

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

**SESSION LAW 2011-391
HOUSE BILL 22**

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

The General Assembly of North Carolina enacts:

AVAILABILITY/APPROPRIATIONS

SECTION 1. Section 2.1 of Session Law 2011-145 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 made for the fiscal biennium ending June 30, 2013, according to the following schedule:

Current Operations – General Fund	2011-2012	2012-2013
EDUCATION		
Community Colleges System Office	\$ 985,000,000	\$ 985,000,000
Department of Public Instruction	7,464,492,057	7,450,000,000
University of North Carolina – Board of Governors		
Appalachian State University	145,563,319	145,680,676
East Carolina University		
Academic Affairs	247,397,807	247,397,807
Health Affairs	65,196,439	65,196,439
Elizabeth City State University	38,226,042	38,398,361
Fayetteville State University	56,925,951	56,925,951
NC A&T State University	105,355,805	105,794,754
NC Central University	94,342,683	94,342,683
NC State University		
Academic Affairs	434,563,241	434,677,423
Agricultural Research	59,239,461	59,239,461
Agricultural Extension	43,539,609	43,539,609
UNC-Asheville	42,004,444	42,004,444
UNC-Chapel Hill		
Academic Affairs	309,481,584	312,843,120
Health Affairs	219,507,009	222,570,732
AHEC	49,747,851	49,747,851
UNC-Charlotte	216,455,073	217,471,216
UNC-Greensboro	173,180,926	173,180,926



UNC-Pembroke	61,534,005	62,277,254
UNC-School of the Arts	27,796,473	27,796,473
UNC-Wilmington	105,943,181	107,138,757
Western Carolina University	90,591,556	91,070,460
Winston-Salem State University	76,496,951	76,496,950
General Administration	38,186,863	27,628,722
University Institution Programs	(375,153,400)	(383,808,914)
Related Educational Programs	85,679,060	115,272,420
UNC Financial Aid Private Colleges	91,635,664	86,534,065
		<u>81,851,588</u>
NC School of Science & Math	18,937,535	18,937,535
UNC Hospitals	18,000,000	18,000,000
Total University of North Carolina – Board of Governors	\$ 2,540,375,132	\$ 2,551,672,698

HEALTH AND HUMAN SERVICES

Department of Health and Human Services		
Division of Central Management and Support	\$ 50,177,377	\$ 44,577,987
Division of Aging and Adult Services	37,019,667	37,019,667
Division of Services for Blind/Deaf/Hard of Hearing	8,389,110	8,372,886
Division of Child Development	266,102,933	266,102,933
Division of Health Service Regulation	16,133,031	16,133,031
Division of Medical Assistance	2,958,388,184	2,907,276,302
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	665,712,232	710,712,232
NC Health Choice	79,452,317	83,717,865
Division of Public Health	190,443,245	157,538,834
Division of Social Services	186,183,068	186,183,068
Division of Vocational Rehabilitation	37,125,788	37,528,128
Total Health and Human Services	\$ 4,495,126,952	\$ 4,455,162,933

NATURAL AND ECONOMIC RESOURCES

Department of Agriculture and Consumer Services	\$ 65,460,864	\$ 62,198,634
Department of Commerce		
Commerce	50,852,340	33,250,463
Commerce State-Aid	32,851,025	30,151,984
NC Biotechnology Center	17,551,710	17,551,710
Rural Economic Development Center	25,376,729	25,376,729
Department of Environment and Natural Resources	165,784,887	148,148,105
DENR Clean Water Management Trust Fund	11,250,000	11,250,000
Department of Labor	15,836,887	15,836,887
Wildlife Resources Commission	18,000,000	17,221,179

JUSTICE AND PUBLIC SAFETY

Department of Correction	\$ 1,337,816,346	\$ 1,348,410,793
Department of Crime Control and Public Safety	225,258,795	215,164,518
Judicial Department	438,920,048	435,141,107
Judicial Department – Indigent Defense	110,091,526	112,748,733
Department of Justice	80,704,013	80,864,138
Department of Juvenile Justice and Delinquency Prevention	135,593,692	131,140,565

GENERAL GOVERNMENT

Department of Administration	\$ 63,607,330 <u>64,448,943</u>	\$ 65,511,460 <u>66,353,073</u>
Department of State Auditor	11,857,574	10,676,035
Office of State Controller	28,368,957	28,368,957
Department of Cultural Resources		
Cultural Resources	63,524,857 <u>64,024,857</u>	61,697,001
Roanoke Island Commission	1,805,236	1,203,491
State Board of Elections	5,186,603	5,126,603
General Assembly	53,259,495 <u>53,172,176</u>	50,104,208
Office of the Governor		
Office of the Governor	4,741,157	4,741,157
Office of State Budget and Management	5,848,663	5,848,663
OSBM – Reserve for Special Appropriations	1,940,612	440,612
Housing Finance Agency	9,673,051	9,673,051
Department of Insurance		
Insurance	36,393,921	36,393,921
Insurance – Volunteer Safety Workers' Compensation	2,294,000	2,623,654
Office of Lieutenant Governor	695,324 <u>782,643</u>	695,324
Office of Administrative Hearings	4,983,871 <u>4,142,258</u>	4,983,871 <u>4,142,258</u>
Department of Revenue	78,199,538	78,199,538
Department of Secretary of State	10,654,563	10,654,563
Department of State Treasurer		
State Treasurer	6,657,031	6,621,750
State Treasurer – Retirement for Fire and Rescue Squad Workers	17,812,114	17,812,114

RESERVES, ADJUSTMENTS, AND DEBT SERVICE

Contingency and Emergency Fund	\$ 5,000,000	\$ 5,000,000
State Retirement System Contribution	248,100,000	336,000,000
Judicial Retirement System Contribution	6,800,000	7,800,000
Firemen's & Rescue Squad Workers' Pension Fund	4,318,042	5,366,928
State Health Plan	7,119,541	102,151,104
Information Technology Fund	4,458,142	6,158,142
Reserve for Job Development Investment Grants (JDIG)	15,400,000	27,400,000
Continuation Review Reserve	0	35,576,758
Comprehensive Review of Compensation Plans	2,000,000	0
Compensation Adjustment and Performance Pay Reserve	0	121,105,840
Severance Expenditure Reserve	69,000,000	0
Automated Fraud Detection Development	1,000,000	7,000,000
Controller – Fraud Detection Development	500,000	500,000
Debt Service		
General Debt Service	688,957,188	759,984,974
Federal Reimbursement	1,616,380	1,616,380
TOTAL CURRENT OPERATIONS –		
GENERAL FUND	\$ 19,678,116,193 <u>\$ 19,678,616,193</u>	\$ 19,943,327,275"

SECTION 2.(a) Section 2.2(a) of Session Law 2011-145 reads as rewritten:

"GENERAL FUND AVAILABILITY STATEMENT

"SECTION 2.2.(a) The General Fund availability used in developing the 2011-2013 biennial budget is shown below.

	FY 2011-2012	FY 2012-2013
Unappropriated Balance Remaining	\$ 0	\$ 13,980,015
Ending Unreserved Fund Balance for FY 2009-2010	236,902,394	0
Anticipated Reversions for FY 2010-2011	537,740,799	0
Anticipated Over-collections from FY 2010-2011	180,800,000	0
Repayment of Medicaid Receipts in FY 2010-2011	(125,000,000)	0
Statutory Earmarks:		
Savings Reserve Account	(185,000,000)	0
Repairs and Renovations Reserve Account	(125,000,000)	0
	<u>(124,500,000)</u>	

Beginning Unreserved Fund Balance	\$ 520,443,193	\$ 13,980,015
	<u>\$ 520,943,193</u>	
Revenues Based on Existing Tax Structure	\$ 18,129,800,000	\$ 19,181,900,000
Nontax Revenues		
Investment Income	\$ 59,400,000	\$ 76,700,000
Judicial Fees	217,800,000	217,800,000
Disproportionate Share	100,000,000	100,000,000
Insurance	71,400,000	73,500,000
Other Nontax Revenues	182,500,000	182,500,000
Highway Trust Fund/Use Tax Reimbursement Transfer	41,500,000	27,600,000
Highway Fund Transfer	20,230,000	24,080,000
Subtotal Nontax Revenues	\$ 692,830,000	\$ 702,180,000
Total General Fund Availability	\$ 19,343,073,193	\$ 19,898,060,015
	<u>\$ 19,343,573,193</u>	
Adjustments to Availability: 2011 Session		
Loss of Estate Tax	\$ (57,100,000)	\$ (72,200,000)
Small Business Tax Relief Package	(131,600,000)	(335,600,000)
Repeal Wildlife Resources Commission Sales Tax Earmark	22,970,000	23,920,000
Suspend Corporate Income Tax Earmark (Public School Construction)	72,110,000	74,750,000
Increase in Judicial Fees	61,765,715	61,765,715
Increase Investment Company Notice Filing Fee	1,600,000	1,600,000
Increase Parking Fees for Visitors	550,000	550,000
Loss of Revenue from the Town of Butner	(1,213,235)	(1,213,235)
Transfer from E-Commerce Reserve Fund	4,483,526	0
Divert Funds from Parks & Recreation Trust Fund	8,435,000	0
Divert Funds from Recreational/Natural Heritage Trust Fund	8,000,000	0
Transfer from Highway Fund for State Highway Patrol	196,849,542	188,209,049
Transfer Additional Funds from Highway Trust Fund	35,223,642	0
Transfer from Mercury Prevention Pollution Fund	250,000	0
Transfer from Commerce – Enterprise Fund	500,000	0
Divert Funds from Scrap Tire Disposal Account	2,268,989	0
Divert Funds from White Goods Management Account	1,951,465	0
Diversion of Golden LEAF Funds	17,563,760	17,563,760
Master Settlement Agreement Funds	24,668,720	25,580,772
Transfer Health and Wellness Trust Funds to Public Health	32,904,411	0
Department of Revenue – Accounts Receivable Program	25,000,000	25,000,000
Medicaid Disproportionate Share Receipts	15,000,000	15,000,000
Adjust Transfer from Insurance Regulatory Fund	(742,348)	(742,348)
Adjust Transfer from Treasurer's Office	(3,881,172)	(3,916,453)
Transfer from NC Flex FICA Funds	1,000,000	0
Proceeds from the Sale of State Assets	15,000,000	25,000,000
Subtotal Adjustments to Availability: 2011 Session	\$ 353,558,015	\$ 45,267,260

Revised General Fund Availability	\$ 19,696,631,208	\$ 19,943,327,275
	<u>\$ 19,697,131,208</u>	
Less General Fund Appropriations	\$ (19,682,651,193)	\$ (19,943,327,275)
	<u>\$ (19,683,151,193)</u>	
Unappropriated Balance Remaining	\$ 13,980,015	\$ 0"

SECTION 2.(b) Section 2.2(k) of Session Law 2011-145 reads as rewritten:

"**SECTION 2.2.(k)** Notwithstanding the provisions of G.S. 143C-4-3, the State Controller shall transfer only ~~one hundred twenty-five million dollars (\$125,000,000)~~one hundred twenty-four million five hundred thousand dollars (124,500,000) from the unreserved fund balance to the Repairs and Renovations Reserve Account on June 30, 2011. This subsection becomes effective June 30, 2011."

SECTION 3. Section 3.1 of Session Law 2011-145 reads as rewritten:

"**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 made for the fiscal biennium ending June 30, 2013, according to the following schedule:

Current Operations – Highway Fund	2011-2012	2012-2013
Department of Transportation		
Administration	\$ 85,412,594	\$ 85,412,594
Division of Highways		
Administration	34,836,793	34,836,793
Construction	87,232,806	86,339,067
Maintenance	1,185,080,215	<u>1,244,588,354</u>
		<u>1,249,514,751</u>
Planning and Research	4,055,402	4,055,402
OSHA Program	372,792	372,792
Ferry Operations	34,189,589	43,538,132
State Aid		
Municipalities	89,373,921	90,187,224
Public Transportation	90,551,575	90,551,575
Airports	18,401,413	22,311,031
Railroads	21,701,153	21,701,153
Governor's Highway Safety	273,093	273,093
Division of Motor Vehicles	90,142,238	43,004,042
Other State Agencies, Reserves, Transfers	292,326,416	<u>351,988,748</u>
		<u>347,062,351</u>
Capital Improvements	15,250,000	15,000,000
Total	\$ 2,049,200,000	\$ 2,134,160,000"

SECTION 4. Section 5.4 of Session Law 2011-145 is amended by adding a new subsection to read:

"**SECTION 5.4.(h)** G.S. 115C-546.2(d)(4) reads as rewritten:

- "(4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction ~~projects incurred on or after January 1, 2003-projects.~~"

GENERAL PROVISIONS

SECTION 5. Section 6.1(b) of Session Law 2011-145 reads as rewritten:

"**SECTION 6.1.(b)** For the 2011-2013 fiscal biennium, and notwithstanding the provisions of Chapter 143C of the General Statutes or any other provision of law, the certified budget for each State agency shall reflect only the total of all appropriations enacted for each State agency by the General Assembly in this act as modified by this act; therefore, the Director of the Budget shall modify the certified budget only to reflect the following actions and only to the extent that they are authorized by this act:

- (1) The allocation of funds set out in reserves.
- (2) Government reorganizations.
- (3) Funds authorized by G.S. 116-30.3A and G.S. 116-40.22(c).

