



SENATE BILL 335: Budget Technical Corrections & Study.

2017-2018 General Assembly

Committee:		Date:	June 12, 2018
Introduced by:	Sens. Daniel, Bishop, Tarte	Prepared by:	Dan Ettefagh
Analysis of:	Conference Committee Substitute (S335)		Luke Gillenwater Committee Counsel

OVERVIEW: *The Conference Committee Substitute to Senate Bill 335 makes technical, clarifying, and other modifications to the Current Operations Appropriations Act of 2018 (Senate Bill 99 of the 2017 Regular Session) and creates the Legislative Commission on the Fair Treatment of College Student-Athletes.*

BILL ANALYSIS: Senate Bill 335 does the following:

- **Section 1.1:** Amends Section 2.1 of Senate Bill 99 to conform appropriation figures to the revisions in Senate Bill 335.
- **Section 2.1:** Amends Section 8.2(c) of Senate Bill 99 to address a technical issue involving principals that have a break in service.
- **Section 2.2:** Amends Section 8.4(f) of Senate Bill 99 to correct an incorrect citation.
- **Section 2.3:** Amends Part VII of Senate Bill 99 to clarify that funds allocated by the Committee Report to New Dimensions Charter School shall be used only for the operating expenses of the school.
- **Section 2.4:** Amends the current laws governing the Center for Safer Schools to, (i) put the Center for Safer Schools under the Superintendent of Public Instruction instead of the Division of School Operations, (ii) treat the Center as similar to the Office of Charter Schools so that it stays within DPI’s traditional reporting structure, and (iii) make conforming changes in the statutes.
- **Section 2.5:** Amends Section 7.7 of S.L. 2017-57, as amended by Section 7.5 of Senate Bill 99, to add the Office of Charter Schools to the entities that will not be subject to transfers or reductions by the Department of Public Instruction when implementing (i) budget reductions for FY 18-19, (ii) the recommendations from the Department's audit, and (iii) any other changes deemed necessary to improve the efficiency of the Department.
- **Section 2.6:** Amends Section 8.7 of S.L. 2016-94, as amended by Section 7.9 of Senate Bill 99, to allow the State Board of Education to issue additional Requests for Proposals in order to select the maximum of 10 school systems to participate in the Advanced Teaching Roles Pilot Program.
- **Section 2.7:** Amends Part IX of Senate Bill 99 to adjust requirements and receipts for the Community Colleges System Office to reflect the actual numbers for the 2017-2018 fiscal year.
- **Section 2.8:** Amends Part IX of Senate Bill 99 to correct the names of 2 community colleges listed in the Committee Report.

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- **Section 2.9:** Amends Part X of Senate Bill 99 to clarify that the funds allocated to the Southern Regional Area Health Education Center in the Committee Report may be used for residencies and facilities and structural improvements associated with residencies.
- **Section 2.10:** Amends G.S. 115C-83.6(a2) to require DPI to only provide to EVAAS K-3 reading diagnostic assessment data, rather than diagnostic data for other subject areas.
- **Section 2.11:** Amends Part X of Senate Bill 99 to extend the terms of the initial members of the Advisory Council on Rare Diseases until July 1, 2023.
- **Section 2.12:** Amends G.S. 115C-562.1(3)b. to eliminate estate distributions from decedents in determining income eligibility for opportunity scholarships retroactive to January 1, 2017.
- **Section 2.13:** Amends Section 6 of S.L. 2016-110, as amended by S.L 2017-57 to allow DPI to use funds appropriated for Innovation Zone model grants for the administrative expenses of the Innovative School District for FY 18-19 only.
- **Section 2.14:** Amends Part VII of Senate Bill 99 to provide \$10,000 as a grant-in-aid to Graham County Schools.
- **Section 2.15:** Amends Part VII of Senate Bill 99 to eliminate the grant-in-aid to DonorsChoose.org.
- **Section 2.16:** Requires, for one year, the State Board of Education to combine the career and college readiness measures for school performance grades, so a high school would earn one point for each percent of students who are either college ready or career ready. School report cards for the year would be required show the combined indicator, as well as what the indicators would look like separately.
- **Section 2.17:** Amends G.S. 116-281(3), as amended by Section 10A.6 of Senate Bill 99, to allow active duty members abiding in NC incident to active military duty in NC eligible to receive a scholarship under the program for Need-Based Scholarships for Students Attending Private Institutions of Higher Education.
- **Section 3.1:** Amends Part XI of Senate Bill 99 to clarify that the funds allocated to Gigi's Playhouse are for the Charlotte location.
- **Section 3.2:** Amends Part XI of Senate Bill 99 to correct the name of an organization receiving funding from the Free Clinic of Reidsville to the Free Clinic of Rockingham County, Inc.
- **Section 3.3:** Amends Part XI of Senate Bill 99 to correct the reference in the Committee Report to the location of the Ada Jenkins Center from Davidson County to the Town of Davidson.
- **Section 3.4:** Amends G.S. 110-130.1(a), as amended by Senate Bill 99, to correct an incorrect citation.
- **Section 3.5:** Amends Section 11L.1 of Senate Bill 99 to conform Block Grant figures to the revisions in this act.
- **Section 3.6:** Amends Subpart XI-B of Part XI of Senate Bill 99 to provide that the Division of Child Development and Early Education is no longer required to eliminate a vacant position that was recently filled.

