

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

**SESSION LAW 2010-123
SENATE BILL 1202**

AN ACT TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS TO
THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS
APPROPRIATIONS ACTS.

The General Assembly of North Carolina enacts:

PART I. GENERAL PROVISIONS

SECTION 1.1. The portion of Section 2.1 of S.L. 2010-31 setting forth appropriations for Education reads as rewritten:

"SECTION 2.1. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are adjusted for the fiscal year ending June 30, 2011, according to the schedule that follows. Amounts set out in brackets are reductions from General Fund appropriations for the 2010-2011 fiscal year.

Current Operations – General Fund	2010-2011
EDUCATION	
Community Colleges System Office	\$ 42,668,183
Department of Public Instruction	(275,244,311)
University of North Carolina – Board of Governors	
Appalachian State University	1,998,580
East Carolina University	
Academic Affairs	5,851,230
Elizabeth City State University	750,308
Fayetteville State University	1,417,998
North Carolina Agricultural and Technical State University	2,490,531
North Carolina Central University	370,281
North Carolina State University	
Academic Affairs	12,371,317
UNC School of the Arts	466,240
University of North Carolina at Asheville	782,143
University of North Carolina at Chapel Hill	
Academic Affairs	5,269,319
Health Affairs	125,319
Area Health Education Centers	0
University of North Carolina at Charlotte	7,748,950



University of North Carolina at Greensboro	3,362,001
University of North Carolina at Pembroke	768,400
University of North Carolina at Wilmington	3,435,177
Western Carolina University	1,015,952
Winston-Salem State University	798,672
General Administration	(410,863)
University Institutional Programs	(40,303,905) (44,855,669)
Related Educational Programs	10,058,332
UNC Financial Aid Private Colleges	(63,635) 4,488,129
North Carolina School of Science and Mathematics	80,851
UNC Hospitals at Chapel Hill	(8,000,000)
Total University of North Carolina – Board of Governors	\$ 10,383,198

...."

SECTION 1.2.(a) Section 2.2(d) of S.L. 2010-31 reads as rewritten:

"**SECTION 2.2.(d)** Notwithstanding the provisions of G.S. 105-187.19(b), effective for taxes levied during the 2010-2011 fiscal year, the Secretary of Revenue shall credit to the General Fund the net tax proceeds that G.S. 105-187.19(b) directs the Secretary to credit to the Scrap Tire Disposal Account. This subsection applies to distributions to the Scrap Tire Disposal Account made by the Secretary during the 2010-2011 fiscal year."

SECTION 1.2.(b) Section 2.2(e) of S.L. 2010-31 reads as rewritten:

"**SECTION 2.2.(e)** Notwithstanding the provisions of G.S. 105-187.24, effective for taxes levied during the 2010-2011 fiscal year, the Secretary of Revenue shall credit to the General Fund the net tax proceeds that G.S. 105-187.24 directs the Secretary to credit to the White Goods Management Account. This subsection applies to distributions to the White Goods Management Account made by the Secretary during the 2010-2011 fiscal year."

SECTION 1.2.(c) Section 2.2(j) of S.L. 2010-31 reads as rewritten:

"**SECTION 2.2.(j)** The Brody School of Medicine (formerly known as the East Carolina University School of Medicine) shall transfer the sum of ~~two million dollars (\$2,000,000)~~one million dollars (\$1,000,000) from Budget Code 06067, Fund Code 0142, to the Office of State Controller for deposit to Nontax Budget Code 19978 (Intrastate Transfers) for the 2010-2011 fiscal year."

SECTION 1.2.(d) Section 2.2 of S.L. 2010-31 is amended by adding a new subsection to read:

"**SECTION 2.2.(k)** The sum of one million dollars (\$1,000,000) is hereby transferred from the Contingency and Emergency Fund to the Department of Agriculture for budget code 53750, which is DACS – NC State Fair."

SECTION 1.2.(e) Section 2.2 of S.L. 2010-31 is amended by adding a new subsection to read:

ESTABLISH RESERVE FOR SOFTWARE DEVELOPMENT FOR THE STATE BOARD OF ELECTIONS

"**SECTION 2.2.(l)** There is appropriated from the General Fund to the Office of State Budget and Management, Reserve for State Board of Elections Software Development, the sum of six hundred seventy-one thousand eight hundred ninety-three dollars (\$671,893) recurring for the 2010-2011 fiscal year. If House Bill 961, 2010 Regular Session of the 2009 General Assembly, or Senate Bill 716, 2010 Regular Session of the 2009 General Assembly, or substantially similar government ethics and campaign reform legislation becomes law, then the

funds shall be used for the development of software to provide campaign committee treasurers the ability to comply with existing campaign laws and provide a searchable public database."

SECTION 1.3. Section 2.3 of S.L. 2010-31 reads as rewritten:

"SECTION 2.3.(a) The General Assembly finds that:

...

"SECTION 2.3.(b) If the Congress does not act to authorize all or part of these enhanced FMAP funds prior to January 1, 2011, the General Assembly directs the Director of the Budget, in conjunction with the State Treasurer, State Controller, and other State officials, to effectuate the following extraordinary budget adjustments that either increase availability or decrease appropriations, to the extent necessary to backfill the enhanced FMAP funds, in priority order:

MEASURES TO ADDRESS POTENTIAL LOSS OF ENHANCED FMAP FUNDS

(1) Transfer from the Disaster Relief Reserve Fund established in S.L. 2005-1	\$ (30,000,000)	\$ <u>30,000,000</u>
(2) Transfer of unclaimed lottery prize money and excess receipts	(35,000,000)	<u>35,000,000</u>
(3) Use of interest from all other funds	(50,000,000)	<u>50,000,000</u>
(4) Use of balance in General Fund Availability	(23,469,157)	<u>22,768,282</u>
(5) Reduction of Medicaid Provider rates	(26,618,975)	<u>26,618,975</u>
(6) Use of funds from the Savings Reserve Fund	(37,307,714)	<u>38,008,589</u>
(7) Reduction in Retirement System contributions	(139,000,000)	<u>139,000,000</u>
(8) One percent (1%) Management Flexibility Reduction	(177,500,000)	<u>177,500,000</u>
TOTAL	\$ (518,895,846)	\$ <u>518,895,846</u>

"SECTION 2.3.(b1) Items set out in subdivisions (1) through (4) and (6) of subsection (b) of this section are increases to availability and, to the extent that these funds are required to backfill shortfalls in FMAP funding, these funds are hereby appropriated from the appropriate fund for this purpose. Items set out in subdivisions (5), (7), and (8) of subsection (b) of this section are decreases to appropriations.

