



SENATE BILL 231: Agency Policy Directives/2019-2021.

2019-2020 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	June 25, 2020
Introduced by:	Sens. D. Davis, Brown, Perry	Prepared by:	Kristen L. Harris*
Analysis of:	Fourth Edition		Staff Attorney

OVERVIEW: Senate Bill 231 would establish agency policy directives for the 2019-2021 fiscal biennium, consistent with certain policy directive in Ratified House Bill 966 of the 2019 Regular Session.

BILL ANALYSIS:

PART I. GENERAL PROVISIONS

Section 1.1 – Makes a change to the statute involving amounts credited to the Education Lottery Fund to reflect General Assembly appropriations rather than amounts appropriated in the 2017 budget.

PART II. PUBLIC INSTRUCTION

Section 2.1 – Eliminates report of local boards of education on fees to the Superintendent of Public Instruction and, instead, requires local boards to publish the schedule of fees on their websites each school year.

Section 2.2 – Provides that the NC CTE Education Foundation collaborate with the NC Education and Workforce Innovation Commission in its administration of certain career and technical education grant programs.

Section 2.3. – Expands charter school enrollment priorities to include (i) siblings who apply to the charter school for admission beginning in the same school year and (ii) persons employed full time by the charter school and working full time in the daily operation of the charter school.

Section 2.4 – Codifies and makes changes to the Advanced Teaching Roles Program. Schools participating in the Program would receive class size flexibility and certain budget flexibility.

Section 2.5 – Raises the cap on the number of schools that may participate in the Schools that Lead Pilot Program from 60 to 75 schools.

Section 2.6 – Directs the State Board of Education to (i) include one credit in arts education as a graduation requirement for students in grades six through 12, beginning with students entering sixth grade in 2022, (ii) establish procedures and criteria for implementing the requirement, and (iii) report on the requirement. Students transferring into a public school in ninth grade or later would be exempted from the requirement in certain circumstances.

PART III. THE UNIVERSITY OF NORTH CAROLINA SYSTEM

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

Senate Bill 231

Page 2

Section 3.1 – Requires the Board of Governors of The University of North Carolina to report to various General Assembly committees and the Fiscal Research Division each year on actions and adjustments necessary to its budgetary policies, regulations, and standards resulting from the implementation of the State Budget.

Section 3.2 – Requires The UNC System Office, in collaboration with the NCCCS Military Credit Advisory Council, create a searchable database of military credit equivalencies.

PART III-A. UNIVERSITY/STATE EDUCATION ASSISTANCE AUTHORITY

Section 3A.1 – Provides that dependents of veterans and active duty military members would be eligible for scholarships for the Need-Based Scholarships for Private Institutions Program.

PART IV. HEALTH AND HUMAN SERVICES

Aging and Adult Services

Section 4A.1 – Authorizes the Secretary of the Department of Health and Human Services (DHHS), within available appropriations, to waive the 15% cap on the number of State-County Special Assistance in-home payments through June 30, 2021.

Central Management and Support

Section 4B.1 – Eliminates specified unnecessary and redundant reports due from DHHS.

Section 4B.2 – Makes a correction to Section 3.3(33) of S.L. 2020-4, as amended by House Bill 1023 of the 2019 Regular Session, to expand the allowable uses of Coronavirus Relief Funds allocated to NC MedAssist, a nonprofit corporation. (This section is effective when it becomes law.)

Child Development and Early Education

Section 4C.1 – Amends G.S. 143B-168.12(d) to require the Smart Start report be submitted to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division instead of the General Assembly.

Health Benefits

Section 4D.1 – Sets out eligibility categories and income thresholds for the Medicaid program.

Section 4D.2 – Requires DHHS to issue Medicaid ID cards on an annual basis and to submit a report by February 1, 2021, confirming that the rules have been updated to reflect this.

Section 4D.3 – Allows for volume purchase plans and single source procurement for Medicaid-related specified items.

Section 4D.4 – Ensures that LME/MCOs utilize out-of-network agreements to address services obtained by their enrollees outside of the LME/MCO's catchment area.

Section 4D.5 – Directs each LME/MCO to contribute a specified amount through intergovernmental transfer (IGT) to the Division of Health Benefits. If DHB does not make the additional capitated payment associated with Medicaid Risk Reserve to an LME/MCO in any given month, then a corresponding amount of the LME/MCO's IGT is not required.

Mental Health/Developmental Disabilities/Substance Abuse Services

Senate Bill 231

Page 3

Section 4E.1 – Continues reporting requirements for funds appropriated for the 2019-2021 fiscal biennium for local inpatient psychiatric beds and bed days.

Section 4E.2 – Requires the DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services in September of each year through 2026 on the transition of the alcohol and substance abuse treatment centers (ADACTs) from State funding to being receipt-supported, as required in the 2015 budget.