The Director of the Budget shall set out all other budget modifications in the authorized budget."

SECTION 6. Section 6.2 of Session Law 2011-145 reads as rewritten:

"**SECTION 6.2.** For the 2011-2013 fiscal biennium, and notwithstanding the provisions of G.S. 143C-4-4(b), funds appropriated to the Contingency and Emergency Fund may be used only for expenditures required (i) by a court or Industrial Commission ~~order or order~~, (ii) to respond to events as authorized under G.S. 166A-5(1)a.9. of the North Carolina Emergency Management Act of ~~1977-1977~~, (iii) by the State Treasurer to pay death benefits for law enforcement officers killed in line of duty, (iv) by the Office of the Governor for crime rewards in accordance with G.S. 15-53 and G.S. 15-53.1, (v) by the Industrial Commission for supplemental awards of compensation, or (vi) by the Department of Justice for legal fees. These funds shall not be used for other statutorily authorized purposes or for any other contingencies and emergencies."

SECTION 7.(a) Section 6.11(b) of Session Law 2011-145 reads as rewritten:

"**SECTION 6.11.(b)** Funds remaining in the Health and Wellness Trust Fund on June 30, 2011, shall be transferred to the State Controller to be deposited in Nontax Budget code 19878 (Intrastate Transfers) for fiscal year 2011-2012 to be used by the Department of Health and Human Services for the following purposes:

- (1) Up to the sum of twenty-two million dollars (\$22,000,000) shall be used to administer grants associated with the following programs and initiatives:
 - a. Teen Tobacco Prevention.
 - b. ChecKmeds.
 - c. Medication Assistance Programs.
 - d. Obesity Prevention.
 - e. Roanoke Chowan CHC Telehealth Network.
- (2) The sum of ten million dollars (\$10,000,000) shall be used to reduce the total savings required to be achieved for the Medicaid program by Community Care of North Carolina.
- (3) The remainder shall be used to reduce the Medicaid Provider Rate cut."

SECTION 7.(b) Section 6 of S.L. 1999-2, as amended by Section 6.11(d) of Session Law 2011-145, reads as rewritten:

"**SECTION 6.(a)** Except as provided in subsection (b) of this section, it is the intent of the General Assembly that the funds under the Master Settlement Agreement, which is incorporated into the Consent Decree, be allocated as follows:

- (1) Fifty percent (50%) to the nonprofit corporation as provided by the Consent Decree.
- (2) Fifty percent (50%) shall be allocated as follows:
 - a. Debt service as authorized by the State Capital Facilities Act of 2004, Part 1 of S.L. 2004-179 and S.L. 2004-124. As soon as practicable after the beginning of each fiscal year, the State Treasurer shall estimate and transfer to Budget Code 69430 the amount of debt service anticipated to be paid during the fiscal year for special indebtedness authorized by the State Capital Facilities Act of 2004.
 - b. The sum of eight million dollars (\$8,000,000) is credited to Budget Code 69430 and shall be transferred to the University Cancer Research Fund in accordance with G.S. 116-29.1.
 - c. The balance remaining to be credited to the State General Fund to be used for the following purposes:
 1. The benefit of tobacco producers, tobacco allotment holders, and persons engaged in tobacco-related businesses. To carry out this purpose, funds may provide direct and indirect financial assistance, to the extent allowed by law, to (i) indemnify tobacco producers, allotment holders, and persons engaged in tobacco-related businesses from the adverse economic effects of the Master Settlement Agreement, (ii) compensate tobacco producers and allotment holders for the economic loss resulting from lost quota, and (iii) revitalize tobacco dependent communities.
 2. The benefit of health to fund programs and initiatives that include research, education, prevention, and treatment of health problems in North Carolina and to increase the capacity of communities to respond to the public's health needs through programs such as Health Choice and the State's Medicaid program.

(b) Any monies paid into the North Carolina State Specific Account from the Disputed Payments Account on account of the Non-Participating Manufacturers that would have been transferred to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., or to the trust funds established in accordance with subdivision (a)(2) of this section shall be deposited in the ~~General Fund Account of the Settlement Reserve Fund~~ Settlement Reserve Fund and transferred to nontax Budget Code 19878."

SECTION 7.(c) Subsections (e) and (g) of Section 6.11 of Session Law 2011-145 are repealed.

SECTION 8. Session Law 2011-145 is amended by adding the following new section to read:

"MASTER SETTLEMENT FUNDS-HEALTH TRUST ACCOUNT

"SECTION 6.11A. Notwithstanding any other provision of this act, funds shall not be transferred from the Master Settlement Account (MSA) to the Health and Wellness Trust Fund. The June 30, 2011, cash balance from MSA payments in the amount of thirty-two million nine hundred four thousand four hundred eleven dollars (\$32,904,411) shall be deposited into the State's General Fund to support health-related activities pursuant to Section 6.11 of this act."

SECTION 9. Section 6.14 of Session Law 2011-145 reads as rewritten:

"SECTION 6.14. The General Assembly finds that on April 16, 2011, heavy thunderstorms and powerful tornadoes swept through this State, with ~~48~~19 counties sustaining the most extensive damage. Those counties are Bertie, Bladen, Craven, Cumberland, Currituck, Greene, Halifax, Harnett, Hertford, Hoke, Johnston, Lee, Onslow, Pitt, Robeson, Sampson, Tyrrell,

Wake, and Wilson Counties. It is the intent of the General Assembly to provide State matching funds to help mitigate losses, rebuild infrastructure, and aid affected citizens and businesses."

SECTION 10. Session Law 2011-145 is amended by adding the following new section to read:

"LOTTERY COMMISSIONERS

"SECTION 6.18. G.S. 18C-112 is amended by adding a new subsection to read:

'(e) If any member takes any of the following actions, the member vacates office as a member of the Commission and the vacancy shall be filled as provided by G.S. 18C-111(c):

- (1) Files a notice of candidacy under G.S. 163-106 or G.S. 163-323 or a petition under G.S. 163-107.1 or G.S. 163-325.
- (2) Is nominated to fill a vacancy among party nominees under G.S. 163-114 or G.S. 163-115.
- (3) Files a petition as an unaffiliated candidate under G.S. 163-122.
- (4) Files a declaration of intent as a write-in candidate under G.S. 163-123.
- (5) Is nominated by party convention under G.S. 163-98."

INFORMATION TECHNOLOGY

SECTION 11.(a) Section 6A.1(d) of Session Law 2011-145 reads as rewritten:

"SECTION 6A.1.(d) The Office of the State Controller shall coordinate with the Office of the State Chief Information Officer to identify up to four positions in the Office of the State Chief Information Officer that shall be used, effective August 1, 2011, to support planning and implementation of an automated fraud detection capability and an e-forms/digital signature project."

SECTION 11.(b) Section 6A.2(d) of Session Law 2011-145 reads as rewritten:

"SECTION 6A.2.(d) Agency Projects. – Prior to initiation, any information technology project, or any segment of a multipart project, costing more than two hundred fifty thousand dollars (\$250,000) shall be included in the agency's most recent information technology plan and funding shall be approved-appropriated by the General Assembly."

SECTION 11.(c) Section 6A.2(f) of Session Law 2011-145 reads as rewritten:

"SECTION 6A.2.(f) Information Technology Hosting. – State agencies developing and implementing information technology projects/applications shall use the State infrastructure to host their projects. An exception to this requirement may be granted only if approved by ~~both~~either the State Chief Information Officer on the basis of technology requirements ~~and~~or by the Office of State Budget and Management based on cost savings, subject to consultation with the Joint Legislative Commission on Governmental Operations and a report to the Joint Legislative Oversight Committee on Information Technology.

Projects/applications currently hosted outside the State infrastructure shall be returned to State infrastructure not later than the end of any current contract.

By October 1, 2011, the State Chief Information Officer shall report to the Joint Legislative Oversight Committee on Information Technology regarding projects currently hosted outside State infrastructure and a schedule to return those projects to State infrastructure."

SECTION 11.(d) Section 6A.7(a) of Session Law 2011-145 reads as rewritten:

"SECTION 6A.7.(a) By ~~November 1, 2011,~~February 1, 2012, the State Chief Information Officer (State CIO), in conjunction with the Office of State Budget and Management (OSBM), shall develop a detailed plan for consolidating the information technology infrastructure and applications of all State agencies, departments, and institutions in the executive branch. Information technology infrastructure includes personal computers, hosting and network environments, the help desk, call centers, and information technology security. Applications include enterprise software, on-demand software, and customized software. At a minimum, the consolidation plan shall include the following:

- (1) Defined targets and priorities with a detailed time line for the implementation of consolidation.
- (2) The costs of consolidation by fiscal year and by agency.
- (3) The anticipated savings to result from consolidation and a time line for actual achievement of those savings.
- (4) Technical, policy, or other issues associated with achieving a timely and effective consolidation.
- (5) A process to transfer all information technology hardware and software funding to the Office of the State CIO.
- (6) Creation of a project management organization to manage all information technology projects.
- (7) Review of agency, Office of Information Technology Services, and Office of the State CIO to identify redundant personnel positions.

When setting consolidation targets, the State CIO shall give high priority to infrastructure issues that pose significant risk to agency operations or data, that provide opportunities for immediate cost savings, and where a statewide approach would minimize disruption of services. In carrying out the consolidation, the Office of Information Technology Services shall utilize the authority set out in G.S. 147-33.83."

SECTION 11.(e) Section 6A.8(b) of Session Law 2011-145 reads as rewritten:

"SECTION 6A.8.(b) ~~Rates~~ Beginning with State fiscal year 2012-2013, rates shall be set to support a specific service for which an agency is being charged. Overhead charges to agencies must be consistently applied and must not exceed industry standards. Rate increases shall require approval of the OSBM. Rate reductions shall be immediately implemented following notification of the OSBM."

SECTION 11.(f) Section 6A.14(a) of Session Law 2011-145 reads as rewritten:

"SECTION 6A.14.(a) Every executive branch agency within State government shall develop a policy to limit the issuance and use of mobile electronic devices to the minimum required to carry out the agency's mission. As used herein, mobile communication device includes goods provided by commercial mobile radio service providers and services for mobile telecommunications governed by Title 47 of the Code of Federal Regulations. By September 1, 2011, each agency shall provide a copy of its policy to the Chairs of the Appropriations Committee and the Appropriations Subcommittee on General Government of the House of Representatives, the Chairs of the Appropriations/Base Budget Committee and the Appropriations Committee on General Government and Information Technology of the Senate, the Chairs of the Joint Legislative Oversight Committee on Information Technology, the Fiscal Research Division, and the Office of State Budget and Management.

State-issued mobile electronic devices shall be used only for State business. Agencies shall limit the issuance of cell phones, smart phones, and any other mobile electronic devices to employees for whom access to a mobile electronic device is a critical requirement for job performance. The device issued and the plan selected shall be the minimum required to support the employees' work requirements. This shall include considering the use of pagers in lieu of a more sophisticated device. The requirement for each mobile electronic device issued shall be documented in a written justification that shall be maintained by the agency and reviewed annually. All State agency heads, in consultation with the Office of Information Technology Services and the Office of State Budget and Management, shall document and review all authorized cell phone, smart phone, and other mobile electronic communications device procurement, and related phone, data, Internet, and other usage plans for and by their employees. Agencies shall conduct periodic audits of mobile device usage to ensure that State employees and contractors are complying with agency policies and State requirements for their use.

Beginning October 1, 2011, each agency shall report quarterly to the Chairs of the House of Representatives Committee on Appropriations and the House of Representatives Subcommittee on General Government, the Chairs of the Senate Committee on Appropriations and the Senate Appropriations Committee on General Government and Information Technology, the Joint Legislative Oversight Committee on Information Technology, the Fiscal Research Division, and the Office of State Budget and Management on the following:

- (1) Any changes to agency policies on the use of mobile devices.
- (2) The number and types of new devices issued since the last report.
- (3) The total number of mobile devices issued by the agency.
- (4) The total cost of mobile devices issued by the agency.
- (5) The number of each type of mobile device issued, with the total cost for each type."

SECTION 12.(a) Section 6A.4(e) of Session Law 2011-145 reads as rewritten:

"SECTION 6A.4.(e) Agencies shall use existing resources and shall not charge the Office of the State Controller to provide required support for CJLEADS."

SECTION 12.(b) Section 6A.10(b) of Session Law 2011-145 reads as rewritten:

"SECTION 6A.10.(b) Prior to any development or implementation of a State portal, the Department of Administration shall provide all of the following to the General Assembly:

- (1) A detailed plan for development and implementation of the portal, to include a list of applications being considered for implementation during the 2011-2013 and 2013-2015 biennia, including:
 - a. A description of how the portal is to be implemented, to include the use of outside vendors, with detailed information on their participation and the potential cost to the State, businesses, and anyone doing business with the State.
 - b. A list of potential services and a time line for implementing each service.
 - c. Detailed information on the anticipated cost of ownership of the portal and any services proposed for implementation during the period, to include the amount of any payments received by vendors supporting the project.
- (2) A funding model for the implementation that does not increase the cost of services for anyone doing business with the State or reduce the receipts or other funding currently available to State agencies or included in appropriations for the 2011-2013 biennium.
- (3) If the portal is outsourced, a detailed, fully executable plan to return portal operations to the State, with associated costs.
- (4) Identification of internal resources that could potentially be used to develop and implement a State portal.