...

"SECTION 2.3.(e) If it is necessary to implement the budget adjustment set out in subdivision (b)(4) of this section, the Director of the Budget shall use the unappropriated balance in the General Fund to offset the reduction in federal fund ~~availability, and such funds are hereby appropriated for this purpose.~~ availability. If it is not necessary to expend all of these funds in accordance with subdivision (b)(4) of this section, the State Controller shall transfer the remaining funds to the Savings Reserve Account.

SECTION 2.3.(f) If it is necessary to implement the budget adjustment set out in subdivision (b)(5) of this section, notwithstanding Section 10.68A(a)(8) of S.L. 2009-451, as amended by Section 5A of S.L. 2009-575 and Section 10.35 of this act, the Department of Health and Human Services shall reduce reimbursement rates paid to service providers in the Medicaid program to generate savings of twenty-six million six hundred eighteen thousand nine hundred seventy-five dollars ~~(\$26,618,975).~~ (\$26,618,975) with the reductions occurring in an equal percentage rate to all service providers, as allowed under federal law.

In order to avoid a significant decrease in reimbursement rates late in the fiscal year, the Secretary of the Department of Health and Human Services may reduce reimbursement rates as

provided in this subsection at any time that he or she finds it is unlikely the State will receive adequate enhanced FMAP funds to avoid the necessity to reduce reimbursement rates.

The rate reduction authorized in this section shall not apply to: ~~federally qualified health clinics, rural health centers, State institutions, hospital inpatient, pharmacies, and the noninflationary components of the case-mix reimbursement system for nursing facilities.~~ federally qualified health centers, rural health centers, school-based and school-linked health centers, State institutions, hospital outpatient, pharmacy, and the noninflationary components of the case-mix reimbursement system for skilled nursing facilities.

"**SECTION 2.3.(g)** If it is necessary to implement the budget adjustment set out in subdivision (b)(6) of this section, the Office of State Budget and Management shall use up to thirty-eight million eight thousand five hundred eighty-nine dollars (\$38,008,589) from the Savings Reserve Fund to offset the reduction in federal fund ~~availability, and such funds are hereby appropriated for this purpose.~~ availability.

...

"**SECTION 2.3.(i)** If it is necessary to implement the budget adjustment set out in subdivision (b)(8) of this section, the Director of the Budget shall implement a one percent (1%) annualized management flexibility reduction. Notwithstanding any other provision of law, and unless it is inconsistent with a federal law, grant agreement, or other federal requirement, or with the terms of a gift or settlement agreement, the Director of the Budget may use funds appropriated for any purpose or program and from any governmental or proprietary funds for this purpose. For purposes of this section, and in keeping with the legislative budget priority to "keep our families working" set out in Section 6.6 of this act, "management flexibility" shall be defined as cuts made at the discretion of the agency head with the understanding that the agencies are encouraged to implement all administrative and other operating efficiencies, including the reduction of vacant positions which do not affect public safety or staffing ratios at State institutions, prior to the dismissal of employees.

Effective July 1, 2010, agency heads shall immediately take steps in preparation for a potential one percent (1%) reduction. The reduction authorized in this section shall not apply to Medicaid provider reimbursement rates.

...."

SECTION 1.3A. Section 3.1 of S.L. 2010-31 reads as rewritten:

"CURRENT OPERATIONS/HIGHWAY FUND

"**SECTION 3.1.** Appropriations from the State Highway Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are adjusted for the fiscal year ending June 30, 2011, according to the following schedule. Amounts set out in brackets are reductions from Highway Fund Appropriations for the 2010-2011 fiscal year.

2010-2011

...

Division of Highways

...

Maintenance

(4,373,213) (4,693,213)

...

Transfers to Other State Agencies, and Reserves

35,861,964 36,181,964

...."

SECTION 1.4. Section 5.1(e) of S.L. 2010-31 reads as rewritten:

"**SECTION 5.1(e)** Notwithstanding G.S. 18C-164(c), G.S. 115C-546.2(d), or any other provision of law, funds appropriated in this section to the Public School Building Capital Fund

for the 2010-2011 fiscal year shall be allocated to counties on the basis of average daily membership (ADM). ~~Counties~~ For funds received for the 2010-2011 fiscal year, counties may authorize local school administrative units to use funds received from the Public School Building Capital Fund pursuant to subsection (f) of this section for one or more of the following purposes only: (i) for school construction projects in accordance with G.S. 115C-546.2(d), (ii) to retire indebtedness incurred for school construction projects incurred on or after January 1, 2003, in accordance with G.S. 115C-546.2(d), and (iii) for classroom teachers. A county may authorize the use of these funds for classroom teachers only upon the request of the local board of education. Funds used for classroom teachers shall supplement and not supplant existing local current expense funding for the public schools.

These funds shall not be included in the computation of "average per pupil allocation for average daily membership" or "per pupil local current expense appropriation" under G.S. 115C-238.29H."

PART II. INFORMATION TECHNOLOGY

SECTION 2.1. Section 6.7(b) of S.L. 2009-451, as amended by Section 6.8 of S.L. 2010-31, reads as rewritten:

"SECTION 6.7(b) Enterprise Projects. – The State Chief Information Officer shall consult the respective State agency chief information officers to identify specific State agency requirements prior to the initiation of any enterprise project or contract. State agency requirements shall be incorporated into any enterprise agreement signed by the State Chief Information Officer. Enterprise projects shall not exceed the participating State agencies' ability to financially support the contracts.

The State Chief Information Officer shall ensure that enterprise project costs are allocated to participating agencies in an equitable manner and shall not enter into any information technology contracts without obtaining written agreements from participating State agencies regarding apportionment of funding. State agencies agreeing to participate in a contract shall:

- (1) Ensure that sufficient funds are budgeted to support their agreed shares of enterprise agreements throughout the life of the contract.
- (2) Transfer the agreed-upon funds to the Office of Information Technology Services in sufficient time for the Office of Information Technology Services to meet contract requirements.
- (3) ~~Ensure that enterprise project costs are allocated to participating agencies in an equitable manner."~~

SECTION 2.2. Section 6.7(f) of S.L. 2009-451, as amended by Section 6.8 of S.L. 2010-31, reads as rewritten:

"SECTION 6.7.(f) The Office of Information Technology Procurement shall assist State agencies in identifying the ~~least expensive source~~ most cost-effective source and the least expensive source for the purchase of IT goods and services and shall ensure that agencies receive every available discount when purchasing IT goods and services."