Public Health

Section 4F.1 – Expands the North Carolina Child Fatality Task Force to include the Director of the Juvenile Justice Section, Division of Adult Correction and Juvenile Justice, within the Department of Public Safety. Directs that appointing authorities use best efforts to appoint members with sufficient knowledge and experience to effectively contribute to issues examined by the Task Force and, to the extent possible, to reflect the geographical, political, gender, and racial diversity of the State. (This section becomes effective August 1, 2020.)

Social Services

Section 4G.1 – Amends G.S. 131D-10.9B(a) to make clarifying changes to the laws regarding the Permanency Innovation Initiative Fund, which was established to support services provided to foster care youth to improve permanency outcomes.

Section 4G.2 – Continues support for the transitional living services demonstration project for youth ages 17-21 transitioning from foster care. Subdivision (2) of that section adjusts the private-sector funding match from 50% to 25%.

PART V. AGRICULTURE AND CONSUMER SERVICES

Section 5.1 – Updates various spending-related reports required from the Department of Agriculture and Consumer Services.

Section 5.2 – Consolidates certain fund codes related to the Agricultural Development and Farmland Preservation Trust Fund in order to allow for easier tracking of total spending and funding levels.

PART VI. COMMERCE

Section 6.1 – Updates where the Secretary of Commerce sends the annual update of the Strategic Economic Development Plan.

Section 6.2 – Codifies the Golden LEAF Foundation by updating and moving language from S.L. 1999-2 and creating a new Article 74A in Chapter 143 of the General Statutes.

Section 6.3 – Continues reporting requirements for the commerce nonprofits listed in subsection (b) that receive funding.

PART VII. ENVIRONMENTAL QUALITY

Section 7.1 – Revises application submittal and fee deadlines for septage management program permitting.

Section 7.2 – Updates various spending-related reports required from the Department of Environmental Quality.

Senate Bill 231

Page 4

Section 7.3 – Increases investment flexibility for retained balances in certain funds associated with wetlands and stream impact mitigation.

Section 7.4 – Revises the statutes governing the Conservation Grant Fund to allow additional uses for the Fund related to stewardship of donated and acquired property and property interests.

PART VIII. NATURAL AND CULTURAL RESOURCES

Section 8.1 – Makes a correction to reflect that the Director of the Division of Parks and Recreation is the designated State Liaison Officer for the Federal Land and Water Conservation Fund.

Section 8.2 – Updates various spending-related reports required from the Department of Natural and Cultural Resources.

Section 8.3 – Makes a correction to accurately reflect that the Department of Natural and Cultural Resources administers the Conservation Tax Credit program.

Section 8.4- Repeals the obsolete One Million Acres Program.

Section 8.5 – Requires a study and report on the marketing of the State attractions listed in this provision for fiscal years 2018-19 and 2019-2020.

PART IX. WILDLIFE RESOURCES COMMISSION

Section 9.1 – Exempts employees of the Outdoor Heritage Advisory Council from most requirements of the NC Human Resources Act.

Section 9.2 – Updates references and recipients for a report for the Wildlife Resources Fund required from the Wildlife Resources Commission.

Section 9.3 – Directs the Wildlife Resources Commission and the NC Forest Service to coordinate with the US Forest Service to formulate a plan to reverse declines in wildlife populations on State and federal lands.

PART X. ADMINISTRATIVE OFFICE OF THE COURTS

Section 10.1 – Corrects a drafting error in S.L. 2019-158, Human Trafficking Commission Recommendations.

Section 10.2 – Provides that, for the 2020-2021 fiscal year, certain funds may not be transferred without the consent of the Conference of District Attorneys and requires the School of Government at the University of North Carolina at Chapel Hill to study the feasibility and cost of creating an Office of Prosecutorial Services.

PART XI. JUSTICE

Section 11.1 – Expands the definition of "eligible county" for purposes of Criminal Justice Fellows Program eligibility.

PART XII. PUBLIC SAFETY

Senate Bill 231

Page 5

Section 12.1 – Codifies boilerplate language authorizing the State Construction Office to utilize inmates in the custody of the Division of Adult Correction of the Department of Public Safety for repair and renovation projects on State-owned facilities.

Section 12.2 – With a limited exception, prohibits the Office of State Budget and Management from transferring any positions, personnel, or funds during the 2020-2021 fiscal year from the Department of Public Safety to any other State agency unless the transfer was included in the base budget for that fiscal year.

Section 12.3 – Makes a correction to Section 3.3(54) of S.L. 2020-4, as amended by House Bill 1023 of the 2019 Regular Session, to correct the name of the entity authorized to distribute grant funds to Caitlyn's Courage, Inc. (This section is effective when it becomes law.)