By May 1, 2012, the Department of Administration shall provide both plans, the funding model, and a detailed list of State internal resources that could be used for the development and implementation of a State portal to the Joint Legislative Committee on Information Technology."

SECTION 12.(c) Section 6A.20(c) of Session Law 2011-145 reads as rewritten:

"SECTION 6A.20.(c) As part of the State's continuing effort to develop a comprehensive enterprise-level data integration capability, the Office of the State Controller shall develop an enterprise process to detect fraud, waste, and improper payments across State agencies. State agencies shall fully support and participate in OSC's efforts to develop an automated fraud detection system. system and shall upon request provide in a timely and responsive manner accurate, complete, and timely data, business rules and policies, and support for project requirements. The agency head shall verify, in writing, the accuracy, completeness, and

timeliness of the data. If any support or data is not provided as needed for the automated fraud detection effort, the OSC shall report that failure to the General Assembly for further review and action.

In support of the automated fraud detection effort, the OSC shall:

- (1) Develop a detailed long-range plan to implement an automated fraud detection system within State agencies.
- (2) Determine costs, to include vendor costs, for the effort for five years, beginning July 1, 2011.
- (3) Coordinate with State agencies to determine interest in participating in the project and to identify potential applications that can be included in an initial request for proposal.
- (4) Establish priorities for developing and implementing potential applications.
- (5) Evaluate savings resulting from each effort.
- (6) Coordinate efforts with the State's data integration vendor to begin the implementation process.
- (7) Establish a pilot to begin the implementation process and to identify and resolve issues associated with expansion of the initiative.
- (8) Coordinate with participating agencies to ensure that each has the resources and processes necessary to follow up on incidents of fraud identified by the vendor.
- (9) Provide recommendations to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division of the General Assembly on potential future initiatives and the cost and savings associated with each."

PUBLIC SCHOOLS

SECTION 13.(a) Section 7.1A of Session Law 2011-145 is amended by adding a new subsection to read:

"**SECTION 7.1A.(d1)** Community colleges shall generate budget FTE for instruction provided through Career and College Promise."

SECTION 13.(b) Subsection (e) of Section 7.1A of Session Law 2011-145 reads as rewritten:

~~"SECTION 7.1A.(e) Community colleges shall generate budget FTE for instruction provided through Career and College Promise.~~ The Community Colleges System Office shall report to the Joint Education Oversight Committee or, if the General Assembly is in session, to the House and Senate Education Committees no later than February 1 regarding the number and cost of high school FTE served as a result of the Career and College Promise program created by this section."

SECTION 13.(c) G.S. 115D-20(4), as amended by Section 7.1A(h) of Session Law 2011-145, reads as rewritten:

"§ 115D-20. Powers and duties of trustees.

The trustees of each institution shall constitute the local administrative board of such institution, with such powers and duties as are provided in this Chapter and as are delegated to it by the State Board of Community Colleges. The powers and duties of trustees shall include the following:

- ...
- (4) To apply the standards and requirements for admission and graduation of students and other standards established by the State Board of Community

Colleges. Notwithstanding any law or administrative rule to the contrary, local community colleges are permitted to offer the following programs:

- a. Subject to the approval of the State Board of Community Colleges, local community colleges may collaborate with local school administrative units to offer courses through the following programs:
 1. Cooperative innovative high school programs as provided by Part 9 of Article 16 of Chapter 115C of the General Statutes.
 2. Academic transition pathways for qualified junior and senior high school students that lead to a career technical education certificate or diploma.
 3. College transfer certificates requiring the successful completion of thirty semester credit hours of transfer courses, including English and mathematics, for qualified junior and senior high school students.
- b. During the summer quarter, persons less than 16 years old may be permitted to take noncredit courses on a self-supporting basis, subject to rules of the State Board of Community Colleges.
- c. High school students may be permitted to take noncredit courses in safe driving on a self-supporting basis during the academic year or the summer.

...."

SECTION 14.(a) Subsection (ee) of Section 7.13 of Session Law 2011-145 is repealed.

SECTION 14.(b) Subsections (a) through (u) of Section 7.13 of Session Law 2011-145 are repealed.

SECTION 15. Section 7.15 of Session Law 2011-145 is rewritten to read:

"TRANSFER OF FEDERAL AGRICULTURAL EDUCATION FUNDS

"SECTION 7.15. Of the funds provided to the Department of Public Instruction, the sum of ninety thousand five hundred dollars (\$90,500) shall be transferred to the Agricultural Education and FFA Program housed in the Department of Agricultural and Extension Education at North Carolina State University. These funds shall be used to support the secondary Agricultural Education Program State-level administration, leadership, curriculum and professional development, operations, innovations and expansions, and the FFA and the Supervised Agricultural Education learning program."

SECTION 16. Section 7.23(a) of Session Law 2011-145 reads as rewritten:

"SECTION 7.23.(a) Local school administrative units shall adopt a Reduction in Force policy for certified school employees that includes the following criteria:

- (1) In determining which positions shall be subject to a reduction in force, a local school administrative unit shall consider the following:
 - a. Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (i) less essential, duplicative, or excess personnel; (ii) job responsibility and/or position inefficiencies; (iii) opportunities for combined work functions; and/or (iv) decreased student or other demands for curriculum, programs, operations, or other services.
 - b. Organizational considerations, such as anticipated organizational needs of the school system and program/school enrollment.
- (2) In determining which employees in similar positions shall be subject to a reduction in force, a local school administrative unit shall consider work performance.

Each local school administrative unit shall have this policy in place on or before July 15, 2011."

SECTION 17. Session Law 2011-145 is amended by adding the following new sections to read:

"TEACHER ACADEMY STATUTES REPEALED

"**SECTION 7.31.(a)** G.S. 115C-296.4 is repealed.

"**SECTION 7.31.(b)** G.S. 120-123(63) is repealed.

"**SECTION 7.31.(c)** G.S. 126-5(c1)(26) is repealed.

"PROFESSIONAL TEACHING STANDARDS COMMISSION STATUTES REPEALED

"**SECTION 7.32.** G.S. 115C-295.1 and G.S. 115C-295.2 are repealed."

COMMUNITY COLLEGES

SECTION 18.(a) G.S. 115D-5(b)(2)e., as amended by Section 8.12(a) of Session Law 2011-145, reads as rewritten:

"e. Radio Emergency Associated ~~Citizens~~ Communications Teams (REACT) under contract to a county as an emergency response agency."

SECTION 18.(b) G.S. 115D-5(b)(12), as rewritten by Section 8.12(a) of Session Law 2011-145, reads as rewritten:

"(12) All curriculum courses taken by high school students at community colleges, ~~including students in early college and middle college high school programs,~~ in accordance with G.S. 115D-20(4) and this section."

SECTION 19. Section 8.18(c) of Session Law 2011-145 reads as rewritten:

"**SECTION 8.18.(c)** This ~~act~~ section is effective when it becomes law."

SECTION 20. If any legislation allowing the board of trustees of any community college to adopt a resolution declining to participate in the William D. Ford Federal Direct Loan Program becomes law, then Part VIII of Session Law 2011-145 is amended by adding a new section to read:

"COMMUNITY COLLEGE BUDGET FLEXIBILITY

"**SECTION 8.21.** Notwithstanding G.S. 115D-31(b1), a college whose board of trustees adopts a resolution declining to participate in the William D. Ford Federal Direct Loan Program, as provided in G.S. 115D-40.1(d), shall not transfer from faculty salaries an amount that exceeds two percent (2%) of the State funds allocated to it for faculty salaries to support other instructional costs or other purposes."

UNIVERSITIES

SECTION 21. Section 9.6(c) of Session Law 2011-145 reads as rewritten:

"**SECTION 9.6.(c)** In allocating the management flexibility reduction, no reduction in State funds shall be allocated in either fiscal year of the 2011-2013 biennium to any of the following:

- (1) Hickory Metro Higher Education Center.
- (2) Joint Graduate School of Nanoscience and Nanoengineering at North Carolina Agricultural and Technical State University and the University of North Carolina at Greensboro.
- (3) The North Carolina Research Campus.
- (4) Center for Turfgrass Environmental Research and Education at North Carolina State University.
- (5) Need-Based Financial Aid.
- (6) Aid to Private Colleges.

- (7) ~~Any special responsibility constituent institution which has been granted a basic type designation of "Special Focus Institution" under the Carnegie Classification of Institutions of Higher Education.~~
- (8) ~~Any special responsibility constituent institution which has been granted a basic type designation of "Baccalaureate Colleges Arts & Sciences" under the Carnegie Classification of Institutions of Higher Education.~~
- (9) The Coastal Wave Energy Research Project led by the UNC Coastal Studies Institute."

DEPARTMENT OF HEALTH AND HUMAN SERVICES

SECTION 21A. Section 10.5 of S.L. 2011-145 reads as rewritten:

"SECTION 10.5.(a) The North Carolina Partnership for Children, Inc. shall not reduce the allocation for counties with less than 35,000 in population by more than twenty percent (20%) of their current allocation/State funding level.

"SECTION 10.5.(a)10.5.(a1) Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total statewide allocation to all local partnerships. For purposes of this subsection, administrative costs shall include costs associated with partnership oversight, business and financial management, general accounting, human resources, budgeting, purchasing, contracting, and information systems management. The North Carolina Partnership for Children, Inc., shall develop a single statewide contract management system that incorporates features of the required standard fiscal accountability plan described in G.S. 143B-168.12(a)(4). All local partnerships shall be required to participate in the contract management system and shall be directed by the North Carolina Partnership for Children, Inc., to collaborate, to the fullest extent possible, with other local partnerships to increase efficiency and effectiveness.

...
"SECTION 10.5.(e) The North Carolina Partnership for Children, Inc., and all local partnerships shall, in the aggregate, be required to match one hundred percent (100%) of the total amount budgeted for the program in each fiscal year of the biennium. Of the funds the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash shall equal to at least ~~ten-seven~~ percent ~~(40%)~~(7%) and in-kind donated resources equal to no more than three percent (3%) for a total match requirement of ~~thirteen-ten~~ percent ~~(43%)~~(10%) for each fiscal year. The North Carolina Partnership for Children, Inc., may carry forward any amount in excess of the required match for a fiscal year in order to meet the match requirement of the succeeding fiscal year. Only in-kind contributions that are quantifiable shall be applied to the in-kind match requirement. Volunteer services may be treated as an in-kind contribution for the purpose of the match requirement of this subsection. Volunteer services that qualify as professional services shall be valued at the fair market value of those services. All other volunteer service hours shall be valued at the statewide average wage rate as calculated from data compiled by the Employment Security Commission in the Employment and Wages in North Carolina Annual Report for the most recent period for which data are available. Expenses, including both those paid by cash and in-kind contributions, incurred by other participating non-State entities contracting with the North Carolina Partnership for Children, Inc., or the local partnerships, also may be considered resources available to meet the required private match. In order to qualify to meet the required private match, the expenses shall:

- (1) Be verifiable from the contractor's records.
- (2) If in-kind, other than volunteer services, be quantifiable in accordance with generally accepted accounting principles for nonprofit organizations.
- (3) Not include expenses funded by State funds.

- (4) Be supplemental to and not supplant preexisting resources for related program activities.
- (5) Be incurred as a direct result of the Early Childhood Initiatives Program and be necessary and reasonable for the proper and efficient accomplishment of the Program's objectives.
- (6) Be otherwise allowable under federal or State law.
- (7) Be required and described in the contractual agreements approved by the North Carolina Partnership for Children, Inc., or the local partnership.
- (8) Be reported to the North Carolina Partnership for Children, Inc., or the local partnership by the contractor in the same manner as reimbursable expenses.

Failure to obtain a ~~thirteen~~-ten percent (~~13%~~)(10%) match by June 30 of each fiscal year shall result in a dollar-for-dollar reduction in the appropriation for the Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted to the Joint Legislative Commission on Governmental Operations in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

...."

SECTION 22. Section 10.7(a) of Session Law 2011-145 reads as rewritten:

"SECTION 10.7.(a) The Department of Public Instruction, Office of Early Learning, and the Department of Health and Human Services are directed to consolidate the More At Four program into the Division of Child Development. The Division of Child Development is renamed the Division of Child Development and Early Education (DCDEE). The DCDEE is directed to maintain the More At Four program's high programmatic ~~standards~~standards and ensure services are provided statewide. The Department of Health and Human Services shall assume the functions of the regulation and monitoring system and payment and reimbursement system for the More At Four program.

All regulation and monitoring functions shall begin July 1, 2011. The More At Four program shall be designated as "prekindergarten" on the five-star rating scale. All references to "prekindergarten" in this section shall refer to the program previously titled the "More At Four" program. All references to "non-prekindergarten" shall refer to all four- and five-star rated facilities.

The Office of State Budget and Management shall transfer positions to the Department of Health and Human Services to assume the regulation, monitoring, and accounting functions within the Division of Child Development's Regulatory Services Section. This transfer shall have all the elements of a Type I transfer as defined in G.S. 143A-6. All funds transferred pursuant to this section shall be used for the funding of prekindergarten slots for four-year-olds and for the management of the program. The DCDEE shall use a portion of the funds to provide necessary services for recruitment, eligibility determination, and child placement within local communities. These services shall be conducted by local partnerships that choose to offer the services. The Department of Health and Human Services shall incorporate eight consultant positions into the regulation and accounting sections of DCDEE, eliminate the remaining positions, and use position elimination savings for the purpose of funding prekindergarten students. DCDEE may use funds from the transfer of the More At Four program for continuing the teacher mentoring program and contracting for the environmental rating scale assessments."

