

SUMMARIES OF SUBSTANTIVE RATIFIED LEGISLATION

2017 SESSION



LEGISLATIVE ANALYSIS DIVISION
N.C. GENERAL ASSEMBLY

2017 Summaries of Substantive Ratified Legislation

Agriculture and Wildlife

See full summary documents for additional detail

H467 - Agriculture and Forestry Nuisance Remedies. (SL 2017-11)

S.L. 2017-11 limits the amount of compensatory damages that may be awarded in a private nuisance action against an agricultural or forestry operation to the fair market value or fair rental value of the plaintiff's property.

This act became effective May 11, 2017, and applies to causes of action commenced or brought on or after that date.

BACKGROUND: Nuisance law in North Carolina is governed by the common law. Private nuisance is defined as any unreasonable invasion of a person's interest in the private use and enjoyment of his or her land by any type of liability-forming conduct. Determining whether an interference is unreasonable is largely fact-specific and determined by the circumstances in each case.

H559 - Outdoor Heritage Enhanced. (SL 2017-182)

S.L. 2017-182 expands Sunday hunting with firearms by removing certain restrictions on Sunday hunting on private land, allowing Sunday hunting on game lands, and allowing migratory bird hunting on Sunday subject to the rules of the Wildlife Resources Commission (WRC). WRC may not authorize Sunday hunting of migratory birds prior to March 1, 2018, and must complete a study examining biological and resource management impacts, economic impacts, and social impacts associated with hunting migratory birds on Sunday by March 1, 2018. The law now requires any county ordinance prohibiting hunting on Sunday to be approved by a majority of voters in a county-wide referendum.

The portion of the law pertaining to ordinances prohibiting Sunday hunting becomes effective October 1, 2017. The remainder of S.L. 2017-182 became effective July 25, 2017.

S196 - Veterinary Practice Omnibus. (SL 2017-146)

S.L. 2017-146 clarifies that a license from the North Carolina Veterinary Medical Board is not required to engage in the activity or profession of shoeing hooved animals, and directs the Veterinary Division of the Department of Agriculture and Consumer Services to study veterinary pharmaceutical compounding.

This act became effective July 20, 2017.

S257 - Appropriations Act of 2017.

Sec. 12.1: Eliminate Pesticide Advisory Committee. (SL 2017-57)

Sec. 12.1 of S.L. 2017-57 abolishes and removes statutory references to the Pesticide Advisory Committee, and transfers all records, property, and unexpended balances of funds of the Committee to the Structural Pest Control and Pesticides Division of the Department of Agriculture and Consumer Services.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 12.2: Supplemental Funding for Department of Agriculture and Consumer Services. (SL 2017-57)

Sec. 12.2 of S.L. 2017-57 provides \$250,000 in additional funding to the Department of Agriculture and Consumer Services (DACS). DACS may spend the funds to participate in ongoing litigation challenging the United States Environmental Protection Agency's Waters of the United States rule issued in 2015. The provision also authorizes DACS to employ and supervise private counsel if it elects to participate in the litigation.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 12.4: Keep Linville Nursery Open. (SL 2017-57)

Sec. 12.4 of S.L. 2017-57 directs the North Carolina Forest Service to continue operations at the Linville River Nursery in Avery County during the 2017-2018 fiscal year and not to close the nursery without authorization from the General Assembly.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 12.5: Healthy Food/Small Retailer. (SL 2017-57)

Sec. 12.5 of S.L. 2017-57 directs the Department of Agriculture and Consumer Services (DACS) to create a program to reimburse small food retailers for expenditures relating to enhancing access to healthy foods in food desert zones. Funds may be used to reimburse small food retailers for the purchase and installation of refrigeration equipment, display shelving, and other equipment necessary for stocking nutrient-dense foods. \$250,000 is appropriated to the program, and DACS may reimburse a single small food retailer up to \$25,000. To be eligible for the program, a small food retailer must accept or agree to accept Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits. DACS must report to the Joint Legislative Oversight

Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division by October 1, 2018, on the activities, number of small food retailers receiving reimbursement, how funds were used by the small food retailers, and the gross amount of food in dollars sold to customers by participating small food retailers.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 12.6: Beehive Grant Fund. (SL 2017-57)

Sec. 12.6 of S.L. 2017-57 creates the Beehive Grant Program within the Department of Agriculture and Consumer Services. The program, funded for the 2017-2018 fiscal year by a \$25,000 allocation from the Agricultural Development and Farmland Preservation Trust Fund, would provide up to \$200 per hive up to a maximum of 12 hives per grant recipient to support the purchase of a new beehive or materials for the construction of a new beehive.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 12.9: Forest Service Disaster Funds. (SL 2017-57)

Sec. 12.9 of S.L. 2017-57 allows the Department of Agriculture and Consumer Services to use unencumbered and unexpended funds allocated to the North Carolina Forest Service by the Disaster Recovery Act of 2016 (S.L. 2016-124) to purchase and remove swine operations located in the 100-year floodplain in any county eligible for funding under S.L. 2016-124. S.L. 2016-124 appropriated \$25,500,000 to the North Carolina Forest Service for repairs and operational expenses at Claridge Nursery in Wayne County, wildfire response, and disaster-related timber restoration.

The "100-year floodplain" means any area subject to inundation by the one percent (1%) annual chance flood event, as indicated on the most recent Flood Insurance Rate Map prepared by the Federal Emergency Management Agency under the National Flood Insurance Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.27: Funding for Oyster Highway Project. (SL 2017-57)

Sec. 13.27 of S.L. 2017-57 requires \$100,000 of the funds appropriated in the budget for oyster sanctuaries to be allocated to the North Carolina Wildlife Habitat Foundation for the Oyster Highway project on the New River in Onslow County. The Foundation must report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on its use of the funds by September 1, 2018. This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13A.1: Mattamuskeet Lodge Repairs. (SL 2017-57)

Sec. 13A.1 of S.L. 2017-57 directs the Wildlife Resources Commission (WRC) to complete repairs to the roof and tower stabilization at the Mattamuskeet Lodge in Hyde County. WRC must utilize funds available to it for the renovations, which must be completed no later than June 30, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13A.2: Wildlife Endowment Fund Changes. (SL 2017-57)

Sec. 13A.2 of S.L. 2017-257 makes several changes to the statute governing the administration by the Wildlife Resources Commission (WRC) of the Wildlife Endowment Fund. This fund receives the proceeds from the sale of lifetime hunting and fishing licenses:

- 2013 legislation added to the Wildlife Endowment Fund statute a requirement that the Wildlife Resources Commission budget 50% of the annual expendable interest from the Fund whenever the Fund's cash balance exceeds one hundred million dollars. Subsection 13A.2(a) amends the statute to reduce this budgeting requirement to 25% of the annual expendable interest.
- Section 13A.2 also amends the statute governing the investment of the Wildlife Endowment Fund by the State Treasurer to allow investment of Fund assets in equity securities and certain other private equity investment categories.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13A.3: Modify License Fees Required to Hunt, Fish, or Trap. (SL 2017-57)

Sec. 13A.3 of S.L. 2017-257 amends the statutory limit on increases in fees for hunting, fishing, trapping and other activity licenses issued and administered by the Wildlife Resources Commission (WRC) to allow a fee increase to reflect the total increase in the Consumer Price Index since the last fee revision. The original statute capped fee increases at the annual increase in the Consumer Price Index averaged over the last five years, which encouraged WRC to adopt relatively small annual increases in fees or have its inflation-adjusted fee receipts diminish over time.

This section became effective July 1, 2017.

S615 - North Carolina Farm Act of 2017. (SL 2017-108)

S.L. 2017-108 made various changes to laws governing agricultural matters, including provisions involving the following:

- Agriculture and forestry awareness study commission studies
- Expand facilities exempt from EMC rule
- Present use-value change
- Abandoned livestock amendments
- Authority of the Department of Agriculture and Consumer Services to adopt and administer forest practice guidelines for purposes of the sedimentation pollution control act
- Assent to mutual aid provisions of the Great Plains Wildland Protection Compact
- Clarify activities incident to the farm and agritourism
- Eliminate county authority to adopt zoning regulations governing swine farms
- Allow food compliance inspectors to drive state vehicles without state tags and bumper stickers
- Meat and poultry technical corrections
- Modernize forest ranger statutes
- Allow emergency workers to receive worker's compensation when responding to non-fire emergencies
- Create exception from conservation benefit analysis for certain easements
- Exempt farm trucks that stay in State from having a USDOT identification number
- Exempt closure of hog lagoons from requiring the use of a professional engineer
- Exempt farm vehicles engaged in intrastate commerce from certain federal motor carrier safety regulations
- Authorize wine sales at farmers markets
- Allow extension of conditional exemption from sales and use tax for certain farmers
- Amend conditions that may be applied to agreements for the purchase of agricultural products

Alcoholic Beverage Control

See full summary documents for additional detail

S155 - ABC Omnibus Legislation. (SL 2017-87)

S.L. 2017-87 makes a variety of amendments to the laws governing alcoholic beverages. Some of the provisions included in this act include:

- Creating a spirituous liquor special event permit to allow distilleries to conduct free tastings.
- Allowing certain alcoholic beverages to be auctions by licensed auctioneers.
- Authorizing local governments to allow permittees to sell alcoholic beverages beginning at 10:00AM on Sunday.

For a complete explanation of these and the additional changes contained in the act, please see the full summary of the act.

Except as otherwise stated in the full summary of this act, the act became effective June 30, 2017.

CURRENT LAW AND BILL ANALYSIS:

S257 - Appropriations Act of 2017.

Sec. 16B.11: Modify ALE Jurisdiction. (SL 2017-57)

Section 16B.11 of S.L. 2017-57 clarifies that alcohol law enforcement (ALE) officers are separate and discrete from other sworn law enforcement officer of the State Bureau of Investigation (SBI) and that no funds appropriated for the Alcohol Law Enforcement (ALE) Branch shall be transferred within the SBI for another purpose except by act of the General Assembly. This section also provides that any funds or property distributed to the ALE Branch as a result of federal forfeiture proceedings shall only be expended for purposes related to the ALE Branch.

This section became effective July 1, 2017.

Children and Families

See full summary documents for additional detail

H362 - Changes to the Juvenile Code. (SL 2017-161)

S.L. 2017-161 makes various changes to the juvenile code related to abuse, neglect, and dependency. The act becomes effective October 1, 2017.

S53 - Law Enforcement Authority/Custody of Child. (SL 2017-22)

S.L. 2017-22 amends the laws regarding the temporary modification of child-custody in certain circumstances that present a substantial risk to the child. This act became effective October 1, 2017, and applies to orders for temporary custody on or after that date.

Civil Law and Procedure

See full summary documents for additional detail

H258 - Amend Medical Malpractice Health Care Provider Definition. (SL 2017-131)

S.L. 2017-131 applies statutory medical malpractice requirements to lawsuits seeking damages from paramedics arising out of the provision of health care services.

This act became effective July 20, 2017, and applies to causes of action arising on or after that date.

Commercial Law and Consumer Protection

See full summary documents for additional detail

H144 - Credit Union/Trust Institution Changes. (SL 2017-25)

S. L. 2017-25 does the following:

- Includes credit unions and trust institutions among the financial institutions that are permitted to hold funds in escrow or on deposit in various statutes.
- Extends from annually to 18 months the period between the examinations of credit unions by the Administrator.
- Corrects a citation.

This act became effective June 2, 2017.

H228 - Postpone Assumed Name Revisions. (SL 2017-23)

S.L. 2017-23 postpones the implementation of the Assumed Business Name Act for five months, as recommended by the General Statutes Commission, because the database will not be operational by the current July 1, 2017 implementation date. This act became effective June 2, 2017.

H462 - Banking Law Amendments. (SL 2017-165)

S.L. 2017-165 makes technical and clarifying changes to provisions applicable to commercial banks, bank holding companies, and credit unions. This act became effective July 21, 2017.

H772 - Amend NC Int'l Arbitration/Conciliation Act. (SL 2017-171)

S.L. 2017-171 makes conforming and modernizing changes to the International Commercial Arbitration and Conciliation Act (ICACA), to reflect similar trends in international arbitration, and to more closely align Article 45B of the General Statutes with other North Carolina statutes governing arbitration.

This act becomes effective October 1, 2017, and applies to agreements entered into, renewed, or modified on or after that date.

S24 - Allow Restaurants to Use Outdoor Grills. (SL 2017-18)

S.L. 2017-18 allows food establishments to use outdoor grills for food preparation if certain conditions are met.

This act became effective May 24, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.1 : NER Block Grants for 2018 and 2019 Program Years/Use of Deobligated Funds. (SL 2017-57)

Section 15.1 allocates Community Development Block Grant (CDBG) funds for the 2017-2019 biennium to State Administration, Neighborhood Revitalization, Economic Development, and Infrastructure and further provides guidance for the use of deobligated CDBG funds. This act became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.14: Job Maintenance and Capital Development Fund Eligibility Modification. (SL 2017-57)

Sec. 15.14 of S.L. 2017-57 authorizes new grants under the Job Maintenance and Capital Development Fund (JMAC) program to businesses that had previously received a JMAC grant. To be eligible for an additional grant, a business must invest \$150,000,000 (in addition to the \$200,000,000 investment required for the initial JMAC grant), maintain at least 2,000 full-time employees, and be at the same location as the initial JMAC grant. The number of JMAC grants authorized is increased from 5 to 6, and the total cost of all JMAC grants is increased from \$79,000,000 to \$139,000,000. This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.15A: Transformative Project. (SL 2017-57)

Section 15.15A of S.L. 2017-57 establishes enhanced benefits under the Jobs Development Investment Grant (JDIG) program for a "transformative project," a project where a business invests at least \$4 billion in private funds and creates at least 5,000 jobs in this State. This section became effective on July 1, 2017.

S577 - Consumer Credit/Default Charge. (SL 2017-45)

S.L. 2017-45 increases the allowable default charge for a past due installment payment under a consumer credit installment sale contract from a maximum of \$6 to \$15. This act became effective June 26, 2017 and applies to charges imposed on or after that date.

S593 - Arbitration and Mediation for Business Court. (SL 2017-122)

S.L. 2017-122 directs the Director of the Administrative Office of the Courts (AOC) to submit a report recommending whether arbitration and mediation programs should be established in the North Carolina Business Court.

This act became effective July 18, 2017.

S621 - Business Contracts/Choice of Law and Forum. (SL 2017-123)

S.L. 2017-123 permits a business contract to provide that:

- North Carolina law will govern the parties' rights and duties under the contract in whole or in part, regardless of whether the parties, the contract, or a related transaction bear a reasonable relation to the State, and regardless of whether a provision in the contract may conflict with a fundamental policy under the law of another jurisdiction that would apply if the parties had not chosen North Carolina law.
- Any action to resolve a dispute arising out of the contract may be brought in the courts of this State.

The act also permits a business contract containing both of the foregoing provisions to specify one or more North Carolina counties in which any dispute arising under the contract must be litigated.

The act became effective on July 18, 2017, and applies to business contracts entered into before, on, or after that date.

Constitution and Elections

See full summary documents for additional detail

H100 - Restore Partisan Elections/Sup. & Dist. Court. (SL 2017-3)

S.L. 2017-3 provides that elections of superior court and district court judges are to be conducted in a partisan manner.

This act is effective with respect to primaries and elections held on or after January 1, 2018.

S68 - Bipartisan Bd of Elections and Ethics Enforce. (SL 2017-6)

S.L. 2017-6 repeals certain provisions related to the designation of exempt positions in State employment; repeals the portion of the 2016 Session Law consolidating the functions of ethics, elections, and lobbying; and re-establishes the Bipartisan State Board of Elections and Ethics Enforcement, effective May 1, 2017.

As of November 1, 2017, portions of S.L. 2017-6 remain under litigation. Members of the Bipartisan State Board of Elections and Ethics Enforcement have not yet been appointed due to order of the courts.

S257 - Appropriations Act of 2017.

Sec. 31.4: Department of Administration Allocate or Lease Office Space for Bipartisan State Board of Elections and Ethics Enforcement. (SL 2017-57)

S.L. 2017-57, Section 31.4, requires the Department of Administration to allocate office space in a State owned or leased facility or enter into a lease for office space in a non-State owned facility to be used by the Bipartisan State Board of Elections and Ethics Enforcement (State Board) no later than August 1, 2017. The square footage of the office space must be no less than the total square footage of the facilities previously occupied by the State agencies that were consolidated under the State Board. The State Board must house all personnel in the same office facility by September 1, 2017.

This section became effective July 1, 2017.

S656 - Electoral Freedom Act of 2017. (SL 2017-214)

S.L. 2017-214 does the following:

- Amends the qualifications for a group of voters to be recognized as a political party.
- Lowers the number of signatures required on petitions for unaffiliated candidates to be included on the general election ballot for the following offices:
 - Statewide office.
 - District office, other than General Assembly seat.
 - Partisan municipal office.

- Changes the deadline for filing petitions for unaffiliated candidates.
- Lowers the threshold for a substantial plurality in primary elections to 30% of the vote.
- Eliminates primaries for all justices and judges of the Courts in 2018.

This act becomes effective January 1, 2018, and applies to primaries and elections held on or after that date.

Courts, Justice, and Corrections

See full summary documents for additional detail

H229 - GSC Technical Corrections 2017.

Sec. 38: Conditional Discharge for Paraphernalia. (SL 2017-102)

Section 38 of S.L. 2017-102 corrects a citation and reinstates the misdemeanor of possession of marijuana paraphernalia as eligible for conditional discharge. In 2014, the General Assembly enacted G.S. 90-113.22A separating the possession of marijuana paraphernalia from the possession of all other drug paraphernalia but failed to add the new separate offense to the statute authorizing conditional discharge.

This section became effective July 12, 2017.

H236 - NCAOC Omnibus Bill. (SL 2017-158)

S.L. 2017-158 makes numerous changes to law governing the administration of the General Courts of Justice.

In addition to other technical and clarifying changes, the act: validates documents that are filed with a missing date stamp; provides for removal of disbarred or suspended attorneys serving as estate administrators or guardians; simplifies the process of appointing interim guardians in incompetency proceedings; clarifies the rules for filing inventory, accounting, and tax returns; permits clerks of court to hear certain civil contempt cases; permits the appointment of an assistant to a district attorney who has a conflict of interest in a criminal case; streamlines the process of issuing service of process on behalf of indigent inmates; clarifies the procedure for termination of sex offender registration resulting from a conviction in federal court; authorizes establishment of a records retention schedule for audio recordings in cases involving juveniles; permits various State officials to perform pro bono legal work; authorizes the Administrative Office of the Courts (AOC) to redact identifiable or financial information from images or copies of publicly accessible official records; directs the AOC to report its recommendations to the General Assembly on the establishment of an arbitration and mediation program for the North Carolina Business Court; adds a district attorney member to the Dispute Resolution Commission (DRC), clarifies the uses to which fees collected by the DRC may be used; modifies DRC disciplinary procedures for mediators and mediator training programs; and makes other technical and clarifying changes.

The act became effective July 21, 2017; the act's provisions relating to petitions to terminate sex offender registration apply to petitions filed on or after that date.

H239 - Reduce Court of Appeals to 12 Judges. (SL 2017-7)

S.L. 2017-7:

- Reduces the Court of Appeals from 15 to 12 judges by abolishing the first three seats that become vacant on or after January 1, 2017, prior to expiration of the incumbent's term.

- Provides an appeal of right directly to the North Carolina Supreme Court from orders regarding class action certification and orders terminating parental rights or denying a motion or petition to terminate parental rights.
- Permits review by the North Carolina Supreme Court before determination by the Court of Appeals when the subject matter is important in overseeing the jurisdiction and integrity of the court system.

The provisions of the act allowing appeals of right directly to the Supreme Court from orders relating to the termination of parental rights becomes effective January 1, 2019, and applies to appeals filed on or after that date. The remainder of the act became effective April 26, 2017.

H343 - Enforcement of Domestic Violence Protective Order on Appeal. (SL 2017-92)

S.L. 2017-92 clarifies that a valid protective order which has been appealed to the appellate division is enforceable in the trial court during the pendency of the appeal. This act becomes effective October 1, 2017.

S88 - Landlord/Tenant-Alias & Pluries Summary Eject. (SL 2017-143)

S.L. 2017-143 allows a plaintiff to request that a claim for summary ejectment be severed from a claim for monetary damages where there is no personal service of process. It also codifies that a party in a small claim action or in an action appealed for a trial de novo in district court is not required to be represented by an attorney. This act became effective October 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.17: Industrial Commission Service of Process. (SL 2017-57)

Sec. 15.17 of S.L. 2017-57 provides that the Industrial Commission may send notice of an award by any class of prepaid U.S. mail, or electronic mail, and makes other technical changes.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.18: Industrial Commission Expense Carryforward. (SL 2017-57)

Sec. 15.18 of S.L. 2017-57 does the following:

- Enables the North Carolina Industrial Commission (Commission) to carry forward up to \$250,000 of State funds appropriated in the 2015-2016 fiscal year for legal services. This includes the employment and supervision of private counsel. This provision became effective June 30, 2017.

- Allows the Commission to utilize \$300,000 of funds appropriated to it in the 2017-2018 fiscal year for private legal services, litigation-related expenses, and the defense of members in his or her official capacity arising from S.L. 2016-125. S.L. 2016-125 consolidated the functions of elections, campaign finance, lobbying, and ethics under one state agency by creating the North Carolina Bipartisan State Board of Elections and Ethics Enforcement. This provision became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.19: Industrial Commission Case Management Systems. (SL 2017-57)

Sec. 15.19 of S.L. 2017-57 does the following:

- Provides that the North Carolina Industrial Commission (Commission) must coordinate with the Department of Information Technology and other State agencies to replace the Commission's case management systems, by assessing system requirements and finding the most cost-effective means for doing so.
- Allows the Commission to retain additional revenue of up to \$1,200,000 from the fee charged to parties for filing compromise settlement agreements. This revenue is to be used for the purpose of replacing and maintaining the Commission's case management systems and related expenditures. This fee retention authorization will expire on June 30, 2021.
- Provides that out of funds appropriated to the Commission in the 201y budget, \$750,000 in nonrecurring funds for each year of the 2017-2019 fiscal biennium must be allocated for the purpose of maintaining the Commission's case management systems and related expenditures. For the 2019-2021 fiscal biennium only, the Director of State budget must also include \$750,000 in nonrecurring funds for each year of the 2019-2021 fiscal biennium for case management systems and related expenses.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.19A: Transfer Industrial Commission to Department of Insurance. (SL 2017-57)

Sec. 15.19A of S.L. 2017-57 transfers the Industrial Commission (Commission) to the Department of Insurance (DOI) under a Type II transfer. A Type II transfer means the Commission is now administered under the direction and supervision of DOI, but will exercise all of its prescribed statutory powers independently of the head of DOI. The Commission will continue to maintain its statutory duties and independent operation. Management functions of the Commission will now be performed under the direction and supervision of the head of DOI.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16.3A: Pilot Project to Treat Opiate Overdose. (SL 2017-57)

Section 16.3A of S.L. 2017-57 directs the Department of Public Safety (DPS) and the City of Wilmington to implement a two-year pilot project to address the needs of opiate and heroin overdose victims who are not getting follow-up treatment and to report to the 2019 Session of the General Assembly on the project results.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 16.5: Grant Reporting and Matching Funds. (SL 2017-57)

Section 16.5 of S.L. 2017-57 requires the Department of Public Safety, the Department of Justice, and the Judicial Department to report information regarding grant funds received to the chairs of specific Appropriation Committees of the General Assembly by May 1 of each year. This section also authorizes the Department of Public Safety to use up to a named sum from available funds to match amounts needed for the State to receive grant funds. This act became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16.6: Expand Crime Victim's Services. (SL 2017-57)

Section 16.6 of S.L. 2017-57 provides up to three thousand dollars (\$3,000) for counseling services to the immediate family of certain victims of violent crime. This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 16.7: Grants for Law Enforcement Cameras. (SL 2017-57)

Section 16.7 of S.L. 2017-57 provides that funds appropriated to the Department of Public Safety for body-worn camera grants in the 2015 Appropriations Act shall not revert, but be used to provide matching grants to local and county law enforcement agencies for body-worn or dashboard cameras and for training and related expenses. The funds shall be administered by the Governor's Crime Commission which shall develop guidelines and procedures that shall include the following requirements and limitations:

- A maximum grant amount of \$100,000.
- Receiving law enforcement agencies must provide one for one matching local funds.
- Grantees must have policies and procedures in place for the operation of body-worn or dashboard cameras, including the proper storage of images obtained by the cameras.

The Governor's Crime Commission is required to report to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on the grant funds distributed pursuant to this section no later than August 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16B.1: State Capitol Police/Creation of Receipt-supported Positions. (SL 2017-57)

Section 16B.1 of S.L. 2017-57 authorizes the State Capitol Police to contract with State agencies to create receipt-supported positions to provide security services for buildings occupied by the agencies. The State Capitol Police is required to report annually to the Joint Legislative Oversight Committee on Justice and Public Safety a list of all positions in the State Capitol Police and, for each receipt-supported position, the contract terms. In addition, for all receipt-supported positions, the State Capitol Police must report the creation of the position to the chairs of the House and Senate Appropriations Committees on Justice and Public Safety and the Fiscal Research Division within 30 days of creating the position.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16B.2: Use of Seized and Forfeited Property. (SL 2017-57)

Section 16B.2 of S.L. 2017-57 provides the following with regard to seized and forfeited assets:

- Assets transferred under federal law to the Department of Justice or the Department of Public Safety shall be credited to the budget and increase the law enforcement resources of the recipient department. Those Departments are required to report to the chairs of the House and Senate Appropriations Committees on Justice and Public Safety any assets received; intended use of assets prior to their use; and an annual report on receipts, expenditures, encumbrances, and availability of assets for the previous fiscal year.
- The Department of Justice and Department of Public Safety are prohibited from using assets transferred under federal law for certain purposes without prior approval of the General Assembly because they may result in additional future expenses for the State.
- State law enforcement agencies are not prohibited from receiving funds from the United States Department of Justice, the United States Department of the Treasury, and the United States Department of Health and Human Services.
- The Joint Legislative Oversight Committee on Justice and Public Safety is required to study the impact of receipt of assets on law enforcement efforts and report its findings to the 2018 Regular Session of the 2017 General Assembly.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16B.4: Lieutenant Governor Executive Protection Detail. (SL 2017-57)

Sec. 16B.4 of S.L. 2017-57 creates within the North Carolina Highway Patrol a three-officer Lieutenant Governor Executive Protection Detail which must protect the Lieutenant Governor and his immediate family and perform duties as assigned by the Lieutenant Governor relating to his protection.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 16B.5: Studies to Enhance Public Safety. (SL 2017-57)

Section 16B.5 provides that the Program Evaluation Division will study the Voice Interoperability Plan (VIPER) and FirstNet technology; evaluate the current downtown Raleigh State Government complex's security measures; and report to General Assembly leadership no later than March 1, 2018. The public security information collected is not a public record. This section became effective July, 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16B.6: 9/11 As First Responders Day. (SL 2017-57)

Section 16B.6 of S.L. 2017-57 declares that September 11 is a legal public holiday, First Responders Day. This section of the act became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16B.7: SHP Eligible for PSAP Grant/911 Projects. (SL 2017-57)

Section 16B.7 of S.L. 2017-57 provides that the State Highway Patrol is an eligible public safety answering point (PSAP) for purposes of applying to the 911 Board for a grant from the PSAP Grant and Statewide 911 Projects Account.

This section became effective July 1, 2017 and applies to funds collected on or after that date.

S257 - Appropriations Act of 2017.

Sec. 16B.8: Use of State Highway Patrol Logo Permitted. (SL 2017-57)

Section 16B.8 of S.L. 2017-57 authorizes the North Carolina Troopers Association to use all trademarks identifying the North Carolina State Highway Patrol held by the North Carolina Department of Public Safety or its Divisions. The authorized use is limited to purposes that support the State Highway Patrol, employees of the State Highway Patrol, and the family members of the State Highway Patrol.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 16B.9: State Highway Patrol Security Detail for Speaker/President Pro Tempore for State Business. (SL 2017-57)

Section 16B.9 of S.L. 2017-57 authorize the Speaker of the House of Representative and the President Pro Tempore of the Senate to request a security detail from the State Highway Patrol while traveling within the State on State business.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16B.10: Expand SBI Jurisdiction and Establish State Capitol Police. (SL 2017-57)

Section 16B.10 of S.L. 2017-57 adds human trafficking and crimes pertaining to the manufacture, use, false reporting, and hoaxes involving nuclear, biological, or chemical weapons of mass destruction to the list of crimes the State Bureau of Investigation (SBI) is authorized to investigate. This section also relocates the State Capitol Police Section of the State Highway Patrol and establishes it as The State Capitol Police Division within the Department of Public Safety. This section of the act became effective on July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16C.1: Use of Closed Facilities. (SL 2017-57)

Section 16C.1 of S.L. 2017-57 requires the Department of Public Safety, in conjunction with the closing of prisons and youth detention and development centers, to consult with the county or municipality in which the facility is located, elected State and local officials, and State and federal agencies about the possibility of converting the facility to other use, with priority given to converting the facility to other criminal justice use. The Department is also authorized to consult with private for-profit or nonprofit firms.

In addition, this section authorizes the Department to convert closed facilities for purposes of training needs, behavior modification facilities, and transitional housing. The Department is required to report to the Joint Legislative Oversight Committee on Justice and Public Safety 60 days prior to such a conversion on the justification for it, operational requirements, and available resources for staffing and operation, including a five-year projection of any additional funding needs.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16C.2: Reimburse Counties for Housing and Extraordinary Medical Expenses. (SL 2017-57)

Sec. 16C.2 of S.L. 2017-57 authorizes the Department of Public Safety (DPI) to use funds available to it for the 2017-2019 fiscal biennium to reimburse counties up to \$40 per day per prisoner for the cost of housing convicted inmates, parolees, and post-release supervisees awaiting transfer to the State prison system.