Section 12.4(a) – Clarifies that cities and counties operating a PSAP who are a party to an intergovernmental agreement under federal law with a major military installation that operates a PSAP may use 911 Funds to obtain and maintain Next Gen 911 compatibility with the military PSAP. (This section is effective when it becomes law and applies to distributions for the 2020-2021 fiscal year and subsequent fiscal years.)

PART XIII. ADMINISTRATION

Section 13.1 – Authorizes the Department of Administration to increase the expenditure benchmark for State departments, institutions, and agencies to an amount no greater than \$100,000 and makes conforming changes to related statutes.

Section 13.2 – Provides that the Department of Administration shall create a detailed report for updating the Department's E-Procurement System and shall submit the report to the Joint Legislative Oversight Committee on General Government and the Joint Legislative Oversight Committee on Information Technology no later than October 1, 2020.

PART XIV. BUDGET AND MANAGEMENT

Section 14.1 – Provides that the Office of State Budget and Management shall submit to the Joint Legislative Oversight Committee on General Government, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division a plan to conduct, as part of North Carolina's Results First project, a benefit cost analysis of all DHHS programs funded by State appropriations.

PART XV. CONTROLLER

Section 15.1 – Provides that during the 2019-2021 fiscal biennium, overpayments made by State agencies shall be deposited into Special Reserve Account 24172 as required by G.S. 147 86.22(c). (This is boilerplate language.) This section also authorizes the Office of the State Controller to use \$250,000 of the funds appropriated to it from the Special Reserve Account for data processing, debt collection, or e-commerce costs.

PART XVI. INDUSTRIAL COMMISSION

Section 16.1 – Authorizes the Industrial Commission to use electronic mail to send its decisions to claimants and the State. Currently, the law authorizes decisions to be sent by registered or certified mail only.

PART XVII. MILITARY AND VETERANS AFFAIRS

Senate Bill 231

Page 6

Section 17.1 – Codifies language from previous budget bills that details the purposes for which funds appropriated to the Military Presence Stabilization Fund may be used. The section also provides for the time period in which the Department of Military and Veterans Affairs shall pay expenses authorized by law and approved by the Military Affairs Commission.

Section 17.2 – Repeals language related to the awarding of the NC Services Medal which is no longer awarded by the Veterans' Affairs Commission.

Section 17.3 – Repeals obsolete language from the statute related to scholarships for children of veterans.

Section 17.4 – Establishes the North Carolina Veterans Cemeteries Trust Fund, a special fund within the Department of Military and Veterans Affairs. Interest earnings on the funds in the Trust Fund shall be used to maintain existing veterans' cemeteries once they have reached full capacity.

PART XVIII. STATE AUDITOR

Section 18.1 – Authorizes the Auditor to examine and make findings of fact on whether State agencies are adhering to statutory requirements that include conditions precedent, classifications, and similar eligibility or qualifying standards to assure that statutory intent is carried out while the requirements are in effect.

PART XIX. INFORMATION TECHNOLOGY

Section 19.1 – Grants the State CIO the sole authority to approve fees imposed by agencies necessary to implement certain e-commerce public transactions. The State CIO must report approved fees and expenditures for e-commerce initiatives & projects to the Joint Legislative Oversight Commission on Governmental Operations and the Joint Legislative Oversight Committee on Information Technology.

Section 19.2 – Enables the Department of Information Technology to utilize Best Value procurement for cybersecurity and infrastructure security products.

Section 19.3 – Makes conforming changes to existing law to remove the State Controller from reporting and administrative obligations under the CJLEADS program.

PART XX. SALARIES AND BENEFITS

Section 20.1 – Requires the Office of State Budget and Management to report on the use of lapsed salary funds at the end of each fiscal year.

PART XXI. CAPITAL

Section 21.1 – Directs the NC Forest Service to name the Mountain Island Educational Forest Visitor Center the "Laura Shidal Visitor and Interpretive Center at Mountain Island Educational State Forest.

PART XXII. MISCELLANEOUS

Section 22.1 – Modified boilerplate, which provides that, except for statutory changes or other provisions that are clearly intended to have effects beyond the 2019-2021 fiscal biennium, the provisions of this act apply only to the 2019 2021 fiscal biennium.

Section 22.2 –Boilerplate, which provides that headings in the bill do not expand, limit, or define the text of this act, except for effective dates referring to a Part or subpart.

Senate Bill 231

Page 7

Section 22.3 – Boilerplate, which provides that if any section or provision of this act is declared unconstitutional or invalid by the courts, it will not affect the validity of this act as a whole or any of the other parts.

EFFECTIVE DATE: Unless otherwise specified, this act becomes effective July 1, 2020.

**Joyce Jones, Legislative Drafting Division, substantially contributed to this summary.*