SECTION 2.3. S.L. 2010-31 is amended by adding a new section to read:

"CONTINUING PILOT PROGRAM TO ALLOW PUBLIC-PRIVATE PARTNERSHIPS TO MEET DEPARTMENT OF REVENUE TECHNOLOGY NEEDS

SECTION 6.13. Section 6.20 of S.L. 2009-451 reads as rewritten:

"SECTION 6.20.(a) To speed the implementation of the Tax Information Management System (TIMS) and the additional components of the Planning and Design Project (PDP) ~~during the 2009-2011 fiscal biennium,~~ through June 30, 2015, the Secretary of the Department

of Revenue may enter into public-private arrangements where (i) the funding of projects under the arrangement comes from revenue generated by the project and (ii) the project is related to the implementation of TIMS and additional components of the PDP. As used in this section, the "additional components of the PDP" are Enterprise Data Warehouse, Management Reporting and Decision Analytics, Customer Relationship Management, Enterprise Case Management, and E-Services. All such arrangements shall terminate June 30, 2015.

Work under a public-private arrangement may be contracted by requests for proposals, modifications to existing contracts, and purchases using existing contract vehicles.

The Secretary of Revenue shall establish a measurement process to determine the increased revenue attributable to the public-private arrangements. To accomplish this, the Secretary shall consult subject matter experts outside the Department of Revenue, both within State government and from private industry. The measurement process shall include:

- (1) Calculation of a revenue baseline against which the increased revenue attributable to the project is measured;
- (2) Periodic evaluation to determine if the baseline needs to be modified based on significant measurable changes in the economic environment; and
- (3) Monthly calculation of increased revenue attributable to contracts executed under this program.

Of funds generated from collections above the baseline established by subdivision (1) of this subsection, in both the General and Highway Funds, up to forty-one million dollars (\$41,000,000) may be authorized by the Office of State Budget and Management (i) for the purchases related to the implementation of TIMS and the additional components of the PDP, including payment for services from non-State ~~entities and (ii) toward internal State costs related to the implementation of TIMS and PDP components.~~ entities. Any internal costs must be appropriated by the General Assembly. The total of any funds expended during the 2009-2011 biennium for implementation of TIMS and the additional PDP components shall not exceed the sum of forty-one million dollars (\$41,000,000).

If the Department of Revenue finds that it cannot generate additional benefits totaling forty-one million dollars (\$41,000,000) ~~in the 2009-2011 biennium, through June 30, 2015, or that total costs exceed the total available appropriations and earned benefits,~~ then the Department shall do all of the following: (i) immediately notify the Chairs of the House of Representatives and Senate Appropriations Committees and Fiscal Research Division, (ii) identify any obligations to vendors, (iii) identify options for meeting obligations to vendors, and (iv) provide costs associated with each option. The Department shall ensure that this notification is made in sufficient time to allow the General Assembly to properly evaluate the options presented.

"SECTION 6.20.(b) Notwithstanding G.S. 114-2.3, the Department of Revenue shall engage the services of private counsel with the pertinent information technology and computer law expertise to review requests for proposals, and to negotiate and review contracts associated with TIMS and the additional components of the Planning and Design Project (PDP) (Enterprise Data Warehouse, Management Reporting and Decision Analytics, Customer Relationship Management, Enterprise Case Management, and E-Services).

"SECTION 6.20.(c) There is established within the Department of Revenue the Oversight Committee for reviewing and approving the benefits measurement methodology and calculation process. The Oversight Committee shall review and approve in writing all contracts, including change orders, amendments to contracts, and addendums to contracts, before they are executed under this section. This shall include (i) details of each public-private contract, (ii) the benefits from each contract, and (iii) a comprehensive forecast of the benefits of using public-private agreements to implement TIMS and the additional PDP components, including the measurement process established for the Secretary of Revenue. The Oversight Committee shall approve all of the fund transfers for this project. Within five days of entering

into a contract, the Department shall provide copies of each contract and all associated information to the Joint Legislative Oversight Committee on Information Technology, the Chairs of the House of Representatives and Senate Committees on Appropriations, and the Fiscal Research Division.

The members of the Committee shall include the following:

- (1) The State Budget Director;
- (2) The Secretary of the Department of Revenue;
- (3) The State Chief Information Officer;
- (4) Two persons appointed by the Governor;
- (5) One member of the general public having expertise in information technology appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives; and
- (6) One member of the general public having expertise in economic and revenue forecasting appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate.

The State Budget Director shall serve as chair of the Committee. The Committee shall set its meeting schedule and adopt its rules of operation by majority vote. A majority of the members constitutes a quorum. Vacancies shall be filled by the appointing authority. Administrative support staff shall be provided by the Department of Revenue. Members of the Committee shall receive reimbursements for subsistence and travel expenses as provided by Chapter 138 of the General Statutes. The Committee shall terminate on ~~June 30, 2011~~ June 30, 2015.

The Department shall provide copies of the minutes of each meeting and all associated information to the Joint Legislative Oversight Committee on Information Technology, the Chairs of the House of Representatives and Senate Committees on Appropriations, and the Fiscal Research Division.

"SECTION 6.20.(d) ~~Beginning October 1, 2009~~ Beginning August 1, 2010, and quarterly thereafter, the Department of Revenue shall submit detailed written reports to the Chairs of the House of Representatives and Senate Committees on Appropriation, to the Joint Legislative Oversight Committee on Information Technology, and to the Fiscal Research Division of the Legislative Services Office. The report shall include (i) details of each public-private contract, (ii) the benefits from each contract, (iii) a comprehensive forecast of the benefits of using public-private agreements to implement TIMS and the additional PDP components, including cost savings and the acceleration of the project timeline, (iv) and any issues associated with the operation of the public-private partnership. Within 60 days of implementing the public-private partnership, the Department of Revenue shall provide to the Chairs of the House of Representatives and Senate Appropriations Committees, and Fiscal Research Division, a schedule for vendor payments that identifies sources and amounts of funding anticipated as a result of the project's implementation.