SECTION 23. Section 10.14 of Session Law 2011-145 is repealed.

SECTION 24. Section 10.31A of Session Law 2011-145 reads as rewritten:

"SECTION 10.31A. The Secretary of Health and Human Services may implement a Medicaid assessment program for any willing provider category allowed under federal regulations, ~~except for hospital providers subject to the assessments authorized in Session Law~~

~~2011-11, regulations~~ up to the maximum percentage allowed by federal regulation. The Department may retain up to sixty-five percent (65%) of the amount from an assessment program implemented after December 31, 2010, except for the hospital assessment program authorized in S.L. 2011-11, that can be used by the Department to support Medicaid expenditures. Any assessment funds not retained by the Department shall be used to draw federal Medicaid matching funds for implementing increased rates or new reimbursement plans for each provider category being assessed.

Receipts from the assessment program are hereby appropriated for the 2011-2012 fiscal year and the 2012-2013 fiscal year for the purposes set out in this section."

SECTION 24A. Section 10.35(b) of Session Law 2011-145 reads as rewritten:

"SECTION 10.35.(b) For the 2011-2012 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred fifteen million dollars (\$115,000,000) with the Department of State Treasurer to be accounted for as nontax revenue. For the 2012-2013 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred fifteen million dollars (\$115,000,000) with the Department of State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return of General Fund appropriations, nonfederal revenue, fund balances or other resources from State ~~owned and operated~~ hospitals which are used to provide indigent and non-indigent care services. The return from State ~~owned and operated~~ hospitals to DHHS will be made from nonfederal resources in an amount equal to the amount of the payments from the Division of Medical Assistance for uncompensated ~~care~~ care or based on an interagency agreement in effect at the date of the return. The treatment of any revenue derived from federal programs shall be in accordance with the requirements specified in the Code of Federal Regulations, Title 2, Part 225."

SECTION 25. Section 10.37(a) of Session Law 2011-145 reads as rewritten:

"SECTION 10.37.(a) The Department of Health and Human Services, Division of Medical Assistance, may take the following actions, notwithstanding any other provision of this act or other State law or rule to the contrary:

- (1) In-Home Care provision. – In order to enhance in-home aide services to Medicaid recipients, the Department of Health and Human Services, Division of Medical Assistance, shall:
 - a. No longer provide services under PCS and PCS-Plus ~~the later of January 1, 2012, or~~ whenever CMS approves the elimination of the PCS and PCS-Plus programs and the implementation of the following two new services:
...
- (11) Medicaid service modifications and eliminations. – Subject to the prior approval of the Centers for Medicare and Medicaid Services where required, the Division of Medical Assistance shall make the following eliminations of or modifications to Medicaid services:
 - a. Optical. –
 1. Eliminate adult routine eye exams. Eye exams shall be restricted to cases in which a specific optical problem exists.
 2. Eliminate optical services and supplies.
 - b. Durable medical equipment. – The Department may adjust the rate paid for incontinence supplies or reduce cost through a negotiated single source contract with a manufacturer for incontinence supply procurement, notwithstanding any other provision of law. The contract shall provide that suppliers may use the contract but are also free to take advantage of better prices available elsewhere. The Department may effectuate any combination of these options in order

- to achieve the lowest available cost for incontinence supply procurement.
- c. Specialized therapies. – For evaluations and reevaluations, as well as physical, occupational, speech, respiratory, and audiological services, reduce the maximum number of allowable services by one per year.
- d. Home health. – Restrict usage of the miscellaneous T199 code. All billing must be for a specific service.
- e. Pregnancy Home Model Initiative. Implement a collaborative effort between Community Care of North Carolina Networks and Local Health Departments to improve perinatal care and ensure care management of high risk pregnancies.

...."

SECTION 26. Section 10.40 of S.L. 2011-145 reads as rewritten:

"TRANSFER TO OFFICE OF ADMINISTRATIVE HEARINGS

"**SECTION 10.40.** From funds available to the Department of Health and Human Services (Department) for the 2011-2012 fiscal year, the sum of ~~one million dollars (\$1,000,000)~~, one million dollars (\$1,000,000) in General Fund appropriations, and for the 2012-2013 fiscal year the sum of ~~one million dollars (\$1,000,000)~~, one million dollars (\$1,000,000) in General Fund appropriations, shall be transferred by the Department of Health and Human Services to the Office of Administrative Hearings (OAH). These funds shall be allocated by the OAH for mediation services provided for Medicaid applicant and recipient appeals and to contract for other services necessary to conduct the appeals process. OAH shall continue the Memorandum of Agreement (MOA) with the Department for mediation services provided for Medicaid recipient appeals and contracted services necessary to conduct the appeals process. The MOA will facilitate the Department's ability to draw down federal Medicaid funds to support this administrative function. Upon receipt of invoices from OAH for covered services rendered in accordance with the MOA, the Department shall transfer the federal share of Medicaid funds drawn down for this purpose."

SECTION 26A. Section 10.49A of S.L. 2011-145 reads as rewritten:

"HOME CARE AGENCY LICENSURE MORATORIUM IN-HOME AIDE SERVICES

"**SECTION 10.49A.** Beginning July 1, 2011, and for a period of three years thereafter, the Department of Health and Human Services shall not issue any licenses for home care agencies as defined in G.S. 131E-136(2) that intend to offer in-home aide services. The prohibition shall not restrict the Department from issuing licenses to certified home health agencies as defined in G.S. 131E-176(12) that intend to offer in-home aide services or to agencies that need a new license for an existing home care agency being acquired. The Secretary may at any time license a new home care agency in any area of the State if access to care becomes an issue during the time frame set forth above. Companion and Sitter services are exempt from this restriction. All completed applications that include the applicable fee received in the Division of Health Service Regulation prior to July 1, 2011, may be processed for licensure."

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

SECTION 27.(a) Section 13.3(e) of Session Law 2011-145 reads as rewritten:

"**SECTION 13.3.(e)** All functions, powers, duties, and obligations previously vested in the Radiation Protection Section within the Division of Environmental Health of the Department of Environment and Natural Resources are transferred to and vested in the Division of Health ~~Safety~~ Service Regulation of the Department of Health and Human Services by a Type I transfer, as defined in G.S. 143A-6."

SECTION 27.(b) G.S. 143-300.8, as amended by Section 13.3(k) of Session Law 2011-145, reads as rewritten:

"§ 143-300.8. Defense of local sanitarians.

Any local health department sanitarian enforcing rules of the Commission for Public Health under the supervision of the Department of Health and Human Services pursuant to G.S. 130A-4 shall be defended by the Attorney General, subject to the provisions of G.S. 143-300.4, and shall be protected from liability in accordance with the provisions of this Article in any civil or criminal action or proceeding brought against the sanitarian in his official or individual capacity, or both, on account of an act done or omission made in the scope and course of enforcing the rules of the Commission for Public Health. The Department of ~~Environment and Natural Resources~~Health and Human Services shall pay any judgment against the sanitarian, or any settlement made on his behalf, subject to the provisions of G.S. 143-300.6."

SECTION 27.(c) G.S. 104E-8(c), as amended by Section 13.3(ddd) of Session Law 2011-145, reads as rewritten:

"(c) The 10 ex officio members shall be appointed by the Governor, shall be members or employees of the following State agencies or their successors, and shall serve at the Governor's pleasure:

- ...
- (6) The Division of Health ~~Safety~~Service Regulation of the Department.
-"

SECTION 27.(d) G.S. 104E-9(b), as amended by Section 13.3(eee) of Session Law 2011-145, reads as rewritten:

"(b) The Division of Health ~~Safety~~Service Regulation of the Department shall develop a training program for tanning equipment operators that meets the training rules adopted by the Commission. If the training program is provided by the Department, the Department may charge each person trained a reasonable fee to recover the actual cost of the training program."

SECTION 27.(e) G.S. 120-70.33(3), as amended by Section 13.3(fff) of Session Law 2011-145, reads as rewritten:

"§ 120-70.33. Powers and duties.

The Joint Select Committee shall have the following powers and duties:

- ...
- (3) To evaluate actions of the Radiation Protection Commission, the radiation protection programs administered by the Division of Health ~~Safety~~Service Regulation of the Department of Health and Human Services, and of any other board, commission, department, or agency of the State or local government as such actions relate to low-level radioactive waste management;
-"

SECTION 28. If Senate Bill 781, 2011 Regular Session, becomes law, then Section 13.11B of Session Law 2011-145 is repealed.

SECTION 29. Section 13.21 of Session Law 2011-145 is rewritten to read:

"SECTION 13.21.Section 15.4(a) of S.L. 1997-443, as amended by Section 3.1 of S.L. 1999-329, Section 5 of S.L. 2001-254, Section 1.1 of S.L. 2002-176, Section 6.1 of S.L. 2003-340, Section 12.7(a) of S.L. 2005-276, Section 2 of S.L. 2007-536, and Section 1 of S.L. 2009-84, reads as rewritten:

'(a) The Department of Environment and Natural Resources shall develop and implement a pilot program to begin no later than 1 November 1997, and to terminate ~~4 September 2011,~~June 30, 2013, regarding the annual inspections of animal operations that are subject to a permit under Article 21 of Chapter 143 of the General Statutes. The Department shall select two counties located in a part of the State that has a high concentration of swine farms to participate in this pilot program. In addition, Brunswick County and Pender County shall be added to the program. Notwithstanding G.S. 143-215.10F, the Division of Soil and

Water Conservation of the Department of Environment and Natural Resources shall conduct inspections of all animal operations that are subject to a permit under Article 21 of Chapter 143 of the General Statutes in these four counties at least once a year to determine whether any animal waste management system is causing a violation of water quality standards and whether the system is in compliance with its animal waste management plan or any other condition of the permit. The personnel of the Division of Soil and Water Conservation who are to conduct these inspections in each of these four counties shall be located in an office in the county in which that person will be conducting inspections. As part of this pilot program, the Department of Environment and Natural Resources shall establish procedures whereby resources within the local Soil and Water Conservation Districts serving the four counties are used for the quick response to complaints and reported problems previously referred only to the Division of Water Quality of the Department of Environment and Natural Resources."

SECTION 30. Section 13.22(b) of Session Law 2011-145 reads as rewritten:

"**SECTION 13.22.(b)** G.S. 143-215.10D(b), as amended by Section 13.22(r) of this act, reads as rewritten:

'(b) ~~As part of its animal waste management plan, each animal operation shall have an operations review at least once a year.~~An animal operation may request an operations review. The operations review shall be conducted by a technical specialist employed by the Division of Soil and Water Conservation of the Department of Agriculture and Consumer Services, a local Soil and Water Conservation District, or the federal Natural Resources Conservation Services working under the direction of the Division of Soil and Water Conservation."

SECTION 31. Section 13.23(h) of Session Law 2011-145 reads as rewritten:

"**SECTION 13.23.(h)** Of the funds available to the Department of Environment and Natural Resources for Water Resource Projects, the sum of one million dollars (\$1,000,000) shall be transferred to the Department of ~~Environment and Natural Resources,~~Agriculture and Consumer Services, Division of Soil and Water Conservation, for the 2011-2012 fiscal year to implement the Agricultural Water Resources Assistance Program established in Article 5 of Chapter 139 of the General Statutes, as enacted by subsection (a) of this section. The Soil and Water Conservation Commission may use up to fifteen percent (15%) of these funds for the costs of the Division of Soil and Water Conservation and the costs of the Soil and Water Conservation Districts to provide engineering assistance, to provide technical assistance, and to administer the Agricultural Water Resources Assistance Program. Any of these funds that are not expended or encumbered as of June 30, 2012, shall not revert and shall remain available for purposes set forth in this subsection until expended."

SECTION 32. Session Law 2011-145 is amended by adding a new section to read:

"REQUIREMENTS TO RECEIVE NC AGRICULTURE COST SHARE PROGRAM FUNDS OR AGRICULTURE WATER RESOURCES ASSISTANCE PROGRAM FUNDS

"**SECTION 13.23A.(a)** G.S. 106-850(b), as recodified by Section 13.22A(t) of this act, is amended by adding a new subdivision to read:

'(10) To be eligible for cost share funds under this program, each applicant must establish that he or she is engaged in farming by providing to the Soil and Water Conservation Commission with his or her application a copy of the applicant's federal tax Schedule F (Form 1040) for the most recent tax year showing the applicant's profit or loss from farming.'

"**SECTION 13.23A.(b)** G.S. 139-60, as enacted by Section 13.23 of this act, is amended by adding a subsection to read:

'(c1) To be eligible for assistance under this program, each applicant must establish that he or she is engaged in farming by providing to the Soil and Water Conservation Commission with his or her application a copy of the applicant's federal tax Schedule F (Form 1040) for the most recent tax year showing the applicant's profit or loss from farming.'"

SECTION 33.(a) Section 13.25(i) of Session Law 2011-145 is repealed.

SECTION 33.(b) G.S. 106-848(c) and (d), as enacted by Section 13.25(o) of Session Law 2011-145, reads as rewritten:

"§ 106-848. Applications of proceeds from sale of products.

...

