVAC projects at State facilities. No
 39 additional special indebtedness may be issued or incurred to finance these projects. The use of
 40 funds authorized by this subsection shall not require further approval by the Council of State
 41 pursuant to Chapter 142 of the General Statutes.

42 **SECTION 40.4.(d)** Section 40.1(a) of S.L. 2023-134 reads as rewritten:

43 **"SECTION 40.1.(a)** The following agency capital improvement projects have been assigned
 44 a project code for reference to allocations in this Part, past allocations, and for intended project
 45 support by the General Assembly for future fiscal years:

46 ...

47 East Carolina University–

48 Brody School of Medicine	UNC/ECU21-1
49 Howell Science Building North–Comprehensive Renovation	UNC/ECU23-1
50 Leo Jenkins Building/Health Sciences–Comprehensive Renovation	UNC/ECU23-2
51 Medical Examiner Office	UNC/ECU23-3

1	Regional Children's Behavioral Health Facility	UNC/ECU23-4
2	Dental School Planning	UNC/ECU23-5
3	...	
4	University of North Carolina at Wilmington–	
5	Cameron Hall–Comprehensive Renovation/Expansion	UNC/WIL23-1
6	Kenan Auditorium–Comprehensive Renovation/Expansion	UNC/WIL23-2
7	DeLoach Hall–Modernization	UNC/WIL23-3
8	Health Education S.T.E.M. Bldg.	UNC/WIL23-4
9"	

10 **SECTION 40.4.(e)** Notwithstanding the Committee Report described in Section 43.2
 11 of S.L. 2023-134 or any provision of law to the contrary, the funding allocated from the State
 12 Capital and Infrastructure Fund to the University of North Carolina at Wilmington in the sum of
 13 eight million dollars (\$8,000,000) in nonrecurring funds for the 2023-2024 fiscal year shall be
 14 used to for the planning and construction of the S.T.E.M. building and related capital
 15 improvements or equipment.

16 **SECTION 40.4.(f)** Notwithstanding the Committee Report described in Section 43.2
 17 of S.L. 2023-134 or any other provision of law to the contrary, the funding allocated from the
 18 State Capital and Infrastructure Fund to East Carolina University in the sum of fifty million
 19 dollars (\$50,000,000) in nonrecurring funds for the 2023-2024 fiscal year shall be used to
 20 construct a Regional Behavioral Health facility in Greenville.

21
 22 **DOWNTOWN GOVERNMENT COMPLEX**

23 **SECTION 40.5.(a)** The Department of Administration shall sell the property situated
 24 on the parcel of land in the City of Raleigh, with Wake County real estate ID# 0179265,
 25 commonly known as 304 N. Dawson Street, for fair market value. No service charge into the
 26 State Land Fund shall be deducted from or levied against the proceeds of the sale of the property
 27 listed in this subsection. Notwithstanding G.S. 146-30, the proceeds of the sale of the property
 28 listed in this subsection shall be handled in accordance with the following priority:

- 29 (1) First, in accordance with the provisions of any trust or other instrument of title
- 30 whereby title to the subject real property was acquired by the State.
- 31 (2) Second, to reimburse the Department of Administration for any funds
- 32 expended in the sale of the subject real property.
- 33 (3) Third, to be deposited into the State Capital and Infrastructure Fund,
- 34 established in G.S. 143C-4-3.1.

35 The Department of Administration shall obtain an appraisal assessing the value for
 36 the property listed in this subsection according to their best and highest use and shall submit the
 37 appraisal to the Joint Legislative Oversight Committee on Capital Improvements and the Fiscal
 38 Research Division no later than January 1, 2025.

39 **SECTION 40.5.(b)** The Department of Administration shall prepare a plan that,
 40 within 18 months of the effective date of this section, would consolidate and move the offices of
 41 the State Records Center and any storage or satellite facilities related to the State Records Center
 42 to another location outside of the downtown government complex. The Department of
 43 Administration shall consider options for lease or purchase and shall submit its plan and cost
 44 estimates to the Joint Legislative Oversight Committee on Capital Improvements and the Fiscal
 45 Research Division no later than March 1, 2025.