"SECTION 6.20.(e) In addition to the oversight provided by the Oversight Committee established in subsection (c) of this section, the TIMS project shall be subject to existing Information Technology project oversight ~~legislation, including, but not limited to, G.S. 147-33.72C and G.S. 147-33.72E~~ legislation and the TIMS project management shall comply with all statutory requirements and other requirements established by the State Chief Information Officer and the Office of State Budget and Management for information technology projects. The State Chief Information Officer and the Office of State Budget and Management shall immediately report any failure to do so to the Joint Legislative Oversight Committee on Information Technology, the Chairs of the House of Representatives and Senate Committees on Appropriations, and the Fiscal Research Division."

PART III. EDUCATION

SECTION 3.1. Section 7.24(h) of S.L. 2010-31 reads as rewritten:

"SECTION 7.24.(h) Beginning with the 2010-2011 school year, courses provided in (i) general education, except for mathematics, science, and technology, (ii) physical education, and (iii) college success skills courses offered to high school students shall no longer generate State funding through budget ~~FTE-FTE~~ or receive reimbursements from the Department of Public Instruction. If an institute of higher education offers these courses to high school students, the colleges may charge an amount sufficient to cover the costs of the courses.

This subsection does not apply to courses provided to students of Early and Middle College High ~~Schools-Schools~~, as established under Part 9 of Article 16 of Chapter 115C of the General Statutes."

SECTION 3.2. Nothing in Section 7.17 of S.L. 2010-31 shall be construed to invalidate any budget resolution or budget amendment approved by a local board of education regarding the appropriation or transfer of revenue to any other fund that was approved for use by the North Carolina Department of Public Instruction and the Local Government Commission.

SECTION 3.2A. Section 7.4(b) of S.L. 2010-31 reads as rewritten:

"SECTION 7.4.(b) ~~The State Board shall use only funds provided through the North Carolina Virtual Public Schools Allotment Formula to fund~~ shall be the only source of State funds available to the State Board for the purposes of funding NCVPS."

SECTION 3.3. Section 9.14(c) of S.L. 2009-451, as rewritten by Section 9.9 of S.L. 2010-31, reads as rewritten:

"SECTION 9.14.(c) The North Carolina Utilities Commission is directed to facilitate and expedite wind energy pilot projects developed pursuant to this act that come within its jurisdiction to the extent allowed by law and consistent with State statute. A wind turbine constructed pursuant to this section shall be exempt from the requirements of G.S. 62-110.1. For such wind turbines owned by a public utility, upon an application by the public utility seeking a rider to recover the costs of such project, the Utilities Commission shall establish an annual rider for the public utility to recover the just and reasonable costs, including the utility's cost of debt and equity, of such project upon completion. Should the project development and construction of the demonstration wind turbines be unreasonably delayed beyond the date set forth in subsection (a) of this section for reasons outside the control of the public utility, all just and reasonable costs incurred by the public utility during project development and construction shall nonetheless be recoverable through an annual rider under this subsection, provided that the public utility shall bear the burden of proving by a preponderance of the evidence that the reasons for the delay were beyond its control and its execution of the project was reasonable and prudent. Should the demonstration wind turbines be abandoned prior to completion, the capital costs and AFUDC related to the project, less any salvage value received, shall nonetheless be ~~recoverable under this Article, recoverable~~, provided that the utility shall bear the burden of proving by a preponderance of the evidence that the decision to abandon construction of the project was prudent."

SECTION 3.4.(a) Section 9.19 of S.L. 2009-451, as rewritten by Section 9.13 of S.L. 2010-31, reads as rewritten:

"SECTION 9.19. The management flexibility reduction for The University of North Carolina shall not be allocated by the Board of Governors to the constituent institutions and affiliated entities using an across-the-board method but in a manner that recognizes the importance of the academic mission and differences among The University of North Carolina

entities. Before taking reductions in instructional budgets, the Board of Governors and the campuses of the constituent institutions shall consider reducing budgets for senior and middle management personnel, centers and institutes, low enrollment degree programs, speaker series, and nonacademic activities. The Board of Governors and the campuses of the constituent institutions also shall review the institutional trust funds and the special funds held by or on behalf of The University of North Carolina and its constituent institutions to determine whether there are monies available in those funds that can be used to assist with operating costs before taking reductions in instructional budgets. In addition, the campuses of the constituent institutions also shall require their faculty to have a teaching workload equal to the national average in their Carnegie classification. Budget reductions shall not be considered in funding available for need-based financial aid.

Notwithstanding any other provision of law, ~~for the 2010-2011 fiscal year only,~~ the constituent institutions may, with the approval of the President of The University of North Carolina, increase tuition by up to seven hundred fifty dollars ~~per academic year. (\$750.00), and may implement the increase over the 2010-2011 and 2011-2012 academic years.~~ (\$750.00), and may implement the increase over the 2010-2011 and 2011-2012 academic years. This increase shall be in addition to other increases authorized for the ~~fiscal year 2010-2011 and 2011-2012 fiscal years.~~ At least twenty percent (20%) of these funds shall be used to provide need-based financial aid to students. The remaining balance of these funds shall be used only to offset the institutions' management flexibility reductions funds:

- (1) Shall be used to offset the institutions' management flexibility reductions.
- (2) May, if it is necessary to implement an additional one percent (1%) management flexibility reduction pursuant to Section 2.3 of this act to backfill enhanced FMAP funds, also be used to offset the additional one percent (1%) management flexibility reduction and to meet reversion requirements."

SECTION 3.5. S.L. 2010-31 is amended by adding a new section to read:
"UNC/FUNDS TO COMPLETE NC EAST PROJECT

SECTION 9.26A. Of the funds appropriated by this act to the Board of Governors of The University of North Carolina and allocated to East Carolina University for the 2010-2011 fiscal year, the sum of thirty-three thousand eight hundred fifty dollars (\$33,850) shall be used to complete the North Carolina East Project. The North Carolina East Project is a project conducted jointly by the UNC Program on Public Life and North Carolina's Eastern Region partnership. The purpose of the project is: (i) to consider economic development opportunities in Eastern North Carolina from a metropolitan perspective rather than a traditional rural perspective, and (ii) to determine what steps the region should take to attract and retain young professionals. The costs to complete the project include the following:

- (1) Printing, postage, and related expenses.
- (2) Report design and map-making.
- (3) Support for multiple listening sessions, meetings with key decision makers, and consultations.
- (4) Support for collaboration with faculty members and graduate students at East Carolina University.
- (5) Support for faculty and professional non-faculty research and engagement at UNC-Chapel Hill.
- (6) Support to enable two graduate students from UNC-Chapel Hill to be employed as summer interns by the project.
- (7) Travel and related expenses."