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- **Section 3.7:** Amends Part XI of Senate Bill 99 to provide funding for a suicide prevention lifeline, to require OSBM to include recurring funds for the hotline in the 2019-2021 base budget for DHHS; and to swap federal TANF block grant funds for State funds.
- **Section 3.8:** Amends G.S. 90-288.14A, as enacted by Section 11G.1(b) of Senate Bill 99, to provide a streamlined approach for a licensed nursing home administrator to be approved by the Department of Health and Human Services as an adult care home administrator.
- **Section 3.9:** Amends Part XI of Senate Bill 99 to allow the use of a certain amount of funds appropriated in S.L. 2017-57 from the Dorothea Dix Hospital Property Fund for renovations and building costs associated with the construction of new licensed inpatient behavioral health beds at the Cape Fear Valley Medical Center to be used for those same purposes at the Betsy Johnson Hospital in Harnett County instead.
- **Section 3.10:** Amends S.L. 2017-57 and Senate Bill 99 to repeal the Every Week Counts Demonstration Project.
- **Section 3.11:** Amends Part XI of Senate Bill 99 to require DHHS to study increasing group home services.
- **Section 3.12:** Amends Part XI of Senate Bill 99 to provide \$25,000 in nonrecurring funds to DHHS (Division of MH/DD/SA) as a grant-in-aid to Adventure House for adults with mental illness in Shelby.
- **Section 3.13:** Amends Part XI of Senate Bill 99 to redirect \$7.5M from the Medicaid Rebase for the 2018-2019 FY to be used to increase the rate paid for in-home aide services under the CAP/DA waiver and to provide adult optical Medicaid coverage beginning January 1, 2019.
- **Section 4.1:** Clarifies that funds appropriated to Yancey County for the Cane River Park in Senate Bill 99 may be used for lighting anywhere in the Park.
- **Section 4.2:** Amends Section 13.2 of Senate Bill 99 to (i) correct the name of the entity receiving the grant funds to the Charlotte Motor Speedway, LLC and (ii) allow a subgrant to be made to a parent or subsidiary of that entity.
- **Section 4.3:** Corrects a special fund reference for Mountain Island State Forest in the Committee Report for Senate Bill 99.
- **Section 4.4:** Amends Section 13.1(a) of Senate Bill 99, to add "release" to clarify that the section applies air emissions; (ii) to make a technical correction to reference the proper term 'health advisory level'; and (iii) to change the standard for provision of a filtration system rather than connection to public water supply in G.S. 143-215.2A from the PWS connection being "cost prohibitive" to the connection being "not cost-effective"
- **Section 4.5:** Amends Part XII of Senate Bill 99 to allow the Department of Agriculture and Consumer Services to use up to ten percent (10%) of the Healthy Food Small Retailers Program appropriation for administrative costs.
- **Section 4.6:** Amends Part XV of Senate Bill 99 to (i) strike a matching grant requirement for Archer Lodge, (ii) include demolition and debris removal as permissive uses of the funds for the City of Lexington, (iii) reduces the amount to Southwestern North Carolina Planning and Economic Development Commission by ten thousand dollars (\$10,000), (iv) reduces economic development grants-in-aid to High Shoals by \$50,000, and (v) provides \$25,000 to High Shoals for debt service for the city hall.