46 **SECTION 40.5.(c)** This section is effective when it becomes law.

47
 48 **UNC SYSTEM OFFICE APPROVAL OF PLANNING EXPENDITURES**

49 **SECTION 40.6.** G.S. 143C-8-12 reads as rewritten:

50 "**§ 143C-8-12. Capital improvement projects from sources other than the General Fund.**

- 1 (a) University Projects. – Notwithstanding any other provision of this Chapter, the Board
 2 of Governors of The University of North Carolina may approve any of the following:
 3 (1) Expenditures to plan a capital improvement project of The University of North
 4 Carolina, the planning for which is to be funded entirely with non-General
 5 Fund and non-State Capital and Infrastructure Fund monies.
 6 (2) Expenditures for a capital improvement project of The University of North
 7 Carolina that is to be funded and operated entirely with non-General Fund and
 8 non-State Capital and Infrastructure Fund monies.
 9 (3) A change in the scope of any previously approved capital improvement project
 10 of The University of North Carolina provided that both the project and change
 11 in scope are funded entirely with non-General Fund and non-State Capital and
 12 Infrastructure Fund monies.

13 For projects authorized by an act of the General Assembly and funded with an allocation
 14 from the State Capital and Infrastructure Fund, expenditures to a non-State third-party on project
 15 planning, project management, or other consulting services by a constituent institution of The
 16 University of North Carolina shall be subject to approval by The University of North Carolina
 17 System Office. Nothing in this subsection shall be construed to prohibit expenditures for planning
 18 for a project that has been authorized by an act of the General Assembly and funded with an
 19 allocation from the State Capital and Infrastructure Fund.

20 (b) Carryforward Funds. – For purposes of this section, the term "non-General Fund and
 21 non-State Capital and Infrastructure Fund monies" includes funds carried forward from one fiscal
 22 year to another pursuant to G.S. 116-30.3 and G.S. 116-30.3B. These funds shall only be used
 23 for projects listed in G.S. 143C-8-13(a).

24 (c) National Guard Projects. – Notwithstanding any other provision of this Chapter, the
 25 North Carolina National Guard may approve expenditures for a capital project of the North
 26 Carolina National Guard if (i) the project will be funded entirely with federal funds and (ii) any
 27 operating costs associated with the project will be paid entirely with federal funds.

28 (d) Reporting. – The Board of Governors and the National Guard shall report any
 29 expenditure made pursuant to this section to the Office of State Budget and Management and to
 30 the Joint Legislative Commission on Governmental Operations."
 31

32 **CLARIFY SCIF RIVER DEBRIS/FLOOD RESILIENCY BLUEPRINT**
 33 **AUTHORIZATION**

34 **SECTION 40.7.(a)** Section 40.7(a) of S.L. 2021-180, as amended by Section 2 of
 35 S.L. 2022-43, reads as rewritten:

36 "**SECTION 40.7.(a)** Funds transferred from the State Capital and Infrastructure Fund to the
 37 Department of Environmental Quality (Department) for stream debris removal shall be used for
 38 (i) the removal and disposal of waterway debris from waters of the State located in a targeted
 39 river -basin or (ii) other flood mitigation strategies throughout the State prioritized through the
 40 Flood Resiliency Blueprint developed under the directive set forth in Section 5.9(c) of this act.
 41 The Department shall develop a schedule for the removal and disposal of waterway debris from
 42 waters of the State located in a targeted river basin and shall contract with one or more appropriate
 43 and qualified private entities to carry out the debris removal and disposal activities. The
 44 Department may enter into a memorandum of understanding with another state agency for the
 45 purposes of implementing this section."