PART IV. HEALTH AND HUMAN SERVICES

SECTION 4.1. The last sentence in Section 10.17 of S.L. 2010-31 reads as rewritten:

"Any equipment that the Department of Health and Human Services (Department) determines cannot be used by the Department and is not included in the transfer shall revert to the Department of Administration, Division of Surplus Property."

SECTION 4.2. Section 10.36(a) of S.L. 2010-31 reads as rewritten:

"**SECTION 10.36.(a)** ~~The Starting October 1, 2010, the~~ Department of Health and Human Services, Division of Medical Assistance, shall require that, prior to the delivery of selected enhanced mental health services in the Medicaid program, as determined by the Department, an independent assessment be conducted that meets all of the following criteria:

- (1) An initial assessment or a continuing need reassessment is performed by an independent assessment entity ~~(IAE)~~ that is not the provider of the services in question.
- (2) ~~The IAE authorizes independent assessment entity recommends~~ the type and amount of service to be provided based on the specific health condition and needs of the intended recipient of the service."

SECTION 4.3. Section 10.5A of S.L. 2010-31 reads as rewritten:

"REPORT ON DHHS POSITION ELIMINATIONS

SECTION 10.5A. The Secretary of the Department of Health and Human Services may achieve savings ~~from position eliminations~~ within the Divisions under the supervision of the Secretary by reducing a greater or lesser number of positions than prescribed for the Department in the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets for the 2010-2011 fiscal year. The Secretary shall report on the number of positions eliminated in the budget for the 2010-2011 fiscal year. The report shall include the total number of positions, including positions filled and vacant positions, and savings generated through salary and fringe benefits and any severance paid out. The Secretary shall submit the report to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division on or before March 1, 2011."

SECTION 4.5. Section 10.29A(c) of S.L. 2009-451, as enacted by Section 10.13(a) of S.L. 2010-31, reads as rewritten:

"**SECTION 10.29A.(c)** The General Assembly finds that health insurers licensed to practice in this State currently provide reimbursement for the full series of standard immunizations recommended by the federal Centers for Disease Control and Prevention (CDC) and the American Academy of Family Physicians and required by the North Carolina Immunization Program. The covered immunizations include all of the following:

- (1) Diphtheria, Pertussis, Tetanus Toxoid (DPT).
- (2) Polio.
- (3) Measles, Mumps, Rubella (MMR).
- (4) Influenza.
- (5) Pneumococcal vaccine.
- (6) Human Papilloma virus (HPV).
- (7) Haemophilus Influenzae Type b (Hib) vaccine.
- (8) Hepatitis B.
- (9) Meningococcal vaccine.
- (10) Varicella.
- (11) Rotavirus.
- (12) Hepatitis A.

(13) Tetanus, Diphtheria, Pertussis (Tdap).

The General Assembly also finds that, consistent with G.S. 130A-153, physicians and local health departments currently administer the required immunizations listed in subdivisions (1) through ~~(11)~~(13) of this subsection, which are supplied by the federal government at no cost through the Vaccine For Children (VFC) program, to uninsured and underinsured children with incomes below two hundred percent (200%) of the federal poverty level. Therefore, the General Assembly eliminates the State appropriation for the purchase of childhood vaccines for which health care providers, including local health departments, should be billing health insurers."

SECTION 4.6. Section 10.58(d) of S.L. 2009-451, as rewritten by Section 10.22(a) of S.L. 2010-31, reads as rewritten:

"SECTION 10.58.(d) Services and Payment Bases. – The Department shall spend funds appropriated for Medicaid services in accordance with the following schedule of services and payment bases. All services and payments are subject to the language at the end of this subsection. Unless otherwise provided, services and payment bases will be as prescribed in the State Plan as established by the Department of Health and Human Services and may be changed with the approval of the Director of the Budget.

...
(19) Medicare crossover claims. – The Department shall apply Medicaid medical policy to Medicare and Medicare Advantage claims for dually eligible recipients. The Department shall pay an amount up to the actual coinsurance or deductible or both, in accordance with the State Plan, as approved by the Department of Health and Human Services. The Department may disregard application of this policy in cases where application of the policy would adversely affect patient care.

...
(30) Experimental or trial procedures. – Coverage is limited to procedures that are recognized or approved by a federal scientific or regulatory agency such as the Food and Drug Administration or the National Institutes of Health (NIH).

...."

SECTION 4.7. Section 10.37 of S.L. 2010-31 is amended by adding the following new subsections to read:

"SECTION 10.37.(s1) The Department of Health and Human Services, Division of Social Services, shall demonstrate qualifying conditions and apply for grants available through the Emergency Contingency Fund for State Temporary Assistance for Needy Families (TANF) Programs for the 2010-2011 federal fiscal year.

"SECTION 10.37.(s2) Notwithstanding Sections 2.3, 5.4, 6.7, and 10.37(c) of this act, the Office of State Budget and Management shall use grants received under this section to maximize General Fund availability for the 2010-2011 fiscal year. In addition, not more than twenty million dollars (\$20,000,000) may be used to implement a temporary, statewide subsidized employment program for the purpose of creating transitional employment opportunities for the chronically unemployed.

Prior to implementing the program, the Department shall develop a plan that identifies, at a minimum, each of the following:

- (1) Participant eligibility requirements.
- (2) The maximum duration of the subsidized employment period.
- (3) Financial match requirements for third-party partners.
- (4) Average estimated wages and benefits per participant.

(5) The projected number of participants to be employed through the program. The Department shall report the plan to the Joint Legislative Commission on Governmental Operations Subcommittee on Education/Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committees on Health and Human Services, and the Fiscal Research Division no later than November 1, 2010.

"SECTION 10.37.(s3) The Department shall evaluate the program upon its completion, including in its evaluation the following:

- (1) The number of participants and employers, by industry sector;
- (2) The median wage paid per participant;
- (3) The average duration of the subsidized work period; and
- (4) The rate of continued employment with the participating employer upon completion of the subsidized work period.

The Department shall report its findings to the Joint Legislative Commission on Governmental Operations Subcommittee on Education/Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committees on Health and Human Services, and the Fiscal Research Division no later than December 1, 2011.

"SECTION 10.37.(s4) TANF Emergency Contingency Fund grants received during the 2010-2011 fiscal year shall not be committed for expenditure in the subsequent fiscal year. Nothing in this subsection shall preclude the carryforward of funds for purposes in this section."