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- **Section 4.7:** Amends Part XV of Senate Bill 99 to reduce the cut to the Department of Commerce's graphics division.
- **Section 4.8:** Amends Part XII of Senate Bill 99 to allow the Tobacco Trust Fund Commission to use \$375,000 for FY 18-19 for administrative operating expenses and a grants management system.
- **Section 5.1:** Amends G.S. 115D-5(b)(2)j., as enacted by Senate Bill 99, to (i) correct the name of the cited Division and Commission and (ii) clarify who is eligible to receive the tuition waivers and the type of programs that are applicable.
- **Section 5.2:** Amends Section 5.6 of Senate Bill 99 to clarify that all federal funds that have been received for disaster recovery since October 1, 2016, have been appropriated for their stated purposes.
- **Section 5.3:** Nullifies an incorrect instruction in the Committee Report for Senate Bill 99.
- **Section 5.4:** Amends G.S. 18B-1003(c1) to no longer require human trafficking hotline information in public areas of ABC permittees.
- **Section 5.5:** Amends Section 18B.4 of Senate Bill 99 to permit AOC to keep up to 3% of unexpended funds for IT investments for the next three fiscal years instead of only FY 18-19.
- **Section 5.6:** Amends Subpart VIII-B of Senate Bill 99 to transfer the NC Human Trafficking Commission to AOC and make necessary conforming changes.
- **Section 6.1:** Amends Section 26.3 of Senate Bill 99 to (i) replace the Proctorville Volunteer Fire Department with the Orrum Volunteer Fire Department and (ii) provide \$100,000 each to the Town of Davidson's fire and police departments for equipment.
- **Section 6.2:** Amends Part XXXI of Senate Bill 99 to provide that the Department of Administration is no longer required to eliminate a vacant position that was recently filled.
- **Section 6.3:** Amends Part XXXI of Senate Bill 99 to redirect funds appropriated in Senate Bill 99 from the Coalition Against Sexual Assault to the North Carolina Human Trafficking Commission in the Administrative Office of the Courts.
- **Section 6.4:** Transfers an additional \$2.4M from the escheats fund to DMVA on a nonrecurring basis for veterans scholarships.
- **Section 6.5:** Amends Part XIX of Senate Bill 99 to provide a grant to the Veterans Leadership Council of North Carolina-Cares to be used for the Veterans Life Center in Butner.
- **Section 7.1:** Amends G.S. 136-44.2(f1)(2)b. to (i) clarify that contingency funds described in Section 34.2 of Senate Bill 99 do not revert and (ii) remove contingency funds from the types of funds that revert to the credit reserve for the Highway Fund.
- **Section 7.2:** Corrects an inconsistency between Senate Bill 99 and the Committee Report by clarifying the amount of the revised total requirements for the Public Transportation Division of the Department of Transportation.
- **Section 7.3:** Amends Section 34.16 of Senate Bill 99 for the purposes of naming the Sgt. Dillon C. Baldrige Bridge.