46 **SECTION 40.7.(b)** Section 40.7(e)(2) of S.L. 2021-180 reads as rewritten:

47 "(2) Targeted river basins. – The Neuse River basin, the Cape Fear River basin,
 48 the Lumber River basin, the Tar-Pamlico River basin, the French Broad River
 49 Basin, and the White Oak River basin."
 50

51 **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 report on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

BUDGET ALIGNMENT AND TRANSPARENCY

SECTION 41.3.(a) The Chief Financial Officer of the Department of Transportation (CFO), in consultation with the Office of State Budget and Management, Office of the State Controller, and the Fiscal Research Division, shall align the internal ledger and business practices of the Department of Transportation with the Department's certified budget in accordance with the standards established by the Governmental Accounting Standards Board (GASB). For this purpose, the CFO shall use the State Accounting System to guide the development and adoption of procedures to ensure that budget compliance, including the movement of appropriations across fiscal years, is clearly documented. The requirements of this section shall be completed by July 1, 2025.

1 **SECTION 41.3.(b)** Beginning October 1, 2024, and every quarter thereafter until
2 the completion date set forth in subsection (a) of this section, the CFO shall submit progress
3 reports on the implementation of this section to the Joint Legislative Transportation Oversight
4 Committee (JLTOC) and the Fiscal Research Division.

5
6 **DOT RECLASSIFICATION AUTHORITY FOR CERTAIN POSITIONS**

7 **SECTION 41.4.** Notwithstanding any other provision of law to the contrary, the
8 Department of Transportation shall reclassify a sufficient number of positions to fund the
9 following positions. The Department may only reclassify a position if the position has been
10 vacant for more than 365 days. Reclassification under the authority of this section shall be in
11 accordance with the classification system established by the State Human Resources
12 Commission. The positions are as follows:

- 13 (1) Up to 20 full-time equivalent (FTE) positions in the Division of Motor
14 Vehicles for Driver License Examiner I positions.
15 (2) One FTE Title VI Program Coordinator and one FTE Work Force Program
16 Coordinator in the Office of Civil Rights.
17

18 **MODIFICATION TO MONTHLY STATEMENT REPORT**

19 **SECTION 41.5.** The Department of Transportation shall modify its monthly
20 financial statement report, as required by G.S. 143C-6-11(q), by separating electric vehicle
21 registration fees from staggered registration in the "Statement of Fees, Taxes, and Other" for the
22 Highway Fund.
23

24 **CORRECT BASE BUDGET TO ACCURATELY REFLECT DMV ELECTRONIC**
25 **PAYMENT TRANSACTION FEES IN THE BASE BUDGET**

26 **SECTION 41.6.** The Division of Motor Vehicles (Division) of the Department of
27 Transportation (Department) and the Financial Management Division of the Department shall
28 work with the Office of State Budget and Management to ensure the Base Budget for Budget
29 Fund 801176 accurately reflects the projected requirements and receipts needed to ensure that
30 credit card transaction fees the Division pays to its vendor for electronic payment processing are
31 fully receipt supported. The Division shall adjust receipt projections in accordance with
32 G.S. 143C-3-5(b)(2)c. and shall adjust Base Budget requirements to match those projected
33 receipts. In calculating the Base Budget requirements, the Department of Transportation shall
34 only include transaction fees directly collected by the Division to cover service charges paid by
35 the Division to vendors for credit card transaction fees.
36

37 **REPEAL OVERSIGHT EXEMPTION FOR DMV MODERNIZATION PROJECTS/RFP**
38 **FOR DMV MODERNIZATION**

39 **SECTION 41.8.(a)** Section 11 of S.L. 2021-134 is repealed, and the provisions of
40 Part 4 of Article 15 of Chapter 143B of the General Statutes shall apply to the Department of
41 Information Technology's (DIT) procurement of information technology under this section,
42 including the provisions related to the issuance of requests for proposals.