SECTION 4.8. S.L. 2003-178, as amended by Section 10.27 of S.L. 2006-66, Section 1.1(a)(5) of S.L. 2007-504, Section 3 of S.L. 2009-340, and Section 1 of Senate Bill 1309 of the 2010 Regular Session of the 2009 General Assembly, is amended by deleting the language "masters level certified clinical addictions specialist" wherever it appears and substituting "masters level licensed clinical addictions specialist" and by deleting the language "North Carolina Substance Abuse Professional Certification Board" and substituting "North Carolina Substance Abuse Professional Practice Board".

PART V. NATURAL AND ECONOMIC RESOURCES

SECTION 5.1. Section 13.8(b) of S.L. 2010-31 reads as rewritten:

"SECTION 13.8.(b) This section becomes effective July 1, 2010, and applies to fees assessed on or after that date. However, the Department of Environment and Natural Resources shall not collect the fees established pursuant to this section until on or after July 14, 2010."

SECTION 5.2.(a) G.S. 130A-309.123(a), as rewritten by Section 13.10(b) of S.L. 2010-31, reads as rewritten:

"§ 130A-309.123. Substitution of paper bags restricted.

(a) A retailer subject to G.S. 130A-309.122 may substitute paper bags for the plastic bags banned by that section, but only if all of the following conditions are met:

- (1) The paper bag is a recycled paper bag.
- (2) The retailer offers a cash refund to any customer who uses the customer's own reusable bags instead of the bags provided by the retailer. The amount of the refund shall be equal to ~~or greater than~~ the cost to the retailer of providing a recycled paper bag, multiplied by the number of reusable bags filled with the goods purchased by the customer. For purposes of this subdivision, 'cash refund' includes a credit against the cost of goods purchased."

SECTION 5.2.(b) This section becomes effective October 1, 2010.

SECTION 5.3. Notwithstanding G.S. 130A-294.1, there is appropriated from the nonreverting hazardous waste fund established in G.S. 130A-298 (Budget Code 24300-2387) the sum of two hundred fifty thousand dollars (\$250,000) for the 2010-2011 fiscal year. These funds shall be used to:

- (1) Provide implementation and oversight of activities involving actions necessary to respond to inactive hazardous substance or waste disposal sites; and
- (2) Provide compliance and prevention activities within the solid waste program to ensure hazardous waste is not disposed in solid waste management facilities.

PART VI. JUSTICE AND PUBLIC SAFETY

SECTION 6.1. Section 15.5(c) of S.L. 2010-31 reads as rewritten:

"SECTION 15.5.(c) ~~This Subsection (b) of this section becomes effective October 1, 2010, and applies to costs or fees assessed or collected on or after that date. Subsection (a) of this section becomes effective October 1, 2010, and applies to costs or fees assessed or collected on or after that date, except that in misdemeanor or infraction cases disposed of on or after that date by written appearance, waiver of trial or hearing, and plea of guilt or admission of responsibility pursuant to G.S. 7A-180(4) or G.S. 7A-273(2), in which the citation or other criminal process was issued before that date, the cost or fee shall be the lesser of those specified in G.S. 7A-304(a), as amended by subsection (a) of this section, or those specified in the notice portion of the defendant's or respondent's copy of the citation or other criminal process, if any costs or fees are specified in that notice.~~"

SECTION 6.2. Section 18.6 of S.L. 2009-451 reads as rewritten:

"ELIMINATE SUPPORT OUR STUDENTS PROGRAM

SECTION 18.6. Part 5A of Article 3 of Chapter 143B of the General Statutes is repealed. Notwithstanding the provisions of G.S. 143-341, or any other law to the contrary, any equipment or vehicles that were bought by a nonprofit organization under a grant issued to the nonprofit organization, from the grants funds provided by the Support Our Students program, shall remain the sole property of the local nonprofit organization for the continued use of the equipment or vehicle under the same conditions required by the grant when it was awarded by the Support Our Students program."

SECTION 6.3. Section 19.4(b) of S.L. 2010-31 reads as rewritten:

"SECTION 19.4.(b) This section becomes effective October 1, 2010, and applies to ~~fees assessed or collected persons ordered to perform community service on or after that date.~~"

SECTION 6.4. S.L. 2010-31 is amended by adding a new section to read:

"ALIGN STATUTORY STAFFING NUMBERS TO BUDGET REDUCTION ACTIONS

"SECTION 15.14. Notwithstanding any other provision of law relating to the number of positions in the Judicial Department, during the 2009-2011 biennium, the Administrative Office of the Courts may reduce positions in the Judicial Department to comply with budget reductions taken by action of the General Assembly for that Department. The Administrative Office of the Courts shall report to the Joint Legislative Commission on Governmental Operations, to the Fiscal Research Division of the General Assembly, and to the Revisor of

Statutes, on any reductions taken that affect statutory staffing numbers in Chapter 7A of the General Statutes."

PART VII. GENERAL GOVERNMENT

SECTION 7.1. S.L. 2010-31 is amended by adding a new section to read:

"EXTEND HEALTH INSURANCE POOL PILOT PROJECT START DATE

SECTION 24.4. Section 1 of S.L. 2009-568 reads as rewritten:

"**SECTION 1.** Notwithstanding any other provision of law to the contrary, a single health insurance demonstration project (Demonstration Project) for both large and small employers may be established in the State. The Demonstration Project, the goal of which is to reduce the number of uninsured North Carolinians and to reduce the cost of health insurance for all purchasers of health insurance in the Demonstration Project area, shall begin offering coverage not later than ~~December 1, 2010~~, July 1, 2011, and may continue through December 31, 2014. Entities that are eligible under subdivisions (b)(1) or (b)(1a) of G.S. 58-51-80, subsection (e) of G.S. 58-65-60, or subsection (a) of G.S. 58-67-85, to issue a policy of group health insurance are eligible to be the Demonstration Project Sponsor. The Demonstration Project authorized under this act shall comply with the following:

...."

PART VIII. TRANSPORTATION

SECTION 8.1. Section 28.3(b) of S.L. 2010-31 reads as rewritten:

"**SECTION 28.3(b)** The Program Evaluation Division of the General Assembly shall conduct a comprehensive program and financial review of the North Carolina Global TransPark Authority. The program review shall examine the Authority's operations and evaluate the effectiveness of the Authority in meeting its mission and goals. The financial review shall study the cost-effectiveness of all State funds appropriated to the Authority to date, examine potential efficiency savings, study the long-term operating needs of the Authority, examine the Authority's current business practices, and make recommendations for it to become financially self-sustaining and to fully repay the Escheat Fund. The Division shall prepare a report of the findings and recommendations of the study and submit it to the Joint Legislative Program Evaluation Oversight Committee no later than ~~March 1, 2011~~.May 1, 2011."