DPI must report annually by February 1 of each year to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the expenditure of funds to reimburse counties for prisoners awaiting transfer.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 17.1: No Hiring of Sworn Staff Positions for NC State Crime Lab. (SL 2017-57)

Section 17.1 of S.L. 2017-57 prohibits the Department of Justice from hiring sworn personnel to fill vacant positions in the North Carolina State Crime Laboratory. This provision does not affect sworn personnel already employed by the Laboratory on the effective date of this section.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 17.2: Company Police Authority. (SL 2017-57)

Section 17.2 of S.L. 2017-57 allows company police to enter into mutual aid agreements and provide temporary assistance to local law enforcement agencies. This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 17.3: PED to Study Allocation of Attorneys Between the Attorney General's Office and Departments.. (SL 2017-57)

Sec. 17.3 of S.L. 2017-57 requires the Program Evaluation Division (PED) to evaluate the allocation and use of attorneys in State government and submit its findings to the Joint Legislative Program Evaluation Oversight Committee (JLPEOC) and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 17.5: Attorney General's Office Management Flexibility Reduction.. (SL 2017-57)

Sec. 17.5 of S.L. 2017-57 mandates that in allocating the management flexibility reduction required by S.L. 2017-57 for both fiscal years of the 2017-2019 fiscal biennium, the following requirements must be met:

- All reductions from the Department of Justice must only be from fund codes 1991 [Indirect Reserve], 1100 [General Administration], and 1200 [Legal Services].
- Notwithstanding any other provision of law and during the 2017-2019 fiscal biennium, no reductions or transfers can be taken from fund codes 1400 [State Crime Laboratory] and 1500 [Criminal Justice Training and Standards].

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 17.7: Sexual Assault Evidence Collection Kits. (SL 2017-57)

Section 17.7 of S.L. 2017-57 requires each local law enforcement agency to inventory all Sexual Assault Evidence Collection Kits (SAECKS) in its custody; compile specific data; and report findings to the Department of Justice, and State Crime Laboratory no later than January 1, 2018. The State Crime Laboratory must then compile the information provided, and report to the General Assembly no later than March 1, 2018. This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 18A.1: Indigent Defense Services Match for Grants.. (SL 2017-57)

Section 18A.1 of S.L. 2017-57 authorizes Indigent Defense Services (IDS) to use up to \$50,000 from funds available to provide the State matching funds needed to receive grant funds during the 2017-2019 fiscal biennium.

Prior to using funds for this purpose, IDS must report to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the grants to be matched using these funds.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 18A.2: Public Defender Workload Formula. (SL 2017-57)

Section 18A.2 of S.L. 2017-57 requires Indigent Defense Services, in conjunction with the Administrative Office of the Courts and the National Center for State Courts, to use funds available to it to develop a

workload formula for the public defender offices. The report must include the number of public defenders that Indigent Defense Services recommends to be allocated to each public defender office and shall be submitted to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety, and the Senate Appropriations Committee on Justice and Public Safety by May 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 18A.3: Standards for Indigency. (SL 2017-57)

Sec. 18A.3 of S.L. 2017-57 directs the Administrative Office of the Courts, in conjunction with Indigent Defense Services, to study and develop specific statewide standards for determining indigency for defendants, to include a review of the practices of other states regarding determination of indigency, analysis of the cost-effectiveness of alternatives to the status quo, and implementation plans for the standards agreed upon. A report must be issued to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by February 1, 2018.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 18B.1: Collection of Worthless Checks. (SL 2017-57)

Section 18B.1 authorizes the Judicial Department to use any balance remaining in the Collection of Worthless Check Fund, notwithstanding another provision of law, for specific equipment purchases, reporting details of the purchases to the General Assembly prior to using any funds. This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 18B.2: Grant Funds. (SL 2017-57)

Section 18B.2 authorizes the Administrative Office of the Courts to use up to a named sum from available funds to match amounts needed for the State to receive grant funds after reporting the expenditure to the General Assembly. This act became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 18B.3: Third-Party Access to Court Records Annual Report. (SL 2017-57)

Section 18B.3 of S.L. 2017-57 requires the Director of the Administrative Office of the Courts to report to the House Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on any contracts entered into by the Director with third parties to

provide the public with remote electronic access to court records by no later than February 1 of the year following any calendar year in which such contracts were in effect.

This section became effective on June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 18B.4: Business Court Reports. (SL 2017-57)

Section 18B.4 of S.L. 2017-57 requires the Administrative Office of the Courts (AOC) to submit a semiannual report on the activities of each North Carolina business court site to the Chief Justice, to the chairs of the House and Senate Appropriations Committees and the Joint Legislative Oversight Committee, and to all other members of the General Assembly.

This section became effective on June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 18B.5: Digital Forensics Included in Court Costs. (SL 2017-57)

Section 18B.5 of S.L. 2017-57 creates a \$600 court cost in criminal cases payable to the appropriate crime laboratory for the performance of digital forensics, including the seizure, forensic imaging, and acquisition and analysis of digital media.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 18B.6: Fee Waiver. (SL 2017-57)

Section 18B.6 of S.L. 2017-57 provides that no court may waive or remit all or part of any court costs or fines without providing notice and an opportunity to be heard to all government entities directly affected.

This section becomes effective December 1, 2017, and applies to all cases arising on or after that date.

S257 - Appropriations Act of 2017.

Sec. 18B.8: Supreme Court Bicentennial Celebration. (SL 2017-57)

Sec. 18B.8 of S.L. 2017-57 allows the North Carolina Supreme Court to hold sessions in any location across the State in calendar years 2018 through 2020 in honor of the court's bicentennial celebration.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 18B.9: Allocation of Assistant District Attorneys. (SL 2017-57)

Sec. 18B.9 of S.L. 2017-57, as amended by Sec. 5.5 of S.L. 2017-197:

- Eliminates District 9A of the judicial system, effective January 1, 2019;
- Amends allocations of the number of full time assistant district attorneys assigned to various district, effective June 28, 2017;
- Renumbers the prosecutorial districts, effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 18B.10: Eliminate Access to Civil Justice Funds. (SL 2017-57)

Section 18B.10 of S.L. 2017-57 repealed the Access to Civil Justice Act, which provided funding for legal representation of indigent persons in certain kinds of civil matters.

This section became effective on April 26, 2017.

S257 - Appropriations Act of 2017.

Sec. 18B.11: Modify Emergency Recall Judges. (SL 2017-57)

Section 18B.11 of S.L. 2017-57 provides that:

- The Chief Justice of the Supreme Court shall designate all commissioned emergency judges as either active or inactive.
- Only active emergency judges shall be assigned to hold court.
- The active list of emergency superior and special superior court judges shall be limited to a combined total of 10, but an emergency judge who is assigned to hear and decide complex business cases shall not be counted in this combined total.
- The active list of emergency district court judges shall be limited to 25 emergency judges.
- Emergency judges may be assigned to hold court only in the event of a sitting judge's death, disability, retirement, removal, or recall to active military duty, or in the event of a court case-management emergency.

This section became effective on June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 18B.12: Magistrate/Clerk Staffing Pilot Project. (SL 2017-57)

Sec. 18B.12 of S.L. 2017-57 allows the clerk of superior court in a county, with the written or e-mailed consent of the chief district court judge, to hire one deputy or assistant clerk in lieu of one of the magistrate positions allotted to that county, even if doing so would take the number of magistrate

positions in the county below the number of magistrates required for the county by statute. In order to provide accessibility for law enforcement and citizens, the clerk of superior court's office who does this will provide some of the services traditionally provided by the magistrates' office during some or all of the regular courthouse hours.

The Administrative Office of the Courts must report on the results of the pilot project by October 1, 2018, to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety. The report must include the counties participating, a summary of the magisterial tasks assumed by clerks, the estimated cost savings, and recommendations for future expansion.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 24.4: Establish the Joint Select Committee on Judicial Funding. (SL 2017-57)

Sec. 24.4 of S.L. 2017-57 creates the Joint Select Study Committee on Judicial Funding, consisting of five members appointed by the President Pro Tempore of the Senate, at least one of whom must be a member of the Senate, and five members appointed by the Speaker of the House of Representatives, at least one of whom must be a member of the House. The Committee is to study the effects of enacting the first editions of Senate Bills 635 (appropriating funds to provide judicial assistants to all district and superior court judges) and 636 (increasing judicial salaries by twenty percent) of the 2017 Regular Session of the General Assembly, or substantially similar legislation, and other issues the Committee deems relevant regarding State funding provided to the judicial branch.

The Committee must submit a final report on the results of its study, including any proposed legislation, to the General Assembly on or before March 1, 2018. The Committee terminates on March 1, 2018, or upon the filing of the final report, whichever occurs first.

This section became effective June 28, 2017.

S547 - Restitution Remission/Notice and Hearing Requirement. (SL 2017-16)

S.L. 2017-16 requires notice and the opportunity for the district attorney and victim to be heard before a judge may order restitution to be remitted. This act becomes effective December 1, 2017 and applies to orders for remission entered on or after that date.

S569 - Uniform Power of Attorney Act. (SL 2017-153)

S.L. 2017-153 adopts the North Carolina Uniform Power of Attorney Act (UPAA), largely replacing existing law governing the creation, interpretation, and application of powers of attorney. With limited exceptions, the UPAA applies to powers of attorney created before, on, or after the effective date of the act, unless its terms clearly express a contrary intent, or unless application of the act would substantially impair the rights of a party. S.L. 2017-153 also repeals superseded statutory provisions and makes conforming changes to related provisions of law.

This act becomes effective January 1, 2018.

S582 - Budget & Agency Technical Corrections.

Sec. 5.1: Prison Industry Enhancement Program Benefits. (SL 2017-212)

Section 5.1 of S.L. 2017-212 provides a workers' compensation coverage wage calculation for inmates in the Prison Industry Enhancement Certification (PIEC) Program, as required by federal law. This act becomes effective December 1, 2017.

S582 - Budget & Agency Technical Corrections.

Sec. 5.2: Duties of the District Attorney. (SL 2017-212)

Section 5.2(a) through (c) of S.L. 2017-212 specify that the district attorney only represents the State in district and superior courts, and restricts the authority of the Attorney General to delegate the duty to represent the State in the Appellate Division.

This act became effective July 1, 2017. Actions taken by the office of a District Attorney related to a criminal appeal delegated to that office on or after July 1, 2017, shall be deemed to have been taken with full legal authority to act on behalf of the State.

S582 - Budget & Agency Technical Corrections.

Sec. 5.3: Driving While Impaired Misdemeanor Clarifications/Expert Testimony Revisions. (SL 2017-212)

Section 5.3 of S.L. 2017-212 amends S.L. 2017-57 by updating the statute of limitations for misdemeanor crimes, and amending the Rules of Evidence related to expert testimony in matters of impairment.

The changes to the statute of limitations in this act become effective December 1, 2017, and apply to offenses committed on or after that date. The amendment to the Rules of Evidence in this act became effective October 8, 2017.

Criminal Law and Procedure

See full summary documents for additional detail

H98 - Criminal Offense/Vandalize Fire & EMS Equipment. (SL 2017-89)

S.L. 2017-89 creates the specific criminal offense of intentionally damaging equipment used for fire-fighting or emergency medical services. This act is effective December 1, 2017, and applies to offenses committed on or after that date.

H125 - Threatened Weapon Included in First Degree Rape. (SL 2017-30)

S.L. 2017-30 expands the offense of first-degree forcible rape to include having vaginal intercourse with a person by force and against that person's will while threatening to use a dangerous or deadly weapon.

This act becomes effective December 1, 2017 and applies to offenses committed on or after that date.

H138 - Revise Gang Laws. (SL 2017-194)

S.L. 2017-194 makes changes to the laws governing criminal gang activity to create criteria for classification of criminal gang membership, create a sentencing enhancement for certain crimes committed by gang members, and increase the penalties for certain gang-related offenses.

This act becomes effective December 1, 2017 and applies to acts committed on or after that date.

H224 - Warrant Check of Inmates in Custody. (SL 2017-101)

S.L. 2017-101 clarifies the requirement created in S.L. 2015-48 for courts to attempt to determine if a defendant has any outstanding warrants. This act is effective December 1, 2017, and applies to orders entered on or after that date.

H225 - Attempted Robbery is Lesser Included. (SL 2017-31)

S.L. 2017-31 clarifies that attempted robbery with a dangerous weapon is a lesser included offense of robbery with a dangerous weapon by explicitly stating that if evidence is sufficient to prove robbery with a dangerous weapon, it is also sufficient to support a conviction of attempted robbery with a dangerous weapon.

This act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

H384 - Increase Penalties/Organized Retail Theft. (SL 2017-162)

S.L. 2017-162 expands the organized retail theft statutes and addresses gift cards and merchandise cards in existing law. This act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

H399 - Stop Images Taken Without Consent From Dissemination. (SL 2017-93)

S.L. 2017-9 amends the criminal law that prohibits the disclosure of private images. This act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

H464 - Revise Schedule of Controlled Substances. (SL 2017-115)

S.L. 2017-115 amends the classification of controlled substances and creates a Task Force on Sentencing Reforms for Opioid Drug Convictions. The classification changes become effective December 1, 2017, and apply to offenses committed on or after that date and the task force provision became effective July 18, 2017.

S257 - Appropriations Act of 2017.

Sec. 16B.3: Protect Hospital Security Personnel. (SL 2017-57)

Section 16B.3 of S.L. 2017-57 provides a Class I felony for an assault or affray causing physical injury on hospital security personnel who are discharging or attempting to discharge their official duties.

This section becomes effective December 1, 2017, and applies to offenses committed on or after that date.

S257 - Appropriations Act of 2017.

Sec. 16D.4: Juvenile Justice Reinvestment Act. (SL 2017-57)

Section 16D.4 of S.L. 2017-57 does the following:

1. raises the age of juvenile jurisdiction to include 16 and 17 year olds, except in the case of A-G felonies;
2. provides a victim an opportunity to request review of a decision not to file a juvenile petition;
3. increases the information available on juveniles to law enforcement and for court proceedings;
4. authorizes school-justice partnerships statewide to reduce school based referrals to the juvenile court system;
5. requires regular juvenile justice training for law enforcement officers;
6. provides for gang assessments and enhanced sentencing for offenses committed as part of criminal gang activity; and

7. establishes the Juvenile Jurisdiction Advisory Committee.

This section has various effective dates. Please see the full summary for more detail.

S257 - Appropriations Act of 2017.

Sec. 17.4: Strengthen Human Trafficking Laws. (SL 2017-57)

Section 17.4 of S.L. 2017-57 requires public-awareness signs containing information about the National Human Trafficking Resource hotline to be displayed at specified establishments and locations. This section became effective June 28, 2017.

S384 - Criminal Law Changes. (SL 2017-176)

S.L. 2017-176 makes the following changes to laws related to criminal law and procedure:

- Makes various changes in the law relating to motions for appropriate relief under Chapter 15A of the General Statutes, as recommended by the North Carolina Courts Commission, and makes clarifying and technical changes to G.S. 7A-451 regarding the entitlement of an indigent person to services of counsel.
- Clarifies what prior criminal convictions may be used to establish habitual felon status and removes the sunset on driver's license eligibility for persons convicted of habitual impaired driving.
- Adds the offense of felony breaking or entering with intent to terrorize or injure to the list of offenses defined as "breaking and entering" for purposes of habitual breaking and entering.
- Creates a process to insure that defendants subject to the fingerprint requirement get fingerprinted.
- Amends the law regarding arrest and Citizen's Warrants.
- Amends the Sheriff's Supplemental Pension Fund.

This act has various effective dates and applicability provisions. Please see the full summary for more detail.

S388 - Incapacity to Proceed. (SL 2017-147)

S.L. 2017-147 requires reports ordered by courts of a criminal defendant's capacity to proceed to be released to clinicians at the program where the defendant is receiving capacity restoration and to clinicians designated by the Secretary of Health and Human Services; and creates a workgroup to evaluate the process and impact of capacity determination. This act became effective July 20, 2017.

S445 - Expungement Process Modifications. (SL 2017-195)

Effective December 1, 2017, S.L. 2017-195 makes modifications to the various expunction statutes as follows:

- Standardizes the filing procedures for expunction.
- Authorizes prosecutors to access certain records of expunction.
- Allows certain expunged criminal acts to be considered in calculating prior record levels during sentencing for subsequent offenses if the expunction is granted on or after July 1, 2018.
- Reduces the waiting period for certain types of expunctions.
- Makes other modifications to the expunction process.

S548 - Strengthen Human Trafficking Laws/Studies. (SL 2017-151)

S.L. 2017-151:

- Increases the felony level for human trafficking
- Requires licensure of establishments providing massage and bodywork therapy services
- Makes it a Class 1 misdemeanor to employ any unlicensed person to provide massage and bodywork therapy services to the public for which licensure is required
- Requires massage and bodywork therapists to obtain a statewide privilege license
- Directs the Department of Health and Human Services to study the feasibility of providing human trafficking training to health care providers, emergency medical providers, and relevant first responders.

This act has various effective dates. Please see the full summary for more detail.

S600 - Britny's Law: Intimate Partner Violence Homicide. (SL 2017-94)

S.L. 2017-94 creates a rebuttable presumption of premeditation, elevating a homicide to a first degree murder, if there is malice and the defendant has a certain prior conviction involving the same victim. This act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

Education

See full summary documents for additional detail

H13 - Class Size Requirement Changes. (SL 2017-9)

S.L. 2017-9 phases in class size requirements for kindergarten through third grade as follows:

- For the 2017-2018 school year, the average class size for kindergarten through third grade in a local school administrative unit (LEA) cannot exceed 20 students, and the size of an individual class in kindergarten through third grade cannot exceed 23 students.
- For the 2018-2019 school year and thereafter, the class size requirements in G.S. 115C-301 apply.

The act requires local boards, through the local superintendent, to make biannual reports throughout the school year to the Superintendent of Public Instruction (Superintendent) on the organization of each school in the LEA. The biannual reports, accompanied by a sworn affidavit of compliance from the local superintendent, must include, at a minimum, the following information:

- For each class in each grade level at each school the following:
 - The duties of the teacher.
 - The source of funds used to pay for the teacher.
 - The number of students assigned to the class, including all exceptions to individual class size maximums in kindergarten through third grade that exist at that time.
- For each school the following:
 - The number of program enhancement teachers. For the purposes of this subdivision, program enhancement teachers are teachers who teach any of the following:
 - Arts disciplines, including dance, music, theater, and the visual arts.
 - Physical education and health programs.
 - World languages.
- The source of funds used to pay each program enhancement teacher.

The average class size for each grade from kindergarten through third grade in the LEA.

The Superintendent must conduct periodic audits of this information and upon a finding that a local board is out of compliance and has not sought an allotment adjustment or waiver, the State Board of Education (SBE) can impose the penalty of withholding funds for the local superintendent's salary until compliance is achieved.

Class size waivers granted by the SBE do not become effective until reported to the Joint Legislative Commission on Governmental Operations, and are required to be reported within 30 days of the grant of the waiver. If a waiver or allotment adjustment is not granted by the SBE, a local board is required to correct the exception within 30 days, and within 60 days of notification by the SBE, the Superintendent must request an updated report from the local board on the size of each class in kindergarten through third grade for each school within the LEA. If the Superintendent finds the local board continues to exceed class size requirements, the SBE can impose the penalty of withholding funds for the local superintendent's salary until compliance is achieved.

This act became effective April 27, 2017, and applies beginning with the 2017-2018 school year.

H39 - Amend Appointments/University of North Carolina Board of Governors. (SL 2017-1)

S.L. 2017-1 reduces the number of members elected by the General Assembly to the Board of Governors of The University of North Carolina (BOG) from 16 every 2 years to 12 every 2 years. This will reduce the elected membership of the BOG from 32 to 24 by July 1, 2019.

The reduction in number of members elected to the BOG became effective March 3, 2017. Conforming changes to this reduction became effective July 1, 2017, and additional conforming changes become effective July 1, 2019.

H135 - Technical Changes to Courses of Study Statute. (SL 2017-126)

S.L. 2017-126 repeals and recodifies various provisions related to the standard course of study. The recodification separates topics based on subject matter. The act also removes references to the Basic Education Plan and replaces that term with the term "standard course of study," and makes conforming changes to other statutes.

This law became effective July 20, 2017.

H149 - Students W/ Dyslexia and Dyscalculia. (SL 2017-127)

S.L. 2017-127 requires the State Board of Education (SBE) to: (1) define dyslexia as a part of its policies for specific learning disabilities; (2) ensure ongoing professional development opportunities for school personnel on the identification of and intervention for specific learning disabilities; and (3) provide information for parents and others on support for children with dyslexia.

The act also requires local boards of education to review diagnostic tools and screening instruments for specific learning disabilities and determine if additional diagnostic and screening tools are needed.

The act became effective July 20, 2017.

H155 - Omnibus Education Law Changes. (SL 2017-157)

OVERVIEW: S.L. 2017-157 makes the following changes to various education statutes:

- Beginning with the 2017-2018 school year, modifies the reporting date for a report on school organizational data, including class size.
- Makes conforming changes to career status employment statutes to align with a decision by the North Carolina Supreme Court.
- Beginning with the 2017-2018 school year, authorizes assistant principals at high schools with at least 1500 students to conduct evaluations for beginning teachers, as long as at least one evaluation in a teacher's first three years of employment is conducted by the principal.

- Directs the Superintendent of Public Instruction (Superintendent) to convene a Work Group to study student health and mental health issues. The Work Group's findings and recommendations must be reported to the State Board of Education (SBE) and the Joint Legislative Education Oversight Committee by April 1, 2018.
- Prohibits the SBE from adopting or implementing any policies or recommendations from the Interagency Advisory Committee until October 1, 2018, and directs the SBE to change the timelines for the development and implementation of plans and training required by its policy on School-Based Mental Health Initiatives by delaying all of the items by one year from the dates provided in the policy. The SBE must also provide notice to the local school administrative units (LEAs) who are participating in the "Whole School, Whole Community, Whole Child" pilot program and allow those LEAs to withdraw from the pilot program at their discretion.
- Directs the Superintendent to study the expansion of teaching and student learning of computational thinking and computer science, in collaboration with the Friday Institute for Educational Innovation at North Carolina State University and the North Carolina School of Science and Mathematics. The recommendations must include certain curriculum guidelines, recommendations to increase the number of teachers prepared to teach computational thinking and computer science, and other policy recommendations, and must be aligned with the ongoing implementation of the North Carolina Digital Learning Plan. A report must be submitted to the Joint Legislative Education Oversight Committee on the recommendations, including any proposed legislation, by January 15, 2018.

This act has various effective dates. Please see the full summary for more detail.

H229 - GSC Technical Corrections 2017.

Sec. 41.5: Anonymous Tip Lines and Monitoring and Response Applications. (SL 2017-102)

S.L. 2017-102, Sec. 41.5 makes conforming changes to reflect that the Center for Safer Schools is housed under the Department of Public Instruction rather than the Department of Public Safety.

This section became effective July 12, 2017.

H229 - GSC Technical Corrections 2017.

Sec. 42: Applied Textile Technology Center. (SL 2017-102)

Sec. 42 of S.L. 2017-102 clarifies that the Applied Textile Technology Center must submit for review all proposed agreements or contracts for supplies, materials, printing, equipment, and contractual services that exceed \$1,000,000 to the Secretary of Administration, or the Secretary's designee, rather than the Attorney General.

This section became effective July 12, 2017.

H229 - GSC Technical Corrections 2017.

Sec. 48: Adjust Certain Education Report Dates. (SL 2017-102)

Section 48 of S.L. 2017-102 changes the reporting date for the following reports:

- Low-performing schools, school improvement plans (October 15 to November 15)
- Evaluation of cooperative high schools (January 15 to March 15)
- Increase access to Career and Technical Education (September 15 to November 15)
- Increase Career and Technical Education participation (September 15 to November 15)
- Competitive grants to improve after-school services (September 15 to November 15)
- Reading camps offered to first and second grade students (October 15 to December 15)
- Broaden successful participation in advanced courses (November 15 to December 15)

This section became effective July 12, 2017.

H486 - National Guard Education Assistance Changes. (SL 2017-155)

S.L. 2017-155 makes various changes regarding education assistance for members of the National Guard. The Board of Governors of The University of North Carolina (BOG) and the State Board of Community Colleges (SBCC) must each adopt a uniform policy to ensure that National Guard Service Members are not academically penalized when they are placed on State active duty status during an academic term. These policies will apply to all enrolled students in a UNC constituent institution or North Carolina community college who are National Guard Service Members. These students must be given an excused absence for the period of time they are on State active duty.

The BOG and SBCC policies must also provide all of the following for these students:

- Opportunities to make up tests or other work missed during the excused absence.
- Options, when feasible, to continue classes and coursework during the academic term through online participation for the period of the active duty.
- Options to receive a temporary grade of "incomplete" or "absence from the final exam" for any course the student was not able to complete because of being placed on State active duty status. The student must complete the course requirements within a time period specified by the constituent institution or community college to avoid receiving a failing grade for the course.
- Ability to drop, with no penalty, any course that the student was unable to complete because of being placed on State active duty status.

The policies must be adopted by the BOG and the SBCC by July 1, 2017 and the UNC constituent institutions and the community colleges must implement the policies beginning with the fall 2017 academic term.

The act extends eligibility for tuition assistance to North Carolina National Guard members who are enrolled in a professional certification program recommended by the Director of the North Carolina National Guard Education and Employment Center and approved by the North Carolina National Guard Education Services Officer.

The act allows recipients using transferred Post-9/11 GI Bill benefits while the transferor is on active duty to also be eligible for in-State tuition if the recipient's abode is in the State and the recipient provides a letter of intent to establish residency. The act also allows recipients of the Marine Gunnery Sergeant John David Fry Scholarship whose parent or spouse died in the line of duty, regardless of whether the death followed a period of active duty service of 90 days or more, to be eligible for in-State tuition if the recipient's abode is in the State and the recipient provides a letter of intent to establish residency.

The act prohibits the Department of Military and Veterans Affairs (DMVA) from closing any of the State-owned veterans cemeteries, and requires the DMVA to operate these cemeteries at their current levels.

This act became effective July 21, 2017. The BOG and SBCC must implement the required policies beginning with the 2017 fall academic semester.

H527 - Restore/Preserve Campus Free Speech. (SL 2017-196)

S.L. 2017-196 requires the Board of Governors of the University of North Carolina to develop, adopt, and implement various policies related to free expression and to form a committee on free expression, which must make annual reports to the Board of Governors, the General Assembly, and the Governor.

The act became effective June 30, 2017. The initial annual report of the Committee on Free Expression is due by September 1, 2018.

H528 - Budget Technical Corrections.

Sec. 2.9: Elimination of Implementation Date for Anonymous Safety Tip Line Application. (SL 2017-197)

Section 2.9 of S.L. 2017-197 eliminates the requirement that an anonymous safety tip line application be implemented by July 1, 2018.

This section became effective July 1, 2017.

H532 - Modify UNC Laboratory Schools. (SL 2017-117)

S.L. 2017-117 makes the following modifications to the governance and operation of The University of North Carolina Laboratory Schools (lab schools):

- Increases the number of schools from eight to at least nine and directs that all schools must be in operation by 2018-2019, rather than 2017-2018.
- Requires the UNC Board of Governors to establish a Subcommittee on Lab Schools (Subcommittee) to review and evaluate the proposals, approve at least nine schools, and oversee the operations of the lab schools that are established. The Subcommittee and chancellors of the constituent institutions will replace the board of trustees of each constituent institution in governance of the lab schools.

- Allows chancellors to submit a proposal to the Subcommittee to locate a lab school in a local school administrative unit (LEA) that does not meet the minimum threshold of 25% low-performing schools if it can be shown that the lab school would primarily serve students who did not meet expected growth in the prior school year.
- Allows the Subcommittee to waive the requirement of a minimum number of low-performing schools in a LEA for up to three lab schools only if the proposal is submitted jointly by the chancellor and the LEA in which the lab school will be located and the Subcommittee determines the proposed location would serve the mission and purpose of the lab schools.
- Makes the chancellor of the constituent institution establishing the lab school the administrative head of the lab school rather than the board of trustees of that institution. The chancellor, with advice and input from an advisory board, must adopt policies, operating procedures, and the courses of study for the lab school, and will employ staff.
- Requires the chancellor to establish the advisory board to provide advice and guidance for lab schools. The advisory board will have up to 10 members, including the dean of the constituent institution's educator preparation program, a member of the board of trustees, faculty members, the superintendent of the LEA in which the lab school is located, a member of the community, and others deemed necessary.
- Clarifies that any student residing in a LEA in which a lab school is located is eligible to attend if the student is enrolled in a low-performing school at the time of the student's application to the lab school or if the student did not meet expected growth in the prior school year based on various factors.
- Clarifies that a lab school must enroll eligible students up to the capacity of a program, class, grade level, or building, in the order in which the applications are received.
- Allows the Superintendent of Public Instruction to recommend waiver of licensure requirements for the principal of the lab school and to also recommend waiver of the requirement that at least 50% of the teachers hold teaching licenses, upon a request of the chancellor that is approved by the Subcommittee. Clarifies that employees of lab schools are considered State employees.
- Requires the Subcommittee, rather than the Board of Governors, to evaluate and report on the lab schools annually to the Joint Legislative Education Oversight Committee.

This act became effective July 18, 2017.

