



HOUSE BILL 334: Budget Technical Corrections.

2021-2022 General Assembly

Committee:		Date:	November 29, 2021
Introduced by:	Reps. Pickett, Saine	Prepared by:	Dan Ettefagh
Analysis of:	Conference Committee Substitute (H334)		Luke Gillenwater Staff Attorneys

OVERVIEW: *The Conference Committee Substitute (CCS) for House Bill 334 (H334) makes technical, clarifying, and other modifications to the Current Operations Appropriations Act of 2021 (S.L. 2021-180) and other legislation affecting the State budget.*

BILL ANALYSIS: H334 does the following:

- **Section 1.1** updates and corrects the appropriations figures of the budget.
- **Section 1.2** updates the availability statement.
- **Section 1.3** corrects “Projected Over Collections” to “Actual Over Collections” as the over collections are no longer “projected”.
- **Section 1.4** allows the State Match Fund, established in Section 5.9(d), to be used to provide State match requirements for FEMA disaster preparedness programs.
- **Section 1.5** makes changes to the Agricultural Crop Loss Program to include Tropical Storm Fred. Changes include allowing admin costs, allowing recovery for farm infrastructure damage, directing development of formulation to determine calculation of such recovery, and extending certain loss reporting deadlines.
- **Section 1.6** clarifies the requirements for units of local governments using design-build services when funded by federal grant funds.
- **Section 1.7** allows agencies the flexibility to substitute other unfilled positions for positions that were identified and eliminated in the budget but filled prior to budget enactment.
- **Section 2.1** corrects an incorrect Fund Code reference.
- **Section 2.2** adjusts timeframe for analysis by State Auditor of attendance and truancy policies in schools.
- **Section 2.3** permits NC Policy Collaboratory to carryforward all nonrecurring funds appropriated to it for the Water Safety Act and requires those funds to be used for certain purposes of the Water Safety Act.
- **Section 2.4** revises definition of business entities eligible for COVID-19 research grants.
- **Section 2.5** corrects an incorrect statutory citation.
- **Section 2.6** repeals program requiring the State Education Assistance Authority to provide funds to private colleges and universities in response to COVID-19. A separate provision re-establishes the program under the Office of State Budget and Management.
- **Section 2.7** requires the President and BOG to complete a study regarding new academic programs and schools for health sciences at UNC Pembroke.
- **Section 3.1** gives DHHS access to certain survey records maintained by the Pilot Program Accrediting Body and certain data related to quality outcome measures collected or generated by

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the Sheps Center; adds Disability Rights NC to the Stakeholder Advisory Group; and modifies the information to be collected from participating adult care homes to measure the quality of care and resident outcomes in adult care homes.

- **Section 3.2** makes technical changes for internal consistency; adds language requiring notification of adult care home staff, residents, and representatives of residents about information related to communicable disease outbreaks without disclosing any personally identifiable information; and also incorporates H728, which requires DHHS to (i) develop and make available on its internet website model infection prevention and control policies and procedures for adult care homes and (ii) develop updated infection prevention and control training requirements for adult care home supervisors.
- **Section 3.3** clarifies that Carolina Pregnancy Care Fellowship must inform each of the North Carolina affiliates of Care Net, a national network of independent pregnancy centers, about these grant opportunities, rather than Care Net, Inc., a separate and unrelated nonprofit organization.
- **Section 3.4** moves the Direct Deposit for Child Care Payments item to the correct Division under the Child Care and Development Block Grant to properly account for where the item will be administered; corrects the amount allocated for Community Action Agencies and the total under the Community Services Block Grant in the 2021-2022 fiscal year to accurately reflect updated amounts; and corrects language to accurately reflect amounts for both fiscal years of the 2021-2023 fiscal biennium under the Low-Income Energy Assistance Block Grant.
- **Section 4.1** clarifies language for travel, tourism, and business marketing expenditure for EDPNC.
- **Section 4.2** changes the start date for the NC Rural Tourism Recovery Pilot Program to March 1, 2022, from January 15, 2022, and pushes the initial report one month to April 1, 2022.
- **Section 4.3**, for the esports program, (i) lowers the minimum qualifying expenses required for a grant and (ii) allows 3% of appropriated funds for Commerce's administrative expenses.
- **Section 4.4** (i) makes technical corrections regarding the agency receiving the money for the motorsports SFRF funds and (ii) changes the eligibility criteria for the motorsports funds allocated in 11.14.(b) of the Appropriations Act to include any track sanctioned by NASCAR, the NHRA, or the IHRA at any point after January 1, 2010.
- **Section 4.4A** reflects an appropriation of the \$106.75M left on the bottom line for Project Thunderbird and site and road work appropriations at PTI for recruitment of that manufacturer.
- **Section 4.5** clarifies earmark amounts and recipients for two of the Local Assistance for Infrastructure Investments Fund earmarks.
- **Section 4.6** provides that funds originally appropriated to Dare County in the 2018 Appropriations Act for a shallow draft dredging vessel but that are no longer needed for that purpose may be used by the County to purchase a survey vessel.
- **Section 4.7** corrects a statutory citation.
- **Section 5.1** makes a number of technical corrections regarding the dividing of the Department of Adult Corrections and Juvenile Justice.
- **Section 5.2** changes an NC Sheriffs' Association reporting requirement from February 1, 2022 to April 1, 2022.
- **Section 5.3** removes the word "Statewide" from the heading and subsection (b) of Section 19A.7B.
- **Section 5.4** changes an incorrect reference to "DPI" to the correct reference of "DPS".
- **Section 5.5** modifies the committee report to allow funds for State Highway Patrol equipment to include automatic external defibrillators.
- **Section 5.6** moves funding for an additional superior court judge from Superior Court District 21B to 21A.