SECTION 8.2. Section 28.7(b) of S.L. 2010-31 reads as rewritten:

"**SECTION 28.7(b)** The Department of Transportation shall develop selection criteria under G.S. 136-188, as enacted by this act, and shall report to the Joint Legislative Transportation Oversight Committee on its development of the selection criteria. A preliminary report on the selection criteria for projects is due to the Joint Legislative Transportation Oversight Committee by October 1, 2010. A final report is due to the Joint Legislative Transportation Oversight Committee by December 15, 2010. When developing the project criteria and selection process, the Department shall give preferential consideration to projects qualified to receive State grants from the Congestion Relief and Intermodal Transportation 21st Century Fund under Article 19 of Chapter 136 of the General Statutes. When developing the project criteria and selection process, the Department shall involve the public and other stakeholders, including, but not limited to, ~~the North Carolina Association of Municipal Planning Organizations,~~North Carolina Association of Metropolitan Planning Organizations, the North Carolina Association of Rural Planning Organizations, the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, the North Carolina Metropolitan Mayors Coalition, and the North Carolina Council of Regional Governments."

PART IX. SALARIES AND BENEFITS

SECTION 9.1.(a) Section 29.4(b) of S.L. 2010-31 reads as rewritten:

"SECTION 29.4.(b) The President of The University of North Carolina may implement furloughs of university employees or delegate furlough authority to a chancellor of a constituent institution ~~to offset the UNC Management Flexibility Reduction institution. Savings realized as a result of a furlough shall be used in accordance with the policies adopted pursuant to subdivision (f)(5) of this section.~~"

SECTION 9.1.(b) Section 29.4(f) of S.L. 2010-31 reads as rewritten:

"SECTION 29.4.(f) As soon as practicable, and no more than 30 calendar days from the effective date of this section, the Board of Governors of The University of North Carolina shall adopt policies for the implementation of this section to remain in effect until the expiration of this section. These policies shall be applied by the President and the constituent institutions in implementing a furlough of university employees. These policies shall provide, at a minimum, that:

- (1) The President may establish a salary threshold below which university employees shall not be subject to furlough. In no event may any full-time university employee, prorated for any part-time employee, earning an annual salary of thirty-two thousand dollars (\$32,000) or less be subject to furlough.
- (2) The scheduling of any furlough period shall be at the discretion of the President or the chancellor of the constituent institution when delegated.
- (3) Paid leave shall not be used to offset all or any portion of a furlough.
- (4) If a holiday falls during the mandatory furlough period, the university employee must be paid for the holiday.
- (5) All savings realized as a result of a ~~furlough shall be used to offset the Management Flexibility Reduction for The University of North Carolina furlough:~~
 - a. Shall be used to offset the Management Flexibility Reduction for The University of North Carolina.
 - b. May, if it is necessary to implement an additional one percent (1%) Management Flexibility Reduction pursuant to Section 2.3 of this act to backfill enhanced FMAP funds, also be used to offset the additional 1% Management Flexibility Reduction and to meet reversion requirements."

SECTION 9.2. Section 26.1A of S.L. 2009-451, as amended by S.L. 2009-575 and by Section 29.7(c) of S.L. 2010-31, reads as rewritten:

"SECTION 26.1A.(a) The salaries of those officers and employees, whose salaries for the 2008-2009 fiscal year were set or increased in Sections 26.1, 26.2, 26.3, 26.4, 26.5, 26.6, 26.7, 26.8, 26.9, 26.10, 26.11, 26.11A, 26.12, 26.12D, 26.13, 26.14, 26.18, and 26.19 of Session Law 2008-107, and in effect on June 30, 2009, or the last date in pay status during the 2008-2009 fiscal year if earlier, shall remain in effect and shall not increase for the 2009-2010 and 2010-2011 fiscal years, except:

- (1) As provided for by Section 29.20A of S.L. 2005-276.
- (2) For Community College faculty as otherwise provided in Section 8.1 of this act.
- (3) For University of North Carolina (i) faculty as otherwise provided by using funds from the Faculty Recruiting and Retention Fund, the Distinguished Professors Endowment Fund, or the University Cancer Research Fund in the case of faculty involved in cancer research supported by that fund and (ii)

faculty, nonfaculty, and other employee retention adjustments funded from non-state funding sources.

- (3a) For Judicial Department employees for local supplementation as authorized under G.S. 7A-300.1.
- (4) Salaries may be increased for reallocations or promotions, in-range adjustments for job change, career progression adjustments for demonstrated competencies, or any other adjustment related to an increase in job duties or responsibilities, none of which are subject to the salary freeze otherwise provided by this subsection. All other salary increases are prohibited."

SECTION 9.3. Section 26.14D of S.L. 2009-451 reads as rewritten:

"REDUCTION IN FORCE/EXTEND STATE EMPLOYEE PRIORITY RIGHTS

SECTION 26.14D. ~~For the 2009-2011 fiscal biennium, the~~The priority consideration afforded to State employees pursuant to G.S. 126-7.1(c1) shall remain in effect for an additional 12-month ~~period.~~ period for those employees who receive notification, on or after May 1, 2009, but on or before June 30, 2011, of a prospective separation of employment by reduction in force provided the employee was subsequently separated by a reduction in force."

PART X. TAX CHANGES

SECTION 10.2. Section 31.6.(g) of S.L. 2010-31 reads as rewritten:

"SECTION 31.6(g) This ~~act-section~~ becomes effective January 1, 2011, and applies to gross receipts derived from the rental of an accommodation that a consumer occupies or has the right to occupy on or after that date."

PART XI. COMMITTEE REPORT

SECTION 11.3. Notwithstanding Page G-9, Item 52, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, Maternal Care Coordinators (MCC) and Children Services Coordinators (CSC) personnel are required to have a bachelor's degree or be a licensed registered nurse.

SECTION 11.4. Notwithstanding Page G-9, Item 54, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, except for reimbursement for multi-vitamin prescriptions for pregnant women, Medicaid coverage of prescriptions for vitamins and minerals is eliminated.

SECTION 11.5. Notwithstanding Page G-10, Item 63, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the Department may generate the required savings through bulk purchasing of incontinence supplies by selecting one or more providers through a competitive bidding process.