(c) Forest Seedling Nursery Program Fund. – The Forest Seedling Nursery Program Fund is created within the Department of ~~Environment and Natural Resources, Agriculture and Consumer Services~~, Division of Forest Resources, as a special revenue fund. Except as provided in subsection (b) of this section, this Fund shall consist of receipts from the sale of seed and seedlings as authorized in G.S. 106-847 and any gifts, bequests, or grants for the benefit of this Fund. No General Fund appropriations shall be credited to this Fund. Any balance remaining in this Fund at the end of any fiscal year shall not revert. The Department may use this Fund only to develop, improve, repair, maintain, operate, or otherwise invest in the Forest Seedling Nursery Program.

(d) Bladen Lakes State Forest Fund. – The Bladen Lakes State Forest Fund is created within the Department of ~~Environment and Natural Resources, Agriculture and Consumer Services~~, Division of Forest Resources, as a special revenue fund. This Fund shall consist of receipts from the sale of forest products from Bladen Lakes State Forest as authorized in G.S. 106-847 and any gifts, bequests, or grants for the benefit of this Fund. No General Fund appropriations shall be credited to this Fund. Any balance remaining in this Fund at the end of any fiscal year shall not revert. The Department may use this Fund only to develop, improve, repair, maintain, operate, or otherwise invest in the Bladen Lakes State Forest."

SECTION 34. Section 13.26(c) of Session Law 2011-145 reads as rewritten:

"SECTION 13.26.(c) The funds appropriated in this act to the Clean Water Management Trust Fund shall be allocated as follows:

- (1) Notwithstanding the provisions of G.S. 113A-253(d), the sum of three million dollars (\$3,000,000) shall be used for the 2011-2012 fiscal year and for the 2012-2013 fiscal year for the costs of administering the Clean Water Management Trust Fund, including costs to support the Board of Trustees of the Clean Water Management Trust Fund and its staff, the operating costs of the Board of Trustees of the Clean Water Management Trust Fund and its staff, and the costs of making debt payments to retire debt as provided under G.S. 113A-253(c);
- (2) Notwithstanding the provisions of G.S. 113A-253(c) and G.S. 113A-254, the sum of one million five hundred thousand dollars (\$1,500,000) shall be used for the 2011-2012 fiscal year and for the 2012-2013 fiscal year for State matching funds for the Readiness and Environmental Protection Initiative and any other United States Department of Defense program that provides for military buffers and protects the overall military training mission; and
- (3) The sum of ~~six million two hundred thousand dollars (\$6,250,000)~~six million seven hundred fifty thousand dollars (\$6,750,000) shall be used for the 2011-2012 fiscal year and for the 2012-2013 fiscal year for the costs for wastewater projects, water quality restoration projects, minigrants, conservation easements, and stormwater projects consistent with the provisions of Article 18 of Chapter 113A of the General Statutes. As used in this subdivision, 'minigrant' means grant funds to provide the transaction costs to facilitate the donation of conservation easements."

DEPARTMENT OF COMMERCE

SECTION 35. Section 14.3A(a) of Session Law 2011-145 reads as rewritten:

"SECTION 14.3A.(a) There is established an operating committee for the Vinifera Group and an operating committee for the Muscadines Group. The purpose of the operating committees is to promote North Carolina wineries and tourism related to the wineries. Each operating committee shall consist of five members, who shall be appointed by the ~~Commissioner of Agriculture~~ Secretary of Commerce to serve two-year terms, which shall be staggered. The members appointed shall be chosen from among individuals who have education or experience in the wine industry or in the field of tourism. No member of an operating committee may serve for more than two consecutive terms. Initial terms shall commence September 1, 2011."

SECTION 36. Section 14.5B of Session Law 2011-145 is repealed.

SECTION 37. Section 14.13 of Session Law 2011-145 reads as rewritten:

"REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS ALLOCATIONS

...
"SECTION 14.13.(c) No more than ~~one hundred thousand dollars (\$100,000)~~ one hundred twenty thousand dollars (\$120,000) in State funds shall be used for the annual salary of any one employee of a regional economic development commission.
...."

SECTION 38. Section 14.20(e) of Session Law 2011-145 reads as rewritten:

"SECTION 14.20.(e) Criteria for Grants. – All requests for Rural Jobs Infrastructure Grants shall do all of the following:

- (1) Document the infrastructure needs that the project will address.
- (2) Specify the number of jobs that will be created as a result of the infrastructure improvements proposed for funding assistance.
- (3) Document the availability of all matching funds.
- (4) Identify the private enterprises that will be creating the jobs and provide documentation that the enterprises will agree to contract to produce the number of jobs promised.
- (5) Provide any additional documentation requested by the Rural Center to complete its review.

~~As part of its review of grant applications, the Rural Center shall determine that the private sector jobs to be created through the investment of the Rural Jobs Infrastructure Grant Fund will not compete unfairly with existing businesses. In awarding grants under this section, the Rural Center shall give preference to a resident company. For purposes of this section, the term "resident company" means a company that has paid unemployment taxes or income taxes in this State and whose principal place of business is located in this State. An application for a project that serves an economically distressed area shall have priority over a project that does not. A Rural Jobs Infrastructure Grant to assist with water infrastructure needs is not subject to the provisions of G.S. 143-355.4. The Board of Directors of the Rural Center may establish additional criteria to effectively allocate the funds appropriated in this section.~~"

SECTION 38.1.(a) Section 14.3A of S.L. 2011-145 is repealed.

SECTION 38.1.(b) Part 2J of Article 10 of Chapter 143B of the General Statutes, as repealed by Section 14.3B of S.L. 2011-145, is re-enacted.

SECTION 38.1.(c) G.S. 143B-437.91, as re-enacted by subsection (b) of this section, reads as rewritten:

"§143B-437.91. North Carolina Wine and Grape Growers Council – Composition; terms; reimbursement.

(a) The North Carolina Wine and Grape Growers Council shall consist of ~~44~~ 10 members who shall be appointed by the Secretary of Commerce in the following manner: seven commercial grape growers; three winery operators; and one retailer of North Carolina grape products. For purposes of this Article, a commercial grape grower is one who has at least three acres of grapes or sells ten thousand dollars (\$10,000) worth of grapes annually. The Secretary

~~shall appoint members for staggered four-year terms. Members shall serve until their successors are appointed and qualified. Any member of the Council may be reappointed for additional terms. Any appointment to fill a vacancy on the Council shall be for the balance of the unexpired term. Any member of the Council may be removed by the Secretary for misfeasance, malfeasance, or nonfeasance.~~

~~(b) Members of the Council shall receive per diem and necessary travel and subsistence expenses in accordance with G.S. 138-5 from funds appropriated for the operation of the Council.~~

~~(c) All clerical and other services required by the Council may be provided by the Department of Commerce.~~

~~(d) The Secretary of Commerce shall appoint a chair who shall serve at the pleasure of the Secretary.~~

~~(e) The Council may select a secretary who need not be a member of the Council.~~

~~(f) The Council shall meet when necessary as determined by the chair or upon written request of a majority of the members.~~

~~(g) A majority of the Council shall constitute a quorum for the transaction of business. Commerce as provided in this section. The members of the Council shall be divided into an advisory committee for the Vinifera Group and an advisory committee for the Muscadines Group for the purpose of performing the powers and duties prescribed in G.S. 143B-437.90 and for the purpose of promoting North Carolina wineries and tourism related to the wineries.~~

(b) Each advisory committee shall consist of five members, who shall be appointed by the Secretary of Commerce to serve two-year terms, which shall be staggered. The members appointed shall be chosen from among individuals who have education or experience in the wine industry or in the field of tourism. No member of an advisory committee may serve for more than two consecutive terms. Initial terms shall commence September 1, 2011.

(c) Each advisory committee shall meet at least twice each calendar year during which time each committee shall discuss issues related to the Council's powers and duties, including ways in which to promote and advertise North Carolina wineries and ways in which to improve, use, and distribute State maps showing winery locations. The Vinifera Group shall meet at the NC Shelton Badgett Viticulture Center at Surry Community College, and the Muscadines Group shall meet at Duplin Community College. After each meeting, each advisory committee shall report to the Secretary of Commerce with its recommendations. Notwithstanding any other provision of law, committee members shall receive no salary, per diem, subsistence, travel reimbursement, or other stipend or reimbursement as a result of serving on their respective committees.

(d) Each advisory committee shall elect from the membership of each committee a chair and vice-chair. Vacancies resulting from the resignation of a member or otherwise shall be filled in the same manner in which the original appointment was made, and the term shall be for the balance of the unexpired term. A majority of the members of each committee shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members present at meetings of each committee shall be necessary for action to be taken by the committee."

SECTION 38.1(d) The terms of the current members of the North Carolina Wine and Grape Growers Council shall expire on June 30, 2011.

SECTION 38.1(e) Notwithstanding any provision of S.L. 2011-145 to the contrary:

- (1) Position # 60080945 shall not be eliminated, but that position, including salary and benefits, shall be paid for with funds appropriated in this act for NC Wineries & Tourism.
- (2) The sum of five hundred thousand dollars (\$500,000) in non-recurring funds for the 2011-2012 fiscal year that is appropriated in S.L. 2011-145 for NC

Wineries & Tourism shall be used to promote the Vinifera and Muscadine wineries rather than being allocated to the Vinifera and Muscadine Groups.

SECTION 38.2. Notwithstanding any provision of S.L. 2011-145 to the contrary, the sum of one hundred thousand dollars (\$100,000) in recurring funds for the 2011-2012 fiscal year is appropriated to the Department of Commerce to allocate to the Appalachian Energy Center at Appalachian State University.

JUDICIAL DEPARTMENT

SECTION 39. Section 15.16(c) of Session Law 2011-145 reads as rewritten:

"SECTION 15.16.(c) The Office of Indigent Defense Services shall issue a request for proposals from private law firms or not-for-profit legal representation organizations for the provision of all legal services for indigent clients in all judicial districts. The Office of Indigent Defense Services shall report on the issuance of this request for proposals to the Joint Legislative Commission on Governmental Operations by October 1, 2011. In cases where the proposed contract can provide representation services more efficiently than current ~~costs~~, costs and ensure that the quality of representation is sufficient to meet applicable constitutional and statutory standards, the Office of Indigent Defense Services shall use private assigned counsel funds to enter into contracts for this purpose. In selecting contracts, the Office of Indigent Defense Services shall consider both the cost-effectiveness of the proposed contract and the ability of the potential contractor to provide effective representation for the clients served by the contract."

SECTION 40. Session Law 2011-145 is amended by adding a new section to read:
"INDIGENT DEFENSE SERVICES/STATE MATCH FOR GRANTS

"SECTION 15.22. The Office of Indigent Defense Services may use up to the sum of fifty thousand dollars (\$50,000) from funds available for the 2011-2012 fiscal year to provide the State matching funds needed to receive grant funds. Prior to using funds for this purpose, the Office shall report to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety and the Joint Legislative Commission on Governmental Operations on the grants to be matched using these funds."

SECTION 40.1. S.L. 2011-145 is amended by adding a new section to read:
"PROSECUTORIAL OFFICE STAFF

"SECTION 15.23. Notwithstanding any other provision of this act, the Administrative Office of the Courts shall reduce support staff in prosecutorial offices using a blended ratio/workload model developed by their Office of Research and Planning. There is no limit on the percentage reduction that any one prosecutorial office may take."

DEPARTMENT OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION

SECTION 41. Section 17.3 of Session Law 2011-145 is rewritten to read:

"SECTION 17.3.(a) Funds appropriated in this act to the Department of Juvenile Justice and Delinquency Prevention for the 2011-2013 fiscal biennium for wilderness camp contracts that are not required for or used for wilderness camp contracts shall only be used for the following:

- (1) Other statewide residential programs that provide Level 2 intermediate dispositional alternatives for juveniles.
- (2) Statewide community programs that provide Level 2 intermediate dispositional alternatives for juveniles.
- (3) Regional programs that are collaboratives of two or more Juvenile Crime Prevention Councils which provide Level 2 intermediate dispositional alternatives for juveniles.

- (4) The Juvenile Crime Prevention Council grants fund to be used for the Level 2 intermediate dispositional alternatives for juveniles listed in G.S. 7B-2506(13) through (23).

"SECTION 17.3(b) Under no circumstances shall funds appropriated by this act to the Department of Juvenile Justice and Delinquency Prevention for the 2011-2013 fiscal biennium for wilderness camps be used for staffing, operations, maintenance, or any other expenses of youth development centers.

"SECTION 17.3(c) The Department of Juvenile Justice and Delinquency Prevention shall submit an electronic report by October 1, 2011, on all expenditures made from the miscellaneous contract line in Fund Code 1310 to the House of Representatives and Senate Appropriations Subcommittees on Justice and Public Safety and the Fiscal Research Division of the General Assembly. The report shall include all of the following: an itemized list of the contracts that have been executed, the amount of each contract, the date the contract was executed, the purpose of the contract, the number of juveniles that will be served and the manner in which they will be served, the amount of money transferred to the Juvenile Crime Prevention Council fund, and an itemized list of grants allocated from the funds transferred to the Juvenile Crime Prevention Council fund."

DEPARTMENT OF CORRECTION

SECTION 42. Session Law 2011-145 is amended by adding a new section to read:
"PROHIBIT CLOSURE OF BLADEN CORRECTIONAL CENTER

"SECTION 18.17. The Department of Correction shall not close the Bladen Correctional Center during the 2011-2013 biennium."