H704 - Divide School Systems/Study Committee. (SL 2017-198)

S.L. 2017-198 creates the Joint Legislative Study Committee on the Division of Local School Administrative Units (Committee). The Committee must be made up of five members of the Senate and five members of the House. The Committee must study and make recommendations on the following:

- The feasibility and advisability of enacting legislation to permit local school administrative units that were merged from separate units to be divided into separate local school administrative units once again.
- The varied and best ways by which the division of a local school administrative unit could be achieved.
- Whether legislation permitting the division of local school administrative units should require as a prerequisite to the division a majority vote of the qualified voters of the county through a referendum or election.
- Whether legislation permitting the division of local school administrative units should require as a prerequisite to the division a petition from a certain percentage of the qualified voters of the county and, if so, to what entity the petition should be delivered.
- Any other issue the Committee considers relevant to this study.

The Committee must submit a final report on the results of its study, including any proposed legislation, to the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Legislative Library by May 1, 2018.

This act became effective July 31, 2017.

H800 - Various Changes to Charter School Laws. (SL 2017-173)

OVERVIEW: S.L. 2017-173 makes various changes to charter school laws and the North Carolina Virtual Public School as follows:

- Allows the board of directors of a charter school to contract with an education management organization or charter management organization to employ and provide teachers for the school.
- Requires the State Board of Education (SBE) to make decisions on fast-track replication applications for charter schools within 120 days of the submission of the application. This change applies beginning with applications submitted for fast-track replication of schools opening in the 2018-2019 school year.
- Provides that enrollment growth of greater than 20% is considered a material revision of a charter for any charter school that is identified as low-performing. The SBE cannot approve a material revision for enrollment growth of greater than 20% for a low-performing charter school.
- Provides that enrollment growth of greater than 25% is considered a material revision of the charter for any charter school that is not identified as low-performing. The SBE may approve enrollment growth of greater than 25% for a charter school that is not low-performing only if it finds all of the following: (i) actual enrollment is within 10% of maximum authorized enrollment; (ii) there are commitments for 90% of the requested maximum growth; (iii) the charter school is not identified as low-performing; (iv) the school meets generally accepted standards of fiscal management; and (v) the school is substantially in compliance with the law, its own by-laws and its charter.
- Allows charter schools that are not low-performing to grow up to 30% without having to apply for a material revision for the charter starting July 1, 2018.
- Allows charter schools to give enrollment priority to students who were enrolled in another charter school in the State in the previous school year and to students who were enrolled in a preschool program in the prior year that was operated by that charter school.
- Directs the Office of Charter Schools to assist charter schools that wish to participate in the NC Pre-K program.
- Creates a new statute that specifies that charter schools may apply to participate in the NC Pre-K program as a local program site and provides for the following:
 - A charter school can request assistance from the Office of Charter Schools regarding this application if it meets the following: (i) has operated as a charter school for at least three school years; (ii) is not identified as low-performing; (iii) meets generally accepted standards of fiscal management; and (iv) is in substantial compliance with the law, its own by-laws and its charter.
 - The Office of Charter Schools along with the Division of Child Development and Early Education at the Department of Health and Human Services must assist a charter school with determining whether the charter school's proposed program would meet the specific building standards and any other State standards required for the charter school to be licensed as a child care facility and site standards for NC Pre-K.
 - Charter schools that otherwise meet all of the requirements for a child care facility license may use an existing or newly constructed classroom for three- and four-year old students without modifications if the classroom meets the following: (i) has at least one toilet and sink for hand

washing; (ii) meets kindergarten standards for overhead light fixtures, floors, walls, and ceilings; and (iii) has floors, walls, and ceilings that are mold, mildew, and lead hazard free.

- Makes modifications to the NCVPS to provide that the Director of NCVPS must ensure that course quality standards are met for courses developed by NCVPS and repeal the requirement that all e-learning opportunities are consolidated under NCVPS.
- Allows local school administrative units to partner with providers other than NCVPS for e-learning opportunities as long as these other providers: (i) are accredited by a regional accrediting agency; (ii) employ teachers who hold teaching licenses from states that are in the NASDTEC Educator Identification Clearinghouse; and (iii) ensure that the courses offered to North Carolina students are aligned to the North Carolina Standard Course of Study.
- Reorganizes the statute on State and local funds for charter schools.

EFFECTIVE DATE: Except as otherwise provided in the specific sections, the act become effective July 21, 2017, and apply beginning with the 2017-2018 school year.

S64 - Veterans' History Awareness Month. (SL 2017-65)

S.L. 2017-65 establishes November as Veterans' History Awareness Month for the public schools and directs the State Board of Education to develop programs regarding the contributions of veterans.

The act became effective June 28, 2017, and applies beginning with the 2017-2018 school year.

BILL ANALYSIS: The act directs that the month of November must be designated as "Veterans' History Awareness Month" in the public schools.

It also requires the State Board of Education (SBE) to develop programs in collaboration with military installations, veterans, and veterans' service organizations that help students understand the importance of the contributions of American veterans and particularly veterans from North Carolina. Schools are encouraged to collaborate with veterans and veterans' service organizations during Veterans' History Awareness Month.

S78 - Cost to Comply/Federal Education Funds/PED Study.

Sec. 1: Study Financial Costs of Federal Mandates. (SL 2017-142)

Section 1 of S.L. 2017-142 requires the Department of Public Instruction (DPI) to study and report on the cost to local school administrative units in complying with federal education funding mandates. DPI must submit its report by January 18, 2018, to the Fiscal Research Division and the Program Evaluation Division of the General Assembly.

This section also requires the Joint Legislative Program Evaluation Oversight Committee (Committee) to consider including an evaluation of the cost of compliance with federal education funding mandates for K-12 education in the 2017-2018 Work Plan for the Program Evaluation Division. If this evaluation is included in the Work Plan, the Committee must report its findings and recommendations to the General Assembly at a date to be determined by the Committee.

S131 - Regulatory Reform Act of 2016-2017.

2.3: Regulatory Reform Act of 2016-2017. (SL 2017-10)

Sec. 2.3 of S.L. 2017-10 requires local boards of education to comply with criteria that must be met by a local government for the local government to displace a private company that is providing collection services for municipal solid waste or recovered materials within the local government's jurisdiction.

This section became effective May 4, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.35: Charter School Transportation Grant Pilot Program. (SL 2017-57)

Sec. 7.35 of S.L. 2017-57 directs the Department of Public Instruction (DPI) to establish the Charter School Transportation Grant Pilot Program (Program). The purpose of the Program is to award grant funds to a charter school that meets the requirements of the Program for the reimbursement of up to 65% of the eligible student transportation costs incurred by the charter school in accordance with the terms of the Program. "Eligible student transportation costs" means costs incurred by the charter school for (i) transportation fuel, (ii) vehicle maintenance, and (iii) contracted transportation services. To be eligible for the Program and receive grant funds, a charter school must have a student enrollment of at least 50% of its students residing in households with an income level not in excess of the amount required for a student to qualify for the federal free or reduced price lunch program in a semester of the school year.

By August 1, 2017, DPI must establish the criteria and guidelines for the grant application process for the Program for the upcoming school year, including any documentation required to be submitted with the application. DPI must accept applications until December 31, 2017, for eligible student transportation costs incurred during the fall semester of the school year and until May 30, 2018, for eligible student transportation costs incurred during the spring semester of the school year. From funds made available for the Program, the Department must award grant funds under the Program to the selected charter schools by January 15, 2018, for eligible student transportation costs incurred during the fall semester of the school year and by June 15, 2018, for eligible student transportation costs incurred during the spring semester of the prior school year. The total amount of each grant awarded under the Program must not exceed \$100,000.

DPI must report by March 15, 2018, to the Fiscal Research Division, the Joint Legislative Transportation Oversight Committee, and the Joint Legislative Education Oversight Committee on the administration of the Program, including (i) the number of charter schools that received grant funds, (ii) the amount of grant funds awarded to those charter schools, (iii) whether implementing the Program has led to an increase in charter schools offering lunch, (iv) whether implementing the Program has led to an increase in student lunch participation at charter schools offering lunch, (v) whether implementing the Program has increased or expanded the offering of student transportation by charter schools, and (vi) the modes of student transportation offered by charter schools that received grant funds.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.1(b): Restriction on Transfers from Funds for Children with Disabilities. (SL 2017-57)

Section 7.1(b) of S.L. 2017-57 removes the authority of local boards of education to transfer funds from the allotments for children with disabilities.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.2(b): Restriction on Transfers from Funds for Academically Gifted Children. (SL 2017-57)

Section 7.2(b) of S.L. 2017-57 restricts local boards of education from transferring funds from the allotments for academically or intellectually gifted children.

This section becomes effective July 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 7.12: Restriction on Transfers from Allotments for Limited English Proficient Students. (SL 2017-57)

Section 7.12 of S.L. 2017-57 restricts local boards of education from transferring funds out of the limited English proficiency allotment category.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.13: Restrictions on Transfers from Allotments for Textbooks and Digital Resources. (SL 2017-57)

Section 7.13 restricts local boards of education from transferring funds from the textbooks and digital resources allotment.

This section becomes effective July 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 7.15: Class Size Flexibility for Current Pilot Programs and Dual Language Immersion Classes. (SL 2017-57)

Sec. 7.5 of S.L. 2017-57 repeals a provision from the 2016 Appropriations Act that allowed local school administrative units (LEAs) receiving grants from the Teacher Compensation Models and Advanced Teaching Roles Pilot Program (Program) to exceed the maximum class size requirements for kindergarten through third grade. However, under this section, the LEAs receiving the grants may allow a certain number of schools that were identified in the LEAs' proposals for the Program to exceed individual class size requirements in kindergarten through third grade for the duration of the Program. In addition, schools participating in Project Lift in the Charlotte Mecklenburg Schools and schools participating in R:3 Career Pathways Program in Pitt County Schools may also exceed individual class size requirements in kindergarten through third grade for the duration of the program.

This section also provides that class size requirements for kindergarten through third grade do not apply to dual language immersion classes which are defined as classes where (i) at least one-third of the students' dominant language is English and (ii) instruction involves both English and a target foreign language with a minimum of 50% of core content taught in the target foreign language.

This section became effective July 1, 2017. The exemption for LEAs participating in the Program expires June 30, 2020. The exemption for dual language immersion classes applies beginning with the 2017-2018 school year.

S257 - Appropriations Act of 2017.

Sec. 7.16: Improve Education Financial and Information Transparency. (SL 2017-57)

S.L. 2017-57, Sec. 7.16 (SB 257, Sec. 7.16) requires the Department of Public Instruction (DPI) to implement the School Business System Modernization Plan proposed by the State Board of Education in a report required by prior legislation. The section expresses the General Assembly's intent to fund a multiphase, multiyear project to modernize, standardize, and integrate various education financial, human capital, and school information systems through a service enterprise resource planning (ERP) solution at the State and local level. The State Superintendent of Public Instruction (State Superintendent) must review and improve business processes in DPI and modernize State systems at DPI.

The State Superintendent must work with the Friday Institute for Educational Innovation at North Carolina State University (Friday Institute), the Government Data Analytics Center (GDAC), local superintendents, charter school leadership, and local school administrative unit (LEA) personnel administrators and finance officers to establish common data reporting requirements consistent with the Uniform Education Reporting System. All LEAs and charter schools must comply with the reporting requirements.

The State Superintendent must also work with the Friday Institute, GDAC, and other State agencies to improve communication between computer systems, and ensure that the modernized computer systems can share data with computer systems at other State agencies, community colleges, and constituent institutions of The University of North Carolina.

The State Superintendent must issue a Request for Proposal for ERP software by October 1, 2017, and select vendors for the development and implementation of the ERP and other enhancement solutions.

Prior to executing any contractual agreements and interagency data sharing agreements necessary to develop the financial reporting system, the State Superintendent must submit to the Joint Legislative Education Oversight Committee (Committee) and the Fiscal Research Division an initial report by September 15, 2017, on the progress of GDAC's development and deployment of a data integration service that consolidates data from financial, human resources, licensure, student information, and related systems. The State Superintendent must also submit an interim report to the Committee and the Fiscal Research Division by January 30, 2018, on the selection of a vendor for an ERP software. The State Superintendent must submit annual reports to the Committee and the Fiscal Research Division by March 15 of each year on the expenditure of funds and progress of implementation of the project until completion.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.18(a): State Board of Education/Use of State Funds. (SL 2017-57)

S.L. 2017-57, Sec. 7.18(a) prohibits the use of State funds to employ private counsel to provide litigation services to the State Board of Education (SBE). This does not apply to State funds that are encumbered for the 2016-2017 fiscal year for the purposes of employing private counsel to represent the SBE.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.19: Teachers/Isolated Kindergarten Through Twelve Schools. (SL 2017-57)

Sec. 7.19 of S.L. 2017-57 directs the State Board of Education (SBE) to allot additional classroom teachers to schools containing grades kindergarten through 12 when consolidation is not feasible due to the geographic isolation of the school and the school meets at least one of the following criteria for geographic isolation:

- The school is located in a local school administrative unit (LEA) in which the average daily membership is less than 1.5 per square mile.
- The school is located in an LEA for a county containing more than 150,000 acres of national forest owned by the federal government and managed by the United States Forest Service.

The SBE must allot teachers to the geographically isolated schools on the basis of one classroom teacher per grade level and must allot teachers to the remainder of the LEA in accordance with the formulas for the regular classroom teacher allotment.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.20: Turning Teacher Assistants into Teachers Pilot Expansion/Student Teacher Employment. (SL 2017-57)

S.L. 2017-57, Sec. 7.20 (SB 257, Sec. 7.20) expands the pilot program providing tuition assistance awards to part-time or full-time teacher assistants working in certain local school administrative units (LEAs) to pursue a college degree that will result in teacher licensure. The pilot program will be available beginning in 2017-2018 in Alamance-Burlington Schools, Beaufort County Schools, Bertie County Schools, Duplin County Schools, Edenton-Chowan Schools, Edgecombe County Schools, Guilford County Schools, Halifax County Schools, Nash-Rocky Mount Schools, Northampton County Schools, Randolph County Schools, Tyrrell County Schools, Vance County Schools, and Washington County Schools. All local boards of education participating in the pilot program must jointly report to the Joint Legislative Education Oversight Committee by September 1, 2018, and annually thereafter, on results of the pilot program.

Beginning with the 2017-2018 school year, teacher assistants must continue to receive salary and benefits while student teaching in the same LEA where they are employed as a teacher assistant.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.22: Cooperative Innovative High School Funding Changes. (SL 2017-57)

S.L. 2017-57, Sec. 7.22 makes several changes regarding Cooperative Innovative High Schools (CIHSs). This section modifies the funding formula for CIHS in Tier I, II, and III areas, respectively. CIHS in Tier I areas will receive \$275,000 in recurring funds for each fiscal year (except for virtual cooperative innovative high schools, which will receive \$200,000 and the Northeast Regional School of Biotechnology and Agriscience, which will receive \$310,000). CIHS in Tier II areas will receive \$200,000 in recurring funds for each fiscal year. CIHS in Tier III areas will receive \$180,000 in recurring funds and \$20,000 in nonrecurring funds for the 2017-2018 fiscal year. These units will receive \$180,000 in recurring funds for the 2018-2019 school year. Funds will also be provided to schools that have been approved since July 1, 2015, if the CIHS requested additional funds in its application and has not received funds from this allotment in the prior fiscal year. This section also requires multiple evaluations to be conducted by various entities. The State Board of Community Colleges, the Board of Governors of The University of North Carolina, and the State Board of Education are required to study and report to the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee on the costs associated with the Career and College Promise Program. The report must be submitted by February 15, 2018. Additionally, the State Board of Community Colleges, in conjunction with the State Board of Education and the Board of Governors of The University of North Carolina must annually evaluate the Career and College Promise Program and report to the Joint Legislative Education Oversight Committee by January 15 of each year.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23: Preparing Future Workforce in Coding and Mobile Application Development Grant Program. (SL 2017-57)

Sec. 7.23 of S.L. 2017-57 directs the Department of Public Instruction (DPI) to establish the Coding and Mobile Application Grant Program (Program) to develop industry partnerships with local school administrative units (LEAs) and charter schools to design and implement computer science, coding, and mobile application development curricular programs for middle school and high school students. Funds for the Program are to be used to award competitive grants of up to \$400,000 each fiscal year. These grants can be used for the purchase of equipment, digital materials, and related activities such as teacher professional development.

The Superintendent of Public Instruction (Superintendent) must establish the criteria and guidelines for the applications and Program requirements by August 15, 2017. The applications for the Program are due by October 15, 2017 for the first year of the Program. In subsequent years if funds are available for new applicants, the deadline must be by May 15 of that year. Applications must include the following information:

- A description of how the proposed partnership initiative will provide increased career opportunities for students to engage in high-wage, high-skill, and high-demand occupations.
- Demonstrated evidence of employer demand for the partnership initiative and related career and technical education (CTE) training, including documentation of industry involvement in the partnership initiative.
- A proposed budget for the partnership initiative, including demonstrated commitment of local or regional partners to sustain the programs beyond the initial grant funding.
- A description of how the proposed initiative aligns with other programs, including CTE, Career and College Pathways, and postsecondary programs and, if appropriate, how equipment necessary for the initiative will be utilized by partners.
- A description of how the project will create innovative, nontraditional, and immediate career pathways for students to enter high demand jobs in the development of mobile software applications.

In selecting the recipients, the Superintendent must consider diversity among the applicants, including geographic location, positive impact on the community of industry partnerships, and the size of the student population. Initial grant recipients must be selected by November 15, 2017 and implementation of the Program must begin in the spring semester of the 2017-2018 school year. In subsequent years if funds are available for new applicants, recipients must be selected by July 15 of that year.

By August 1 of each year of the Program, grant recipients must submit a report to DPI for the preceding year in which grant funds were expended that provides the following information:

- The use of grant funds.
- The number of students by grade level participating in the partnership initiative.
- The number of students who subsequently participated in work-based opportunities, internships, or apprenticeship programs and a description of the types of opportunities for those students.
- Student outcome data regarding job attainment and postsecondary opportunities as a result of the partnership initiative.
- Any other information the Superintendent of Public Instruction deems necessary.

By September 15 of each year of the Program, DPI must report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division, beginning with an initial report by September 15, 2018, on grant recipients and implementation of the Program, including the information required to be reported to DPI by the grant recipients and any legislative recommendations for modifications or expansion of the Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23A: Expand School Connectivity Initiative/Cybersecurity and Risk Management. (SL 2017-57)

S.L. 2017-57, Sec. 7.23A, as amended by S.L. 2017-197, Sec. 2.2, requires the State Board of Education and the Department of Public Instruction, in collaboration with the Friday Institute at North Carolina State University, to expand the School Connectivity Initiative client network engineering to include cybersecurity and risk management services supporting local school administrative units and charter schools. The expansion must include continuous monitoring and risk assessment, security advisory and consulting services, and security training and education services.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23B: Report on Cursive Writing and Multiplication Tables. (SL 2017-57)

S.L. 2017-57, Sec. 7.23B requires the State Board of Education and the Department of Public Instruction to report to the Joint Legislative Education Oversight Committee on the progress of each local school administrative unit in implementing the statutory requirements regarding cursive writing and memorization of the multiplication tables. The report is due by March 30, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23D: Joint Legislative Task Force on Education Finance Reform. (SL 2017-57)

Sec. 7.23D of S.L. 2017-57 creates the Joint Legislative Task Force on Education Finance Reform (Task Force) which consists of nine members of the Senate appointed by the President Pro Tempore of the Senate and nine members of the House of Representatives appointed by the Speaker of the House of Representatives. The President Pro Tempore of the Senate and the Speaker of the House of Representatives must each appoint a cochair of the Task Force from among its membership with appointments being made no later than September 1, 2017. At least one member of the House of Representatives and at least one member of the Senate must be from the minority party of their respective chambers.

In consultation with the State Board of Education (SBE) and the Department of Public Instruction (DPI), the Task Force must study various weighted student formula funding models and develop a new funding model for the elementary and secondary public schools of North Carolina based on a weighted student formula. The Task Force must do all of the following:

- Review the State's current public school allotment system and undertake an in-depth study of various types of weighted student formula funding models.
- Determine the base amount of funds that must be distributed on a per student basis to cover the cost of educating a student in the State.
- Identify the student characteristics eligible for weighted funding and the associated weights for each of these characteristics.
- Resolve the extent to which the base amount of funds to be distributed would be adjusted based on the characteristics of each local school administrative unit.
- Decide which funding elements, if any, would remain outside the base of funds to be distributed under a weighted student formula.
- Study other funding models for elementary and secondary public schools, including public charter schools, in addition to the weighted student funding formula.
- Study funding models to provide children with disabilities with a free appropriate public education. This must include a consideration of economies of scale, the advisability and practicality of capping additional funding for children with disabilities, and additional costs associated with services required for particular disabilities.
- Study any other issue the Task Force considers relevant.

Meetings of the Task Force must begin no later than October 1, 2017 and a final report on the results of the study, including proposed legislation, must be submitted to the Joint Legislative Education Oversight Committee on or before October 1, 2018, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Legislative Library. The Task Force terminates on October 1, 2018, or upon the filing of its final report, whichever comes first.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23E: Eliminate Analysis of Student Work Process for Teacher Evaluations. (SL 2017-57)

S.L. 2017-57, Sec. 7.23E (SB 257, Sec. 7.23E), as amended by S.L. 2017-189, Sec. 6, (SB 599, Sec. 6), requires the State Board of Education (SBE) to eliminate the use of the analysis of student work process (ASW process) and prohibit use of an ASW process to assess teacher performance and professional growth as part of the North Carolina Teacher Evaluation System. This change must be reflected in the Every Student Succeeds Act plan submitted by the SBE to the United States Department of Education.

The section also makes conforming changes to no longer require meeting expectations for student growth as criteria for selection as a mentor teacher or clinical educator.

This section became effective July 1, 2017, and applies beginning with the 2017-2018 school year.

S257 - Appropriations Act of 2017.

Sec. 7.23F: Sixth and Seventh Grade Career and Technical Education Program Expansion Grant Program. (SL 2017-57)

S.L. 2017-57, Sec. 7.23F establishes the Career and Technical Education Grade Expansion Program (Program). The Program expands Career and Technical Education (CTE) by prioritizing the inclusion of students in sixth and seventh grade through grants administered by the NC Education and Workforce Innovation Commission (Commission).

The Program will award competitive grants to local school administrative units (LEAs) of up to \$700,000 for the 2017-2018 fiscal year and up to \$1 million for the 2018-2019 fiscal year and subsequent fiscal years, to the extent funds are available. Funds must only be used for employing additional licensed personnel in CTE areas, career development coordination areas, and support services necessary for expanding CTE to sixth and seventh grade students, and may be used for multiple schools in an LEA. The funds will not revert and may be awarded for a maximum of seven years. LEAs must include the following information in their applications for the Program: (i) a plan for expansion of the CTE program to sixth and seventh grade students, including specific programs to be expanded, the significance of CTE in the LEA, and how the grade expansion would enhance the education program and the community; (ii) a request for funds, description of how the funds would be used, and other sources of funds available for the program; (iii) a proposed seven-year budget with details on use of funds to add personnel, increase career development efforts, and provide support services; and (iv) a strategy to achieve meaningful analysis of program outcomes due to receipt of grant funds.

For the 2017-2018 fiscal year, the Commission must accept applications for grants until November 1. For subsequent fiscal years that funds are made available for the Program, the Commission must accept applications until August 1. Selection criteria must consider diversification among the applicant pool, including geographic locations, location of industries in the LEA, and size of student population served. The Commission must first allocate funds to applicants who received grant funds for the prior fiscal year before awarding funds to new applicants. The Commission must recommend grant recipients to the State Board of Education (SBE), which will approve the recipients of grant awards after consultation with the Superintendent of Public Instruction (Superintendent). The Commission, in consultation with the Superintendent, must establish rules regarding any requirements for continued eligibility, including timely and accurate reporting.

By August 1 of each year during the life of the grant, the recipient LEA must submit a report for the preceding year in which grant funds were expended to the Department of Public Instruction (DPI), Division of CTE. This report must provide at least the following information: (i) use of grant funds and expenditures, including use of funds for CTE programs and courses that have been expanded to include sixth and seventh grade students; (ii) number of students enrolled in CTE courses as part of the expansion; (iii) number of students who subsequently enrolled in CTE courses in high school; (iv) number of students who subsequently participated in internships, cooperative education, or apprenticeship programs; (v) number of students who subsequently earned college credit and approved industry certification and credentials; and (vi) any other information the Division of CTE deems necessary.

The Superintendent must provide a report to the Commission by October 15 annually based on the reported information, including how the grant recipients compare to CTE programs statewide and whether the programs are aligned with the Master Plan for CTE adopted by the SBE. The Commission must then include the Program in its annual report which is due on or before April 30 of each year to the Joint Legislative Education Oversight Committee, the SBE, the State Board of Community Colleges, and the Board of Governors of The University of North Carolina.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23G: Transfer Education and Workforce Innovation Commission to the Department of Public Instruction. (SL 2017-57)

Sec. 7.23G of S.L. 2017-57 transfers the North Carolina Education and Workforce Innovation Commission (Commission) to the Department of Public Instruction (DPI) from the Office of the Governor. It will be administratively located in DPI but will exercise all of its prescribed powers independently of DPI. Of the funds appropriated for the Education and Workforce Innovation Program, up to 10% of those funds can be used by DPI to provide technical and administrative assistance for the Commission for the Education and Workforce Innovation Program and the Career and Technical Education Grade Expansion Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23H: Future Ready Students. (SL 2017-57)

S.L. 2017-57, Sec. 7.23H (SB 257, Sec. 7.23H) makes the following changes:

- Replaces the term "vocational" with the term "career" to consistently use the terminology "career and technical education" (CTE) throughout statutes related to education.
- Requires local boards of education (local boards) to offer, as part of CTE instruction, at least two work-based learning opportunities consisting of on-the-job training through an internship, cooperative education, or an apprenticeship program.
- Encourages local boards to implement career awareness programs for students in grade five on available CTE programs. A local board that adopts a fifth grade career awareness program must report on activities and student outcomes to the State Board of Education (SBE) annually by October 1. The SBE must submit a consolidated report on program outcomes and legislative recommendations to the Joint Legislative Education Oversight Committee (JLEOC) by November 15 annually.
- Requires local boards to provide CTE agriculture teacher personnel with adequate resources to provide a CTE agriculture education program for 12 calendar months, including work-based learning services and instructional and leadership development. Also requires, beginning with the 2018-2019 school year, CTE agriculture teacher personnel serving students in grades nine through 12 be employed for 12-month terms, unless a waiver is sought and granted on an annual basis by the Department of Public Instruction and North Carolina State University, Agricultural and Extension Education.

- Requires local boards to be assisted by business advisory councils (councils) in providing CTE instruction. The councils will identify economic and workforce development trends related to training and education needs of the local community and advocate for strong local CTE programs, and upon agreement, can serve more than one local board. The councils must have at least nine members that reflect the education, business, and community makeup of the local school administrative unit (LEA) as follows:
- Ex officio education representatives:
 - Superintendent of the LEA, or designee.
 - CTE program director of the LEA (nonvoting member).
 - President of the community college that serves the LEA, or designee.
 - A principal of a school located in the LEA, as assigned by the superintendent.
- Business, industry, workforce and economic development stakeholders, and community representatives (must make up the majority of the council):
 - Local business and industry owners.
 - Representatives from local manufacturing centers and factories.
 - Human resource directors employed at businesses and industries in the community.
 - Representatives from community based organizations.
 - Representatives from economic and workforce development organizations.
 - Parents of students enrolled in career and technical education courses.
 - Representative or manager of the local apprenticeship coalition.
- Encourages LEAs to complete the application process for the NCWorks Work Ready Certified Communities initiative.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23I: Establish B-3 Interagency Council. (SL 2017-57)

S.L. 2017-57, Sec. 7.23I establishes the B-3 Interagency Council (Council), which will be a joint council between the Department of Health and Human Services (DHHS) and the Department of Public Instruction (DPI). The Council will have 12 voting members and 4 nonvoting members, and will create a vision and accountability for a birth through grade three system of early education.

- The Council will (i) facilitate the development and implementation of an interagency plan for a coordinated system of early care, education, and child development services, and (ii) implement a statewide longitudinal evaluation of the educational progress of children from prekindergarten through grade 12. The Council is specifically charged with reviewing the recommendations developed by DHHS and DPI pursuant to Section 12B.5 of S.L. 2016-94. The Council must submit a report on the initial results of its review and study by April 15, 2018 to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Commission on Governmental Operations.
- Additionally, the Council must submit a report by February 15, 2019 to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Commission on Governmental Operations on the final results of the review and study described above, as well as progress on the development of a coordinated system of early care, education, and child development services.
- This section also creates the position of Associate Superintendent of Early Education within DPI.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23J: Allotment Transfer Report. (SL 2017-57)

Sec. 7.23J of S.L. 2017-57 as amended by Sec. 2.4 of S.L. 2017-197 directs local school administrative units (LEAs) to provide more information about fund allotment transfers that increased or decreased the initial allotment amount by more than 5% by including the following:

- The amount of the transfer.
- The allotment category into which the funds were transferred.
- The purpose code for the funds following the transfer.
- A description of any teacher positions fully or partially funded as a result of the transfer, including all subject areas taught by the teacher in the position.

This information for the prior fiscal year must be published on the LEA's website by October 15 of each year and must be maintained for at least three years. The Department of Public Instruction must collect this information reported by the LEAs and report the aggregated information, including available data from the two previous fiscal years, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 1 of each year.

This section became effective July 1, 2017. The report required by December 1, 2017 must include information on uses of funds for the 2014-2015, 2015-2016, and 2016-2017 fiscal years.