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- **Section 7.4:** Amends G.S. 160A-307.1, as amended by Section 34.18(a) of Senate Bill 99, to remove the language prohibiting cities from conditioning zoning and permit approvals on the waiver or reduction of reimbursement required under that section.
- **Section 7.5:** Does the following: (i) amends G.S. 136-189.11(d1), as enacted by Section 34.7(a) of Senate Bill 99, to provide that State funding may not be expended for a light rail project until all non-State funding has been committed; (ii) repeals Section 34.7(b) of Senate Bill 99, which would have required removal of projects that didn't meet the requirements of G.S. 136-189.11(d1) from the State Transportation Improvement Program (STIP); (iii) amends G.S. 136-189.10(3)g. to clarify that total State funding for a commuter rail or light rail project is the lesser of ten percent (10%) of the regional allocation or ten percent (10%) of the estimated total project costs; (iv) clarifies the total amount of State funding available for the Durham-Orange Light Rail Project; (v) provides that the Durham-Orange Light Rail Project shall be removed from the current and any future STIP if (i) all non-State and non-federal funding for the Project isn't committed by April 30, 2019, and (ii) a written agreement is provided to the Department by November 30, 2019, establishing that all non-State funding necessary to construct the project has been committed.
- **Section 8.1:** Amends G.S. 20-185.1, as enacted by Senate Bill 99, to revise the State Highway Patrol Trooper Reimbursement Program into a training contract repayment arrangement.
- **Section 8.2:** Amends Section 35.21(a) of Senate Bill 99 increase the number of Correctional personnel eligible to receive the pay raise available to Correctional Officers.
- **Section 8.3:** Amends Part XXXV of Senate Bill 99 to create a pilot program for the 2018-2019 fiscal year to allow Council of State agencies, the Community Colleges System Office, and the University of North Carolina to have flexibility regarding classification and salary administration.
- **Section 8.4:** Amends Part XXXV of Senate Bill 99 to allow troopers in the Highway Patrol to receive the salary increases provided in Senate Bill 99 if they have an active disciplinary action, unless it is related to grossly inefficient job performance which results in 10+ days of unpaid suspension.
- **Section 9.1:** Amends Section 36.7 of Senate Bill 99 to (i) authorize the Department of Military and Veterans Affairs to use funds from the Veterans Home Trust Fund to provide a twenty-eight million dollar (\$28,000,000) match to federal funds for the construction of 2 new veterans homes, (ii) reduce the amount of funds that may be carried forward for the Manteo Old House Channel project by three hundred thousand dollars (\$300,000) and allocate it to the North Carolina Wildlife Habitat Foundation for the Oyster Highway Project, (iii) use the remaining amount of funds carried forward for the Manteo Old House Channel project for maintenance dredging of Range 1 to 4 of the Manteo Channel, and (iv) authorize DMVA to use certain funds to match and apply for federal funds to expand and perform site improvements to certain veteran cemeteries.
- **Section 9.2:** Amends Section 5.6(b) of Senate Bill 99 to allow twenty-thousand dollars (\$20,000) from funds appropriated to the Department of Public Safety, Division of Emergency Management, for housing-related matters to be used storm debris clean-up costs in Transylvania County.
- **Section 9.3:** Makes a technical correction to the name of the entity housing the dinosaur project.
- **Section 10.1:** Amends G.S. 143B-1373(d)(6), as enacted by Senate Bill 99, to remove language erroneously included.
- **Section 10.2:** Amends Part XXXVII of Senate Bill 99 to reduce funding for FirstNet.

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- **Section 10.3:** Amends Section 37.4 of Senate Bill 99 to address concerns regarding the effective date of the 911 provision.
- **Section 10.4:** Amends G.S. 143B-1325(d), as amended by Section 37.5 of Senate Bill 99, to delay DIT consolidation for the North Carolina Community Colleges System Office.
- **Section 11.1:** Amends G.S. 160A-690(b)(1), as enacted by Section 38.8(b) of Senate Bill 99, to clarify that property tax revenue may be used for capital expenses of public schools located inside city limits.
- **Section 11.2:** Amends G.S. 105-130.4(l)(3) to retain the current law regarding sourcing of intangibles for corporate income and franchise tax purposes.
- **Section 12.1:** Creates a joint legislative study commission to study issues related to college student athletes. The Commission would be composed of 6 Senators and 6 Representatives, selected by the President Pro Temp and the Speaker. The composition would reflect the political make-up of each chamber. The Commission shall report by March 1, 2019 its findings and any proposed legislation to the 2019 General Assembly.

EFFECTIVE DATE: Except as otherwise provided, this act becomes effective July 1, 2018.