SECTION 42.1. Section 18.10.(c) of S.L. 2011-145 is repealed.

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

SECTION 43.(a) G.S. 143B-259(a), as enacted by Section 19.1(b) of Session Law 2011-145, reads as rewritten:

"§ 143B-259. Organization.

(a) There is established the Department of Public Safety. The head of the Department of Public Safety is the Secretary of Public Safety, who shall be known as the Secretary. The Department shall consist of ~~seven~~ six divisions and an Office of External Affairs as follows:

- ...
- (3) The Division of Law Enforcement, which shall consist of the following former divisions of the Department of Crime Control and Public ~~Safety~~ Safety ~~and the Department of Justice~~: the State Highway Patrol, the Alcohol Law Enforcement Division, the Butner Public Safety Division, and the State Capitol Police Division. The head of the Division of Law Enforcement shall be a chief deputy secretary.
- (4) The Division of Emergency Management, which shall consist of the former Division of Emergency Management of the Department of Crime Control and Public Safety and the Civil Air Patrol.

...."

SECTION 43.(b) G.S. 143B-259.1, as enacted by Section 19.1(b) of Session Law 2011-145, reads as rewritten:

"§ 143B-259.1. Powers and duties of the Department of Public Safety.

It shall be the duty of the Department of Public Safety to do all of the following:

...

- (3) To prepare ~~annually~~ annually, in consultation with the Judicial Department and the Department of Justice, a State plan for the State's criminal justice system.

...."

SECTION 43.(c) Section 19.1(g) of Session Law 2011-145 is amended by deleting "164-37,".

SECTION 43.(d) Section 19.1(i) of Session Law 2011-145 is amended by deleting "164-37,".

SECTION 43.(e) G.S. 164-37, as amended by Section 19.1(l) of Session Law 2011-145, reads as rewritten:

"§ 164-37. Membership; chairman; meetings; quorum.

The Commission shall consist of ~~30~~28 members as follows:

...

- (3) The Secretary of ~~Correction~~Public Safety or his designee;

- (4) ~~The Secretary of Crime Control and Public Safety~~ or his designee;

...

- (~~26~~) ~~A representative of the Division of Juvenile Justice of the Department of Public Safety.~~

The Commission shall have its initial meeting no later than September 1, 1990, at the call of the Chairman. The Commission shall meet a minimum of four regular meetings each year. The Commission may also hold special meetings at the call of the Chairman, or by any four members of the Commission, upon such notice and in such manner as may be fixed by the rules of the Commission. A majority of the members of the Commission shall constitute a quorum."

SECTION 43.(f) Section 19.1(h) of Session Law 2011-145 is amended by deleting "164-40" and "164-42".

SECTION 43.(g) Section 19.1(q1) of Session Law 2011-145 is amended by deleting that subsection.

SECTION 43.(h) Section 19.1(bb) of Session Law 2011-145 is amended by deleting that subsection, and Section 19.1(u) of Session Law 2011-145 reads as rewritten:

"SECTION 19.1.(u) Division of Law Enforcement. – Parts 1 and 7 of Article 11 of Chapter 143B of the General Statutes are ~~repealed~~. repealed, and the Law Enforcement Support Services Division of the Department of Crime Control and Public Safety is abolished. Part 9 of Article 11 of Chapter 143B of the General Statutes is recodified as Subpart A of Part 4 of Article 5A of Chapter 143B of the General Statutes, G.S. 143B-272.45."

SECTION 43.(i) Section 19.1(x1) of Session Law 2011-145 reads as rewritten:

"SECTION 19.1.(x1) Office of External Affairs. – Part 3A of Article 11 of Chapter 143B of the General Statutes is recodified as Subpart A of Part 7 of Article 5A of Chapter 143B of the General Statutes, "Victims' Services Section", G.S. 143B-272.103 through G.S. 143B-272.104."

SECTION 43.(j) G.S. 18B-500, as rewritten by Section 19.1(z) of Session Law 2011-145, reads as rewritten:

"§ 18B-500. Alcohol law-enforcement agents.

(a) Appointment. – The Secretary of ~~the Department~~ of Public Safety shall appoint alcohol law-enforcement agents and other enforcement personnel. The Secretary of ~~the Department~~ of Public Safety may also appoint regular employees of the Commission as alcohol law-enforcement agents. Alcohol law-enforcement agents shall be designated as "alcohol law-enforcement agents". Persons serving as reserve alcohol law-enforcement agents are considered employees of the Alcohol Law Enforcement Section for workers' compensation purposes while performing duties assigned or approved by the Director of Alcohol Law Enforcement Section or the Director's designee.

(b) Subject Matter Jurisdiction. – After taking the oath prescribed for a peace officer, an alcohol law-enforcement agent shall have authority to arrest and take other investigatory and enforcement actions for any criminal offense. The primary responsibility of an agent shall be enforcement of the ABC laws, lottery laws, and Article 5 of Chapter 90 (The Controlled Substances Act); however, an agent may perform any law-enforcement duty assigned by the Secretary of the ~~Department of Public Safety~~ or the Governor.

...."

SECTION 43.(k) Section 19.1(bb1) of Session Law 2011-145 is deleted, and the introductory language to Section 19.1(bb2) and the catch line to G.S. 143B-490, as rewritten by that act, read as rewritten:

"**SECTION 19.1.(bb2)** G.S. 143B-490, as rewritten by subsection (g) of this section and recodified by subsection (w) of this section, reads as rewritten:

"§ **143B-272.73A. Civil Air Patrol ~~Division~~ Section – powers and duties.**"

SECTION 43.(l) Section 19.1(dd1) of Session Law 2011-145 is deleted.

SECTION 43.(m) Section 19.1(jj) of Session Law 2011-145 reads as rewritten:

"**SECTION 19.1.(jj)** G.S. 122C-408, as rewritten by subsection (g) of this section and Section 19.3(b), reads as rewritten:

"§ **122C-408. Butner Public Safety ~~Division~~ Section of the Department of Public Safety; jurisdiction; fire and police district.**"

(a) The Secretary of Public Safety may employ special police officers for the territory of the Butner Reservation. The Secretary of Public Safety shall contract with the Town of Butner to provide fire and police protection to those areas within the incorporated limits of the Town of Butner. The territorial jurisdiction of these officers shall consist of the property shown on a map produced May 20, 2003, by the Information Systems Division of the North Carolina General Assembly and kept on file in the office of the Butner Town Manager and in the office of Director of the Butner Public Safety ~~Division~~ Section of the Department of Public Safety and such additional areas which are within the incorporated limits of the Town of Butner as shown on a map to be kept in the office of the Butner Town Manager and in the office of Director of the Butner Public Safety ~~Division~~ Section of the Department of Public Safety. The Secretary of Public Safety may organize these special police officers into a public safety department for that territory and may establish it as a division within that principal department as permitted by Chapter 143B of the General Statutes.

(b) After taking the oath of office required for law-enforcement officers, the special police officers authorized by this section shall have the authority of deputy sheriffs of Durham and Granville Counties in those counties respectively. Within the territorial jurisdiction stated in subsection (a) of this section, the special police officers have the primary responsibility to enforce the laws of North Carolina, the ordinances of the Town of Butner, and any rule applicable to the Butner Reservation adopted under authority of this Part or under G.S. 143-116.6 or G.S. 143-116.7 or under the authority granted any other agency of the State and also have the powers set forth for firemen in Articles 80, 82 and 83 of Chapter 58 of the General Statutes. Any civil or criminal process to be served on any individual confined at any State facility within the territorial jurisdiction described in subsection (a) of this section shall be forwarded by the sheriff of the county in which the process originated to the Director of the Butner Public Safety ~~Division~~ Section. Special police officers authorized by this section shall be assigned to transport any individual transferred to or from any State facility within the territorial jurisdiction described in subsection (a) of this section to or from the psychiatric service of the University of North Carolina Hospitals at Chapel Hill.

(c) The contract between the Town of Butner and the Department of Public Safety shall provide for each of the following:

(1) The Butner Public Safety ~~Division~~ Section of the Department of Public Safety shall provide the same level of service to the incorporated area known

as the Town of Butner as provided to those areas of the Town of Butner served by Butner Public Safety on January 1, 2007.

...."

SECTION 44. Session Law 2011-145 is amended by adding a new section to read:
"AVOIDANCE OF UNNECESSARY EXPENSES ASSOCIATED WITH REDESIGNATION OF SUBUNITS OF STATE AGENCIES

"SECTION 19.1.(hhh3) Notwithstanding any other provision of law, in order to avoid the expense of issuing new identification badges and other materials, the Alcohol Law Enforcement Division may continue to be recognized by that name for all legal purposes, though functioning as a section of the Law Enforcement Division of the Department of Public Safety. All former departments which become divisions under the provisions of this act and all former divisions which become sections under this act shall, to the extent feasible, continue using stationery and other items containing the former name of the division or section in order to avoid unnecessary expense."

DEPARTMENT OF ADMINISTRATION

SECTION 45.(a) Section 20.1A of Session Law 2011-145 is repealed.

SECTION 45.(b) Section 20.2(b) of Session Law 2011-145 reads as rewritten:

"SECTION 20.2.(b) The Legislative Research Commission may make an interim report to the 2011 General Assembly when it reconvenes in 2012 and shall make its final report to the 2013 General Assembly by May 1, 2012, to the Chairs of the House Appropriations Subcommittee on General Government and the Chairs of the Senate Appropriations Committee on General Government and Information Technology."

DEPARTMENT OF CULTURAL RESOURCES

SECTION 46. Section 21.2(a) of Session Law 2011-145 reads as rewritten:

"SECTION 21.2.(a) The Roanoke Island Commission shall receive State funds through the 2011-2012 fiscal year. Beginning with the 2012-2013 fiscal year, the Roanoke Island Commission shall be self-supporting. Beginning with the 2015-2016 fiscal year, the Roanoke Island Commission shall be self-supporting. The Roanoke Island Commission shall receive an appropriation of State funds for the 2011-2012 fiscal year and for the 2012-2013 fiscal year that are incrementally reduced each of those fiscal years pursuant to this act. It is the intent of the General Assembly that State funds continue to be appropriated to the Roanoke Island Commission for the 2013-2014 fiscal year and for the 2014-2015 fiscal year but in amounts that continue the incremental reduction in those appropriations for each of those fiscal years."

SECTION 47. Section 21.3 of Session Law 2011-145 is repealed.

RESTORE POSITION AT FORT DOBBS

SECTION 21.5. Notwithstanding any other provision of S.L. 2011-145 or this act, the Department of Cultural Resources shall use the funds appropriated to it to fully restore Historic Sites Specialist II at Fort Dobbs, Position # 60083465.

GENERAL ASSEMBLY

SECTION 48. The introductory language of Section 22.3 of Session Law 2011-145 reads as rewritten:

"SECTION 22.3. ~~G.S. 120-30.9B(b)~~-G.S. 120-30.9B reads as rewritten:"

DEPARTMENT OF INSURANCE

SECTION 49. Session Law 2011-145 is amended by adding the following new section to read:

"DEPARTMENT OF INSURANCE AND AFFORDABLE CARE ACT

"SECTION 23.3. It is the intent of the General Assembly to establish and operate a State-based health benefits Exchange that meets the requirements of the federal Patient Protection and Affordable Care Act, Public Law 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Public Law 111-152, collectively referred to as the Affordable Care Act (ACA). The Department of Insurance (DOI) and the Department of Health and Human Services (DHHS) may collaborate and plan in furtherance of the requirements of the ACA. DOI may contract with experts, using available funds or grants, necessary to facilitate preparation for an Information Technology system capable of performing requirements of the ACA.

The Commissioner of Insurance may also study the insurance-related provisions of the ACA and any other matters it deems necessary to successful compliance with the provisions of the ACA and related regulations. If the Commissioner of Insurance conducts such a study, the Commissioner shall submit a report to the 2012 Regular Session of the 2011 General Assembly containing recommendations resulting from the study."

STATE CONTROLLER

SECTION 50. Section 26A.1 of Session Law 2011-145 reads as rewritten:

"SECTION 26A.1.(a) During the 2011-2013 fiscal biennium, receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors as required by G.S. 147-86.22(c) are to be deposited in Special Reserve Account 24172.

"SECTION 26A.1.(b) For each year of the 2011-2013 fiscal biennium, five hundred thousand dollars (\$500,000) of the funds transferred from Special Reserve Account 24172 shall be used by the Office of the State Controller for data processing, debt collection, or e-commerce costs.

"SECTION 26A.1.(c) All funds available in Special Reserve Account 24172 on July 1 of each year of the 2011-2013 fiscal biennium are transferred to the General Fund on that date.
...."

DEPARTMENT OF TRANSPORTATION

SECTION 51. Section 28.10(c) of S.L. 2011-145 reads as rewritten:

"SECTION 28.10.(c) ~~Unexpended and unencumbered funds previously allocated to municipalities~~ Municipalities made ineligible to receive funds by subsection (b) of this section shall have until June 30, 2012, to spend previously allocated funds, at which point the funds shall be reallocated to eligible municipalities in accordance with G.S. 136-41.1."

SECTION 52. Section 28.12A of Session Law 2011-145 reads as rewritten:

"SECTION 28.12A. The Program Evaluation Division of the General Assembly shall conduct a comprehensive evaluation of the North Carolina Railroad Company, a North Carolina corporation of which the State is the sole shareholder and which is a discretely reported component unit of the State as defined by the Governmental Accounting Standards Board. The evaluation shall address, at a minimum, the following issues:

- (1) Whether the corporation is adhering to its stated corporate mission of maximizing the value of the corporation for the people of the State.

