



This Bill Analysis reflects the contents of the bill as it was presented in committee.

# SENATE BILL 508: 2023 Budget Tech/Other Corrections.

2023-2024 General Assembly

<b>Committee:</b>	House Rules, Calendar, and Operations of the House	<b>Date:</b>	October 24, 2023
<b>Introduced by:</b>	Sen. Hise	<b>Prepared by:</b>	Jeff Cherry
<b>Analysis of:</b>	PCS to First Edition S508-CSMHxra-6		Staff Attorney

**OVERVIEW:** *The Proposed Committee Substitute (PCS) for Senate Bill 508 (S508) makes technical, clarifying, and other modifications to the Current Operations Appropriations Act of 2023 (S.L. 2023-134) and other legislation affecting the State budget.*

**BILL ANALYSIS:** S508 does the following:

- **Section 1.1** revises the grant recipients for allocations from the State Emergency Response and Disaster Relief Fund made in the money report detail for Section 5.6(f)(29) of S.L. 2023-134 to Johnston County and Madison County.
- **Section 1.2** revises the preemption of certain local government actions in Section 5.9 of S.L. 2023-134 to eliminate certain unintended impacts on local government solid waste programs.
- **Section 1.3** clarifies that the use of funds received by local governments from the federal or State government for the purpose of a “Grant Project” can be used in accordance with either the “grant contract” or the “settlement agreement” if it is in fact a settlement agreement and not a grant contract that outlines the appropriate use of the funds in question.”
- **Section 2.1** revises the recurring appropriation for Patriot Star Family Scholarship Program established in Section 8.3 of the 2021 Appropriations Act (S.L. 2021-180) to instead provide the Marine Corps Scholarship Foundation a total of \$50,000 and the Patriot Foundation a total of \$1 million recurring and allows the Board of Governors of UNC to reallocate funds between the nonprofit corporations each year with the consent of both foundations.
- **Section 2.2** delays the deadline in subsection 8A.6(s) of S.L. 2023-134 for the State Board of Education to adopt rules to establish early graduation requirements and a sequence of courses to comply with those requirements for students in traditional public schools.
- **Section 2.3** delays to the 2024-2025 school year the requirement in Section 7.80 of S.L. 2023-134 that a nonpublic school must provide in-person instruction to be eligible to receive opportunity scholarship funds.
- **Section 2.4** clarifies the definition of qualifying teacher for loan forgiveness under the Teaching Fellows Program revisions in Section 8A.4 of S.L. 2023-134 to reinstate an inadvertently omitted requirement that the teacher must serve in a qualifying licensure area.
- **Section 2.5** corrects several statutory references in Section 8A.16 of S.L. 2023-134.
- **Section 2.7** extends the ECU Chancellor's authority to adopt policies and procedures governing the design, construction, and renovation of real property for use by ECU to the Medical Faculty Practice Plan and ECU Dental School Clinical Operations. This change is consistent with the authority granted to the ECU Chancellor with respect to the Brody School of Medicine, and also

Daniel Ettefagh  
Director



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with respect to the acquisition and disposition of real property for use by ECU as set forth in G.S. 116 360.35(a), enacted by Section 4.10(b) of S.L. 2023-134.