SECTION 11.7. Notwithstanding Page H-11, Item 57, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the General Fund appropriation for the Division of Aquariums of the Department of Environment and Natural Resources is reduced on a recurring basis by the sum of seven hundred fourteen thousand two hundred ninety-seven thousand dollars (\$714,297) and replaced with funds obtained by increasing rental fees at the Aquariums and by using gate admission fee receipts budgeted in the North Carolina Aquariums Special Fund as follows:

- (1) The Division shall use the increased rental fees and the gate admission fee receipts to replace the General Fund appropriation for special activities and

events of the Division and for continuing and supporting three positions within the Division that support special activities and events.

- (2) The Division shall use gate admission fee receipts to replace the General Fund appropriation for the daily operations of the Division.

SECTION 11.8. Notwithstanding Page H-11, Item 58, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, when reducing its fleet of aircraft by not less than 10 aircraft, the Division of Forest Resources of the Department of Environment and Natural Resources shall, for those aircraft that are federal surplus aircraft, return the aircraft to the federal government and, for those aircraft that are owned by the State, sell the aircraft.

SECTION 11.9. Notwithstanding Page I-1, Item 7, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the pass-through appropriation reduction affects funds appropriated to the North Carolina State Bar, not the North Carolina Bar Association.

SECTION 11.10. Notwithstanding Page I-7, Item 25, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, no vacant positions are eliminated in the Department of Juvenile Justice and Delinquency Prevention, and the amount of the management flexibility reserve established in that Department by S.L. 2010-31 is a reduction of three million eight hundred seventy-two thousand one hundred seventy-one dollars (\$3,872,171).

SECTION 11.11. Notwithstanding Page J-8, Item 29, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, of the funds appropriated to the State Ethics Commission, the sum of one hundred eighty-one thousand sixty-one dollars (\$181,061) in recurring funds and two hundred seventeen thousand eight hundred fifty dollars (\$217,850) in nonrecurring funds shall be used for one Attorney II and one Paralegal III position and operating expenses to develop an online system for the filing of Statements of Economic Interest (SEIs), an online education program, all information technology related to online education and online filing of SEIs, and legal research tools.

If House Bill 961, 2010 Regular Session of the 2009 General Assembly, or Senate Bill 716, 2010 Regular Session of the 2009 General Assembly, or substantially similar government ethics and campaign reform legislation becomes law, then the sum of ninety-one thousand five hundred forty-one dollars (\$91,541) in recurring funds and two thousand two hundred fifty dollars (\$2,250) in nonrecurring funds shall be used in accordance with that act to fund two Paralegal III positions and provide operating expenses to respond to customer service queries regarding State ethics law compliance and any additional ethics rules or standards implemented by the Governor.

SECTION 11.12. Notwithstanding Page J-9, Item 32, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the budget reduction for the Department of Administration includes the elimination of seven vacant positions and three-fourths of accountant position #65009979.

SECTION 11.13. Notwithstanding Page J-13, Item 42, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the funds appropriated includes the sum of one hundred thousand dollars (\$100,000) in nonrecurring funds for the Freedom Monument Project, Inc., and seventy-five thousand dollars (\$75,000) in nonrecurring funds to support the three monuments on Capitol grounds.

SECTION 11.14. Notwithstanding Page J-14, Item 48, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the sum of one hundred thousand dollars (\$100,000) in nonrecurring funds shall be used for the Capitol Foundation and the sum of seventy-five thousand dollars (\$75,000) in nonrecurring funds to support the three monuments in Capitol Square shall be eliminated.

SECTION 11.15. Notwithstanding Page J-15, Item 52, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the budget reduction eliminates salaries and benefits of the following new positions: an Administrative Officer III; Art Handler; and Processing Assistant III and reduces various expenditure accounts; it does not eliminate the three FTEs for these positions.

SECTION 11.16. Notwithstanding Page J-16, Item 54, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the budget reduction eliminates salaries and benefits of one filled position – W/A Processing Assistant IV, 1.50 vacant positions – Library Clerk III and Processing Assistant III, transfers Library Technician position to receipt-support, and reduces various expenditure accounts.

SECTION 11.17. Notwithstanding Page J-36, Item 95, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the budget reduction for the Department of Secretary of State includes (i) the salary and benefits for a Processing Assistant IV position and the FTE for that position (ii) the salary and benefits for a Notary Investigator position but not the FTE for that position and (iii) other budget reductions.

SECTION 11.18. Notwithstanding the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, there is appropriated from the General Fund to the State Board of Elections the sum of twenty-eight thousand nine hundred eighty-two dollars (\$28,982) for the 2010-2011 fiscal year. These funds and other expansion funds appropriated in this act for government ethics and campaign reform legislation shall be used to provide one hundred thousand dollars (\$100,000) in recurring funds for one Attorney position and three hundred fifty thousand dollars (\$350,000) in nonrecurring funds for software development.

SECTION 11.19. Notwithstanding Page J-38, Item 101, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the State Board of Elections may retain the positions referred to in that item and shall fund them with Maintenance of Effort funds that qualify the Board to receive federal HAVA funds.

SECTION 11.20.(a) Notwithstanding Page K-4, Item 17, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the annual recurring transfer from the Highway Fund to the Global TransPark Authority shall not be reduced.

SECTION 11.20.(b) Notwithstanding Page K-3, Item 9, of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010, the reduction to the General Maintenance Reserve for the State's highway infrastructure shall be further reduced by three hundred twenty thousand dollars (\$320,000).

SECTION 11.21. Section 32.2(a) of S.L. 2010-31 reads as rewritten:

"SECTION 32.2(a) ~~The~~ With the exception of Pages N-1 and N-2, the Joint Conference Committee Report on the Continuation, Expansion, and Capital Budgets dated June 28, 2010, which was distributed in the Senate and the House of Representatives and used to explain this act, shall indicate action by the General Assembly on this act and shall therefore be used to construe this act, as provided in the State Budget Act, Chapter 143C of the General Statutes, as appropriate, and for these purposes shall be considered a part of this act and as such shall be printed as a part of the Session Laws."

PART XII. EFFECTIVE DATE

SECTION 12.1. Except as otherwise provided, this act becomes effective July 1, 2010.
In the General Assembly read three times and ratified this the 10th day of July, 2010.

s/ Walter H. Dalton
President of the Senate

s/ Joe Hackney
Speaker of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 5:00 p.m. this 21st day of July, 2010