- (2) What economic development benefits have been provided by the corporation and for what costs.
- (3) An evaluation of the use of available cash by the corporation, including the purchase of real property used for investment purposes rather than paying dividends to the State.
- (4) The approximate value of the corporation's assets, based on a market valuation rather than historic or book value of assets.
- (5) The approximate value of the entire corporation as a going concern.
- (6) The effectiveness of the provisions of Chapter 124 of the General Statutes to allow the State to exercise its shareholder rights and to provide effective shareholder oversight of the corporation.
- (7) Whether the ownership of the corporation provides the State a reasonable return on its investment, attempting to consider both the tangible and intangible value provided by the corporation.
- (8) Whether the corporation should be sold, transferred under the jurisdiction of the Department of Transportation or another State agency, or maintain its corporate structure.
- (9) Whether the General Assembly should consider the possibility of repealing the corporate charter of the corporation by a special act, as allowed under Section 1 of Article VIII of the North Carolina Constitution.

For the purposes of this evaluation, the terms "State agency" or "agency" as used under Article 7C of Chapter 120 of the General Statutes shall include the North Carolina Railroad Company.

For the purposes of this evaluation, the Program Evaluation Division is hereby granted authority to exercise the State's shareholder right to inspect the corporate books and records of the North Carolina Railroad Company on behalf of the State.

~~The~~ From funds available to the Joint Legislative Transportation Oversight Committee, the Program Evaluation Division may hire consultants to aid it in its evaluation, including experts in appraisal and valuation.

The Program Evaluation Division shall report the results of its study to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Transportation Oversight Committee no later than ~~May 1, 2012.~~ November 1, 2012."

SECTION 53.(a) Section 28.28 of Session Law 2011-145 act reads as rewritten:

"STATE HIGHWAY PATROL POSITIONS AND MANAGEMENT FLEXIBILITY

~~"SECTION 28.28.(a) The Administrative Services Section of the State Highway Patrol is hereby eliminated. The Secretary of the Department of Crime Control and Public Safety shall consolidate remaining Administrative Services Section positions and organizational units with other functions of the Department.~~

"SECTION 28.28.(b) The following State Highway Patrol positions are hereby eliminated: eliminated on August 1, 2011 to achieve savings as required by subsection (c) of this section:

Position ID	Position Title
60084611	Program Assistant V
60084615	Attorney
60085385	Sergeant
60084952	First Sergeant
60085315	W/A First Sergeant
60084628	Assessment Analyst
60084772	Office Assistant
60084779	Budget Analyst
60085953	Major

60084998	First Sergeant
60084947	Captain
60085945	W/A Captain
60085302	Lieutenant
60084755	Office Assistant
60084858	Office Assistant
60084686	Deputy Secretary
60085953	Major
60084947	Captain
60084951	Captain
60084772	Office Assistant IV
60084755	Office Assistant IV
60084607	Personnel Tech I
60084628	Mgt. Engineer II
60084780	Executive Asst. I
60081210	Administrative Asst.
60084689	Cook
60084632	Office Assistant IV
60086343	Networking Analyst
60086928	Ops. & Systems Analyst
60086753	Photographer II
60086352	Auto Parts Supervisor
60084629	Processing Assistant III
60086313	Tech. Support Analyst
60084603	Office Assistant IV
60086448	Auto Body Mechanic

"SECTION 28.28.(c) ~~In addition to the other budgetary reductions required by this act, the~~ Notwithstanding Section 67(a) of this act, Items 57, 58, and 59 on page K-8 of the Senate Appropriations Committee Report on the Continuation, Expansion, and Capital Budgets dated June 16, 2011, shall not indicate action by the General Assembly on S.L. 2011-145 and this act and shall not be used to construe such acts. Notwithstanding any other provision of law, the Department of Crime Control and Public Safety, State Highway Patrol, shall have management flexibility to achieve savings in the Patrol's operation of ~~two million three hundred twenty five thousand four hundred eighty four dollars (\$2,325,484),~~ four million five hundred sixty-three thousand two hundred twenty-seven dollars (\$4,563,227), recurring, in fiscal year 2011-2012 and ~~ten million three hundred seventy three thousand three hundred fifty dollars (\$10,373,350),~~ thirteen million two hundred three thousand seven hundred twenty dollars (\$13,203,720), recurring, in fiscal year 2012-2013. The Department of Crime Control and Public Safety, State Highway Patrol, is authorized to freeze Trooper positions or eliminate other sworn or civilian positions to achieve this budgetary reduction but is encouraged to find efficiencies and savings elsewhere in the Patrol's administrative structure. Additionally, the Department of Crime Control and Public Safety, State Highway Patrol, may eliminate filled positions but shall not eliminate sworn law enforcement officer positions assigned to districts for the purposes of traffic and commercial motor vehicle enforcement, unless the State Highway Patrol has first achieved twenty-five percent (25%) of the requisite savings elsewhere in the operation of the Patrol, including through staffing reductions in its administrative structure and areas other than district-level enforcement operations. If the State Highway Patrol must eliminate district-level enforcement positions to meet the savings required by this section, then the Patrol shall maintain balanced law enforcement coverage among the troops and is authorized to move trooper positions from one troop to another to maintain balanced coverage.

"**SECTION 28.28.(d)** The Commander of the State Highway Patrol shall report on the number of positions eliminated for fiscal year 2011-2012. The report shall identify the position number and type; assignment area or organizational unit; whether the position was filled or vacant; personnel savings achieved; and any severance paid. The report shall also include alternatives considered to the implemented reductions in force. The Commander shall submit the report to the House of Representatives Appropriations Subcommittee on Justice and Public Safety, the Senate Appropriations Committee on Justice and Public Safety, and the Joint Legislative Crime Control and Public Safety Oversight Committee no later than March 1, 2012.

SECTION 53.(b) Section 28.28 of Session Law 2011-145 is amended by adding a new subsection to read:

"**SECTION 28.28.(e)** Notwithstanding G.S. 20-192, to achieve the savings required by this section, the Commander of the State Highway Patrol may reassign personnel from the Patrol headquarters, ~~except for those positions listed in subsection (b) of this section,~~ headquarters to Troop Headquarters or district offices throughout the State."

SECTION 54. G.S. 20-85(a1)(2), as amended by Section 28.30(a) of Session Law 2011-145, reads as rewritten:

"(2) Any additional funds collected shall be credited to the Highway Trust Fund and, notwithstanding G.S. 136-176(b), shall be allocated and used for urban loop projects."

SECTION 55. The introductory language of Section 28.32(c) of Session Law 2011-145 reads as rewritten:

"**SECTION 28.32.(c)** Effective for the 2011-2012 fiscal year only, G.S. 136-176(b2), as amended by Section 28.7(g) of S.L. 2010-31, reads as rewritten:"

SECTION 56. The introductory language of Section 28.32(e) of Session Law 2011-145 reads as rewritten:

"**SECTION 28.32.(e)** ~~G.S. 136-189.183(a)(2)~~ G.S. 136-89.183(a)(2) reads as rewritten:"

SECTION 57. Section 28.33(d) of Session Law 2011-145 is repealed.

SECTION 58. G.S. 136-180, as amended by Section 28.34(a) of Session Law 2011-145, reads as rewritten:

"**§ 136-180. Urban loops.**

Funds allocated from the Trust Fund for urban loops may be used only for urban loops as designated and prioritized by the Department of ~~Transportation~~ Transportation based on the U.S. Census Bureau's defined urbanized areas."

SECTION 58.1. S.L. 2011-145 is amended by adding a new section to read:

"**DMV/DRIVER LICENSE SERVICES**

"**SECTION 28.23F.** Of funds appropriated to the Division of Motor Vehicles by this act, the Division shall restore one day per week licensing services at a fixed office location in the Town of Walnut Cove, Stokes County. The Division may utilize facilities or office space donated to the Division for this purpose."

SALARIES AND BENEFITS

SECTION 59.(a) Section 29.21A of Session Law 2011-145 is repealed.

SECTION 59.(b) G.S. 126-7.1 is rewritten to read:

"**§ 126-7.1. Posting requirement; State employees receive priority consideration; reduction-in-force; Work First hiring.**

(a) All vacancies for which any State agency, department, or institution openly recruit shall be posted in a place readily accessible to employees within at least the following:

(1) The personnel office of the agency, department, or institution having the vacancy; and

- (2) The particular work unit of the agency, department, or institution having the vacancy.

If the decision is made, initially or at any time while the vacancy remains open, to receive applicants from outside the recruiting agency, department, or institution, the vacancy shall also be listed on a website maintained by the Office of State Personnel for the purpose of informing current State employees and the public of such vacancy. The State agency, department, or institution may not receive approval from the Office of State Personnel to fill a job vacancy if the agency, department, or institution cannot prove to the satisfaction of the Office of State Personnel that it complied with these posting requirements. The agency, department, or institution which hires any person in violation of these posting requirements shall pay such person when employment is discontinued as a result of such violation for the work performed during the period of time between his initial employment and separation.

(a1) State employees to be affected by a reduction in force shall be notified of the reduction in force as soon as practicable, and in any event, no less than 30 days prior to the effective date of the reduction in force.

(a2) The State Personnel Commission shall adopt rules to provide that State employees separated from State employment as the result of reductions in force who accept a position in State government shall be paid a salary no higher than the maximum of the salary grade of the position accepted.

(b) Subsection (a) of this section does not apply to vacancies which must be filled immediately to prevent work stoppage or the protection of the public health, safety, or security.

(c) If a State employee subject to this section:

- (1) Applies for another position of State employment that would constitute a promotion and;
- (2) Has substantially equal qualifications as an applicant who is not a State employee

then the State employee shall receive priority consideration over the applicant who is not a State employee. This priority consideration shall not apply when the only applicants considered for the vacancy are current State employees.

(c1) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force:

- (1) Applies for another position of State employment equal to or lower in salary grade than the position held by the employee at the time of notification or separation; and
- (2) Has substantially equal qualifications as any other applicant.

then within all State agencies, the State employee who has been notified of or separated due to a reduction in force shall receive priority consideration over all other applicants. This priority shall remain in effect for a period of 12 months from the date the employee receives notification of separation by reduction in force. State employees separated due to reduction in force shall receive higher priority than other applicants with employment or reemployment priorities, except that the reemployment priority created by G.S. 126-5(e)(1) shall be considered as equal.

(d) "Qualifications" within the meaning of subsection (c) of this section shall consist of:

- (1) Training or education;
- (2) Years of experience; and
- (3) Other skills, knowledge, and abilities that bear a reasonable functional relationship to the abilities and skills required in the job vacancy applied for.

(e) Each State agency, department, and institution is encouraged to hire into State government employment qualified applicants who are current or former Work First Program participants.

(f) Each State agency, department, institution, university, community college, and local education agency shall verify, in accordance with the Basic Pilot Program administered by the United States Department of Homeland Security pursuant to 8 U.S.C. § 1101, et seq, each individual's legal status or authorization to work in the United States after hiring the individual as an employee to work in the United States."

SECTION 59.(b) Nothing in this section affects the extended period of priority reconsideration afforded to State employees by Section 26.14D of S.L. 2009-451, as amended by Section 9.3 of S.L. 2009-575.

SECTION 59.(c) This section is effective when this act becomes law.

SECTION 59A. Section 29.8(a) of S.L. 2011-145 reads as rewritten:

"SECTION 29.8.(a) The annual pay of all State employees for the 2011-2013 fiscal biennium shall remain unchanged from that authorized on June 30, 2011, or the last date in pay status during the 2010-2011 fiscal year, if earlier, except that an increase may be allowed under the following special circumstances:

- (1) For all State employees regardless of funding source, and for employees of the North Carolina Community College System and local school boards who are paid from State funds, 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 Part. All other salary increases are prohibited.
- (1a) For employees of the North Carolina Community College System, notwithstanding subdivision (1) of this subsection, salaries may be increased if the increase is funded from local funding sources.
- (2) For The University of North Carolina, (i) faculty 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 adjustments, including retention adjustments, funded from non-State funding sources.
- (3) For employees of the judicial branch, for local supplementation as authorized by G.S. 7A-300.1.

The cumulative salary adjustment allowed under this subsection for the 2011-2012 fiscal year may exceed ten percent (10%) of annual salary only if the adjustment is approved in advance by the Office of State Budget and Management, The University of North Carolina Board of Governors, the Board of the North Carolina Community College System, the Legislative Services Commission, the local board of education, or other authorized body as appropriate."

SECTION 60. Section 30.5 of Session Law 2011-145 reads as rewritten:

"REPAIRS AND RENOVATIONS RESERVE ALLOCATION

"SECTION 30.5.(a) Of the funds in the Reserve for Repairs and Renovations for the 2011-2012 fiscal year, fifty percent (50%) shall be allocated to the Board of Governors of The University of North Carolina for repairs and renovations pursuant to ~~G.S. 143C-4-3, in accordance with guidelines developed in The University of North Carolina Funding Allocation Model for Reserve for Repairs and Renovations, as approved by the Board of Governors of The University of North Carolina,~~G.S. 143C-4-3, and fifty percent (50%) shall be allocated to the Office of State Budget and Management for repairs and renovations pursuant to G.S. 143C-4-3.