43 **SECTION 41.8.(b)** The Department of Transportation shall:

- 44 (1) Immediately terminate any non-contractually binding memorandum of
45 understanding or memorandum of agreement entered into pursuant to the
46 exemption created by Section 11 of S.L. 2021-134.
47 (2) Allow to expire and not renew any contract entered into pursuant to the
48 exemption created by Section 11 of S.L. 2021-134.

49 **SECTION 41.8.(c)** It is the intent of the General Assembly to modernize the
50 Information Technology (IT) systems of the Division of Motor Vehicles of the Department of
51 Transportation (DMV) by contracting for the replacement of all DMV IT functions currently

1 supported by the DMV's mainframe system. DIT shall develop and issue a Request for Proposal
2 (RFP) no later than October 1, 2024, to contract with a third-party vendor (contractor) to develop
3 replacements for the DMV's IT functions, including all of the following systems: (i) the State
4 Titling and Registration System; (ii) the State Automated Driver License System; (iii) the
5 Liability Insurance Tracking and Enforcement System; (iv) all IT systems supporting the
6 enforcement of emission and safety inspection requirements; and (v) the North Carolina Crash
7 Reporting System. DIT shall contract with the contractor for the complete modernization and
8 replacement of these systems, notwithstanding any currently pending contracts. Current
9 functions of the DMV's mainframe system may be exempted from this RFP if the functions
10 supported by those systems are no longer necessary for DMV's operations. No later than January
11 1, 2025, DIT shall select a contractor with a demonstrated ability to replace and modernize
12 DMV's IT functions in an expeditious, efficient, and cost-effective manner.

13 **SECTION 41.8.(d)** No later than January 1, 2025, DIT shall report the RFP issued
14 and the contractor selected. Every six months thereafter, DIT shall report on the contractor's
15 progress in replacing and Modernizing DMV's IT systems, including a report detailing
16 completion of the IT modernization and replacement project. The reports required by this
17 subsection shall be distributed to the Fiscal Research Division and the chairs of all of the
18 following:

- 19 (1) The Joint Legislative Transportation Oversight Committee.
- 20 (2) The Joint Legislative Oversight Committee on Information Technology.
- 21 (3) The House and Senate Transportation Appropriations Committees.
- 22 (4) The Senate Appropriations Committee on General Government and
23 Information Technology.
- 24 (5) The House Appropriations Committee on General Government.

25 **SECTION 41.8.(e)** This section expires upon submission of the final
26 post-completion report required under subsection (d) of this section or January 1, 2026,
27 whichever is earlier.

29 APPOINTMENT OF COMMISSIONER OF MOTOR VEHICLES

30 **SECTION 41.9.(a)** G.S. 20-2 reads as rewritten:

31 "**§ 20-2. Commissioner of Motor Vehicles; rules.**

32 (a) ~~Commissioner and Assistants.~~ Commissioner. – The Division of Motor Vehicles shall
33 be administered by the Commissioner of Motor Vehicles, who shall be appointed by and serve
34 at the pleasure of the ~~Secretary of the Department of Transportation.~~ Governor. The
35 Commissioner's appointment shall be subject to confirmation by the General Assembly by joint
36 resolution. If a vacancy arises or exists pursuant to this subsection when the General Assembly
37 is not in session, the Governor may appoint a Commissioner to serve on an interim basis pending
38 confirmation by the General Assembly. For the purposes of this subsection, the General
39 Assembly is not in session only (i) prior to convening of the Regular Session, (ii) during any
40 adjournment of the Regular Session for more than 10 days, and (iii) after sine die adjournment
41 of the Regular Session.

42 (a1) Commissioner Salary. – The Commissioner shall be paid an annual salary to be fixed
43 by the Governor and allowed traveling expenses as allowed by law.

44 (a2) Assistants. – In any action, proceeding, or matter of any kind, to which the
45 Commissioner of Motor Vehicles is a party or in which he may have an interest, all pleadings,
46 legal notices, proof of claim, warrants for collection, certificates of tax liability, executions, and
47 other legal documents, may be signed and verified on behalf of the Commissioner of Motor
48 Vehicles by the Assistant Commissioner of Motor Vehicles or by any director or assistant director
49 of any section of the Division of Motor Vehicles or by any other agent or employee of the
50 Division so authorized by the Commissioner of Motor Vehicles.