S257 - Appropriations Act of 2017.

Sec. 7.23K: Digital Learning Plan/Programs/Funds. (SL 2017-57)

S.L. 2017-57, Sec. 7.23K requires, as part of continuing implementation of the Digital Learning Plan, the State Board of Education (SBE), the Department of Public Instruction (DPI), the Friday Institute for Educational Innovation at North Carolina State University (Friday Institute), and The University of North Carolina (UNC) educator preparation programs to collaborate on a comprehensive professional development strategy and solution (PD solution) for teachers and students in UNC educator preparation programs for the use of technology and digital resources as teaching tools for students in elementary and secondary schools. A competitive process must be used for specifications of products and services required to implement the PD solution, and selection of a professional development provider, if necessary. The PD solution must include competency based measurement of technological and pedagogical skills of teachers and teacher candidates and delivery of flexible professional development to ensure the greatest possible coverage and convenience.

The SBE, DPI, Friday Institute, UNC educator preparation programs, and local boards of education of local school administrative units (LEAs) located within counties determined to be the most economically distressed by the Department of Commerce must collaborate to assess and plan to strengthen current efforts to provide student digital literacy instruction (DL instruction) in kindergarten through eighth grade in those LEAs. A competitive process must be used for specifications for any products and services required to implement DL instruction, including selection of a digital literacy curriculum provider, if necessary. The assessment and plan must address opportunities for students to learn essential digital literacy skills, provide teachers with the ability to assess student digital literacy growth, facilitate Project-Based Learning (PBL) and other research-based instructional frameworks to integrate instruction on digital literacy into core and supplemental subjects, identify resources that provide teachers with

instructional support and supplemental and extension options to address all students, and accommodate English language learners with Spanish language instruction.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23L: Audit the Department of Public Instruction. (SL 2017-57)

S.L. 2017-57, Sec. 7.23L requires the Superintendent of Public Instruction to select an independent research organization to conduct an organizational, functional, and business-process audit of the Department of Public Instruction. The Department must submit a report detailing the results of the audit to the General Assembly, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by May 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.24: Extended Learning and Integrated Student Supports Competitive Grant Program. (SL 2017-57)

Sec. 7.24 of S.L. 2017-57 directs the Department of Public Instruction (DPI) to use up to six million dollars for the 2017-2018 fiscal year and up to six million dollars for the 2018-2019 fiscal year from the At-Risk Student Services Alternative School Allotment for the Extended Learning and Integrated Student Supports Competitive Grant Program (Program). The Program is to fund high-quality, independently validated extended learning and integrated student support service programs for at-risk students that raise standards for student academic outcomes by focusing on the following:

- Use of an evidence-based model with a proven track record of success.
- Inclusion of rigorous, quantitative performance measures to confirm effectiveness of the program.
- Deployment of multiple tiered supports in schools to address student barriers to achievement, such as strategies to improve chronic absenteeism, anti-social behaviors, academic growth, and enhancement of parent and family engagement.
- Alignment with State performance measures, student academic goals, and the North Carolina Standard Course of Study.
- Prioritization in programs to integrate clear academic content, in particular, science, technology, engineering, and mathematics (STEM) learning opportunities or reading development and proficiency instruction.
- Minimization of student class size when providing instruction or instructional supports and interventions.
- Expansion of student access to high quality learning activities and academic support that strengthen student engagement and leverage community-based resources, which may include organizations that provide mentoring services and private sector employer involvement.
- Utilization of digital content to expand learning time, when appropriate.

Grants must be used for new or existing eligible programs for at-risk students operated by (i) nonprofit corporations and (ii) nonprofit corporations working in collaboration with local school administrative units (LEA). Grant recipients are eligible to receive grants for up to two years in an amount of up to five

hundred thousand dollars each year. Programs should focus on serving (i) at-risk students not performing at grade level as demonstrated by statewide assessments, (ii) students at-risk of dropout, and (iii) students at-risk of school displacement due to suspension or expulsion as a result of anti-social behaviors. Priority consideration must be given to applications demonstrating models that focus services and programs in low-performing schools.

A grant participant must certify to DPI that the grant funds received under the Program will be matched on the basis of three dollars in grant funds for every one dollar in non-grant funds. DPI must also give priority consideration to an applicant that is a nonprofit corporation working in partnership with an LEA resulting in a match utilizing federal funds or local funds. Matching funds may include in-kind contributions for up to fifty percent of the required match.

Grant recipients must report to DPI for the year in which grant funds were expended on the progress of the program, including alignment with State academic standards, data collection for reporting student progress, the source and amount of matching funds, and other measures, before receiving funding for the next fiscal year. Grant recipients must also submit a final report on key performance data, including statewide test results, attendance rates, graduation rates, and promotion rates, and financial sustainability of the program.

DPI must provide an interim report on the Program to the Joint Legislative Education Oversight Committee by September 15, 2018, with a final report on the Program by September 15, 2019. The final report must include the final results of the Program and recommendations regarding effective program models, standards, and performance measures based on student performance, leveraging of community-based resources to expand student access to learning activities, academic and behavioral support services, and potential opportunities for the State to invest in proven models for future grants programs.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.25: Life Changing Experiences School Pilot Program. (SL 2017-57)

S.L. 2017-57, Sec. 7.25 (SB 257, Sec. 7.25) requires the Department of Public Instruction (DPI) to contract with the Children and Parent Resource Group, Inc., to design, implement, and evaluate a two-year Life Changing Experiences School Pilot Program (Project), beginning with the 2017-2018 school year. The Project must be operated for students in grades 6 through 11 in Mitchell County Schools, Pitt County Schools, Wayne County Schools, and Winston-Salem/Forsyth County Schools. The Project includes theme-specific programs addressing dangerous life and community threatening activities that negatively impact teenagers, with the goal of increasing positive intentions and behavioral outcomes.

The Children and Parent Resource Group, Inc., in consultation with DPI, must submit an initial report on the Project by March 1, 2018, and a final report by March 1, 2019, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division. The reports must include an accounting of expenditures and student outcome data related to the operation of the Project.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.26: School Performance Grades/Every Student Succeeds Act Compliance. (SL 2017-57)

S.L. 2017-57, Sec. 7.26, as amended by S.L. 2017-197, Sec. 2.5 and Sec. 2.18, and S.L. 2017-206, Sec. 1, makes various changes to the school performance grades in order to be compliant with the federal Every Student Succeeds Act (ESSA). The section modifies the requirements for the annual school report card to include student progress in achieving English language proficiency and school performance of certain subgroups of students. Additionally, for high schools, the report card must include measures of course participation in the Cambridge Advanced International Certificate of Education Program.

The section clarifies that only schools receiving overall school performance grades of D or F must provide notice in writing to the parent or guardian of all students enrolled in the school, regardless of subgroup performance grades.

The section modifies the calculation of the school achievement score to include one point for each percent of students who progress in achieving English language proficiency on annual assessments. It clarifies that annual math assessments include math courses with end-of-course tests for students in kindergarten through eighth grade, and for students in ninth through twelfth grade, the math assessment is either for Algebra I/Math I or for students who completed that course before ninth grade, another mathematics course with an end-of-course test.

The section requires the State Board of Education (SBE) to use the Education Value-Added Assessment System (EVAAS) to calculate school performance scores and grades for the following subgroups at each school that has a minimum number of students as established by the SBE: economically disadvantaged students; students from major racial and ethnic groups; children with disabilities; and English-language learners.

The section requires the SBE to provide user-friendly access to the annual report cards on the Department of Public Instruction's website.

The section directs the SBE to use the school performance grades to comply with ESSA. Since the terminology for the measures making up the school performance grades conflict with the terminology used by ESSA, the SBE is directed how to label the measures, unless different labels are required in order to comply with federal law. For elementary and middle schools, the achievement score must be used as the measure of academic achievement and the school growth score must be used as the measure of school quality and student success. For high schools, the measure of academic achievement includes:

- Math I/Algebra I end-of-course (EOC) proficiency (or other math course in certain circumstances)
- English II EOC proficiency
- School growth score
- Graduation rate
- English language proficiency

The measure of school quality and student success for high schools will include:

- Biology EOC proficiency
- Math III/Algebra II completion

- Students meeting minimum standardized test requirements for admission to The University of North Carolina
- Students meeting specified career and technical education benchmarks

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.26A: Clarify Student Consent to Receive College, University, and Scholarship Information. (SL 2017-57)

Sec. 7.26A of S.L. 2017-57 clarifies that operators of Internet Web sites, online services, online applications, or mobile applications may use a student's information to identify information on nonprofit institutions of higher education or scholarship providers to the student if the provider secures the express written consent from the parent or a student who is at least 13.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.26B: Career and College Ready Literacy Skills/Reading Improvement Commission. (SL 2017-57)

S.L. 2017-57, Sec. 7.26B (SB 257, Sec. 7.26B) requires, beginning with high school diploma endorsements awarded in the 2019-2020 school year, that career and college diploma endorsements be awarded only to students that receive scores on a nationally norm-referenced college admissions test for reading indicating the level of achievement required for students to have approximately a 50% chance of obtaining a grade B or higher or a 75% chance of obtaining a grade C or higher in a corresponding credit-bearing, first-year college course. Students may retake the college admissions test to achieve the required score, and the State Board of Education (SBE) must include in its annual report on the endorsements both the number of students who had to retake a nationally norm-referenced college admissions test to meet the reading benchmark score needed to receive a high school diploma endorsement and the number of students who were not awarded an endorsement solely because of the inability to meet the benchmark score for reading.

The Superintendent of Public Instruction (Superintendent) must establish a Reading Improvement Commission within the Department of Public Instruction (DPI) to study and make recommendations on best practices for public schools to improve reading comprehension, understanding, and application for students in grades 4 through 12 to ensure that students complete high school with literacy skills necessary for career and college readiness. The Superintendent must report to the Joint Legislative Education Oversight Committee, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the SBE on the study, including any findings and recommendations, by January 15, 2019. The SBE may use the findings and recommendations to inform the SBE's policies and may submit additional comments on DPI's report no later than February 15, 2019.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.26C: Nationally Norm-Referenced College Admissions Test. (SL 2017-57)

S.L. 2017-57, Sec. 7.26C requires the State Board of Education (SBE) to use a competitive bidding process to adopt a nationally norm-referenced college admissions test and directs the adopted test to be made available to local school administrative units, regional schools, and charter schools, to be administered to students in the eleventh grade. The section requires the SBE to develop a plan for requiring the administration of diagnostic tests in eighth and tenth grades that are aligned to the adopted college admissions test. The section requires the SBE to conduct the competitive bid process and report on the results to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by May 15, 2019. This section became effective July 1, 2017. The requirements to administer the newly adopted college admissions and diagnostic tests apply beginning with the 2019-2020 school year.

S257 - Appropriations Act of 2017.

Sec. 7.26E: North Carolina Innovative School District. (SL 2017-57)

Sec. 7.26E of S.L. 2017-57 renames the Achievement School District to the North Carolina Innovative School District (ISD) and makes conforming changes through the statutes. It clarifies that the ISD is a local school administrative unit for the purposes of federal law and for the administration of State law and moves up the timelines by one month for the selection of the schools to be included in the ISD. The section delays the timeline by one year for the implementation of the ISD and the evaluations of the ISD, including all reporting requirements.

The section further allows a local board of education that transferred a school into the ISD to ask the State Board of Education (SBE) to create an innovation zone for all of the low-performing schools in its local school administrative unit if 35% or more of the schools are low-performing. This innovation zone authorizes the local board of education to operate schools within the innovation zone with the same exemptions from statutes and rules as charter schools. A low-performing school in an innovation zone becomes a school in the ISD if the low-performing school does not exceed expected growth in the last two years of the five consecutive years in an innovation zone.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.27: Read to Achieve Diagnostic Changes. (SL 2017-57)

S.L. 2017-57, Sec. 7.27, as amended by S.L. 2017-197, Sec. 2., requires, beginning with the 2018-2019 school year, that kindergarten through third grade reading assessments must yield data that can be used with the Education Value-Added Assessment System (EVAAS) to analyze student data to identify root causes for difficulty with reading development and to determine actions to address them. The formative and diagnostic assessments may be administered by computer or other electronic device.

By October 1, 2017, the State Superintendent must issue a Request for Proposals (RFP) to vendors of diagnostic reading assessment instruments to provide one or more valid, reliable, formative, and diagnostic reading assessment instrument or instruments that, at a minimum, yield data that can be used with EVAAS, demonstrate close alignment with student performance on State assessments, and demonstrate high rates of predictability as to student performance on State assessments. An Evaluation Panel composed of Department of Public Instruction employees formed and supervised by the State Superintendent must review the proposals and select one vendor by March 1, 2018, to provide the assessment instrument or instruments for the 2018-2019 school year. The Evaluation Panel must consider the time required to conduct formative and diagnostic assessments, the level of integration of assessment results with instructional support for teachers and students, the timeliness in reporting assessment results to teachers and administrators, and the ability to provide timely assessment results to parents and guardians.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.28: Reimburse Initial Teacher Licensure Fee for Certain North Carolina Teaching Graduates. (SL 2017-57)

S.L. 2017-57, Sec. 7.28, as amended by S.L. 2017-189, Sec. 6.(q), requires the State Board of Education to reimburse the initial teacher licensure application fee for any new graduate from any recognized educator preparation program the first time an applicant submits an application for teacher licensure, if the initial teaching license has been successfully earned.

This section became effective July 1, 2017 and applies to applications for licensure received on or after July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.28A: Testing Transparency. (SL 2017-57)

Sec. 7.28A of S.L. 2017-57 directs the Superintendent of Public Instruction to study and make recommendations about the extent to which the SAT and ACT align with the English language arts and mathematics sections of the North Carolina Standard Course of Study. Findings and recommendations must be made by February 1, 2018 to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Joint Legislative Education Oversight Committee.

The section further directs local boards of education to notify the State Board of Education (SBE) by October 1 of each year on any local standardized testing that is required by the local board of education and the following additional information must be included:

- The time allotted to administer each test.
- Whether the test is a computer-based test or a paper-based test.
- The grade level or subject area associated with the test.
- The date the test results are expected to be available to teachers and parents.
- The type of test, the purpose of the test, and the use of the test results.
- Estimates of average time for administering tests required by the local board of education by grade level.

By September 1 of each year, the Superintendent of Public Instruction must publish on the Department of Public Instruction's (DPI) Web site a uniform calendar that includes schedules for State required testing and reporting results of tests for at least the next two school years, including estimates of the average time for administering State required standardized tests. The uniform calendar shall be provided to local boards of education in an electronic format that allows each local board of education to populate the calendar with, at a minimum, the information on local testing required above. The uniform calendar maintained on DPI's Web site must be searchable by local school administrative unit (LEA) and denote whether a test on the calendar is required by the State or required by a local board of education.

Local boards of education must provide a student's results on standardized tests required by the local board to the following persons and according to the following time lines:

- To the student's teachers no later than one week after the standardized test is administered.
- To the student's parents no later than 30 days after the standardized test is administered.

If the superintendent of the LEA determines in writing that extenuating circumstances exist and reports those circumstances to the local board of education, the local board has discretion to extend the time lines.

The section directs DPI to make available to local boards of education a student's results on all statewide standardized tests in a timely manner and in an easy to read and understandable format a minimum of two weeks prior to the first day of attendance of the next school year. Local boards of education must make those results available to both the student's teacher of record and parent or guardian prior to the first day of student attendance of the school year. These reports must include all of the following information:

- A clear explanation of the student's performance on the applicable statewide standardized tests.
- Information identifying the student's areas of strength and areas in need of improvement.
- Intervention strategies and appropriate resources based on the student's areas of strength and areas in need of improvement, when available.
- Longitudinal information on the student's progress in each subject area based on previous statewide, standardized test data, when available.
- Information showing the student's score compared to other students in the LEA, in the State, or, if available, in other states.
- Predictive information showing the linkage between the scores attained by the student on the statewide standardized tests and the scores he or she may potentially attain on nationally recognized college entrance examinations, if available. This information must be provided in a timely manner as it becomes available to DPI but may be provided later than the beginning of the school year.

Finally, this section provides that the Basic Education Program must provide standards for early promotion based on the mastery of competencies that apply when early grade or course promotion based on the mastery of competencies is permitted in a school. The standards must include the requirements for early promotion for English language arts for grades three through 12 and mathematics for grades three through 12.

This section became effective July 1, 2017 and applies beginning with the 2018-2019 school year.

S257 - Appropriations Act of 2017.

Sec. 7.28D: Waive Fee for Cambridge Advanced International Certificate of Education Program Course. (SL 2017-57)

S.L. 2017-57, Sec. 7.28D exempts students from fees related to the Cambridge Advanced International Certificate of Education (AICE) course, including an AS-Level or A-Level course, to the extent funds are made available for this purpose.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.32: Financial Literacy Elective Course Pilot Program. (SL 2017-57)

S.L. 2017-57, Sec. 7.32 directs the Superintendent of Public Instruction (Superintendent) to create a three-year Financial Literacy Elective Course Pilot Program (Program) to determine the value of an in-depth high school elective course on personal financial literacy. The Superintendent will select local school administrative units to participate in the Program, which must start with the 2017-2018 school year. The elective course must include, at a minimum, detailed information on personal banking, credit card finance, student loan financing, mortgages, credit scoring and credit reports, borrowing money for an automobile or other large purchase, and best practices in personal finance. The State Board of Education must develop the curriculum and materials. The Department of Public Instruction must report on progress and recommendations to the Joint Legislative Education Oversight Committee by November 15 of each year following the operation of the Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 8.8: School Boards Create Minimum Salary Schedule for Occupational Therapists and Physical Therapists. (SL 2017-57)

S.L. 2017-57, Sec. 8.8 requires all local boards of education to adopt a minimum salary schedule for occupational therapists and physical therapists employed in full-time, permanent positions, regardless of whether the position is paid from State, local, or federal funds. The minimum salary schedule must differentiate salaries based on years of experience, with experience-based intervals no greater than five years. Local boards of education may compensate occupational therapists and physical therapists above the minimum salary schedule, provided that all State-funded salaries are within the noncertified salary grades and ranges adopted by the State Board of Education.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 8.8B: Revise Teacher Bonus Programs. (SL 2017-57)

S.L. 2017-57, Sec. 8.8B, as amended by S.L. 2017-197, Sec. 2.10, modifies the Advanced Placement (AP)/International Baccalaureate (IB), Industry Certifications and Credentials, and Third Grade Read to Achieve Teacher Bonus Programs. The expiration date is eliminated for the three programs and they are no longer considered "pilot" programs. For the AP/IB bonus program, bonuses will also be awarded for certain scores of students on Cambridge Advanced International Certificate of Education (AICE) examinations. Additionally, the cap on the bonus is raised from \$2,000 to \$3,500.

- The Industry Certifications and Credentials bonus program is modified to clarify that it includes charter schools. Additionally, the cap on the bonus is raised from \$2,000 to \$3,500.
- The Third Grade Read to Achieve bonus program is modified to remove the restriction on individuals who are no longer teaching third grade. Instead, teachers who are still teaching in the same local school administrative unit as the year the bonus was earned will receive the bonus, regardless of their current teaching assignment. Further, this section clarifies that the bonus is awarded in addition to any regular wage or other bonus the teacher may receive.

This section became effective July 1, 2017 and applies to the AP/IB/Cambridge AICE bonus program and the Industry Certifications and Credentials bonus program for bonuses awarded in January 2018, 2019, and 2020. It applies to Third Grade Read to Achieve bonuses awarded in January 2018 only.

S257 - Appropriations Act of 2017.

Sec. 8.8C: Third Grade Read to Achieve Teacher Bonus Program for 2018-2019. (SL 2017-57)

Sec. 8.8C of S.L. 2017-57 as amended by Sec. 2.10 of S.L. 2017-197, directs the Department of Public Instruction (DPI) to administer the Third Grade Read to Achieve Teacher Bonus Program (Program) to qualifying teachers who have an Education Value-Added Assessment System (EVAAS) student index score for third grade reading from the previous school year.

An eligible teacher is one who meets one or both of the following:

- Is in the top 25% of teachers in the State according to the EVAAS student growth index score for third grade reading from the previous school year.
- Is in the top 25% of teachers in the teacher's respective local school administrative unit (LEA) according to the EVAAS student growth index score for third grade reading from the previous school year.

A qualifying teacher is an eligible teacher who remains teaching in the same LEA at least from the school year the data for the EVAAS student growth index score for third grade reading is collected until the school year a bonus provided under this Program is paid.

Of the funds appropriated for the Program, \$5,000,000 must be allocated for bonuses to eligible teachers who are in the top 25% of teachers in the State according to the EVAAS student growth index score for

third grade reading from the previous school year. These funds must be distributed equally among the qualifying teachers.

Of the funds appropriated for the Program, \$5,000,000 must be allocated for bonuses to eligible teachers who are in the top 25% of teachers in the teacher's respective LEA according to the EVAAS student growth index score for third grade reading from the previous school year. These funds must be divided proportionally based on average daily membership in third grade for each LEA and then distributed equally among qualifying teachers in each LEA subject to the following conditions:

- Teachers employed in charter schools, regional schools, and University of North Carolina laboratory schools are not eligible to receive a bonus under this Program.
- Any qualifying teacher who taught in an LEA that employed in the previous school year three or fewer total third grade teachers must receive a bonus under this Program if that teacher has an EVAAS student growth index score for third grade reading from the previous school year of exceeded expected growth.

A qualifying teacher may receive a bonus for being in the top 25% of the teachers in the State and being in the top 25% of teachers in the teacher's LEA, however neither bonus can exceed \$3,500 in any given school year and no teacher can receive more than \$7,000 in total bonus compensation for any given school year. The bonus or bonuses awarded to a qualifying teacher is in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

Finally, the State Board of Education must study the effect of the bonuses awarded under this section and the bonuses awarded in the Third Grade Reading Teacher Performance Pilot Program in the 2016 Appropriations Act on teacher performance and retention. The results of the findings of the study, the distribution of statewide bonuses as among LEAs, and the distribution of bonuses within LEAs as among individual schools must be reported to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15 of each year.

This section became effective July 1, 2017 and applies to bonuses awarded in January 2019 and January 2020 based on data from the 2017-2018 and 2018-2019 school years, respectively.

S257 - Appropriations Act of 2017.

Sec. 8.8D: Fourth and Fifth Grade Reading Teacher Bonus Program for 2017-2018. (SL 2017-57)

S.L. 2017-57, Sec. 8.8D requires the Department of Public Instruction (DPI) to administer the Fourth and Fifth Grade Reading Teacher Bonus Program (Program) for the 2017-2018 fiscal year to provide a bonus to qualifying teachers who have certain Education Value Added Assessment System (EVAAS) student growth index scores for fourth or fifth grade reading from the previous school year.

To be eligible for consideration, a teacher must meet one or both of the following criteria:

- Be in the top 25% of teachers in the State according to the student growth index scores for fourth or fifth grade reading from the previous school year. Teachers meeting this criterion are eligible for a bonus of \$2,150.

- Be in the top 25% of teachers in the teacher's respective local school administrative unit (LEA) according to the student growth index scores for fourth or fifth grade reading from the previous school year. Teachers meeting this criterion are eligible for a bonus of \$2,150.

To qualify to receive the bonus, the teacher must meet the eligibility criteria and remain teaching in the same LEA at least from the school year the data for the EVAAS score is collected until the school year a bonus provided is paid.

The State Board of Education must study the effect of these bonuses on teacher performance and retention and report the results of its findings, the distribution of statewide bonuses as among LEAs, and the distribution of bonuses within LEAs as among individual schools to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 8.8E: Fourth to Eighth Grade Math Teacher Bonus Program for 2017-2018. (SL 2017-57)

S.L. 2017-57, Sec. 8.8E creates a bonus program for fourth through eighth grade math teachers in which there are two ways teachers can earn bonuses. In order for teachers to be qualified and eligible for the first bonus (\$2,150), the teacher must (i) be in the top 25% of fourth through eighth grade math teachers in the State according to the Educator Value-Added Assessment System (EVAAS) student growth data for the previous year; and (ii) remain teaching in the same local school administrative unit (LEA) up until the time the bonus is awarded.

- Additionally, teachers who are in the top 25% of teachers in the LEA according to EVAAS earn an additional \$2,150 bonus if the teacher remains in the LEA. Teachers in charter schools, regional schools, or laboratory schools are not eligible for this second bonus. Teachers in LEAs that employ three or fewer teachers in the relevant grade do not need to be in the top 25%, but rather receive the bonus if they exceeded expected growth.
- Teachers may receive both bonuses, but may not receive more than two bonuses pursuant to this section. These bonuses are not compensation under the Teachers' and State Employees' Retirement System.
- The State Board of Education must study the effect of the bonuses on teacher performance and retention, and present its findings to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 8.10: School Bus Driver Compensation and Employment Study. (SL 2017-57)

Sec. 8.10 of S.L. 2017-57 directs the Department of Public Instruction (DPI) to study the compensation of school bus drivers and the challenges of recruiting and retaining them. DPI must submit a report by April 1, 2018 to the Joint Legislative Education Oversight Committee and the Fiscal Research Division that contains the following information:

- A detailed explanation of how school bus drivers are compensated and employed in the public schools, including:
- Average driving experience of school bus drivers.
- Rates of retention of school bus drivers in local school administrative units (LEAs).
- Average term of service for school bus drivers.
- Average hours worked by school bus drivers per week.
- Career paths for school bus drivers within a LEA.
- Percentage of school bus drivers who work in the LEA in another capacity.
- The challenges of recruiting and retaining school bus drivers faced by LEAs.
- Recommendations, including input from local school administrators, on improving the process of recruiting and retaining school bus drivers.

EFFECTIVE DATE: This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.1: Reorganization of the Community Colleges System Office. (SL 2017-57)

S.L. 2017-57, Sec. 9.1 authorizes the President of the North Carolina Community College System (President) to reorganize the System Office in accordance with recommendations and plans submitted to and approved by the State Board of Community Colleges by June 30, 2018.

The President must report any reorganization by April 1, 2018, to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, and the Fiscal Research Division.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.3: Community College Workforce Study. (SL 2017-57)

S.L. 2017-57, Sec. 9.3, as amended by Sec. 2.11 of S.L. 2017-197, directs the State Board of Community Colleges (SBCC) to study the costs of workforce training and academic instruction delivered by the community colleges, including the various factors that affect instructional costs, such as specialized equipment requirements and faculty salaries. The SBCC must report on the results of the study to the Office of State Budget and Management, the Fiscal Research Division, and the Joint Legislative

Education Oversight Committee by September 1, 2018. The results must also include recommendations on the calculation of tiered funding rates and the classification of courses by tier.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.5: Start-Up Funds for High-Cost Workforce Courses. (SL 2017-57)

Sec. 9.5 of S.L. 2017-57 provides that the State Board of Community Colleges (SBCC) must establish the Community College High Cost Workforce Program Grant to allocate funds to community colleges to establish new high cost workforce Tier 1A and Tier 1B courses that require significant start-up funds. The SBCC must adopt an application process for community colleges to apply for the award of funds to establish new courses beginning with the 2018-2019 fiscal year. The application must include at least the following information:

- A description of the proposed program of study.
- An impact assessment of implementing the proposed course on existing programs at contiguous colleges.
- Documentation of student interest in the course.
- Alignment of the course with the future employment needs within the area served by the community college and the State.

The SBCC must submit a report to the Joint Legislative Education Oversight Committee by March 1, 2019, on the implementation of the new high cost workforce Tier 1A and Tier 1B courses with the following information:

- The use of funds by community colleges participating in the grant program, including (i) start-up costs to establish new courses and (ii) costs associated with student instruction, including faculty salaries, instructional supplies, and related instructional equipment.
- Evaluation of the success of the community college courses, including (i) student enrollment numbers and (ii) student outcomes, including job attainment and placement data and completion of any certification, diploma, or associate degree programs.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.7: Selection of Local Community College Presidents/Consultant Contracts. (SL 2017-57)

S.L. 2017-57, Sec. 9.7 requires that if a community college board of trustees chooses to use a search consultant to assist with the selection process for the president or chief administrative officer of the institution, the search consultant must be selected through a competitive request for proposals process. If the search consultant selected collects a fee for services, the consultant cannot be any of the following:

- An employee of a State agency, department, or institution, an appointed member of a State commission or board, or an elected official whose responsibilities include oversight or budgetary aspects of the Community College System.
- A lobbyist or lobbyist principal.
- A State-level community college board of trustees association or organization.

A contract with a search consultant for this purpose is not required to have the approval of the Governor.

This section became effective July 1, 2017, and applies to consultant contracts entered into on or after June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.8: Clarify Youth Apprenticeship Program. (SL 2017-57)

S.L. 2017-57, Sec. 9.8 clarifies that community college tuition and fees may be waived for students participating in pre-apprenticeship programs, if the program is recognized and approved by the State agency administering the statewide apprenticeship program. Additionally, it clarifies that participants must be high school students in North Carolina. This section became effective July 1, 2017 and applies retroactively beginning with the 2016 fall academic term.

S257 - Appropriations Act of 2017.

Sec. 9.9: Catawba Valley Community College/Manufacturing Center. (SL 2017-57)

Sec. 9.9 of S.L. 2017-57 codifies the Manufacturing Solutions Center (Center) at Catawba Valley Community College (CVCC). The purpose of the Center is to create and maintain jobs in North Carolina through support of traditional and emerging industries. The Center's services include training, testing, market development, entrepreneur support, product sourcing, prototyping, applied research, and managing a manufacturing business incubator. The president of CVCC appoints the executive director of the Center who then selects other personnel of the Center, subject to the approval by the president.