~~Notwithstanding G.S. 143C-4-3, the Board of Governors may allocate funds for the repair and renovation of facilities not supported from the General Fund if the Board determines that sufficient funds are not available from other sources and that conditions warrant General Fund~~

assistance. Any such finding shall be included in the Board's submission to the Joint Legislative Commission on Governmental Operations on the proposed allocation of funds.

~~The Board of Governors and the Office of State Budget and Management shall consult with the Joint Legislative Commission on Governmental Operations prior to the allocation or reallocation of these funds. The Board of Governors shall report to the Joint Legislative Commission on Governmental Operations in accordance with G.S. 143C-4-3(d).~~

"SECTION 30.5.(b) ~~Of Notwithstanding G.S. 143C-4-3(d),~~ the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used by the Board of Governors for the installation of fire sprinklers in university residence halls. This portion shall be in addition to funds otherwise appropriated in this act for the same purpose. Such funds shall be allocated among The University of North Carolina's constituent institutions by the President of The University of North Carolina, who shall consider the following factors when allocating those funds:

- (1) The safety and well-being of the residents of campus housing programs.
- (2) The current level of housing rents charged to students and how that compares to an institution's public peers and other UNC institutions.
- (3) The level of previous authorizations to constituent institutions for the construction or renovation of residence halls funded from the General Fund, or from bonds or certificates of participation supported by the General Fund, since 1996.
- (4) The financial status of each constituent institution's housing system, including debt capacity, debt coverage ratios, credit rankings, required reserves, the planned use of cash balances for other housing system improvements, and the constituent institution's ability to pay for the installation of fire sprinklers in all residence halls.
- (5) The total cost of each proposed project, including the cost of installing fire sprinklers and the cost of other construction, such as asbestos removal and additional water supply needs.

The Board of Governors shall submit progress reports to the Joint Legislative Commission on Governmental Operations. Reports shall include the status of completed, current, and planned projects. Reports also shall include information on the financial status of each constituent institution's housing system, the constituent institution's ability to pay for fire protection in residence halls, and the timing of installation of fire sprinklers. Reports shall be submitted on January 1 and July 1 until all residence halls have fire sprinklers.

"SECTION 30.5.(c) ~~Of Notwithstanding G.S. 143C-4-3(d),~~ of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used by the Board of Governors for campus public safety improvements allowable under G.S. 143C-4-3(b)."

SECTION 61. Section 30.6 of Session Law 2011-145 reads as rewritten:

"PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS

"SECTION 30.6. The appropriations made by the 2011 General Assembly for capital improvements shall be disbursed for the purposes provided by this act. Expenditure of funds shall not be made by any State department, institution, or agency until an allotment has been approved by the Governor as Director of the Budget. The allotment shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes. Prior to the award of construction contracts for projects to be financed in whole or in part with self-liquidating appropriations, the Director of the Budget shall approve the elements of the method of financing of those projects, including the source of funds, interest rate, and liquidation period. Provided, however, that if the Director of the Budget approves the method of financing a project, the Director shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting. Provided further that this requirement shall

not apply to projects of The University of North Carolina financed with funds available to the institutions from gifts, grants, receipts, self-liquidating indebtedness, Medicare reimbursements for education costs, hospital receipts from patient care, or other funds, or any combination of these funds, but not including funds received for tuition or appropriated from the General Fund of the State.

Where direct capital improvement appropriations include the purpose of furnishing fixed and movable equipment for any project, those funds for equipment shall not be subject to transfer into construction accounts except as authorized by the Director of the Budget. The expenditure of funds for fixed and movable equipment and furnishings shall be reviewed and approved by the Director of the Budget prior to commitment of funds.

Capital improvement projects authorized by the 2011 General Assembly shall be completed, including fixed and movable equipment and furnishings, within the limits of the amounts of the direct or self-liquidating appropriations provided, except as otherwise provided in this act. Capital improvement projects authorized by the 2011 General Assembly for the design phase only shall be designed within the scope of the project as defined by the approved cost estimate filed with the Director of the Budget, including costs associated with site preparation, demolition, and movable and fixed equipment."

FEE PROVISIONS

SECTION 61A. Section 31.11A of Session Law 2011-145 is rewritten to read:

"**SECTION 31.11A.(a)** G.S. 130A-248(d) reads as rewritten:

'(d) The Department shall charge each establishment subject to this section, except nutrition programs for the elderly administered by the Division of Aging and Adult Services of the Department of Health and Human Services, establishments that prepare and sell meat food products or poultry products, and public school cafeterias, a fee of seventy-five dollars (\$75.00) for each permit issued. This fee shall be reassessed annually for permits that do not expire. The Commission shall adopt rules to implement this subsection. Fees collected under this subsection shall be used for State and local food, lodging, and institution sanitation programs and activities. No more than ~~thirty-three and one-third percent (33 1/3%)~~ ten percent (10%) of the fees collected under this subsection may be used to support State health programs and activities.'

"**SECTION 31.11A.(b)** Notwithstanding any other provision of law, the four hundred thousand dollars (\$400,000) that is appropriated under this act for aid to counties for local food and lodging programs shall continue to be used for aid to counties for the 2011-2012 fiscal year and shall be retained by the State beginning with the 2012-2013 fiscal year to pay for the costs to operate the State elements of the food and lodging program, which was transferred to the Department of Health and Human Services under this act.

"**SECTION 31.11A.(c)** Subsection (a) of this section becomes effective July 1, 2012."

SECTION 62. G.S. 7A-307(a)(4), as amended by Section 31.23(d) of Session Law 2011-145, reads as rewritten:

"**SECTION 31.23.(d)** G.S. 7A-307(a) reads as rewritten:

'(a) In the administration of the estates of decedents, minors, incompetents, of missing persons, and of trusts under wills and under powers of attorney, in trust proceedings under G.S. 36C-2-203, and in collections of personal property by affidavit, the following costs shall be assessed:

- ...
- (4) For the support of the General Court of Justice, the sum of twenty dollars (\$20.00) shall accompany any filing requiring a notice of hearing and containing one or more motions not listed in G.S. 7A-308 that is filed with

the clerk. No costs shall be assessed to a motion containing as a sole claim for relief the taxing of costs, including attorneys' fees."

SECTION 63.(a) If House Bill 642, 2011 Regular Session, becomes law, then Section 7(o) of that act is repealed.

SECTION 63.(b) Session Law 2011-145 is amended by adding a new section to read:

"CODIFY APPLICATION OF CHANGES TO COURT COSTS

"**SECTION 31.23B.** G.S. 7A-304 is amended by adding a new subsection to read:

'(g) Changes to the costs or fees in this section apply to costs or fees assessed or collected on or after the effective date of the change. However, in misdemeanor or infraction cases disposed of on or after the effective date by written appearance, waiver of trial or hearing, or plea of guilt or admission of responsibility pursuant to G.S. 7A-180(4) or G.S. 7A-273(2), and within the time limit imposed by G.S. 7A-304(a)(6), in which the citation or other criminal process was issued before the effective date, the costs or fees shall be the lesser of those specified in this section as amended, 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 64. Session Law 2011-145 is amended by adding a new section to read:

"WITNESS FEE AMENDMENT

"**SECTION 31.23C.(a)** G.S. 7A-314 reads as rewritten:

§ 7A-314. Uniform fees for witnesses; experts; limit on number.

(a) A witness under subpoena, bound over, or recognized, other than a salaried State, county, or municipal law-enforcement officer, or an out-of-state witness in a criminal case, whether to testify before the court, Judicial Standards Commission, jury of view, magistrate, clerk, referee, commissioner, appraiser, or arbitrator shall be entitled to receive five dollars (\$5.00) per day, or fraction thereof, during his attendance, which, except as to witnesses before the Judicial Standards Commission, must be certified to the clerk of superior court. Compensation of witnesses acting on behalf of the court or prosecutorial offices shall be paid in accordance with the rules established by the Administrative Office of the Courts. Compensation of witnesses provided under G.S. 7A-454 shall be in accordance with rules established by the Office of Indigent Defense Services.

(b) A witness entitled to the fee set forth in subsection (a) of this section, and a law-enforcement officer who qualifies as a witness, shall be entitled to receive reimbursement for travel expenses as follows:

- (1) A witness whose residence is outside the county of appearance but within 75 miles of the place of appearance shall be entitled to receive mileage reimbursement at the rate currently authorized for State employees, for each mile necessarily traveled from his place of residence to the place of appearance and return, each day. Reimbursements to witnesses acting on behalf of the court or prosecutorial offices shall be paid in accordance with the rules established by the Administrative Office of the Courts. Reimbursements to witnesses provided under G.S. 7A-454 shall be in accordance with rules established by the Office of Indigent Defense Services.
- (2) A witness whose residence is outside the county of appearance and more than 75 miles from the place of appearance shall be entitled to receive mileage reimbursement at the rate currently authorized State employees for one round-trip from his place of residence to the place of appearance. A witness required to appear more than one day shall be entitled to receive reimbursement for actual expenses incurred for lodging and meals not to exceed the maximum currently authorized for State employees, in lieu of

daily mileage. Reimbursements to witnesses acting on behalf of the court or prosecutorial offices shall be paid in accordance with the rules established by the Administrative Office of the Courts. Reimbursements to witnesses provided under G.S. 7A-454 shall be in accordance with rules established by the Office of Indigent Defense Services.

(c) A witness who resides in a state other than North Carolina and who appears for the purpose of testifying in a criminal action and proves his attendance may be compensated at the rate allowed to State officers and employees by subdivisions (1) and (2) of G.S. 138-6(a) for one round-trip from his place of residence to the place of appearance, and five dollars (\$5.00) for each day that he is required to travel and attend as a witness, upon order of the court based upon a finding that the person was a necessary witness. If such a witness is required to appear more than one day, he is also entitled to reimbursement for actual expenses incurred for lodging and meals, not to exceed the maximum currently authorized for State employees. Reimbursements to witnesses acting on behalf of the court or prosecutorial offices shall be paid in accordance with the rules established by the Administrative Office of the Courts. Reimbursements to witnesses provided under G.S. 7A-454 shall be in accordance with rules established by the Office of Indigent Defense Services.

(d) An expert witness, other than a salaried State, county, or municipal law-enforcement officer, shall receive such compensation and allowances as the court, or the Judicial Standards Commission, in its discretion, may authorize. A law-enforcement officer who appears as an expert witness shall receive reimbursement for travel expenses only, as provided in subsection (b) of this section. Compensation of experts acting on behalf of the court or prosecutorial offices shall be paid in accordance with the rules established by the Administrative Office of the Courts. Compensation of experts provided under G.S. 7A-454 shall be in accordance with rules established by the Office of Indigent Defense Services.

.....
"SECTION 31.23C.(b) G.S. 7A-454 reads as rewritten:
'§ 7A-454. Supporting services.

Fees for the services of an expert witness or other witnesses, paid in accordance with G.S. 7A-314, including travel expenses, lodging, and other appearance expenses, for an indigent person and other necessary expenses of counsel shall be paid by the State in accordance with rules adopted by the Office of Indigent Defense Services."

SECTION 65. The title of Section 31.25 of Session Law 2011-145 reads as rewritten:

"~~JPS/AOC/INCREASE~~JPS/DOC/INCREASE INTERSTATE COMPACT FEE."

SECTION 66. Section 31.26A of Session Law 2011-145 is repealed.

SECTION 66.1. Section 31.23 of S.L. 2011-145 is amended by adding a new subsection to read:

"SECTION 31.23.(g) Notwithstanding any other provision of law, G.S. 7A-305(f) and G.S. 7A-308(a)(21), as enacted by this section, shall not apply to actions commenced or prosecuted pursuant to Article 9 of Chapter 110 of the General Statutes."

MISCELLANEOUS PROVISIONS

COMMITTEE REPORT

SECTION 67.(a) The Senate Appropriations Committee Report on the Continuation, Expansion, and Capital Budgets dated June 16, 2011, 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 S.L. 2011-145 and this act, and shall therefore be used to construe such acts, as provided in the State Budget Act, Chapter 143C of the General Statutes, and for

these purposes shall be considered a part of such acts and as such shall be printed as a part of the Session Laws.

SECTION 67.(b) The budget enacted by the General Assembly is for the maintenance of the various departments, institutions, and other spending agencies of the State for the 2011-2013 biennial budget as provided in G.S. 143C-3-5. This budget includes the appropriations of State funds as defined in G.S. 143C-1-1(d)(25).

The Director of the Budget submitted a recommended continuation budget to the General Assembly on February 15, 2011, in the document "The State of North Carolina Governor's Recommended Budget, 2011-2013" and in the Budget Support Document for the various departments, institutions, and other spending agencies of the State. The adjustments to these documents made by the General Assembly in S.L. 2011-145 and this act are set out in the Committee Report.

SECTION 67.(c) The budget enacted by the General Assembly shall also be interpreted in accordance with G.S. 143C-5-5, the special provisions in this act and other appropriate legislation.

In the event that there is a conflict between the line-item budget certified by the Director of the Budget and the budget enacted by the General Assembly, the budget enacted by the General Assembly shall prevail.

EFFECTIVE DATE

SECTION 68. Unless otherwise provided, this act becomes effective July 1, 2011.

In the General Assembly read three times and ratified this the 18th day of June, 2011.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Thom Tillis
Speaker of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 4:18 p.m. this 30th day of June, 2011