1 (b) Rules. – The Commissioner may adopt rules to implement this Chapter. Chapter 150B
2 of the General Statutes governs the adoption of rules by the Commissioner."

3 **SECTION 41.9.(b)** This section is effective when it becomes law.
4

5 **FERRY DRY DOCK USE OF FUNDS REPORT**

6 **SECTION 41.10.** No later than October 1, 2024, and quarterly thereafter until the
7 funds are expended, the Ferry Division shall submit a progress report to the Joint Legislative
8 Transportation Oversight Committee and the Fiscal Research Division on the use of funds
9 appropriated by this act to the Ferry Division for marine vessel dry docking. The report shall
10 include the following information by fiscal year:

- 11 (1) A list of all marine vessels scheduled or under contract for dry docking.
- 12 (2) The estimated cost of the work to be completed for each marine vessel sent to
13 a private shipyard for dry dock.
- 14 (3) The actual cost of the work and the total funds used as of the report date.
15

16 **WAKE AND JONES COUNTY MAINTENANCE YARDS**

17 **SECTION 41.11.(a)** Jones County. – Notwithstanding subdivision (1) of Section 1.7
18 of S.L. 2019-251, of the remaining funds from the thirty million dollars (\$30,000,000)
19 appropriated for Hurricane Dorian debris removal and highway infrastructure repair, twenty-five
20 million two hundred thousand dollars (\$25,200,000) shall be used by the Department of
21 Transportation to fund relocation of the Jones County maintenance yard. Any remaining funds
22 shall be transferred to the General Fund.

23 **SECTION 41.11.(b)** Wake County. – The Department of Transportation and the
24 Department of Agriculture and Consumer Services shall extend the period in which the
25 Department of Transportation must relocate the Wake County maintenance yard by one year
26 from the date of their current agreement.
27

28 **REQUIRE PRIVATE ENTITY TO ADMINISTER LOGO SIGN PROGRAM**

29 **SECTION 41.12.(a)** G.S. 136-89.56 reads as rewritten:

30 **"§ 136-89.56. Commercial enterprises.**

31 (a) No commercial enterprises or activities shall be authorized or conducted by the
32 Department of Transportation, or the governing body of any city or town, within or on the
33 property acquired for or designated as a controlled-access facility, as defined in this Article,
34 except for:

- 35 (1) Materials displayed at welcome centers which shall be directly related to
36 travel, accommodations, tourist-related activities, tourist-related services, and
37 attractions. The Department of Transportation shall issue rules regulating the
38 display of these materials. These materials may contain advertisements for
39 real estate; and
- 40 (2) Vending machines permitted by the Department of Transportation and placed
41 by the Division of Services for the Blind, Department of Health and Human
42 Services, as the State licensing agency designated pursuant to Section 2(a)(5)
43 of the Randolph-Sheppard Act (20 USC 107a(a)(5)). The Department of
44 Transportation shall regulate the placing of the vending machines in highway
45 rest areas and shall regulate the articles to be dispensed. In order to permit the
46 establishment of adequate fuel and other service facilities by private owners
47 or their lessees for the users of a controlled-access facility, the Department of
48 Transportation shall permit access to service or frontage roads within the
49 publicly owned right-of-way of any controlled-access facility established or
50 designated as provided in this Article, at points which, in the opinion of the
51 Department of Transportation, will best serve the public interest. The location

1 of such fuel and other service facilities may be indicated to the users of the
2 controlled-access facilities by appropriate signs, the size, style, and
3 specifications of which shall be determined by the Department of
4 Transportation.