All fees collected by the Center for services to industry, except for regular curriculum and continuing education tuition receipts, must be retained by the Center and used for the operations of the Center. Purchases made by the Center using these funds are not subject to the provisions of Article 3 of Chapter 143 of the General Statutes. However, the Center must (i) notify the Secretary of the Department of Administration or the Secretary's designee of the intent to enter into a contract for supplies, materials, printing, equipment, and contractual services that exceeds \$1,000,000 and (ii) include in all agreements or contracts to be awarded by the Center a standard clause which provides that the State Auditor and internal auditors of the Center may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Center may not award a cost plus percentage of cost agreement or contract for any purpose.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.10: High School Students/Non-Credit Courses Leading to Industry Credentials. (SL 2017-57)

S.L. 2017-57, Sec. 9.10 allows the State Board of Community Colleges to waive tuition and fees for non-curriculum courses taken by high school students, and authorizes enrollment of high school students in community college pathways that lead to State or industry-recognized credentials.

Beginning February 1, 2018, the State Board of Community Colleges must annually report to the Joint Legislative Education Oversight Committee on the number and type of tuition waivers granted for community college courses.

This section became effective July 1, 2017, and applies beginning with the 2017-2018 academic year.

S257 - Appropriations Act of 2017.

Sec. 9.11: Establish Board of Postsecondary Education Credentials. (SL 2017-57)

S.L. 2017-57, Sec. 9.11 establishes the 10-member Board of Postsecondary Education Credentials (Board), which expires June 30, 2019. The purpose of the Board is to review and make recommendations regarding a statewide system of postsecondary education that links industry, corporations, and businesses in this State with educators, government, and community organizations to identify workforce skills and training needs and to ensure that appropriate courses of study and vocational training are available to North Carolinians. Additionally, the Board must identify alternative ways people can gain workforce skills and experience, outside of four-year or two-year degrees. The Board must review and make recommendations on the criteria to be used to determine the value of non-degree credentials, the competencies they represent, and how they should be compared and valued with regard to other types of postsecondary credentials.

The Board must have its first meeting no later than October 1, 2017. The initial report to the Joint Legislative Education Oversight Committee must be turned in by March 1, 2018, and a progress report must be submitted by March 1, 2019. The reports must include any recommendations regarding legislation needed.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.14: Invest in Short-Term Workforce Training . (SL 2017-57)

Sec. 9.14 of S.L. 2017-57 provides that of the funds appropriated to the Community Colleges System Office (System Office) for the 2017-2018 fiscal year, the System Office must allocate funds to community colleges to support short-term workforce training courses leading to industry credentials. The State Board of Community Colleges (SBCC) must adopt an application process for community colleges to apply to receive these funds which are to be allocated at the same full-time equivalent (FTE) value as curriculum courses.

By April 1, 2018, the SBCC must report on the implementation of this section to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, the Fiscal Research Division, and the Office of State Budget and Management.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.15: Restriction on a Culinary School or Program Located Off the Main Campus of Stanly Community College. (SL 2017-57)

S.L. 2017-57, Sec. 9.15 prohibits, beginning with the 2017-2018 fiscal year, the use of State funds for a culinary program located at a site other than the main campus of Stanly Community College.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.1: Full-Time Staff for Board of Governors. (SL 2017-57)

S.L. 2017-57, Sec. 10.1 authorizes the Board of Governors of The University of North Carolina (BOG) to hire staff members to report directly to the BOG. Within 60 days of hiring such an individual, the BOG must submit a report to the Joint Legislative Education Oversight Committee including various details about the position.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.6: Enhance The University of North Carolina Data Systems to Improve Institutional Performance and Student Success. (SL 2017-57)

Sec. 10.6 of S.L. 2017-57 directs the Board of Governors of The University of North Carolina (UNC BOG) to use funds appropriated to the UNC BOG to modernize business processes, increase standardization, and maximize State resources. Funds must also be used to enhance data systems for the following purposes:

- Integrating financial, human resource, and student account systems across The University of North Carolina System.
- Developing new data collections systems that track faculty and staff retention rates and post-graduation student outcomes.
- Expanding "Know Before You Go" data reporting.

The President of The University of North Carolina must submit an initial report to the Joint Legislative Education Oversight Committee by March 1, 2018, regarding the plan to implement the data

modernization and integration (DMI) project and for the enterprise resource planning (ERP) modernization project. A progress report must be submitted by March 1, 2019, regarding the status of the implementation of the projects. The initial report must include at least the following information for both projects with the information set out separately for each project.

- The challenges and specific goals of the project and specific identification of the outcomes expected from the project.
- The management structure to be used in managing, operating, and executing the project, including whether a post-project completion governance structure is needed to provide oversight and service of the systems. There should also be as to whether any additional funds may be needed to maintain the DMI systems created after initial completion and to maintain the ERP systems created after initial completion.
- The sources and target for movement and transformation of data being sought to achieve the project's goals.
- The proposed technical implementation plan for the project, including a description of the technical details of how the project will be implemented in the context of a specific set of vendor products and platforms.
- A detailed schedule for implementation and completion of the project.
- Any additional information deemed relevant by the President or by the Committee.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.9: Future Teachers of North Carolina. (SL 2017-57)

S.L. 2017-57, Sec. 10.9 establishes Future Teachers of North Carolina (FTNC) as a course offering in participating North Carolina high schools to encourage high-achieving students with strong academic, interpersonal, and leadership skills to consider teaching as a career. FTNC courses will include both content and field experiences related to the teaching profession. Curricula and professional development will be provided to the FTNC teachers by faculty from three constituent institutions selected by the President of The University of North Carolina General Administration.

All high schools are encouraged to offer FTNC courses, but must ensure that all teachers of the courses receive appropriate training, and must seek a partner institution of higher education to provide support from college faculty. Constituent institutions that partner with high schools must offer dual credit for students who successfully complete the FTNC course with a grade of "B" or higher, and other institutions of higher education are encouraged to do so as well.

The University of North Carolina General Administration must report annually on the status and effectiveness of FTNC.

This section became effective July 1, 2017. The selected constituent institutions must make available site applications and provide professional development to high school teachers no later than February 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 10.11: In-State Tuition for Veterans/Compliance with Federal Law. (SL 2017-57)

S.L. 2017-57, Sec. 10.11, in compliance with federal law, requires in-state tuition be provided to the following individuals if their abode is in North Carolina and they provide a letter of intent to establish residency in North Carolina: (i) recipients using transferred Post-9/11 GI Bill benefits (38 U.S.C. Sec. 3319) while the transferor is on active duty in the Armed Forces, the commissioned corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration; and (ii) recipients of the Marine Gunnery Sergeant John David Fry Scholarship (38 U.S.C. Sec. 3311(b)(9)).

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.12: Senior Citizens May Audit Courses at The University of North Carolina and Community Colleges. (SL 2017-57)

Sec. 10.12 of S.L. 2017-57 allows individuals who are at least 65 years old to audit courses offered at the constituent institutions of The University of North Carolina and the community colleges without payment of any required registration fee or tuition for the audited courses if the audit is approved in accordance with policies adopted by the Board of Governors and the State Board of Community Colleges for their respective institutions, and there is no cost to the State. An individual must be allowed to audit a class only on a space available basis. Individuals auditing classes cannot be counted in the computation of enrollment for funding purposes.

This section became effective July 1, 2017, and applies beginning with the 2017 fall academic semester.

S257 - Appropriations Act of 2017.

Sec. 10.13: Study/The University of North Carolina Equal Opportunity Compliance Officers. (SL 2017-57)

S.L. 2017-57, Sec. 10.13 requires the Board of Governors (BOG) of The University of North Carolina to study equal opportunity policies, including policies related to diversity and nondiscrimination, adopted by each constituent institution, the implementation of those policies on each campus, and the services provided on each campus, with a particular focus on transparency and effectiveness of the policies.

The BOG must direct each constituent institution to do the following:

- Identify all staff positions on campus that include any responsibility for the implementation, administration, or enforcement of policies intended to promote equal opportunity, diversity, or inclusiveness.
- Indicate how those staff positions and the services offered through those positions fit within the constituent institution's organizational structure.
- Indicate the direct and indirect costs related to those staff positions and services provided by those staff positions.

- Include the number of part-time and full-time employees in those staff positions by each individual campus, descriptions of job duties of each of these employees, and the total costs of the positions.

The study must also consider the feasibility of developing equal opportunity plans at each constituent institution that consolidate all equal opportunity services into a single office headed by an equal employment officer designated by the Chancellor to promote effectiveness and efficiency.

The BOG must submit a report that includes its findings, recommendations, and policy changes to the Joint Legislative Education Oversight Committee by January 1, 2018. The BOG must approve the report prior to the submission to the Joint Legislative Education Oversight Committee.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.14: Board of Governors Studies/Establish School of Health Sciences and Health Care at the University of North Carolina-Pembroke and Establish Physician Assistant Program, Chiropractic Medicine Program, and a Pilot Program for Basic Law Enforcement Training at Winston-Salem State University. (SL 2017-57)

S.L. 2017-57, Sec. 10.14 requires the Board of Governors of The University of North Carolina (BOG) to study the feasibility of establishing a School of Health Sciences and Health Care at the University of North Carolina at Pembroke. The BOG must submit a report on the study, including its findings and recommendations, by March 1, 2018, to the members of the Senate and the House of Representatives.

Additionally, the BOG must study the feasibility of establishing the following programs at Winston-Salem State University: a Physician Assistant Program, a Chiropractic Medicine Program, and a pilot program for Basic Law Enforcement Training. The BOG must submit a report on the study, including its findings and recommendations, to the members of the Senate and the House of Representatives by March 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.21: The University of North Carolina Cybersecurity. (SL 2017-57)

Sec. 10.21 of S.L. 2017-57 requires the President of The University of North Carolina (President), in collaboration with the Department of Information Technology or other cybersecurity consultant selected by the President, to review the existing security for the information technology systems and associated data of The University of North Carolina System (System) and determine whether the cybersecurity and risk management services supporting the System's network are sufficient or whether expansion is needed. The review must include an evaluation of the following:

- Continuous monitoring and risk assessment.
- Security policy, implementation of security programs and effective security controls, and ongoing support for operating security governance.

- Security training and education services for faculty, staff, and administrators.

The President shall take appropriate measures to address any potential problems or issues identified by the review.

Each constituent institution must also conduct a review of the existing security for the information technology systems and associated data of the constituent institution to determine whether the cybersecurity and risk management services supporting the System's network are sufficient or whether expansion is needed. The review shall include an evaluation of the following:

- Continuous monitoring and risk assessment.
- Security policy, implementation of security programs and effective security controls, and ongoing support for operating security governance.
- Security training and education services for faculty, staff, and administrators.

The chancellor of the constituent institution must take appropriate measures to address any potential problems or issues identified by the review.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.26: One-Year College Tuition Grants for Certain Graduates of the North Carolina School of Science and Mathematics who Attend a State University. (SL 2017-57)

S.L. 2017-57, Sec. 10.26 provides tuition grants for one academic year to each State resident who graduates from the North Carolina School of Science and Mathematics (NCSSM) at the end of the 2017-2018 academic year and who enrolls as a full-time student in a constituent institution of The University of North Carolina for the 2018-2019 academic year. The tuition grants will be administered by the State Education Assistance Authority (SEAA).

The tuition grants cannot exceed the cost of attendance at the constituent institution at which the student is enrolled, and will be reduced by the amount of scholarships or other grants covering the cost of attendance at the constituent institution for the student so that the tuition grant does not exceed the cost of attendance.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10A.2: Eliminate School Site Scholarship Endorsement Requirement. (SL 2017-57)

S.L. 2017-57, Sec. 10A.2 eliminates the requirement that parents endorse the Opportunity Scholarship funds in person at the school.

This section became effective July 1, 2017, and applies to scholarship funds awarded beginning with the 2017-2018 school year.

S257 - Appropriations Act of 2017.

Sec. 10A.3: North Carolina Teaching Fellows. (SL 2017-57)

Sec. 10A.3 of S.L. 2017-57 re-establishes the North Carolina Teaching Fellows Program (Program) and the North Carolina Teaching Fellows Commission (Commission).

The purpose of the Program is to recruit, prepare, and support students residing in or attending institutions of higher education located in the State to be STEM or special education teachers in the State's public schools. The Commission will determine the forgivable loan recipient selection criteria, selection procedures, and recipients for the forgivable loans granted under the Program. The Program will be administered by The University of North Carolina General Administration in conjunction with the State Education Assistance Authority (SEAA) and the Commission.

The Program's recruitment activities must include (i) targeting regions of the State with the highest teacher attrition rates and teacher recruitment challenges; (ii) actively engaging with educators, business leaders, experts in human resources, elected officials, and other community leaders throughout the State; and (iii) attracting candidates in STEM and special education teacher licensure areas.

Student Selection Criteria for the Forgivable Loans: The Commission must adopt stringent standards for awarding the forgivable loans to include grade point averages; performance on relevant career and college readiness assessments; qualities positively correlating with highly effective teachers including excellent verbal and communication skills; and demonstrated commitment to service in a STEM or special education licensure area.

Educator Preparation Program Selection Criteria: The Program must be administered in cooperation with five institutions of higher education with approved educator preparation programs selected by the Commission that include both public and private postsecondary institutions of higher education in the State. The Commission must adopt strict standards for the selection of the educator preparation programs that include:

- A showing of high rates of educator effectiveness on value-added models and teacher evaluations including using performance-based, subject-specific assessment and support systems such as edTPA or other metrics of evaluating candidate effectiveness that have predictive validity.
- A showing of measurable impact of prior graduates on student learning including the impact of graduate teaching in STEM or special education.
- A showing of high rates of graduates passing exams required for teacher licensure.
- An emphasis on providing curricular and co-curricular enhancements in leadership, learning for diverse learners and promotion of community engagement, classroom management, and reflection and assessment.
- A requirement of at least a minor concentration of study in the subject area that the candidate may teach.
- A requirement of early and frequent internship or practical experiences.
- Approval by the State Board of Education as an educator preparation program.

Award of Forgivable Loans: The Program must provide forgivable loans to selected students to be used at the five selected institutions of higher education for completion of a program that leads to teacher licensure and can be used for tuition, fees, and the costs of books. The forgivable loan awards would be as follows:

- North Carolina high school seniors “ \$8,250 per year for up to four years.
- Students applying for transfer to an educator preparation program at a selected institution of higher education “ \$8,250 per year for up to three years.
- Individuals currently holding a bachelor's degree seeking preparation for teacher licensure “ \$8,250 per year for up to two years.
- Students matriculating at institutions of higher education who are changing to enrollment in a selected educator preparation program “ \$8,250 per year for up to two years.

Terms of the Forgivable Loans: The forgivable loans must be evidenced by notes made payable to the SEAA. The SEAA must forgive the loan and any interest accrued on the loan if, within 10 years after graduation from a program that lead to licensure, exclusive of any authorized deferment for extenuating circumstances, the recipient serves as a teacher in a STEM or special education licensure area for every year the teacher was awarded the forgivable loan, in any combination of the following:

- One year at a North Carolina public school identified as low-performing at the time the teacher accepts employment at the school or if the teacher changes employment during this period, at another school identified as low-performing.
- Two years at a North Carolina public school that is not identified as low-performing.

The SEAA must also forgive the loan if it is found that it is impossible for the recipient to work for up to eight years within 10 years after completion of the program leading to teacher licensure because of death or permanent disability.

If the recipient repays by cash payments, all indebtedness must be repaid within 10 years of the completion of the program that led to teacher licensure supported by the forgivable loan, unless there are extenuating circumstances where the SEAA may extend the cash repayment period to 12 years.

Identification of STEM and Special Education Licensure Areas: The Superintendent of Public Instruction must provide the SEAA and the Commission with a list of STEM and special education licensure areas and also annually provide to the Commission the number of available positions in each licensure area relevant to the number of current and anticipated teachers in that area of licensure. This information must be made readily available to applicants.

Report: An annual report must be submitted to the Joint Legislative Education Oversight Committee beginning January 1, 2019 with detailed information about the recipients; employment placements of the recipients after they graduate; evaluations of the graduates once they begin teaching; and information on their students' academic outcomes; and turnover and loan fulfillment rates of the forgivable loan recipients and graduates.

Implementation: Initial appointments to the Commission must be made no later than August 15, 2017. The Commission must establish initial selection criteria for recipients and select the five institutions of higher education with the approved educator preparation programs at which a recipient can use the forgivable loan no later than November 15, 2017 with applications available no later than December 31, 2017. Recipients of the initial forgivable loans for the 2018-2019 academic year must be selected by April 1, 2018.

EFFECTIVE DATE: This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10A.4: Personal Education Savings Account Program. (SL 2017-57)

S.L. 2017-57, Sec. 10A.4 establishes the North Carolina Personal Education Savings Account Program (PESA). A PESA is a bank account provided to a parent for the purpose of holding scholarship funds awarded by the State Education Assistance Authority (SEAA) for an eligible student to be used for certain qualifying education expenses. To be eligible for the scholarship, a student must reside in North Carolina, have not yet received a high school diploma and meet all three of the following requirements:

- Meet one of the following criteria:
- Was a full time student (i) assigned to and attending a public school pursuant to State law or (ii) enrolled in a Department of Defense Elementary and Secondary School located in North Carolina, during the previous semester.
- Received scholarship funds for a PESA during the previous school year.
- Is entering either kindergarten or the first grade.
- Is a child in foster care.
- Is a child whose adoption decree was entered not more than one year prior to submission of the scholarship application.
- Is a child whose parent or legal guardian is on full time duty status in the active uniformed service of the United States.
- Is a child enrolled part time in a public school and part time in a nonpublic school that exclusively provides services for children with disabilities.
- Has not enrolled in a postsecondary institution in a matriculated status eligible for enrollment for 12 hours of academic credit.
- Is a child with a disability.
- The SEAA must annually make applications available and select recipients for scholarships according to the following criteria:
- First priority must be given to eligible students who were awarded scholarship funds for a PESA during the previous school year if applications are made by March 1.
- After funds have been awarded to prior recipients, any remaining funds can be used to award scholarship funds for a PESA for all other eligible students.

The SEAA may verify information on any application for the award of a PESA, and household members of applicants must authorize access information needed for verification efforts held by other State agencies.

Scholarships will be awarded each year for up to \$9,000 per eligible student, deposited in quarterly installments, subject to execution of a parental agreement. Funds will be accessible to the parent on a debit card with the prepaid funds loaded on the card, and parents will be required to submit quarterly expense reports. Parents of a PESA recipient must complete an annual written agreement to use at least a portion of the scholarship to provide an education to the eligible student in, at a minimum, the subjects of English language arts, mathematics, social studies, and science. The parent must also agree to release the local education agency the student is eligible to attend of all obligations to educate the student while the student is receiving the PESA. PESA funds do not constitute taxable income to the parent, legal guardian, or legal custodian of an eligible student or to the eligible student.

Students who receive the PESA are also to receive an Opportunity Scholarship. Students who receive the PESA and an Opportunity Scholarship are also eligible to receive a Students with Disabilities Scholarship if the student has one or more of the following disabilities:

- Autism.
- Developmental disability.
- Hearing impairment.
- Moderate or severe intellectual disability.
- Multiple, permanent orthopedic impairments.
- Visual impairment.

A student's continuing eligibility for the scholarship must be assessed every three years by either the local education agency or a licensed psychologist with a school psychology focus or a psychiatrist.

PESA funds may only be used for the following qualifying education expenses of the eligible student:

- Tuition and fees for a nonpublic school that meets certain requirements.
- Textbooks required by a nonpublic school.
- Tutoring and teaching services provided by an individual or facility accredited by a State, regional, or national accrediting organization.
- Curricula.
- Fees for nationally standardized norm referenced achievement tests, advanced placement tests, or nationally recognized college entrance exams.
- Fees charged to the account holder for the management of the PESA.
- Fees for services provided by a public school, including individual classes and extracurricular programs.
- Premiums charged to the account holder for any insurance or surety bonds required by the SEAA.
- Educational therapies from a licensed or accredited practitioner or provider.
- Educational technology defined by the SEAA as approved for use.
- Student transportation, pursuant to a contract with an entity that regularly provides student transportation, to and from (i) a provider of education or related services or (ii) an education activity.

PESA funds may not be used for any of the following purposes:

- Computer hardware or other technological devices not defined by the Authority as educational technology approved for use.
- Consumable educational supplies, including paper, pen, or markers.
- Tuition and fees at an institution of higher education or a private postsecondary institution.
- Tuition and fees for a home school.

The SEAA is responsible for administration of the PESA program, including providing notifications to various State agencies, establishing rules and regulations for the administration of the program, including a lottery process for the selection of recipients within the criteria if necessary, contracting in the SEAA's discretion with a private financial management firm or institution to manage PESAs, and conducting annual audits of PESAs.

The SEAA must report annually by September 1 to the Joint Legislative Education Oversight Committee on the following:

- Total number, grade level, race, ethnicity, and sex of eligible students receiving scholarship funds.
- Total amount of scholarship funding awarded.
- Number of students previously enrolled in public schools in the prior semester by the previously attended local education agency.

- Nonpublic schools in which scholarship recipients are enrolled, including numbers of scholarship recipients at each nonpublic school.
- The number of substantiated cases of fraud by recipients and the number of parents or students removed from the program for noncompliance with the provisions of this Article.

EFFECTIVE DATE: This section became effective July 1, 2017. The PESA program applies beginning with the 2018-2019 school year. Changes to laws related to income tax are effective for taxable years beginning on or after January 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 10A.5: Amend Transforming Principal Preparation. (SL 2017-57)

S.L. 2017-57, Sec. 10A.5 amends the Transforming Principal Preparation grant program in multiple ways. Entities that apply for these grants must now do the following:

- Pay school leader candidates for their full-time clinical practice experiences and ensure that the experiences include at least 750 hours.
- Provide the opportunity for all school leader candidates to earn a master's degree, if they do not already have one, and subsequent principal licensure.
- Develop and enforce requirements for program graduates to serve a minimum of four years as school-based administrators in North Carolina.
- Comply with reporting and evaluation requests made by the administering nonprofit.

Additionally, the nonprofit corporation that administers the grant in conjunction with the State Education Assistance Authority (SEAA) must give priority consideration to entities that have a record of preparing principals in a service area that is underserved by existing principal preparation programs or demonstrates unmet need despite current available programs. Further, it must develop a process for early retrieval of grant funds if grant recipients do not comply with grant terms. The State Board of Education's licensure policy for individuals who complete a principal preparation program through this grant program must require candidates to hold a master's degree.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10A.6: Study of Opportunity Scholarship Student Evaluations. (SL 2017-57)

Sec. 10A.6 of S.L. 2017-57 directs the State Education Assistance Authority (SEAA), in collaboration with the Department of Administration, Division of Nonpublic Education, and the Department of Public Instruction, to establish a task force to study the evaluation of students receiving scholarship grants through the Opportunity Scholarship Grant Program. The task force must have representatives from various stakeholders that include: (i) nonpublic schools accepting students who receive scholarship grants; (ii) organizations or associations representing parental school choice; (iii) organizations or associations representing nonpublic schools, including independent, religious, nonreligious, parochial, and non-parochial schools; (iv) independent research organizations specializing in K-12 academic evaluations, including a college or university; and (v) public school leaders, including local superintendents and principals.

The task force must study the most effective, valid, and reliable method of evaluating learning gains or losses of students receiving scholarship grants and comparing the learning gains or losses of those students to public school students with similar socioeconomic backgrounds, including the potential for adoption of a nationally normed common test for students participating in the evaluation. The task force must also consider the most reliable manner of establishing causal relationships to student performance outcomes while achieving minimal interference with the operation of the participating nonpublic and public schools, including limited sampling and other suitable research design methods.

By March 1, 2018, the SEAA must report to the Joint Legislative Education Oversight Committee on the results of the study, including any legislative recommendations from the task force on the evaluation of students receiving scholarship grants through the Opportunity Scholarship Grant Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11J.2: Joint Oversight Subcommittees on Medical Education and Residency Programs. (SL 2017-57)

Sec. 11J.2 of S.L. 2017-57 requires the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee to appoint subcommittees to jointly examine the use of State funds to support medical education and medical residency programs. The subcommittees may seek input from other states, stakeholders, and national experts on medical education programs, medical residency programs, and health care.

By February 1, 2018, the Department of Health and Human Services and the University of North Carolina must provide the subcommittees the following information: (1) the identity, location, and number of positions available in medical education programs and medical residency programs, broken down by geographic area; (2) the specific amount of State funds or the nature of any other support provided by the State to medical education programs and medical residency programs, broken down by program; (3) the number of graduates of medical education programs and medical residency programs who are currently practicing in North Carolina, broken down by specialty areas in which North Carolina is experiencing a shortage; (4) the number of program graduates who practiced in North Carolina for at least five years after graduation; and (5) any other information requested by the subcommittees.

The subcommittees shall jointly develop a proposal for a statewide plan to support medical education programs and medical residency programs within North Carolina. Each subcommittee shall submit a report to its respective oversight committee on or before March 15, 2018, at which time each subcommittee will terminate.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 11J.2: Joint Oversight Subcommittees on Medical Education Programs and Medical Residency Programs. (SL 2017-57)

S.L. 2017-57, Sec. 11J.2 (SB 257, Sec. 11J.2) requires the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS) and the Joint Legislative Education Oversight Committee (JLEOC) to each appoint a subcommittee to jointly examine the use of State funds to support medical education and medical residency programs. The subcommittees must examine at least the following:

- The health care needs of the State's residents and the State's goals in meeting those health care needs through the support and funding of medical education and medical residency programs located within the State.
- The short-term and long-term benefits to the State for allocating State funds to medical education and medical residency programs located within the State.
- Recommended changes and improvements to the State's current policies with respect to allocating State funds and providing other support to medical education programs and medical residency programs located within the State.
- Development of an evaluation protocol to be used by the State in determining the particular medical education programs and medical residency programs to support with State funds and the amount of State funds to allocate to these programs.

The subcommittees may seek input from other states, stakeholders, and national experts as it deems necessary, and by February 1, 2018, the Department of Health and Human Services and The University of North Carolina must provide the subcommittees the following information on medical education programs and medical residency programs located in North Carolina:

- The identity, location, and number of positions available in medical education programs and medical residency programs, by geographic area.
- The specific amount of State funds or the nature of any other support provided by the State to medical education programs and medical residency programs, by program.
- The number of graduates of medical education programs and medical residency programs currently practicing in North Carolina, by specialty areas in which North Carolina is experiencing a shortage.
- The number of program graduates who practiced in North Carolina for at least five years after graduation.
- Any other information requested by the subcommittees.

The subcommittees must jointly develop a proposal for a statewide plan to support medical education programs and medical residency programs within North Carolina in a manner that maximizes the State's financial and other support of these programs and addresses the short-term and long-term health care needs of the State's residents. Each subcommittee must submit a report to its respective oversight committee on or before March 15, 2018, at which time the subcommittee will terminate.

EFFECTIVE DATE: This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.13: ApprenticeshipNC/Transfer State Apprenticeship Program. (SL 2017-57)

Sec. 15.13 of S.L. 2017-57 transfers the Apprenticeship Program (renamed "ApprenticeshipNC") and the Apprenticeship Council from the Department of Commerce to the North Carolina Community Colleges System Office. The Director of ApprenticeshipNC is under the supervision of the President of the North Carolina Community College System or the President's designee. The Director must supervise clerical, technical, and professional staff appointed to administer the ApprenticeshipNC program. The State Board of Community Colleges sets the terms of office for members of the Apprenticeship Council. Current members of the Apprenticeship Council must serve the remainder of their terms. The Department of Commerce must update the Workforce Innovation and Opportunity Act State Plan to indicate the transfer of administration to the Community Colleges System Office.

Additionally, this section repeals and recodifies the statutes related to the Apprenticeship Program and the Apprenticeship Council, with certain modifications. In addition to the existing identified purposes of the program, ApprenticeshipNC will (i) coordinate workforce education and customized training tools to fill talent pipeline gaps, as appropriate, with local business and industry; and (ii) leverage the collaborative and regional structure of the community college service areas with the Collaboration for Prosperity Zones set out in G.S. 143B-28.1.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 35.24: The University of North Carolina Board of Governors to Monitor Creation of New Positions and Certain Increases/Consultation Requirement. (SL 2017-57)

Sec. 35.24 of S.L. 2017-57 requires the Board of Governors of The University of North Carolina (UNC BOG) to monitor nonlegislative annual employee salary increases in the amount of 5% or more granted at constituent institutions or within the General Administration (i) to employees having annual salaries of \$100,000 or greater or (ii) that would result in an annual employee salary of \$100,000 or greater. Such a salary increase cannot become effective unless or until it is reported to the UNC BOG by a consultation that includes the justification for the increase or otherwise complies with consultation requirements adopted by the UNC BOG.

The UNC BOG must monitor new personnel positions created at constituent institutions or within the General Administration that have annual salaries of \$70,000 or greater. No such new position may be filled unless or until its creation is reported to the UNC BOG by a consultation that includes the justification for the new position or otherwise complies with consultation requirements adopted by the UNC BOG.

EFFECTIVE DATE: This section became effective July 1, 2017.