- **Section 2.8** clarifies for consistency with the Committee Report that the \$50M appropriation to the UNC Board of Governors for the NC Care Initiative is for a regional children's behavioral health *facility*, and not a regional behavioral health *hospital*.
- **Section 3.1** amends Section 9M.1 of S.L. 2023-134 to exempt certain nonprofits receiving Social Services Block Grant funds from the match requirements under 10A NCAC 71R .0201(3).
- **Section 3.2** corrects a Code of Federal Regulations reference for the definition of a "rural emergency hospital" in amendments to G.S. 131E-76(3) made in Section 9F.11(a) of S.L. 2023-134 and makes other technical corrections to the statute.
- **Section 3.3** makes various corrections to the changes in the on-site wastewater statutes made by S.L. 2023-90 (Amend On-Site Wastewater/Environmental Statutes)
- **Section 4.1** revises the allowable uses for water and wastewater funding provided in the 2021 Appropriations Act (S.L. 2021-180) to the Town of Middlesex and revises a deadline for Henderson County for use of a water and wastewater allocation.
- **Section 4.2** makes several revisions to the Water and Sewer infrastructure allocations in Section 12.2 of S.L. 2023-134 that (i) reduce the Department's allowable administrative costs from 3% to 1.5% of funds allocated, and (ii) revises allocations to the Cabarrus County Water and Sewer Authority for the Town of Midland, the City of Raeford, and the Town of Troutman.
- **Section 4.3** makes various revisions and technical corrections to the permit bonus program enacted by Section 12.11 of S.L. 2023-134.
- **Section 4.4** resolves a conflict between revisions to the statute governing local approval of erosion and sedimentation plans enacted in Section 12.10(c) of S.L. 2023-134 ("Right to Apply for and Obtain a Permit") and in Senate Bill 677, enacted as S.L. 2023-142.
- **Section 4.5** appropriates \$30 million in FY 2023-2024 from the Economic Development Project Reserve to the Department of Transportation for right of way acquisition and associated roadwork at the project site in Randolph County to allow DOT to continue work through the 2023-2024 fiscal year.
- **Section 4.6** corrects fund code references in the Committee Report for an Environmental Assistance Coordinator and for Federal IJA grid resiliency grants.
- **Section 4.7** revises eligibility for the Aquatic Weed portion of the Shallow Draft Navigation Channel Dredging and Aquatic Weed fund established in G.S. 143-215.73F to allow grants for certain cyanobacteria and for weeds that are not on the Noxious Weed list designated by DEQ but that limit public access to waterways and docking facilities.
- **Section 6.1** amends the lobbyist and lobbyist principal fee increase enacted in Section 35.1 of S.L. 2023-134 to eliminate the requirement that the Secretary of State collect the amount of the fee increase from lobbyists and lobbyist principals who have already paid.
- **Section 6.2** makes the following changes to directed grants:
  - Changes purpose from fire departments to emergency medical services.
  - Changes recipient from NC Medical Society to Neuroimmune North Carolina.
  - Changes recipient from Bladen County to Bladen's Bloomin' Agri Industrial, Inc.
  - Changes recipient from Wilson Pregnancy Center, Inc., to Wilson County School: Her Pride Afterschool Mentoring Program.
  - Changes recipient from City of Wilson Cemetery to Vick Cemetery.
  - Specifies location of Salvation Army Center of Hope is in Guilford.
  - Divides funds between Equity Before Birth and MAAME, Inc.

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- Changes purpose from Strike at the Wind outdoor drama to cultural and economic development.
- Changes recipient from Richmond County to City of Rockingham.
- Reduces funds to Denver Area Business Association and provides those funds to North 321 VFD, Inc.
- Reduces funds to Lincoln County Schools for athletic facilities and provides those funds to North 321 VFD, Inc.
- Corrects name of recipient.
- Changes recipient from Town of Macclesfield to Town of Pinetops.
- Corrects name of grant recipient.
- **Section 6.3** redirects funds appropriated in S.L. 2021-180 to League of Municipalities to provide grants for software auditions to Piedmont Triad Regional Council for SimplySolv and provides parameters for use of funds.
- **Section 6.4** revises Section 29A.2 of S.L. 2023-134 to remove the language "and a total overdue invoice amount exceeding two hundred thousand dollars (\$200,000) for any number of days" from G.S. 126-6.3 governing invoicing for the Temporary Solutions program and to clarify the exclusion for medical personnel from the eleven month hiring limitation.
- **Section 7.1** corrects an incorrect date reference in the Principal Salary Schedule in Section 7A.6 of S.L. 2023-134 to ensure growth scores and ADM adjustments occur in the second half of the 2023-2024 school year.
- **Section 7.2** adds the Department of Adult Correction to the list of departments with employees paid on the Teacher Salary Schedule. These employees are ineligible for the across-the-board State employee increases authorized by Section 39.1.
- **Section 7.3** corrects pay amounts for the DAC Correctional Officer 2 (CO II) position.
- **Section 8.1** revises allocations from the SCIF to UNC-Pembroke and to Tree House Recovery.
- **Section 8.2** authorizes OSBM to hire up to five additional grant administration positions with funds from the SCIF.
- **Section 9.1** creates an exception to G.S. 66-58.12 for the DMV to clarify that DMV is allowed to implement transaction fees for in-person electronic payments. Without the new language, Section 41.14E(b) of S.L. 2023-134 only authorizes the DMV to implement transactions fees for remote electronic payments.
- **Section 9.2** corrects fund codes used in the DOT portion of the Committee Report.

**EFFECTIVE DATE:** Section 10.1 sets forth that except as otherwise provided, S508 becomes effective July 1, 2023.