5 (b) The location of fuel, gas, food, lodging, camping, and attraction facilities may be
6 indicated to the users of the controlled-access facilities by appropriate logos placed on signs
7 owned, controlled, and erected within the right-of-way of fully and partially controlled-access
8 highways by the Department of Transportation.

9 (c) The Department shall contract with a private entity to administer the erection of signs
10 and placement of logos, as authorized by this section (Logo Sign Program). The responsibilities
11 of the private entity shall include the following: acquisition and erection of signs; design,
12 manufacture, and placement of logos on signs; maintenance of signs and logos; receipt and
13 response to information request concerning the program; and management of the financial
14 transactions related to the program. The owners, operators or lessees of fuel, gas, food, lodging,
15 camping, and attraction facilities who wish to place a logo identifying their business or service
16 on a sign shall furnish a logo meeting the size, style and specifications determined by the
17 Department of Transportation and shall pay the Department of Transportation a fee set by the
18 vendor and approved by the Board of Transportation. The Board shall set the fee set by the vendor
19 shall be determined based on market rates for the number of vehicles that pass by the sign,
20 reflecting the value of the visibility and access provided to the participating businesses and to
21 cover the initial costs of signs, sign installation, and maintenance, and the costs of administering
22 the logo sign program. The Transportation Mobility and Safety Division of the Department of
23 Transportation shall administer the logo sign program, including receiving requests for
24 information concerning the logo sign program."

25 **SECTION 41.12.(b)** The following rules are repealed: 19A NCAC 02E .0216 and
26 19A NCAC 02E .0221. The Department of Transportation may adopt temporary rules and shall
27 adopt permanent rules consistent with subsection (a) of this section.

28 **SECTION 41.12.(c)** No later than 120 days after the effective date of this act, the
29 Department shall issue a Request for Proposal (RFP) and select a vendor in accordance with this
30 section.

31 **LOCAL REGULATION OF BUSINESS SIGNS REMOVED BECAUSE OF** 32 **DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION**

33 **SECTION 41.13.** G.S. 136-131.5 is amended by adding a new subsection to read:

34 "(e) The relocation of a lawfully erected outdoor advertising sign that is removed because
35 of Department of Transportation right-of-way acquisition shall be subject to the local ordinances
36 and regulations that were in effect at the time the outdoor advertising sign was lawfully erected.
37 This subsection does not apply to subsequent changes to the State Building Code since the
38 outdoor advertising sign was lawfully erected."

39 **AIRPORT IMPROVEMENT FUNDS SHALL NOT REVERT**

40 **SECTION 41.14.** Notwithstanding G.S. 143C-1-2(b), G.S. 63-74(d), Section 41.4
41 of S.L. 2022-74, or any other provision of law to the contrary, funds allocated for airport
42 improvements on or after July 1, 2019, by Section 4.7 of S.L. 2019-231, Section 2.2(j) of S.L.
43 2023-134, or any other act of the General Assembly shall not revert but shall remain available to
44 expend until completion of the improvement.
45

46 **REQUIRE DMV TO DEVELOP WORK ZONE SAFETY TRAINING COURSE**

47 **SECTION 41.15.(a)** G.S. 20-7 reads as rewritten:

48 "**§ 20-7. Issuance and renewal of drivers licenses.**
49
50

1 (a) License Required. – To drive a motor vehicle on a highway, a person must be licensed
 2 by the Division under this Article or Article 2C of this Chapter to drive the vehicle and must
 3 carry the license while driving the vehicle. The Division issues regular drivers licenses under this
 4 Article and issues commercial drivers licenses under Article 2C.

5 ...

6 A person holding a commercial drivers license issued by another jurisdiction must apply for
 7 a transfer and obtain a North Carolina issued commercial drivers license within 30 days of
 8 becoming a resident. Any other new resident of North Carolina who has a drivers license issued
 9 by another jurisdiction must obtain a license from the Division within 60 days after becoming a
 10 ~~resident~~ resident, and the Division shall, at minimum, require completion of the highway work
 11 zone training course implemented pursuant to G.S. 20-88.1 before issuing that license.