S315 - Make Various Changes Regarding Higher Education. (SL 2017-68)

S.L. 2017-68 does the following:

- Directs the President of The University of North Carolina (President) to implement The University of North Carolina Undergraduate Degree Completion Improvement Plan that was submitted to the General Assembly in December 2016.
- Requires development of an articulation agreement between The University of North Carolina (UNC) and the North Carolina Community College System in early childhood education programs. By April 15, 2018, the Board of Governors of The University of North Carolina (BOG) and the State Board of Community Colleges must report to the Joint Legislative Education Oversight Committee on the development of the articulation agreement and the plan for implementation at all community college campuses and constituent institutions with early childhood education programs. The systemwide articulation agreement must apply beginning with the 2018-2019 academic year.
- Directs the President, or the President's designee, and the BOG to consider and evaluate the feasibility of applying for and implementing the UTEACH program, a model program originally developed by the University of Texas at Austin, as part of the curricula offered by The UNC system. The President and the BOG must report their findings and recommendations regarding the feasibility of applying for and implementing the UTEACH program to the Joint Legislative Education Oversight Committee by April 1, 2018.
- Allows the BOG to set the expenditure benchmark for certain purchasing contracts for the President to be the same as the maximum allowed for the constituent institutions.
- Changes a reporting date for data on graduates of cooperative innovative high schools from March to September.

This act became effective June 28, 2017.

PART I: UNDERGRADUATE DEGREE COMPLETION

S323 - UNC Public Records/Athletic Conferences. (SL 2017-175)

S.L. 2017-175 explicitly identifies records in the possession of The University of North Carolina or any of its constituent institutions as public records if they are related to membership in or communication with the National Collegiate Athletic Association (NCAA), the Atlantic Coast Conference (ACC), or any other athletic conference or collegiate sports organization. This act became effective October 1, 2017.

S448 - Professors in the Classroom. (SL 2017-91)

OVERVIEW: S.L. 2017-91 authorizes local boards of education to contract with higher education faculty members to serve as adjunct instructors for core academic subjects without having to obtain a teaching license.

This act became effective June 30, 2017.

S468 - QZAB Use Modification. (SL 2017-187)

S.L. 2017-187 makes modifications to the conditions for the award of Qualified Zone Academy Bonds (QZABs) by providing that the conditions established by the State Board of Education (SBE) for the uses of a QZAB allocation must be for one of the purposes permitted by federal law, and that the QZAB funds must be prioritized so that those funds are first used in Tier 1 counties determined to have greater economic distress and for schools where 75% or more of the school's students are eligible to receive free or reduced lunch under the federal lunch program.

Effective July 1, 2017, the act also authorizes award of grant funds from the Needs Based Public School Capital Fund for projects when a pre-development agreement for an operational lease was entered into on or before June 30, 2017.

Except as otherwise provided, this act became effective July 25, 2017, and applies to bond proceeds used on or after that date.

S599 - Excellent Educators for Every Classroom. (SL 2017-189)

S.L. 2017-189 restructures the way teachers are educated and supported in the following ways:

Professional Educator Preparation and Standards (PEPS) Commission

The act establishes the PEPS Commission, which will be independent of the State Board of Education (SBE) and must recommend standards for educator preparation, licensure, continuing education, and conduct to the SBE.

Educator Preparation Program (EPP) Approval Process

The act creates explicit definitions for certain words, including:

- EPPs: Any entity approved by the SBE rather than only institutions of higher education.
- Approved EPPs: EPPs that have met the requirements of the SBE in lieu of national accreditation.
- Initially Authorized EPP: An EPP that has been approved by the SBE or nationally accredited, but lacks the data to meet all of the accountability standards.
- Authorized EPP: An EPP that has met accountability standards and has been approved by the SBE or nationally accredited.
- Recognized EPP: An EPP that is either initially authorized or authorized, and has the authority to recommend students for educator licensure.
- Clinical intern: Individual who would have been previously called a student teacher.
- Resident: Individual who formerly would have received a lateral entry license.
- Clinical mentors: On-site teachers who would serve as mentors to residents.

The SBE has the authority to recognize EPPs that meet the statutory standards, thus allowing the EPPs to recommend candidates for licensure. Additionally, the act includes the minimum standards EPPs must meet in order to be approved, which mirror those set out by the Council for the Accreditation of Educator Preparation (CAEP). The act identifies the process EPPs must go through in order to recommend students for educator licensure. To be initially authorized or authorized, EPPs must be approved by the SBE or

accredited by CAEP, and they must satisfy the performance standards in such a way that their status is not revoked.

The minimum admissions requirements still include a passing score or prescribed minimum score set by the SBE on a preprofessional skills test. However, since there is no longer a separate distinction for lateral entry candidates, having a bachelor's degree could also be used to satisfy this requirement. The 2.7 grade point average (GPA) requirement (with an average of at least 3.0 for each cohort), remains the same, but individuals with at least 10 years of relevant experience are exempted from the individual GPA requirement. Additionally, individuals applying to a Career and Technical Education program can be exempted from the individual GPA requirement with at least 5 years of relevant experience.

The act adds EPP content requirements, such as:

- Instruction related to the skills and responsibilities of teachers.
- The expectations for student performance based on State standards.
- The current supply of and demand for educators in the State.
- The State's framework for appraisal of educators.

Middle and high school teacher EPPs must also include adequate coursework in the relevant content area and in the teaching of the relevant content area.

The act recodifies existing clinical practice requirements with updated terminology. In addition, requirements for residencies are listed, which include:

- Residencies must last for a minimum of one year.
- EPPs must provide ongoing support to the resident.
- A clinical mentor must be assigned to the resident.
- Prior to the residency, the resident must complete preservice requirements set by the SBE.

The act also requires clinical educators to be "proficient" rather than "accomplished." Schools must prioritize "distinguished" and "accomplished" teachers unless there is a particular reason for selecting a "proficient" teacher that is documented. The clinical mentors are held to the same standards as clinical educators.

EPP Accountability System

The act requires the SBE to take action against an EPP when the EPP fails to meet standards on the following indicators, broken down by race, sex, and ethnicity:

- Performance of EPP graduates on annual teacher evaluations.
- Proficiency and growth of students taught by EPP graduates.
- Satisfaction of EPP graduates after their first year of teaching.
- Quality of students entering the EPP.

The act also requires additional data that must be reported to the SBE and ultimately included in the EPP's report card, such as:

- The extent to which the program prepares educators to effectively teach students with disabilities and students of limited English proficiency.
- The number of EPP graduates who continue teaching at least three years after licensure.

The act requires the SBE to annually evaluate an EPP's performance and assign an appropriate accountability status, if necessary, based on an EPP meeting one of the following criteria:

- Warned
 - Overall student performance standard is not met on at least one indicator in any one year.
 - Any two race, sex, or ethnicity demographic groups' performance standards are not met on at least one indicator for any one year.
 - Any single race, sex, or ethnicity demographic groups' performance standards are not met on at least one indicator for any two consecutive years.
 - SBE determines a law or rule violation merits warned status.
- Probation
 - Overall student performance standard is not met on at least one indicator in two consecutive years.
 - Any three race, sex, or ethnicity demographic groups' performance standards are not met on at least one indicator for any one year.
 - Any single race, sex, or ethnicity demographic groups' performance standards are not met on at least one indicator for any three consecutive years.
 - SBE determines a law or rule violation merits probation status.
- Revoked
 - EPP has been on probation status for three consecutive years.
 - EPP has been on probation status one year, but SBE determines revoked status is reasonably necessary.

If an EPP is in revoked status, its approval to recommend students for educator licensure is revoked. Other identified sanctions may be implemented at the SBE's discretion, such as:

- Requiring the EPP to obtain technical assistance.
- Requiring the EPP to obtain professional services from another entity.
- Appointing a monitor to oversee and report to the SBE.
- Managing the EPP's enrollment.

Any costs associated with the sanctions must be covered by the EPP.

Lateral Entry

The act replaces the lateral entry license with the residency license. Individuals who already have a bachelor's degree may enroll in an EPP and be employed to teach at the same time.

School Administrators

The act clarifies that retired principals or retired assistant principals may be employed as interim principals, regardless of licensure status. Additionally, it recodifies a prior provision related to the standards of approval for school administrator preparation programs and places it among the other statutes related to school administrator preparation.

Mentor Teachers

The act allows teachers rated as "proficient" or higher to be mentors. Additionally, retired teachers are eligible to be mentors. Priority consideration will still be given to teachers rated as "distinguished" or "accomplished."

Licensure Requirements

The act recodifies existing licensure requirements, as well as makes the following changes:

- Defines various teacher licenses:
 - Continuing professional license: Five-year renewable license.
 - Emergency license: One-year nonrenewable license for individual who holds a bachelor's degree with relevant coursework, but who is not eligible for a residency license.
 - Initial professional license: Three-year nonrenewable license for individual who has completed a recognized EPP.
 - Lifetime license: License issued after 50 or more years of teaching that requires no renewal.
 - Residency license: One-year license (renewable twice) issued to an individual who has:
 - A bachelor's degree with either coursework relevant to the requested licensure area or successful completion of the relevant content area examination.
 - Enrolled in a recognized EPP.
 - Has completed preservice field experience and coursework.
 - Retirement license: Five-year renewable license issued to a teacher who retired with 30 or more years of teaching experience in North Carolina and who has served as a substitute teacher or part-time provider of certain educational services since retirement.
- Removes requirement for middle school teachers to complete continuing education credits related to literacy.
- Exempts members of the General Assembly who are teachers from continuing education credit requirements upon notice by the member to the Department of Public Instruction.

The act authorizes the SBE to continue to issue lateral entry licenses through the 2018-2019 school year.

Reading Improvement Commission

The act requires the Reading Improvement Commission to study and recommend improvements to professional development for teachers in fourth through twelfth grades in the area of literacy.

Recognition Program

The act requires the Superintendent of Public Instruction to create a recognition program for teachers with 40 or more years of licensed teaching experience.

Teacher Suspensions

The act authorizes a superintendent, prior to suspending a teacher who is incarcerated or in custody without pay, to provide written notice of the charges, an explanation of the basis for the charges, and an opportunity to respond in writing, rather than meeting with the teacher in person. Additionally, it requires local boards of education to report to the SBE when a teacher's resignation was related to criminal history, regardless of whether dismissal proceedings had begun or the teacher had resigned without permission. The same requirement applies to charter and regional schools.

Teacher Vacancy Report

The act requires the SBE to compile an annual report on teaching positions that local boards of education are unable to fill by the 40th instructional day. Additionally, it recodifies reporting requirements related to the state of the teaching profession.

Effective Date

The act became effective July 27, 2017 and applies beginning with the 2017-2018 school year. The act will be phased in such that:

- EPPs approved by the State Board prior to July 1, 2017 will be considered initially authorized until the earlier of June 30, 2020, or the date of its five-year renewal. EPPs not approved as of that date will first be eligible to open during 2018-2019 school year.
- Reporting requirements begin with the 2018-2019 school year.
- No EPP may be assigned a "revoked" accountability status prior to the 2023-2024 school year.

Environment, Natural Resources, and Energy

See full summary documents for additional detail

H56 - Amend Environmental Laws. (SL 2017-209)

Session Law 2017-209 amends various environmental laws, including provisions involving the following:

- Modifications to financial assurance requirements for risk-based cleanups
- Repeal of obsolete hazardous waste provisions
- Establishment of requirements for imposition of land use restrictions for property contaminated by a petroleum discharge or release from a non-underground storage tank
- Consolidation of various water resources and water quality reports
- Modification of certain Coastal Area Management Act provisions
- Establishment of the Coastal Storm Damage Mitigation Fund
- Modification of the rule for pool lighting
- Modification of the rules for protection of existing buffers to exempt certain applicability requirements for public safety
- Modification of the rule for protection and maintenance of existing buffers in the Catawba River Basin to exempt certain applicability requirements for public walking trails
- A study of riparian buffer tax exclusions
- Establish additional requirements for water quality testing in the Catawba River
- Modifications to mining permit requirements
- Modifications to mitigation services law
- Clarification to the Energy Policy Council
- Modifications to certain laws governing solid waste management
- Clarification to the roles of geologists and soil scientists in wastewater system site evaluations
- Repeal of the plastic bag ban
- GenX response measures

H275 - No Stormwater Fees on Taxiways or Runways. (SL 2017-132)

S.L. 2017-132 exempts military runways and taxiways from stormwater utility fees and exempts other runways and taxiways from stormwater utility fees if the savings are used to attract business to the airport.

This act becomes effective January 1, 2018, and applies to fees levied on or after that date.

H353 - Authorize State Park System Expansion. (SL 2017-177)

S.L. 2017-177 authorizes the North Carolina State Parks System to accept the transfer of three properties as a State Natural Area and to preserve these lands as part of the State Parks System. The act also directs the Division of Parks and Recreation of the Department of Natural and Cultural Resources to study the feasibility and desirability of establishing a State Park on the Black River.

This act became effective July 25, 2017.

H402 - Limit Env. Liability for Certain Recyclers. (SL 2017-163)

H637 - Clarify Regional Water and Sewer Funds. (SL 2017-17)

S.L. 2017-17 provides additional flexibility for the use of funds previously appropriated for regional water and sewer projects in Rockingham and Guilford Counties.

This act became effective May 23, 2017.

S107 - Streamline Dam Removal. (SL 2017-145)

S.L. 2017-145 amends State law on dam removal to expedite the removal process under certain circumstances. This provision became effective July 1, 2017.

The act also directs the Department of Environmental Quality and the Department of Public Safety to study the dam removal process and recommend changes to reduce regulatory barriers to obsolete dam removal and consolidate permit processes. The report shall be submitted to the Environmental Review Commission by March 1, 2020. This provision became effective July 20, 2017.

S131 - Regulatory Reform Act of 2016-2017. (SL 2017-10)

S.L. 2017-10 amends State laws related to the following:

S244 - Coastal Crescent Trail/State Parks System. (SL 2017-66)

S.L. 2017-66 requires the Department of Natural and Cultural Resources to add the Coastal Crescent Trail to the Mountains-to-Sea State Park Trail unit of the State Parks System.

This act became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.1: I&M Air Pollution Control Account. (SL 2017-57)

Under current law (subsection (c) of G.S. 20-183.7), 65 cents of each motor vehicle emissions inspection fee is directed to the I&M Air Pollution Control Account (the Account) within the Department of Environmental Quality. Previously, the use of these funds was restricted to air quality programs related to

mobile sources. Sec. 13.1 of S.L. 2017-257 broadens the allowable uses of funds from the Account to allow funding of any costs related to administration of the Department's air quality programs.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.2: Volkswagen Settlement Funds. (SL 2017-57)

Sec. 13.2 of S.L. 2017-57 directs the lead agency designated by the Governor to develop the Beneficiary Mitigation Plan mandated in the Volkswagen "clean diesel" litigation to consult with the Department of Transportation, the Department of Commerce, and other interested State agencies, and submit the plan to the General Assembly. This section also provides that no funds may be expended under the plan until appropriated.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.4: Pre-Regulatory Landfill Assumption of Risk. (SL 2017-57)

Section 13.4 of S.L. 2017-57 requires the Department of Environmental Quality (DEQ) to create a new program allowing owners of property containing a pre-1983 landfill to suspend application of DEQ's pre-1983 landfill program for as long as they own the property if the owner assumes liability for environmental impacts caused by the landfill and provides financial assurance for future impacts in an amount set by DEQ. The provision also provides an exception to the financial assurance requirements in cases where the property owner allowed the property to be used as a municipal landfill for a unit of local government and received no financial compensation for that use from the local government. The provision also requires periodic reporting by DEQ on its implementation of the program until DEQ issues a final guidance document or permanent rules for the new program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.5: Study Solid Waste Disposal Tax. (SL 2017-57)

Current law (Article 5G of Chapter 105) imposes a \$2.00 per ton tax on the disposal of municipal solid waste and construction and demolition debris in State-permitted landfills, and directs 87.5% of the proceeds to local government waste management programs and the State Inactive Hazardous Sites Cleanup Fund. Section 13.5 of S.L. 2017-57 directs the Environmental Review Commission (ERC) to study the tax, including the amount of revenue generated by the tax, the state and local programs funded, and the sites remediated and future work plan for the Inactive Hazardous Sites Cleanup program. The ERC is directed to present its report and recommendations to the 2018 Regular Session of the General Assembly upon its convening.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.6: Study Erosion and Sediment Control/NPDES Stormwater Merger. (SL 2017-57)

Section 13.6 of S.L. 2017-57 directs the Department of Environmental Quality (DEQ) to study the budget and programmatic impacts of (i) abolishing the Sedimentation Control Commission and transferring its duties to the Environmental Management Commission; and (ii) combining DEQ's sedimentation and erosion control permitting program with the federally mandated NPDES stormwater permitting program. DEQ is directed to present its report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the chairs of the corresponding budget committees no later than April 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.7: Digital Data Study. (SL 2017-57)

Section 13.7 of S.L. 2017-57 directs the North Carolina Policy Collaboratory at the University of North Carolina to (i) develop a proposal to identify, and collect digital data related to environmental and natural resource management, and (ii) evaluate the feasibility of creating a central, searchable, and publicly accessible database for this information. The provision also directs the Collaboratory to consult with the Department of Environmental Quality and the Department of Information Technology on the proposal, which must be presented to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the chairs of the corresponding budget committees no later than March 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.8: Study Acquisition of Dedicated Dredging Capacity. (SL 2017-57)

Section 13.8 of S.L. 2017-57 directs the Department of Environmental Quality (DEQ) to study and make a recommendation regarding the acquisition of one or more dredges by the State, taking into consideration capital and operating costs, projected utilization, and opportunities to offset costs through sale of dredging services to other entities or shared ownership arrangements. DEQ is further directed to submit its report and any recommendations to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the chairs of the corresponding budget committees no later than April 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.12: Oyster Research Reporting. (SL 2017-57)

The 2015 Appropriations Act (S.L. 2015-241) provided recurring funding to the University of North Carolina at Wilmington (UNCW) for research and development of oyster brood stock for aquaculture in North Carolina waters. Section 13.12 of S.L. 2017-57 directs UNCW and the Division of Marine Fisheries to report annually to the General Assembly no later than March 1 on the uses of the funding.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.13: Continue Research Support for Shellfish Industry. (SL 2017-57)

Section 13.13 of S.L. 2017-57 includes the following:

- Designates the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill (Collaboratory) as the entity to conduct the stakeholder process and study for the restoration of the shellfish industry required by the 2016 Appropriations Act and makes various technical changes to the study objectives and stakeholder group process.
- Directs the Collaboratory to prepare a Shellfish Mariculture Plan for the State that includes evaluation of best practices in other states and nations, analysis of siting strategies for shellfish mariculture operations, and recommendations for improvements to legal protections for mariculture operations, cultch planting, and strategies for control of shellfish pests.
- Further directs the Collaboratory, in consultation with various stakeholders, to develop conceptual plans and recommendations to promote the State's shellfish harvesting heritage, including the creation of a State Oyster Trail and a State Oyster Festival.

The Collaboratory is directed to present the plans and reports required by this provision to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the chairs of the corresponding budget committees no later than December 31, 2018 (note that S.L. 2017-197, Budget Technical Corrections, revised the Oyster Trail/Oyster Festival plan and recommendations reporting date to December 31, 2018).

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.19: Underground Storage Tank Program Rule Making and Report. (SL 2017-57)

The 2015 Appropriations Act (Section 14.16B of S.L. 2015-241) directed the Department of Environmental Quality (DEQ) to amend its underground storage tank (UST) regulations to no longer require soil remediation at low risk UST sites and to no longer require initial abatement or corrective action for a noncommercial UST until DEQ has classified the risk of that UST. Section 13.19 of S.L. 2017-57 directs DEQ to adopt temporary rules implementing the 2015 directive no later than October 1,

2017, and report to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources on its implementation of both directives no later than December 31, 2017.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.22: Water and Sewer Infrastructure Grants. (SL 2017-57)

Section 13.22 of S.L. 2017-57 directly allocates \$7,175,000 of the appropriation for water and sewer grants in the 2017-2019 fiscal biennium to specific projects, project categories, and local governments, and includes an annual reporting requirement for the largest recipient of funds allocated by the provision. Section 4.2 of S.L. 2017-197 (Budget Technical Corrections) amends the provision to remove the word "nonrecurring" in the first sentence.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.24: In Situ Nutrient Management Strategies. (SL 2017-57)

The 2016 Appropriations Act (Section 14.13 of S.L. 2016-94) directed the Department of Environmental Quality (DEQ) to study in situ approaches to nutrient management in Falls Lake and Jordan Lake, and appropriated funds for a trial of in situ technology. Section 13.24 of S.L. 2017-57 revises the 2016 directive to (i) direct DEQ to begin sampling and testing activities to support the permitting of an in situ trial by September 1, 2017, (ii) remove from the study an assessment of whether in situ technologies are more cost effective than conventional nutrient management strategies, and (iii) change the reporting requirement for the trial to require an interim report on September 1 of any year in which the study and trial are ongoing, with a final report no later than December 31, 2020.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.25: On-Site Water Protection Branch Well Inspection Program Transfer Study. (SL 2017-57)

Section 13.25 of S.L. 2017-57 directs the Department of Environmental Quality (DEQ) and the Department of Health and Human Services (DHHS), in consultation with a stakeholder group, to study the benefits of transferring the private well inspection and permitting programs from the Division of Public Health of DHHS to the Division of Water Resources of DEQ. The Departments are directed to submit the study and a recommendation regarding the transfer to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Oversight Committee on Health and Human Services, and the Environmental Review Commission no later than March 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 13.26: Department of Environmental Quality Reorganization Through Reduction. (SL 2017-57)

Section 13.26 of S.L. 2017-57 directs the Office of State Human Resources to permit the Department of Environmental Quality (DEQ) to use the Reorganization through Reduction (RTR) program throughout the 2017-2019 biennium to achieve funding reductions imposed elsewhere in the bill. The RTR program was created by Part VIII of S.L. 2013-382 as a time-limited employee volunteer separation program to accomplish reorganization and restructuring needs in certain state agencies, but had been scheduled to sunset June 30, 2017 under existing law. Section 13.26 also directs DEQ to transfer the Utility Savings Initiative from the Division of Environmental Assistance and Customer Service to the State Energy Office.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 14.1: Various NER Agency Report Changes. (SL 2017-57)

Section 14.1 of S.L. 2017-57 makes various changes to budget or funding reporting requirements in statute or session law for the Departments of Environmental Quality, Commerce, Natural and Cultural Resources, Labor, and Agriculture and the Tobacco Trust Fund Commission. The changes include changes to report recipients to reflect the creation of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources as well as other technical and conforming revisions.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 14.3: Clarifying Changes to Department of Natural and Cultural Resources Funds. (SL 2017-57)

State attractions managed by the Department of Natural and Cultural Resources, such as the State Zoo, various State museums, and the State Aquariums, have statutorily-created special funds to receive gifts, grants, receipts and other non-appropriated funds. Section 14.3 of S.L. 2017-57 makes various changes to the permitted uses of these funds and clarifications regarding transfers in and out of the funds. This Section also includes an exemption from the regular State surplus property disposition procedures for sales of exhibits, exhibit components, or other objects from the collections of the North Carolina Zoo budget when those dispositions are conducted in accordance with accrediting standards established by the American Association of Zoos and Aquariums.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 14.8: Abolish Roanoke Island Commission. (SL 2017-57)

Section 14.8 of S.L. 2017-57 abolishes the Roanoke Island Commission, provides that the Commission's powers, assets, liabilities and contracts or agreements shall revert to the Department of Natural and Cultural Resources (DNCR) and directs DNCR to enter into a Memorandum of Agreement with the Roanoke Island Historical Association (an organization that previously advised DNCR regarding the Lost Colony outdoor drama) for the Association to manage and operate the Roanoke Island Festival Park and the Elizabeth II Historic Site and Visitors Center. The provision also includes the following:

- Revision to the membership of the Roanoke Island Historical Association Board to include appointments by the Governor and the General Assembly, as well as a temporary transition directive that the initial General Assembly appointments to the Association shall be the chair and vice-chair of the Roanoke Island Commission serving at the Commission's abolishment.
- Conforming changes to the statute governing the Historic Roanoke Island Fund to include as allowable uses of the Fund various duties of the Roanoke Island Commission.
- Authorization for DNCR to charge admission and activity fees at the Roanoke Island Festival Park.
- A directive to the DNCR to enter into the Memorandum of Agreement no later than January 15, 2018, and submit a copy of the Memorandum to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources.

This section became effective October 1, 2017.

S410 - Marine Aquaculture Development Act. (SL 2017-190)

S.L. 2017-190 establishes a State marine aquaculture program with marine aquaculture leases. The new leasing program becomes effective October 1, 2017. The remainder of the act became effective July 27, 2017.

S545 - State Nature and Historic Preserve Adds/Dels. (SL 2017-113)

S.L. 2017-113 removes several parcels from the State Nature and Historic Preserve (Preserve). This act became effective July 12, 2017.

Finance

See full summary documents for additional detail

H59 - Revenue Laws Technical Changes. (SL 2017-39)

S.L. 2017-39 makes technical changes to the Revenue Laws as recommended by the Department of Revenue.

The section of the act pertaining to tax credits for constructing a railroad intermodal facility became effective June 21, 2017 and applies to taxable years beginning on or after January 1, 2017. The remainder of this act became effective June 21, 2017.

H434 - Coins/Currency/Bullion Sales Tax Exemption. (SL 2017-181)

S.L. 2017-181 exempts from sales and use tax the sales of rare coins, paper currency, and precious metal bullion. This act became effective July 1, 2017, and applies to sales made on or after that date.

H548 - Equalize Treatment of Wastewater Products. (SL 2017-139)

S.L. 2017-139 exempts from sales and use tax wastewater dispersal products approved by the Department of Health and Human Services to equalize treatment among the various suppliers of these products. The act became effective July 1, 2017, and applies to sales made on or after that date.

S257 - Appropriations Act of 2017.

Part 38: Finance Provisions. (SL 2017-57)

Part 38 of S.L. 2017-94 contains the following finance provisions:

Individual Income Tax

- Lowers the personal income tax rate from 5.499% to 5.25%, effective for taxable years beginning in 2019.
- Increases the standard deduction to \$20,000 for married filing jointly taxpayers and to \$10,000 for single filers, effective for taxable years beginning in 2019.
- Changes the standard deduction for head of household filers to an amount that is 75% of the amount for married filing jointly taxpayers, effective for taxable years beginning in 2019.
- Changes the child credit to a tiered child deduction, effective for taxable years beginning in 2018.

Corporate Income Tax

- Reduces the corporate income tax rate from 3% to 2.5% rate, effective for taxable years beginning in 2019.

Franchise Tax

- Reduces the franchise tax rate for S corporations by applying a flat \$200 on the first \$1 million of the calculated base, applicable to the calculation of franchise tax reported on the 2018 and later corporate income tax returns.

Sales Tax

- Exempts from sales tax distribution equipment, and accessories, attachments, or repair parts for distribution equipment, sold to a large fulfillment facility, effective July 1, 2017.
- Repeals the 1%/\$80 privilege tax applicable to mill machinery and certain other manufacturing and industrial equipment and establishes a sales tax exemption for this equipment, effective July 1, 2018. It also directs the Revenue Laws Study Committee to study this area of law to provide more guidance to taxpayers and the Department of Revenue about what constitutes "mill machinery," how to define "manufacturing," and how to incorporate the body of Departmental administrative law in this area into the statutes.
- Exempts from sales tax repair or replacement parts for a ready mix concrete mill, regardless of whether the mill is freestanding or affixed to a motor vehicle, effective July 1, 2018.
- Provides a sales tax refund for building materials, supplies, and equipment sold to a business that receives a JDIG award prior to June 30, 2019, for a "transformative project," which is a project that requires an investment of \$4 billion in private funds and creates at least 5,000 eligible positions.

Renewable Energy Tax Credit

- Allows certain biomass resource-related projects to claim the renewable energy tax credit if it had a certain minimum level of completion prior to January 1, 2016, and it was placed in service prior to May 5, 2017.

S326 - Clarify HUT & Improve Vehicle Titling Process.

Sec. 1: Clarify HUT. (SL 2017-69)

Section 1 of S.L. 2017-69 clarifies that the highway use tax applies to out-of-state vehicles when they are first titled in this State, effective June 28, 2017.

S628 - Various Changes to the Revenue Laws. (SL 2017-204)

S.L. 2017-204 makes various substantive, technical, clarifying, and administrative changes to the revenue laws. This act has various effective dates. Please see the full summary for more detail.

CURRENT LAW, BILL ANALYSIS, AND EFFECTIVE DATE:

Health and Human Services

See full summary documents for additional detail

H57 - Enact Physical Therapy Licensure Compact. (SL 2017-28)

S.L. 2017-28 makes North Carolina a member of the Physical Therapy Licensure Compact. Membership in the compact allows physical therapists who hold licenses in good standing in another Compact state to practice physical therapy in North Carolina. Likewise, physical therapists holding a valid license in North Carolina are able to practice physical therapy in another Compact member state. The Compact became effective April 25, 2017. The act also amends G.S. 93B-15.1 to prohibit occupational licensing boards (OLBs), as defined in G.S. 93B-1, from charging fees as a pre-requisite to issuing licenses to military-trained applicants and spouses of military members who are licensed in good standing in another state.

The provisions of the act pertaining to the Physical Therapy Licensure Compact will become effective October 1, 2017. The provisions of the act pertaining to OLBs became effective July 1, 2017.

H140 - Dental Plans Provider Contracts/Transparency. (SL 2017-205)

S.L. 2017-205 makes entities that write stand-alone dental insurance subject to the disclosure and notification provisions for fee schedules, reimbursement policies, and claim submission policies contained in G.S. 58-3-227. It clarifies that "household property" for the purposes of single interest credit property insurance includes household furniture, furnishings, appliances, and other personal property of a debtor, not including an automobile. It also requires credit insurance rate standards to be set every third year beginning January 1, 2018.

This bill was vetoed by the Governor on July 27, 2017. The veto was overridden on August 30, 2017. This act becomes effective October 1, 2017.

H208 - Occupational Therapy Choice of Provider. (SL 2017-24)

S.L. 2017-24 amends G.S. 58-50-30 to allow insureds to receive insurance-covered occupational therapy from the licensed occupational therapist of their choice.