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- **Section 5.7** requires that rules, regulations, and amendments deemed by the Chief Justice of the Supreme Court of North Carolina to be inconsistent with applicable law not be published in the North Carolina Reports and Administrative Code.
- **Section 6.1** clarifies that NCPRO has the authority to oversee and coordinate ARPA funds appropriated in 2021.
- **Section 6.2** changes appropriation to a grant rather than a contract and distributes funds to State Indian tribes based on a new formula.¹
- **Section 6.3** authorizes the North Carolina Trucking Association Foundation to use State Fiscal Recovery Funds to purchase a mobile learning vehicle.
- **Section 6.4** provides that the cap in G.S. 122A-5.15(c) for loans for eligible projects do not apply to funds used to address funding gaps resulting from the COVID-19 pandemic.
- **Section 6.5** makes technical corrections for the business recovery grant program and allows taxpayers not utilizing line 1 of tax form E-500 to use the sum of receipts listed on lines 4-8 of that form.
- **Section 6.6** appropriates ARPA funds to OSBM instead of the Board of Governors (for SEAA) for the purpose of providing funds to private colleges and universities to help them mitigate losses in revenue and to respond to the negative impacts of the COVID-19 pandemic.
- **Section 6.7** (i) provides a directed grant to River City Community Development Corporation rather than a directed grant to the Tabernacle of Faith Outreach Center for homeless shelter operation and (ii) provides a directed grant to the City of Fayetteville for seed money for its Housing Trust Fund rather than a directed grant to the Cumberland Community Foundation, Inc. for its Reduce Generational Poverty Fund.
- **Section 6.8** provides a directed grant to Save Our Allies rather than a directed grant to Interpreting Freedom Foundation, Inc. to support former military interpreters and their families.
- **Section 6.9** authorizes the State Treasurer to eliminate vacant positions without regard to fund code as long as the total vacant positions eliminated equals the amount of the reduction of funds for vacant positions included in the Committee Report.
- **Section 7.1** adjusts requirements for issuing Build NC Bonds for the 2021-2022 fiscal year
- **Section 7.2** removes appropriation of SERDRF funds to the DOT for use on the Rattlesnake Branch project in Duplin County and updates the SERDRF transfer accordingly.
- **Section 7.3** modifies the definition of signs with respect to State standards.
- **Section 7.4** authorizes Tabor City to participate in RR revitalization programs and enter into contracts with DOT to provide for nonfederal matching funds for such programs.
- **Section 8.1** moves the bonus eligibility criteria re: employment to December 1, 2021, from January 1, 2022.
- **Section 8.2** increases flexibility for salary adjustments to effectuate legislated increases.
- **Section 8.3** provides clarification for flexible administration of legislative salary increases.
- **Section 9.1** makes a number of changes to allocations from the SCIF.
- **Section 9.2** allows consideration of private leasing options within one mile of the Capitol Building for the relocation of the UNC System Office.
- **Section 10.1** lowers the current 10% cap on grant funds to any single county for Broadband Stopgap Solutions to 5%.

¹ 50% of the funds (\$5,000,000) divided equally among each of the seven tribes, 40% of the funds (\$4,000,000) divided among the seven tribes on a per capita basis, and 10% of the funds (\$1,000,000) divided equally among each of the four urban Indian organizations.

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- **Section 10.2** removes conflicting provisions regarding administrative expenses allowed for the Broadband Acceleration Program and eliminates references to the Coronavirus Capital Projects Fund to avoid a potential double appropriation.

EFFECTIVE DATE: Except as otherwise provided, H334 becomes effective July 1, 2021.