12 ...

13 (c) Tests. – To demonstrate physical and mental ability, a person must pass an
 14 examination. The examination may include road tests, vision tests, oral tests, and, in the case of
 15 literate applicants, written tests, as the Division may require. The tests must ensure that an
 16 applicant (i) recognizes the handicapped international symbol of access, as defined in
 17 ~~G.S. 20-37.5~~-G.S. 20-37.5, and (ii) has completed the highway work zone safety training course
 18 implemented by the Division pursuant to G.S. 20-88.1. The Division may not require a person
 19 who applies to renew a license that has not expired to take a written test or a road test unless one
 20 or more of the following applies:

- 21 (1) The person has been convicted of a traffic violation since the person's license
 22 was last issued.
- 23 (2) The applicant suffers from a mental or physical condition that impairs the
 24 person's ability to drive a motor vehicle.

25"

26 **SECTION 41.15.(b)** G.S. 20-88.1 reads as rewritten:

27 "**§ 20-88.1. Driver education.**

28 ...

29 (e) The Division shall develop a training course, or identify an existing training course,
 30 to educate individuals on the safe operation of a motor vehicle within a highway work zone, as
 31 that term is defined in G.S. 20-141. With respect to the training course developed or identified
 32 pursuant to this subsection, the Division shall do both of the following:

- 33 (1) Ensure the training course is accessible to the public both in person and on the
 34 Division's website.
- 35 (2) Develop a method for a person to demonstrate successful completion of the
 36 training course."

37 **SECTION 41.15.(c)** The Division of Motor Vehicles of the Department of
 38 Transportation (Division), in consultation with the Department of Public Instruction, shall do all
 39 of the following:

- 40 (1) Develop a training course, or identify an existing training course, to educate
 41 individuals on the safe operation of a motor vehicle within a highway work
 42 zone, as that term is defined in G.S. 20-141.
- 43 (2) With respect to the training course developed or identified pursuant to this
 44 subsection, develop a plan to do all of the following:
 - 45 a. Make the training course developed or identified pursuant to this
 46 section available to the public both in person and on the Division's
 47 website.
 - 48 b. Establish a method for a person to demonstrate completion of the
 49 training course.
 - 50 c. Integrate the training course into the driver education program
 51 established pursuant to G.S. 115C-215.

- 1 (3) No later than March 31, 2025, the Division shall submit a report to the House
2 of Representatives Appropriations Committee on Transportation, the Senate
3 Appropriations Committee on the Department of Transportation, and the
4 Fiscal Research Division. The report shall contain an update on the Division's
5 progress in complying with the requirements of this subsection.

6 **SECTION 41.15.(d)** Subsections (a) and (b) of this section become effective
7 December 1, 2025. The remainder of this section is effective when it becomes law.

8
9 **PART XLII. FINANCE**

10
11 **ALLOW SINGLE APPLICATION FOR LEGACY AIRPORT PROPERTY TAX**
12 **EXCLUSION**

13 **SECTION 42.1.(a)** G.S. 105-282.1(a)(2)b. reads as rewritten:

- 14 "b. Special classes of property excluded from taxation under
15 G.S. 105-275(3), (7), (8), (12), (17), (18), (19), (20), (21), (31e), (35),
16 (36), (38), (39), (41), (45), (46), (47), (48), ~~or (49)-(49), or (50)~~ or
17 under G.S. 131A-21."

18 **SECTION 42.1.(b)** This section is effective when it becomes law.

19
20 **PART XLIII. MISCELLANEOUS**

21
22 **STATE BUDGET ACT APPLIES**

23 **SECTION 43.1.** The provisions of the State Budget Act, Chapter 143C of the
24 General Statutes, are reenacted and shall remain in full force and effect and are incorporated in
25 this act by reference.