The act becomes effective October 1, 2017, and applies to health benefits contracts issued, renewed, or amended on or after that date.

H243 - Strengthen Opioid Misuse Prevention (STOP)Act. (SL 2017-74)

S.L. 2017-74 makes the following changes to the laws governing the prescribing of controlled substances:

- Extends the statewide standing order for opioid antagonists to allow practitioners to prescribe an opioid antagonist to any governmental or nongovernmental agency (effective July 1, 2017).

- Designates certain Schedule II and III drugs as "targeted controlled substances" and makes the following changes to the laws governing the prescribing of those substances:
 - Requires physician assistants or nurse practitioners employed by pain clinics to personally consult with their supervising physician prior to prescribing the targeted controlled substance if the use of the targeted controlled substance will exceed 30 days (effective July 1, 2017).
 - Requires electronic prescriptions for all targeted controlled substances not meeting certain exceptions (effective January 1, 2020).
 - Limits prescriptions for targeted controlled substances upon initial consultations for acute pain to no more than a five-day supply, unless the prescription is for post-operative acute pain relief immediately following a surgical procedure, in which case the practitioner may not prescribe more than a 7-day supply (effective January 1, 2018).
 - Requires hospice and palliative care providers who prescribe a targeted controlled substance to provide oral and written information to the patient and the patient's family regarding the proper disposal of the targeted controlled substance (effective January 1, 2017).
- Clarifies the allowable funds for syringe exchange programs.
- Makes changes to the statutes governing the Controlled Substance Reporting System (CSRS) database, including:
 - Requiring dispensers to report information required by statute to the CSRS database no later than the close of the next business day after the prescription is delivered (effective September 1, 2017).
 - Imposing a civil penalty upon dispensers for failing to report the information required within a reasonable time of being informed by DHHS that the required information is missing or incomplete (effective September 1, 2017).
 - Allowing the Department to notify practitioners and their respective licensing boards of prescribing behavior that (i) increases the risk of diversion of controlled substances, (ii) increases the risk of harm to the patient, or (iii) is an outlier among other practitioner behavior (effective July 1, 2017).
 - Requiring administrators of hospital emergency departments and acute care facilities to provide the Department with an annual list of delegates who are authorized to receive data on behalf of providers within the hospital (effective July 1, 2017).
 - Requiring dispensers to demonstrate to the satisfaction of the NC Board of Pharmacy that they are registered for access to the CSRS database within 30 days of initial or renewal licensure (effective June 29, 2017, and applies to acts committed 30 days after State Chief Information Officer notifies the Revisor of Statutes that (i) upgrades to the CSRS database have been completed and (ii) the upgraded database is fully operational and connected to the statewide health information exchange).
 - Requiring practitioners to review the patient's preceding 12-month history in the CSRS database prior to initially prescribing a targeted controlled substance to a patient and again every 3 months afterward that the targeted controlled substance remains a part of the patient's medical care (effective June 29, 2017, and applies to acts committed 30 days after State Chief Information Officer notifies the Revisor of Statutes that (i) upgrades to the CSRS database have been completed and (ii) the upgraded database is fully operational and connected to the statewide health information exchange).
 - Requiring dispensers to review the patient's preceding 12-month history in the CSRS database prior to dispensing a targeted controlled substance and document the review under certain circumstances (effective June 29, 2017, and applies to acts committed 30 days after State Chief Information Officer notifies the Revisor of Statutes that (i) upgrades to the CSRS database have been completed and (ii) the upgraded database is fully operational and connected to the statewide health information exchange).
 - Creating a CSRS Fund for the operation of the CSRS database (effective September 1, 2017).

- Requiring an annual report from the Department on data reported to the CSRS database (effective September 1, 2017).
- Amends language in the 2015 budget to facilitate the interstate connectivity of the CSRS database (effective July 1, 2017).

H248 - Ombudsman Changes/DHHS Study. (SL 2017-103)

S.L. 2017-103 makes changes to the adult care home and nursing home community advisory committees and to the duties of the Office of the State Long-Term Care Ombudsman Program to conform to federal changes. The act also requires the Department of Health and Human Services to study Public Law 113-51, HIV Organ Policy Equity (HOPE) Act, and the Final Safeguards and Research Criteria publication by the US Department of Health and Human Services and the National Institutes of Health, to determine any necessary public health safeguards, regulations, and statutory changes. The Department is required to submit findings and recommendations on any necessary changes related to the HOPE Act and the corresponding safeguards to the Joint Legislative Oversight Committee on Health and Human Services on or before January 1, 2018.

This act became effective July 12, 2017.

H283 - DHHS Recommend Telemedicine Policy. (SL 2017-133)

S.L. 2017-133 requires the Department of Health and Human Services to: (1) study and recommend a telemedicine policy for the State and (2) study the Psychology Interjurisdictional Compact (PSYPACT) and its impact on the delivery of psychology services via the telehealth model. On or before October 1, 2017, the Department is required to report findings and recommendations on a telemedicine policy and on PSYPACT to the Joint Legislative Oversight Committee on Health and Human Services.

The act became effective July 20, 2017.

H466 - The Pharmacy Patient Fair Practices Act. (SL 2017-116)

S.L. 2017-116 permits pharmacists to discuss lower-cost alternative drugs with consumers and sell lower-cost alternative drugs to consumers. It prohibits pharmacy benefits managers from using contract terms to prevent pharmacies from providing store direct delivery services. Pharmacy benefits managers are also prohibited from charging insureds a co-pay that exceeds the total submitted charges by a network pharmacy. Finally, it allows pharmacy benefits managers to charge pharmacies a fee for costs related to claim adjudication only if the fee was set out in a contract or reported on the remittance advice of the claim.

This act will become effective October 1, 2017, and apply to all contracts entered into, renewed, or amended on or after that date.

H478 - Required Experience for MH/DD/SAS QPs. (SL 2017-32)

S.L. 2017-32 requires the Department of Health and Human Services (DHHS) to amend the qualifications for Qualified Professionals in the mental health, developmental disabilities, and substance abuse services (MH/DD/SAS) system of care to count all years of full-time MH/DD/SAS experience toward the required number of years' experience, regardless of when the experience was obtained. This act became effective June 8, 2017, however, any changes to clinical coverage policies and any changes to rules adopted by DHHS relating to the qualifications of Qualified Professionals required under Section 1 are not effective until DHHS has received CMS approval of the State Plan amendment required by Section 1.

H550 - Establish New Nurse Licensure Compact. (SL 2017-140)

S.L. 2017-140 enacts and makes North Carolina a member state in the new nurse licensure compact. It also repeals the current nurse licensure compact and replaces it with the new version.

This act will become effective the earlier of December 31, 2018, or the enactment of the new compact by the 26th state. The Board must report to the Revisor of Statutes when 26 states have enacted the compact.

H630 - Rylan's Law/Family/Child Protect. & Acc. Act. (SL 2017-41)

S.L. 2017-41 does the following:

- Establishes social services regional supervision and collaboration.
- Reforms the State child welfare system.
- Improves accountability and state oversight of the child welfare system.
- Requires written agreements, corrective action, and state intervention with social services departments.
- Creates regional social services departments.
- Establishes a child well-being transformation council to improve coordination, collaboration, and communication among child-serving agencies.
- Establishes a pilot program to help youth in substitute care obtain drivers licenses.
- Establishes a pilot program to authorize a waiver of the employment requirement for foster parents with children receiving intensive alternative family treatment.
- Reduces the time a parent has to appeal from a termination of parental rights order.
- Reduces the time for foster care licensure approval.
- Requires child protective service observation before physical custody of a child may be returned to a parent, guardian, custodian or caretaker from whom the child was removed.

This act has various effective dates. Please see the full summary for more detail.

H657 - Improve Adult Care Home Regulation. (SL 2017-184)

S.L. 2017-184 makes the following changes pertaining to adult care homes:

- Exempts from certificate of need review the acquisition of certain unlicensed adult care homes.
- Implements an informal dispute resolution process for certain inspection findings.
- Changes the training requirements for personal care aides.
- Makes changes to the star rating program.
- Requires the Department of Health and Human Services to study the Star Rated Certificate Program and report on progress to the Joint Legislative Oversight Committee on Health and Human Services by February 1, 2018, with a final report by October 1, 2018.

This act becomes effective October 1, 2017, with the following exceptions, which became effective July 25, 2017: Section 4, which requires the Division of Health Service Regulation, Department of Health and Human Services, and county Departments of Social Services to establish procedures to implement an Informal Dispute Resolution; Section 6, requiring the Star-Rated Certificate study; and Section 7 pertaining to the certificate of need exemption.

H770 - Various Clarifying Changes.

Sec. 5: Change Membership of Medical Board. (SL 2017-206)

Section 5 of S.L. 2017-206 amends the membership of the North Carolina Medical Board by changing the entities that appoint the public members. Previously, the Governor appointed three public members. Under this act, the Governor appoints one public member and the General Assembly appoints two public members. For the two public members appointed by the General Assembly, one member is upon the recommendation of the Speaker of the House of Representatives and one is upon the recommendation of the President Pro Tempore of the Senate. Additionally, new language is inserted to prohibit a public member from being a health care provider or the spouse of a health care provider.

This section became effective August 30, 2017, and applies to vacancies occurring after June 30, 2017.

S42 - Reduce Cost & Reg. Burden/Hosp. Construction. (SL 2017-174)

S.L. 2017-174 directs the North Carolina Medical Care Commission to adopt the recommendations of the American Society of Healthcare Engineers Facility Guidelines Institute.

This act became effective July 21, 2017, and applies to any licensee or prospective applicant who seeks to make specified types of alterations or additions to its hospital facilities or to construct new hospital facilities who submits plans and specifications to the Department of Health and Human Services on or after January 1, 2016.

S74 - Update Rabies Control Laws. (SL 2017-106)

S.L. 2017-106 requires local health directors to use the guidelines issued by the National Association of State Public Health Veterinarians when deciding the proper control measures for a dog, cat, or ferret that has been exposed to rabies.

This act becomes effective October 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11D.3: Recommendation to Appoint a Subcommittee on Aging. (SL 2017-57)

Sec 11D.3 of S.L. 2017-57 encourages the cochairs of the Joint Legislative Oversight Committee on Health and Human Services to consider appointing a subcommittee to examine the State's delivery of services for older adults to (i) determine their service needs, and to (ii) make recommendations to the Committee on how to address those needs. The subcommittee is encouraged to seek input from a variety of stakeholders and interest groups, including the Division of Aging and Adult Services and the Division of Social Services, Department of Health and Human Services; the North Carolina Coalition on Aging; the North Carolina Senior Tarheel Legislature; and the Governor's Advisory Council on Aging. If the subcommittee is appointed it must submit an interim report on or before March 1, 2018, and a final report on or before November 1, 2018.

This section became effective July 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 11A.1: DHHS Coordination of Health Information Technology. (SL 2017-57)

Sec. 11A.1 of S.L. 2017-57 adds a new section (G.S. 143B-139.4D) to Article 3 of Chapter 143B to require the Department of Health and Human Services, in cooperation with the State Chief Information Officer, to coordinate health information technology policies and programs for the State. The Department's Chief Information Officer is responsible for avoiding duplication of efforts and for ensuring that each State agency, public entity, and private entity that undertakes health information technology activities uses great expertise and technical capability in a manner that supports State and national goals and includes specified responsibilities. Additionally, the Department, in cooperation with the Department of Information Technology, is required to establish and direct a health information technology management structure that is efficient, transparent, and compatible with the Office of the National Health Coordinator for Information Technology governance mechanism. Specific responsibilities are listed for the health information technology management structure.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.4: Health Analytics Program. (SL 2017-57)

Sec. 11A.4 of S.L. 2017-57 requires the Department of Health and Human Services to continue coordinating with the Government Data Analytics Center (GDAC) to develop and operationalize the Health Analytics Program for Medicaid claims analytics and population health management authorized by Sec. 12A.17 of S.L. 2015-241, as amended by Sec. 12A.7 of S.L. 2016-9, and in compliance with G.S. 143B-1385(c)(2)f. The purpose of the Health Analytics Program is apply analytics to Medicaid data in an effort to maximize health care savings and efficiencies, optimize positive health outcome, and assist in the transition to the transformed North Carolina Medicaid and Health Choice programs.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.5: Health Information Exchange. (SL 2017-57)

Sec. 11A.5 of S.L. 2017-57 amends session laws and statutes pertaining to the Health Information Exchange (HIE) to specify when certain providers and entities must be connected to the HIE Network and to require a study of the State Health Plan related to the feasibility and appropriateness of providers and entities connecting to submit data.

Providers and Entities Connected to the HIE Network - Sec 12A.5(a)(1) of S.L. 2015-241 is amended to require specified providers and entities to be connected to the HIE Network with regard to services rendered to Medicaid and other State-funded health care program beneficiaries and services paid for with Medicaid or other State-funded health care funds. The changes in the Session Law are also included as G.S. 90-414.4(a1) and require the following:

- By June 1, 2018, the following Medicaid service providers must be connected: Hospitals, Physicians, Physician Assistants, and Nurse Practitioners. (G.S. 90-414(a1)(1))
- By June 1, 2019, all other providers of Medicaid and State-funded health care services, except those outlined in the third bullet, must submit demographic and clinical data. (G.S. 90-414(a1)(2))
- In accordance with S.L. 2015-245, Prepaid Health Plans must submit encounter and claims data by the commencement date of a capitated contract with the Division of Health Benefits for the delivery of Medicaid and NC Health Choice services. By June 1, 2020, local management entities/managed care organizations must submit encounter and claims data. (G.S. 90-414(a1)(3))

The Department of Information Technology (DIT), in consultation with the Department of Health and Human Services (DHHS), may establish a process to grant limited extensions of time to providers and entities that demonstrate and on-going good faith effort to establish connection and begin data submission. Both Departments must review and decide on an extension request within 30 days. The process must include a presentation by the provider or entity on an expected time line for connection. No extension may be granted to: (i) a provider or entity that fails to provide information to both DIT and DHHS, or (ii) that would result in connecting to the HIE Network later than June 1, 2020. The statute is also amended to allow an exemption for providers for patient records that are subject to certain disclosure restrictions.

Sec.11A.5(c)-(f) amends various statutory provisions related to the Health Information Exchange. Section 11A.5(g) requires DHHS to include as one of the terms and conditions of any contract it enters into, on or after the effective date, with a local management entity/managed care organization (LME/MCO) or Prepaid Health Plan (PHP), a requirement that the LME/MCO or PHP must comply with the provisions of G.S. 90-414.4.

State Health Plan Study - Sec. 11A.5(h) requires DHHS, DIT, and the Division in the Department of State Treasurer responsible for the State Health Plan for Teachers and State Employees, to conduct a joint study of:

- The feasibility and appropriateness of providers and entities, other than those specified in G.S. 90-414.4(a1)(1), connecting with and submitting demographic and clinical data through the HIE Network.

- The feasibility and appropriateness of providers and entities, other than those specified in G.S. 90-414.4(3), connecting with and submitting encounter and claims data through the HIE Network.

The study must examine at least six specified topics and a joint report must be submitted to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Information Technology by April 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.5A:Development and Use of Funds for Alzheimer's Registry. (SL 2017-57)

Section 3.1 of S.L. 2017-197 amends PART XI of S.L. 2017-57 to add Sec. 11A.5A to require that support for the development of an Alzheimer's Registry be accomplished through the Bryan Alzheimer's Disease Research Center at Duke University Medical Center. This section is notwithstanding anything to the contrary in the Joint Conference Committee Report on the Base, Capital, and Expansion Budgets for S.L. 2017-57, and pertains to funds appropriated for the Alzheimer's Registry to the Department of Health and Human Services, Division of Central Management and Support, for each fiscal year of the 2017-2019 fiscal biennium.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.6: Controlled Substances Reporting System Improvements. (SL 2017-57)

Sec. 11A.6 of S.L. 2017-57 appropriates \$1.2 million dollars in recurring funds to the Department of Health and Human Services (DHHS), Division of Central Management and Support, for use in developing and implementing software via existing public-private partnerships with the Government Data and Analytics Center (GDAC) for the performance of advanced analytics within the Controlled Substances Reporting System (CSRS). Specifically, the funds are to be used to enhance reports authorized by statute, enhance the Department's ability to provide data to persons or entities authorized to receive information, aggregate relevant data sources, and enhance the Department's ability to generate and deploy advanced analytics to improve opioid prescribing practices, identify unusual prescribing patterns, and detect behavior indicative of misuse, addiction, or criminal activity.

DHHS must execute any contractual agreements and interagency data sharing agreements necessary to complete these improvements by December 1, 2017. To the extent allowable under federal and State laws and regulations, the Department of Information Technology must coordinate with DHHS to develop an interface between the CSRS and the Health Information Exchange (HIE) Network and leverage interfaces already developed between the HIE Network and health care entities as a method of providing CSRS data, reports, and analytic outputs to health care practitioners and dispensers.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.7: Data Analytics and Performance Enhancements. (SL 2017-57)

Sec 11A.7 of S.L. 2017-57 provides that any enhancement of the State's data analytics capabilities utilizing funds appropriated by the act to the Department of Health and Human Services, Division of Central Management and Support, are subject to applicable State laws requiring the analytics to be developed and implemented in collaboration with the Government Data Analytics Center.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.8: Community Health Grant Program Changes. (SL 2017-57)

Sec. 11A.8 of S.L. 2017-57, as amended by Sec. 3.2 of S.L. 2017-197, increases funding for Community Health Grants by \$7.5 million dollars annually. This section requires that the funding must be used for the following purposes:

- Establishes four positions to support the administration of the Community Health Grant Program. This section limits funding for positions to \$200,000 in recurring funds.
- Provides \$200,000 in recurring funds for administrative costs.
- Provides limitations that grants must be awarded to community and rural health centers, local health departments, and school-based centers that (1) provide primary and preventative services to uninsured or medically indigent populations, and (2) serve as a medical home increasing access to primary and preventative care, creating and integrating new services including dental, pharmacy, and behavioral health services, and increasing capacity and quality of care by replacing facilities, equipment, or technologies.
- Limits each grant to no more than \$150,000.
- Establishes a Primary Care Advisory Committee to develop a process for grading applications.
- Directs the Office of Rural Health to create standard quality and outcome metrics for grant recipients and require grant recipients report on their outcomes beginning July 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.9: Rural Health Loan Repayment Programs. (SL 2017-57)

Sec. 11A.9. of S.L. 2017-57 requires the Office of Rural Health to combine loan repayment programs for physicians, psychiatrists, and those working at state facilities. The funds may be used to: (1) continue funding the State Loan Repayment Program for primary care providers, (2) expand State incentives for general surgeons in Critical Access Hospitals, and (3) include eligible providers who use telemedicine in rural and underserved areas.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.10: Reduction of Funds for Purchased Services. (SL 2017-57)

Sec. 11A.10 of S.L. 2017-57 (SB 257) requires the Department of Health and Human Services (DHHS) to reduce spending for purchased services and prohibits DHHS from reducing any funding that impacts direct services or any funding that supports the 2012 settlement agreement between the U.S. Department of Justice and the State of North Carolina related to the Americans with Disabilities Act.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.11: Office of Program Evaluation Reporting and Accountability. (SL 2017-57)

Sec. 11A.11 of S.L. 2017-57 (SB 257) prohibits the Department of Health and Human Services (DHHS) from using any funds appropriated for the Office of Program Evaluation Reporting and Accountability (OPERA) for any purpose other than to establish and administer the OPERA. This section also requires DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2017, on the establishment of the OPERA, including expenditures for the 2015-2016 fiscal year, steps taken to establish the OPERA, an organizational chart, a list of current and ongoing assessments and evaluations, and an explanation of any obstacles to establishing and operating the OPERA as required by law.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.12: Contracting Specialist and Certification Program . (SL 2017-57)

Sec. 11A.12 of S.L. 2017-57 (SB 257) pertains to a provision in the 2016 budget bill requiring the UNC School of Government, in collaboration with the Department of Health and Human Services (DHHS), to prepare a proposal for implementing and administering a contracting specialist training program for management-level personnel within DHHS. This section requires DHHS to submit the proposal to the Joint Legislative Oversight Committee on Health and Human Services by September 1, 2017, and specifies that the proposal must include a detailed description of the proposed program curriculum and cost estimates for implementation and administration of the program.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.13: Graduate Medical Funding for Cape Fear Valley Medical Center. (SL 2017-57)

Sec. 11A.13 of S.L. 2017-57 directs the Department of Health and Human Services, Division of Central Management and Support, to allocate up to \$3 million dollars in recurring funds to be used to for graduate medical education to support the establishment of residency programs at the Cape Fear Medical Center (Center) affiliated with Campbell University School of Medicine.

The recurring amount of funds allocated to the Center will not exceed the lesser of: (1) the total amount of actual lost Medicare payments attributed to the Center's reclassification as a rural hospital prior to October 1, 2017, or (2) any other charge approved by CMS, up to a maximum of \$3 million dollars.

No funds will be paid to the Center until the Office of State Budget and Management (OSMB) certifies: (1) the amount of actual lost Medicare payments, (2) that the Center has maintained approval from the Centers for Medicare and Medicaid Services (CMS) for reclassification as a rural hospital or rural referral center, and (3) the Center has maintained approval from the Accreditation Council for Graduate Medical Education or the American Osteopathic Association for residency programs with at least 130 additional residency slots.

The Center must report on its progress in establishing residency programs to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division no later than April 1, 2018.

Any funds not obligated to, or encumbered by, the Center by June 30, 2018, must revert to the General Fund.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11A.14: Competitive Grants for Nonprofit Organizations. (SL 2017-57)

Sec. 11A.14 of S.L. 2017-57 allocates funding for nonprofit organizations that provide services with State dollars. This section sets out the procedures and the requirements for organizations to receive funding. This section specifically awards the following organizations: (1) Big Brothers Big Sisters, (2) TROSA, and (3) the Boys and Girls Clubs for dropout prevention programs. Funds awarded pursuant to this section but not disbursed or encumbered at the end of each fiscal year, must remain available for expenditure and will not revert.

This section also repeals the statute that authorizes the Secretary of Health and Human Services to receive requests for grants-in-aid from non-State agencies.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11B.1: Pre-K Programs/Standards for Four- and Five-Star Facilities. (SL 2017-57)

Sec. 11B.1 of S.L. 2017-57 outlines eligibility, multiyear contracts, building standards, programmatic standards, NC Pre-K Committees, reporting, and audits for NC Pre-K.

- The Department of Health and Human Services (DHHS), Division of Child Development and Early Education (DCDEE) must continue implementing the NC Pre-K program and serving children who are four years of age on or before August 31 of the program year. DCDEE shall establish income eligibility not to exceed 75% of the State median income, although up to 20% of the children enrolled may have family incomes in excess of income eligibility threshold if they have other designated risk factors. Children of military personnel are eligible for participation. Eligibility determinations may continue to be made by local education agencies and local NC Partnership for Children, Inc., partnerships. DCDEE is not allowed to consider the health of a child as a factor for eligibility other than developmental disabilities or other chronic health issues.
- DCDEE must require the NC Pre-K contractor to issue multiyear contracts for licensed private child care centers providing NC Pre-K classrooms.
- Except as provided in G.S. 110-91(4), private child care facilities and public schools operating NC pre-K classrooms must meet the building standards for preschool students required in G.S. 115C-521.1 and must adhere to all of the policies prescribed by DCDEE regarding programmatic standards and classroom requirements.
- Local NC Pre-K committees must use the standard decision-making process developed by DCDEE in awarding NC Pre-K classroom slots and selecting students.
- DCDEE must report to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division by March 15 of each year.
- NC Pre-K program administration by local partnerships is subject to financial and compliance audits.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11B.2: State Agency Controlled Collaboration on Early Childhood Education/Transition from Preschool to Kindergarten. (SL 2017-57)

Sec. 11B.2 of S.L. 2017-57 requires the Department of Health and Human Services (DHHS), in consultation with the Department of Public Instruction (DPI), and others, to continue to collaborate on an ongoing basis in the development and implementation of a statewide vision and a comprehensive approach to early childhood education, birth through third grade, creating cross agency accountability with a comprehensive set of data indicators, including consideration of the NC Pathways to Grade-Level Reading. DHHS and DPI must submit a follow up report on the statewide vision to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on or before January 1, 2018, and make subsequent annual reports as needed.

DHHS and DPI must also continue developing a standardized program to transition children from preschool to kindergarten and identify specified minimum methods and recommendations. DHHS must

report on the development of the transition program by January 1, 2018 to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11B.6: Codify Certain Child Care Subsidy Provisions. (SL 2017-57)

Sec. 11B.6 of S.L. 2017-57 codifies child care subsidy provisions in Part 10C, Article 3, Chapter 143B of the General Statutes. The sections provide for the following: child care funds matching requirements, child care revolving loan, and administrative allowance for county departments of social services ; use of subsidy funds for fraud detection.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11B.7: Child Care Subsidy Recipients to Cooperate with Child Support Services/Demonstration Project. (SL 2017-57)

Sec. 11B.7 of S.L. 2017-57 requires a one-year statewide demonstration project in accordance with S.L. 2015-51 requiring a custodial parent or other relative or person with primary custody of a child receiving child care subsidy payments to cooperate with the county child support service program as a condition of receiving child care subsidy payments.

- The Department of Health and Human Services (DHHS), Division of Child Development and Early Education (DCDEE) and Division of Social Services (DSS) are required to implement the project beginning January 1, 2018, or 30 days from the date the US Department of Health and Human Services, Office of Child Care, approves the Child Care and Development Fund (CCDF) plan, whichever is later.
- DCDEE and DSS must conduct the demonstration project in at least three counties, but no more than six, that represent three regions of the State in both urban and rural settings. In selecting counties, DCDEE and DSS must: (i) consider the various methods counties employ in receiving and processing child care subsidy applications and (ii) compare data from the counties that participate in the demonstration project to counties that are similarly sized and situated that do not participate.
- Components of the project and factors for evaluating the project are outlined in the section.
- DCDEE and DSS are required to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than March 1, 2019, or if the plan is approved after January 1, 2018, no later than three months from the date the demonstration project is completed, whichever is later.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

**Sec. 11B.9: Smart Start Early Literacy Initiative - Dolly Parton's Imagination Library.
(SL 2017-57)**

Sec. 11B.9 of S.L. 2017-57 expands access to Dolly Parton's Imagination Library, an early literacy program that mails books on a monthly basis to children registered for the program. This section allows the North Carolina Partnership for Children to use up to 2% of the funding for program evaluation. The North Carolina Partnership for Children must report by March 1, 2018 to the Joint Legislative Oversight Committee on Health and Human Services on the success of the program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

**Sec. 11C.2: Intensive Family Preservation Services Funding and Performance
Enhancements. (SL 2017-57)**

Sec. 11C.2 of S.L. 2017-57 requires the Intensive Family Preservation Services Program (IFPS) provide services to children and families in cases of abuse, neglect and dependency where a child is at imminent risk of removal from the home. The IFPS program must be implemented statewide on a regional basis. This section sets out data collection and reporting requirements that the Department of Health and Human Services must require from any program that receives funding for the purpose of IFPS.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11C.4: Use of Foster Care Budget for Guardianship Assistance Program. (SL 2017-57)

Section 11C.4 of S. L. 2017-57 sets forth requirements for the use of Guardianship Assistance Program (GAP) funds from the funds available for provision of foster care services. This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11C.6: Federal Child Support Payments. (SL 2017-57)

Sec. 11C.6 of S.L. 2017-57 (SB 257) requires the North Carolina Child Support Services Section (NCCSS) of the Department of Health and Human Services to retain up to 15% of the annual federal incentive payments NCCSS receives to enhance centralized child support services by: (1) consulting with county child support programs, (2) supplementing State expenditures with federal incentive payments for centralized child support services, and (3) developing rules for calculating and distributing the funds. The NCCSS must allocate no less than 85% of federal incentive funds to the county child support services programs to improve effectiveness and efficiency of county child support services.

This section directs the NCCSS to require the county child support services programs to submit an annual plan describing how federal incentive funding improves program effectiveness and efficiency and to report annually on the plan. NCCSS must report with any recommendations to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1 of each year.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11C.7: Child Welfare System Changes. (SL 2017-57)

Sec. 11C.7 of S.L. 2017-57 (SB 257) directs the Division of Social Services (DSS), Department of Health and Human Services (DHHS), to implement the requirements of the federal Program Improvement Plan (Plan) to bring North Carolina into compliance with national standards for child welfare policy and practices and to report on the implementation and outcomes of the Plan to the Joint Legislative Oversight Committee on Health and Human Services semiannually on February 1 and August 1 until February 1, 2019. This section requires DSS and the county department of social services to develop a model of oversight for the statewide strategic plan for child welfare services while supporting the county's abilities to meet performance standards outlined in the plan. Additionally, DSS and the North Carolina State Commission on Indian Affairs must also ensure Native American children are served in a culturally appropriate manner, including in placements for adoption and foster care.