26
27 **COMMITTEE REPORT**

28 **SECTION 43.2.(a)** The North Carolina House Appropriations Committee Report on
29 the Current Operations Appropriations Act of 2024, Proposed Committee Substitute for H263,
30 which was distributed in the House and used to explain this act, shall indicate action by the
31 General Assembly on this act and shall, therefore, be used to construe this act, as provided in the
32 State Budget Act, Chapter 143C of the General Statutes, as appropriate, and for these purposes
33 shall be considered a part of this act and, as such, shall be printed as a part of the Session Laws.

34 **SECTION 43.2.(b)** The budget enacted by the General Assembly is for the
35 maintenance of the various departments, institutions, and other spending agencies of the State
36 for the 2024-2025 fiscal year budget as provided in G.S. 143C-3-5. This budget includes the
37 appropriations of State funds as defined in G.S. 143C-1-1(d)(25).

38 The Director of the Budget submitted a recommended base budget to the General
39 Assembly in the Governor's Recommended Budget for the 2023-2025 fiscal biennium, dated
40 March 2023, and in the Budget Support Document for the various departments, institutions, and
41 other spending agencies of the State. The adjustments to the recommended base budget made by
42 the General Assembly are set out in the Committee Report.

43 **SECTION 43.2.(c)** The budget enacted by the General Assembly shall also be
44 interpreted in accordance with G.S. 143C-5-5, the special provisions in this act, and other
45 appropriate legislation. In the event that there is a conflict between the line-item budget certified
46 by the Director of the Budget and the budget enacted by the General Assembly, the budget
47 enacted by the General Assembly shall prevail.

48 **SECTION 43.2.(d)** Notwithstanding subsection (a) of this section, the following
49 portions of the Committee Report are for reference, and do not expand, limit, or define the text
50 of the Committee Report:

- 1 (1) Summary pages setting forth the enacted budget, the legislative changes, the
2 revised budget, and the related FTE information for a particular budget code
3 and containing no other substantive information.
4 (2) Summary pages setting forth the enacted budget, the legislative changes, the
5 revised budget, and the related FTE information for multiple fund codes
6 within a single budget code and containing no other substantive information.
7

8 **REPORT BY FISCAL RESEARCH DIVISION**

9 **SECTION 43.3.** The Fiscal Research Division shall issue a report on budget actions
10 taken by the 2023 Regular Session of the General Assembly in 2024. The report shall be in the
11 form of a revision of the Committee Report described in Section 43.2 of this act pursuant to
12 G.S. 143C-5-5. The Director of the Fiscal Research Division shall send a copy of the report
13 issued pursuant to this section to the Director of the Budget. The report shall be published on the
14 General Assembly's internet website for public access.
15

16 **APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

17 **SECTION 43.4.** Except where expressly repealed or amended by this act, the
18 provisions of any legislation enacted during the 2023 Regular Session of the General Assembly
19 affecting the State budget shall remain in effect.
20

21 **MOST TEXT APPLIES ONLY TO THE 2024-2025 FISCAL YEAR**

22 **SECTION 43.5.** Except for statutory changes or other provisions that clearly indicate
23 an intention to have effects beyond the 2024-2025 fiscal year, the textual provisions of this act
24 apply only to funds appropriated for, and activities occurring during, the 2024-2025 fiscal year.
25

26 **EFFECT OF HEADINGS**

27 **SECTION 43.6.** The headings to the Parts, Subparts, and sections of this act are a
28 convenience to the reader and are for reference only. The headings do not expand, limit, or define
29 the text of this act, except for interpretation of effective dates referring to a Part or Subpart.
30

31 **SEVERABILITY CLAUSE**

32 **SECTION 43.7.** If any section or provision of this act is declared unconstitutional
33 or invalid by the courts, it does not affect the validity of this act as a whole or any part other than
34 the part so declared to be unconstitutional or invalid.
35

36 **EFFECTIVE DATE**

37 **SECTION 43.8.** Except as otherwise provided, this act becomes effective July 1,
38 2024.
39