This section directs DSS to continue toward the completion of the child welfare component of the North Carolina Families Accessing Services through Technology (NC FAST) system. It is the intent of the General Assembly that the child welfare component of the NC FAST system be operational by December 31, 2017. The Division must report on the child welfare component of the NC FAST system to the Joint Legislative Oversight Committee on Health and Human Services quarterly through April 1, 2019.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11C.8: Increase Access to Public Benefits for Older Dual Eligible Seniors. (SL 2017-57)

Sec. 11C.8 of S.L. 2017-57 requires the Department of Health and Human Services (DHHS), Division of Social Services (DSS) to continue implementing an evidence-based pilot program to increase access to public benefits for seniors aged 65 and older who are dually enrolled in Medicare and Medicaid to (i) improve the health and independence of seniors and (ii) reduce health care costs. DSS must continue to partner with a not-for-profit firm to engage in a data-driven campaign to identify individuals, conduct an outreach program to enroll individuals in SNAP, provide application assistance, evaluate project effectiveness, and make recommendations on policy options. Any nonrecurring funds from 2016-17 fiscal year will not revert but will remain available for continued pilot implementation along with any private or nonprofit funding. If funding and capacity is available, DSS may expand the pilot. DSS must report to the Office of the Governor and the Joint Legislative Oversight Committee on Health and Human Services on the progress in the pilot program by February 1 following each year the pilot program is in place.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11C.9: Successful Transition from Foster Care for Youth and Permanency Innovation Initiative Technical Change . (SL 2017-57)

Sec. 11C.9 of S.L. 2017-57 (SB 257) creates the Foster Care Transitional Living Initiative Fund to support a demonstration project by Youth Villages that provides transitional services for youth aging out of foster care. The goals of the demonstration project include: (1) improving outcomes for youth that transition from foster care through implementation of Transitional Living Services, (2) identifying cost savings in services provided to youth aging out of foster care, and (3) establishing an evidenced-based transitional living program available for all youth aging out of foster care.

This section also amends the purpose and powers of the Permanency Innovation Initiative Oversight Committee to broaden the Committee's look at initiatives and oversight for programs that support foster care youth transitioning to adulthood.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11C.10: Final Report/Eastern Band of Cherokee Indians Assumption of Services . (SL 2017-57)

Sec. 11C.10 of S.L. 2017-57 (SB 257) repeals a provision in the 2015 budget bill requiring the Division of Social Services of the Department of Health and Human Services to submit ongoing quarterly reports on the assumption of certain services by the Eastern Band of Cherokee Indians. This section instead requires the Division to submit a final report to the Joint Legislative Oversight Committee on Health and Human Services when implementation of the assumption of services is complete.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11C.13: Temporary Financial Assistance for Facilities Licensed to Accept State-County Special Assistance. (SL 2017-57)

Sec. 11C.13 of S.L. 2017-57 outlines the criteria for the payment of temporary financial assistance on behalf of a resident and recipient of State-County Special Assistance in the form of a monthly payment to facilities licensed to accept State-County Special Assistance payments. Counties must pay 50% of the cost of providing the monthly payment. The Department of Health and Human Services (DHHS), Division of Social Services (DSS), must make the payments to facilities in accordance with the following requirements:

- The monthly payment is \$34.00 per month per resident who is a State-County Special Assistance recipient.

- The payments must only be used to offset the cost of serving the residents who are recipients of State-County Special Assistance.
- The DSS must make the payments only from July 1, 2017 until June 30, 2019, and only to the extent that sufficient State and county funds allocated for this purpose are available.
- The DSS must not make payments under this section on behalf of a resident whose eligibility determination for State-County Special Assistance is pending.
- The DSS must terminate all monthly payments under this section on the earlier of June 30, 2019, or upon depletion of the funds allocated and is not required to provide temporary assistance beyond this period.

This section does not obligate the General Assembly to appropriate funds for the purpose of this section, and is not an entitlement to provide funds for this purpose to a facility, resident of a facility, or other individual.

This section became effective July 1, 2017, and expires June 30, 2019.

S257 - Appropriations Act of 2017.

Sec. 11C.14: Eckerd Kids and Caring for Children's Angel Watch Program - Report on the Use of Additional Funds. (SL 2017-57)

Sec. 11C.14 of S.L. 2017-57 (SB 257) requires the Division of Social Services, Department of Health and Human Services, to report on the use of additional funds provided by the Appropriations Act in continued support of the Eckerd Kids and Caring for Children's Angel Watch program. This foster care program serves children ages 0 to 10, who are not in the custody of a county department of social services and whose families are temporarily unable to care for them due to a crisis. The report must include the following:

- The number of families and children served by the program, including the counties in which the services are provided.
- The number of children who enter foster care within six months after their family participates in the program.
- A comparison of children with similar needs that do not participate in the program and the number of those children who enter into foster care.
- Any other matters deemed relevant.

On or before December 1, 2018 the Division is required to submit a report to the House and Senate Appropriations Committees on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11D.1: State-County Special Assistance. (SL 2017-57)

Sec. 11D.1 of S.L. 2017-57 establishes the 2017-2019 fiscal biennium maximum monthly rate for State-County Special Assistance recipients who are residents in adult care home facilities at \$1,182 per month

per resident and the maximum monthly rate for residents in Alzheimer's/Dementia special care units at \$1,515 per month per resident.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11D.1A: Authorization for Secretary of DHHS to Raise the Maximum Number of State-County Special Assistance In-Home Payments. (SL 2017-57)

Sec. 11D.1A of S.L. 2017-57 authorizes the Secretary of the Department of Health and Human Services, within existing appropriations, to waive the 15% cap on the number of Special Assistance in-home payments. This section is notwithstanding G.S. 108A-47.1 which authorizes the payments be made for up to 15% of the caseload for all State-County Special Assistance.

This section became effective July 1, 2017, and expires June 30, 2019.

S257 - Appropriations Act of 2017.

Sec. 11D.2: Alignment of State and Federal Aging Plan Reporting Deadlines. (SL 2017-57)

Sec. 11D.2 of S.L. 2017-57 amends G.S. 143B-181.1A to change the date that the Department of Health and Human Services, Division of Aging and Adult Services is required to submit a plan for serving older adults in the State. The date was changed from March 1 to July 1 of every other odd-numbered year.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11E.1: Funds for School Nurses. (SL 2017-57)

Sec. 11E.1 of S.L. 2017-57 adds a new section (G.S. 130A-4.3) to Part 1, of Article 1, of Chapter 130A of the General Statutes directing the Department of Health and Human Services (DHHS) to distribute funds appropriated for the School Nurse Funding Initiative to local health departments according to a formula that includes: (1) school nurse-to-student ratio, (2) the percentage of students eligible for free or reduced-price meals, (3) the percentage of children in poverty, (4) per capita income, (5) eligibility as a low-wealth county, (6) mortality rates for children between one and 19 years of age, (7) the percentage of students with chronic illnesses, and (8) the percentage of county population consisting of minority persons. These funds must supplement and not supplant other state, local, or federal funds appropriated for the same purpose.

The new statute also requires the Division of Public Health (DPH) to ensure that school nurses funded pursuant to the section: (1) serve as the coordinator of the health services program, (2) provide health education to students, staff, and parents, (3) identify health and safety concerns in the school environment, (4) support healthy food services programs, (5) promote healthy physical education, sports policies, and practices, (6) provide health counseling, assess mental health needs, provide interventions, and refer students to appropriate school staff or community agencies, (7) promote community

involvement in assuring a healthy school, (8) provide health education and counseling, and (9) be available to assist the county health department during a public health emergency. Additionally DPH must ensure school nurses funded with the funds to not assist in any instructional or administrative duties associated with a school's curriculum.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11E.2: Budget Deficit in State Laboratory of Public Health. (SL 2017-57)

Sec. 11E.2 of S.L. 2017-57 requires the Department of Health and Human Services, Division of Public Health, to review the current fee schedule for medical and environmental services provided by the State Laboratory of Public Health and report any recommended strategies for addressing its structural budget deficit no later than March 1, 2018.

This section became effective on June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 11E.3: Local Health Departments Competitive Grant Process. (SL 2017-57)

Sec. 11E.3 of S.L. 2017-57 directs the Department of Health and Human Services (DHHS), Division of Public Health, to use funds appropriated in each biennium to administer a competitive grant process for local health departments based on maternal and infant health indicators, with the goals of improving North Carolina birth outcomes, improving the overall health status of children five and younger, and lowering North Carolina's infant mortality rate.

The plan for administering the competitive grant process must include the following components: (1) a request for application process to allow local health departments to apply for and receive State funds on a competitive basis, (2) a requirement that the Secretary prioritize grant awards to those local health departments that are able to leverage non-State funds in addition to the grant award, (3) a guarantee that funds received by the Department to implement the plan supplement and do not supplant existing funds for maternal and child health initiatives, and (4) an award of grants to local health departments for up to two years.

No later than July 1 of each year, the Secretary of DHHS must announce the recipients of the competitive grant awards and allocate funds to the grant recipients. After awards have been granted, the Secretary must submit a report to the Joint Legislative Oversight Committee on Health and Human Services that includes the identity and a brief description of each grantee, each program or initiative offered by the grantee, the amount of funding awarded to each grantee, and the number of persons served by each grantee.

No later than December 1 of each fiscal year, each local health department receiving funding pursuant to this section must submit to the Division of Central Management and Support, a written report of all activities funded by State appropriations.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11E.5: Evidence-Based Diabetes Program. (SL 2017-57)

Sec. 11E.5 of S.L. 2017-57 directs the Department of Health and Human Services (DHHS) to administer an evidence-based diabetes prevention program targeting minority populations in consultation with the Chronic Disease and Injury Prevention Section. The program should be modeled after the program recommended by the National Institute of Diabetes and Digestive and Kidney Diseases. DHHS must report on the program to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2017, and annually thereafter.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11E.6: Implementation of Federal Elevated Blood Level Standard. (SL 2017-57)

Sec. 11E.6 of S.L. 2017-57 amends Part 4 of Article 5 of Chapter 130A of the General Statutes to change the definition of "confirmed lead poisoning" to mean a blood lead concentration of 10 micrograms per deciliter and the definition of "elevated blood lead level" to mean a blood lead concentration of five micrograms per deciliter. Sec. 11E.5 also amends Part 4 of Article 5 of Chapter 130A of the General Statutes to confirm that the lead poisoning statutes apply to pregnant women in addition to children.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11E.7: AIDS Drug Assistance Program. (SL 2017-57)

Sec. 11E.7 of S.L. 2017-57 amends Part 1 of Article 1 of Chapter 130A by adding a new section (G.S. 130A-4.4) to require the Department of Health and Human Services to work with the Department of Public Safety (DPS) and use DPS funds to purchase drugs to treat AIDS for individuals in the custody of DPS. The funds must be used in a way that allows them to be accounted for as State matching funds in the federal AIDS Drug Assistance Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11E.8: Implementation of Cost-Neutral Premium Assistance Program Within AIDS Drug Assistance Program (ADAP). (SL 2017-57)

Sec. 11E.8 of S.L. 2017-57 requires the Department of Health and Human Services (DHHS), Division of Public Health, to continue to implement within the NC ADAP a health insurance premium assistance program that:

- Is cost neutral or achieves savings;
- Utilizes federal funds from Part B of the Ryan White HIV/AIDS Program and ADAP funds to provide individual ADAP participants or subsets of ADAP participants with premium and cost-sharing assistance for the purchase or maintenance of private health insurance coverage, including premiums, co-payments, and deductibles; and
- Meets the requirements of Section 12E.1 of S.L. 2016-94.

DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on implementation of the health insurance premium assistance program that must include at least all of the following components:

- A detailed explanation of the program design;
- A demonstration of cost neutrality, which must include a comparison of the cost of providing prescription drugs to eligible beneficiaries through the new health insurance premium program and the existing ADAP program;
- Information on health outcomes of program participants; and
- Any obstacles to program implementation.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11E.11: Eating Disorder Study. (SL 2017-57)

Sec. 11E.11 of S.L. 2017-57 directs the Department of Health and Human Services, Division of Public Health, to study eating disorders in North Carolina and issue a report on its findings to the Joint Legislative Oversight Committee on Health and Human Services by November 1, 2017.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 11E.12: Every Week Counts Demonstration Project. (SL 2017-57)

Sec. 11E.12 of S.L. 2017-57 establishes a demonstration project, at least three years long, to study the extent home-based prenatal care reduces preterm birth and whether women pregnant with multiple children who are at risk of preterm birth can benefit from 17 Alpha-Hydroxyprogesterone Caproate (17P) therapy. This section provides that \$2.2 million dollars in non-recurring funds from the federal Maternal and Child Health Block Grant are allocated to the Department of Health and Human Services (DHHS) for the 2017-18 and 2018-19 fiscal years to conduct this demonstration project in Robeson and Columbus counties.

The project must consist of the following components: (1) an Every Week Counts enrollment visit including an early ultrasound assessment and a complete medical examination; (2) women enrolled in Every Week Counts will receive home visits during pregnancy that combine a home-based prenatal care model with social interventions; (3) women enrolled in Every Week Counts will receive home visits during the first two years of their child's life. In these monthly visits, the child's health, growth, and development will be tracked, and the mother will be provided with information on nutritional, health, and

developmental needs; (4) there must be a randomized clinical trial of 17P within Every Week Counts in a population of women enriched for preterm birth susceptibility.

Six months after the conclusion of the project, the University of North Carolina at Chapel Hill (UNC) must submit a final report on the project to DHHS. No later than three months after receiving the report from UNC, DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services including an estimate of the cost to expand the program incrementally and statewide, an estimate of any potential savings of State funds associated with expansion of the program, and a timeline for expanding the program statewide if expansion is recommended. The demonstration program will end when UNC submits its report to DHHS.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11E.13: Funds for Pregnancy Care Initiatives. (SL 2017-57)

Sec. 11E.13 of S.L. 2017-57 directs the Department of Health and Human Services (DHHS) to allocate \$1.3 million in nonrecurring funds for each of the 2017-18 and 2018-19 fiscal years to the Carolina Pregnancy Care Fellowship for use as follows: (1) \$800,000 to provide grants to purchase durable medical equipment for clinics that apply to the Carolina Pregnancy Care Fellowship for that equipment; (2) \$170,000 to provide grants for training on the use of durable medical equipment; (3) \$30,000 may be used by Carolina Pregnancy Care Fellowship for administrative purposes related to those grants; (4) \$300,000 must be transferred to the Human Coalition, a nonprofit organization, to develop and implement a two-year continuum of care pilot program to assist women experiencing crisis pregnancies to carry their pregnancies to full term.

The program implemented by the Human Coalition must use care coordinators and nursing staff in close collaboration. By November 1, 2017, and periodically thereafter, the Human Coalition must report to DHHS on this program, and DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the program by April 1, 2018. DHHS must issue a final report on the program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than April 1, 2019, and the program will expire on June 30, 2019.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11E.14: Communicable Disease Testing. (SL 2017-57)

Sec. 11E.14 of S.L. 2017-57 provides that of the funds appropriated to the State Laboratory of Public Health, Division of Public Health, Department of Health and Human Services, the sum of \$300,000 in recurring funds, and \$300,000 in nonrecurring funds, for each fiscal year must be used for the purposes listed below.

- To provide testing for Hepatitis C and other priority communicable diseases identified by the Division of Public Health.

- To provide individuals who test positive for Hepatitis C and other priority communicable diseases with access to treatment options.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.1: Funds for the North Carolina Child Treatment Program. (SL 2017-57)

Sec. 11F.1 of S.L. 2017-57 mandates that funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the North Carolina Child Treatment Program be used exclusively for the following purposes:

- To continue to provide clinical training and coaching to licensed clinicians on an array of evidence-based treatments and to provide a statewide platform to assure accountability and measurable outcomes;
- To maintain and manage a public roster of program graduates, linking high-quality clinicians with children, families, and professionals; and
- To partner with leadership within the State, local management entities/managed care organizations as defined in G.S. 122C-3, and the private sector to bring effective mental health treatment to children in juvenile justice and mental health facilities.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.2: Single-Stream Funding for MH/DD/SAS Community Services . (SL 2017-57)

Sec. 11F.2 of S.L. 2017-57, as amended by Sec. 4 of S.L. 2017-206, directs the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services (DHHS) to make single-stream funding payments to local management entities/managed care organizations (LME/MCOs) for behavioral health services on the third working day of each month of the year. This section also reduces the total amount of single-stream funding available to the Division in each year of the biennium compared to past budgets and directs the Division to allocate the reduction in funding among the LME/MCOs according to a prescribed schedule. By March 1, 2018, the Secretary of Health and Human Services may submit to the Joint Legislative Oversight Committee on Health and Human Services a proposal for any adjustments to the allocation of the recurring LME/MCO reductions. In the event of a Medicaid budget surplus in either year of the biennium, then the amount of the surplus, not to exceed \$30 million in each year, may be used to offset the single-stream funding reductions required by this section.

This section also requires the following:

- LME/MCOs must offer the same level of service utilization as during the 2014-2015 fiscal year across the LME/MCO's catchment area.
- DHHS must establish an annual maintenance of effort (MOE) spending requirement for all mental health and substance abuse services, which the LME/MCOs must meet using State appropriations, in order to meet MOE requirements for federal block grant awards.

- DHHS must report certain financial information for all LME/MCOs monthly to the Joint Legislative Oversight Committee on Health and Human Services.
- Each quarter, beginning July 1, 2017, the Secretary of DHHS must evaluate all LME/MCOs relative to solvency standards developed by DHHS. If the Secretary determines that an LME/MCO is at risk of failing financially within two years, then a plan of corrective action for the LME/MCO must be created and implemented. By October 1, 2017, the Secretary of DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services on any LME/MCO that has been determined to be at risk of failing financially in accordance with this section.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.3: Funds for Local Inpatient Psychiatric Beds or Bed Days. (SL 2017-57)

Sec. 11F.3 of S.L. 2017-57 continues a requirement that the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services (DHHS) use certain funds to purchase additional new or existing local inpatient psychiatric beds or bed days not currently funded through the local management entities/managed care organizations (LME/MCOs) for individuals who are medically indigent. This section allows DHHS to use up to ten percent (10%) of this funding to pay for facility-based crisis services and nonhospital detoxification services to any individual in need of the services regardless of whether the individual is medically indigent.

This section requires DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2018, and December 1, 2019, on the use of these funds.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.4: Use of Funds to Purchase Inpatient Alcohol and Substance Use Disorder Treatment Services. (SL 2017-57)

Sec. 11F.4 of S.L. 2017-57 amends language pertaining to the use of funds for the purchase of inpatient alcohol and substance abuse treatment services from the 2015 budget to require that a minimum of 86% of the allotted funds be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the Alcohol Drug Abuse Treatment Centers (ADATCs) in order to increase the availability of services through the ADATCs to individuals in need of opioid treatment. The LME/MCOs are required to use any remaining allocations to purchase inpatient alcohol and substance abuse treatment services from any qualified provider.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.5: Use of Dorothea Dix Hospital Property Funds for the Purchase of Additional Psychiatric and Facility-Based Crisis Beds. (SL 2017-57)

Sec. 11F.5 of S.L. 2017-57 directs the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services (DHHS) to utilize certain funds appropriated from the Dorothea Dix Hospital Property Fund to pay for renovation or building costs for constructing new licensed inpatient behavioral health beds or for converting existing inpatient acute care beds into licensed inpatient behavioral health beds. Certain portions of these funds must be used for beds at Caldwell/University of North Carolina Health Care in Caldwell County, Cape Fear Valley Medical Center in Cumberland County, Mission Health System in Buncombe County, Good Hope Hospital in Harnett County, and the Dix Crisis Intervention Center in Onslow County.

Facilities that receive this funding are exempt from certificate of need review for establishing or expanding behavioral health services, including outpatient therapy services and substance use disorder services, as well as for replacing or relocating a behavioral health facility or for changing inpatient bed capacity.

Facilities receiving this funding also must reserve fifty percent (50%) of the beds constructed or converted with these funds either for purchase by DHHS or for certain patients referred by local management entity/managed care organizations (LME/MCOs).

DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services annually beginning November 1, 2018, on the additional beds created by this funding and must submit by December 1, 2020, a plan for funding the operating costs of these beds from a source other than the Dorothea Dix Hospital Property Fund.

This section also provides funding to the Division to be used to award competitive grants for establishing up to two new facility-based crisis centers for children and adolescents.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.5A: Funds for Case Management Pilot Program. (SL 2017-57)

Sec. 11F.5A of S.L. 2017-57 requires \$2 million in nonrecurring funds for the 2017-18 fiscal year appropriated to the Department of Health and Human Services (DHHS), Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), to be allocated for the development and establishment of a two-year pilot program at a hospital in Wake County to support a hospital-based, comprehensive community case management program. DMH/DD/SAS, in consultation with LME/MCOs responsible for the management and provision of mental health, developmental disabilities, and substance abuse disorder services in Wake County under the 1915(b)(c) Medicaid Waiver must oversee the development and establishment of the pilot program to ensure it is designed to reduce avoidable emergency department readmissions and emergency department boarding times among individuals with behavioral health needs.

By December 1, 2020, DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division, evaluating the effectiveness of the pilot program in reducing avoidable emergency department readmissions and emergency department boarding times among individuals with behavioral health needs.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.6: Additions to the Strategic Plan for Improvement of Behavioral Health Services . (SL 2017-57)

Sec. 11F.6 of S.L. 2017-57 amends a provision in the 2016 budget bill that directs the Department of Health and Human Services (DHHS) to develop a statewide strategic plan for behavioral health services to be submitted to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by January 1, 2018. This section adds a requirement that DHHS consider past and current studies and reports in development of the strategic plan. This section also directs DHHS to consider issues pertaining to the delivery of services for people with intellectual and developmental disabilities, which the 2016 budget bill previously had directed the Joint Legislative Oversight Committee on Medicaid and NC Health Choice to study, in development of the strategic plan.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.7: Mental Health/Substance Use Disorder Central Assessment and Navigation System Pilot Program. (SL 2017-57)

Sec. 11F.7 of S.L. 2017-57 establishes a two-year pilot program to focus on assessing and navigating individuals seeking mental health or substance use disorder services, or both, to appropriate community-based services or other community resources in order to reduce the utilization of hospital emergency department services for mental health and substance use disorder services. The pilot must be overseen by the Department of Health and Human Services (DHHS), Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), in consultation with the LME/MCO responsible for the management and provision of mental health, developmental disabilities, and substance use disorder services in New Hanover County under the 1915(b)(c) Medicaid Waiver and is funded through \$250,000 in nonrecurring funds for each of the 2017-18 and 2018-19 fiscal years.

The pilot is to be conducted at New Hanover Regional Medical Center (NHRMC) and at Wellness City, operated by Recovery Innovations, Inc., by a 3-person, centralized team consisting of the following individuals:

- A master's level, fully licensed clinician to perform comprehensive clinical assessments of NHRMC patients and other New Hanover County residents exhibiting symptoms of mental illness or substance use disorder who are referred to the pilot program.

- A qualified professional to assist patients, particularly those with a completed comprehensive clinical assessment, with identifying and accessing appropriate community-based services or other community resources.
- A North Carolina certified peer support specialist, with specialized training and personal experience in successfully managing his or her own serious mental illness or substance use disorder, to provide peer support services, including encouraging patients to take personal responsibility for managing their condition, assisting patients in establishing meaningful roles in society, and providing patients with transportation to and from appointments.

The LME/MCO responsible for the management and provision of mental health, developmental disabilities, and substance abuse services in New Hanover County, in collaboration with NHRMC and Recovery Innovations, Inc. must submit an interim report to DMH/DD/SAS by July 1, 2018, and to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by October 1, 2018. A final report must be provided to DMH/DD/SAS by July 1, 2019 and to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by October 1, 2019.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.9: Traumatic Brain Injury Pilot Program. (SL 2017-57)

Section 11F.9 of S.L. 2017-57, as amended by Section 3.3 of S.L. 2017-212, directs the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to develop and implement an adult and pediatric traumatic brain injury pilot program to be conducted at not less than three and not more than five trauma hospitals licensed in this State.

DHHS must contract with a private entity to operate the pilot program. In selecting this independent private entity DHHS must select an independent entity that has (i) developed software for an interactive quality assessment and quality assurance clinical decision support tool that provides real time, evidence based medical care guidance for intensive care unit patients with severe adult or pediatric traumatic brain injury and (ii) prior experience assisting trauma hospitals in other states in implementing this software.

By February 1, 2018, DHHS must submit a progress report on the development and implementation of the pilot program authorized by this section to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division, with a final report being submitted no later than January 7, 2019.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.10: Expansion and Renaming of Prescription Drug Abuse Advisory Committee. (SL 2017-57)

Sec. 11F.10 of S.L. 2017-57 codifies language creating the Prescription Drug Abuse Advisory Committee in the 2015 budget, renames the Committee the Opioid and Prescription Drug Abuse Advisory

Committee, expands the committee to require representatives from the Divisions of Adult Correction and Juvenile Justice, Department of Public Safety, and requires the Fiscal Research Division receive a copy of the Department's annual reports in addition to the Joint Legislative Oversight Committees on Health and Human Services and Justice and Public Safety.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.11: Study Continuing Education for Health Care Providers Licensed to Prescribe Controlled Substances. (SL 2017-57)

Sec. 11F.11 of S.L. 2017-57 encourages the North Carolina Area Health Education Centers Program to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by December 1, 2017 on the feasibility of providing a continuing education course for health care providers licensed to prescribe controlled substances in the State. The course would include instruction on at least all of the following:

- Controlled substance prescribing practices.
- Controlled substance prescribing for chronic pain management.
- Misuse and abuse of controlled substances.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.12: Study on Statewide Expansion of the Wright School. (SL 2017-57)

Sec. 11F.12 of S.L. 2017-57 (SB 257) requires the Department of Health and Human Services to study and report to the Joint Legislative Oversight Committee on Health and Human Services on the feasibility and cost of, and any obstacles to, establishing additional State-operated facilities throughout the State to: (1) provide statewide access to best practice, cost-effective, residential mental health treatment to children, ages 6 to 12, with serious emotional and behavioral disorders and (2) support their families and communities by building the capacity to meet their children's special needs at home, at school, and within their local communities.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.14A: Funds to Address North Carolina's Opioid Crisis. (SL 2017-57)

Sec. 11F.14A of S.L. 2017-57 requires funds awarded to the Department of Health and Human Services (DHHS) from the federal Substance Abuse and Mental Health Services Administration, Grant Number 1H79TI080257-01 Revised, pursuant to the Notice of Award dated April 26, 2017, to address North Carolina's opioid crisis to be used as follows:

- At least 80% of any such funds used during each fiscal year of the 2017-19 fiscal biennium must be used to increase access to treatment and recovery services for individuals with an opioid use disorder.
- Up to 15% of any such funds used during each fiscal year of the 2017-19 fiscal biennium may be used to increase access to opioid use prevention services.
- Up to 5% of any such funds used during each fiscal year of the 2017-19 fiscal biennium may be spent on administrative costs associated with implementing the above grant award.

DHHS must, at a minimum, achieve the following outcomes as a result of any funds spent:

- Increase the number of individuals receiving opioid use disorder treatment by 9% during each fiscal year of the 2017-19 biennium.
- Increase the capacity of Medication-Assisted Treatment services by 5% during each year of the 2017-19 fiscal biennium.

DHHS must report specified data to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1, 2018 and again by November 1, 2019 on the use of the funds.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.16: Repeal of LME/MCO Clinical Integration Activities Report. (SL 2017-57)

Sec. 11F.16 of S.L. 2017-57 (SB 257) repeals a provision in the 2013 budget bill requiring the Department of Health and Human Services to report semiannually to the Joint Legislative Oversight Committee on Health and Human Services on the progress, outcomes, and savings associated with clinical integration activities conducted by the local management entities/managed care organizations and Community Care of North Carolina.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.18: Study on Site-of-Use Solutions for Safe Disposal of Prescription Drugs. (SL 2017-57)

Sec. 11F.18A of S.L. 2017-57 reinstates short-term State funding for group home residents who were eligible for Medicaid personal care services prior to January 1, 2013, who lost their eligibility for the services after that date, and who have continuously resided in a group home since December 31, 2012. The funding must be used to provide necessary supervision and medication management for these residents. This short-term funding was originally established in the 2013 budget bill (S.L. 2013-360) but ended on June 30, 2015. This section authorizes funding to continue through June 30, 2019.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11F.18A: Supplemental Short-Term Assistance for Group Homes. (SL 2017-57)

Sec. 11F.18A of S.L. 2017-57 (SB 257) reinstates short-term State funding for group home residents who were eligible for Medicaid personal care services prior to January 1, 2013, who lost their eligibility for the services after that date, and who have continuously resided in a group home since December 31, 2012. The funding must be used to provide necessary supervision and medication management for these residents. This short-term funding was originally established in the 2013 budget bill but ended on June 30, 2015. This section authorizes funding to continue through June 30, 2019.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11G.1: Funds to Continue Community Paramedicine Pilot Program. (SL 2017-57)

Sec. 11G.1 of S.L. 2017-57 requires the Department of Health and Human Services, Division of Health Services Regulation, to allocate \$350,000 in nonrecurring funds for each of the 2017-18 and 2018-19 fiscal years to continue the community paramedicine pilot program authorized in Section 12A.12 of S.L. 2015-241, as amended by Section 12A.3 of S.L. 2016-94. The funds must be distributed as follows: (1) \$210,000 to the New Hanover Regional Emergency Medical Services site; (2) \$70,000 to the McDowell County Emergency Medical Services site; and (3) \$70,000 to the Wake County Emergency Medical Services site.

By November 1, 2019, the Department of Health and Human Services must submit an updated report on the community paramedicine pilot program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11G.2: Facilities Included Under Single Hospital License. (SL 2017-57)

Sec. 11G.2 of S.L. 2017-57 amends G.S. 131E-77(e1) to remove "premises, buildings, outpatient clinics, and other locations" from the definition of what a hospital license issued by the Department of Health and Human Services may cover.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 11G.3: Moratorium on Special Care Unit Licenses. (SL 2017-57)

Sec. 11G.3 of S.L. 2017-57, prohibits the Department of Health and Human Services (DHHS), Division of Health Service Regulation, from issuing licenses for special care units, except in specified situations, from the period beginning July 1, 2017, and ending June 30, 2019. The section also requires the DHHS to submit a report to the Joint Legislative Oversight Committee on Health and Human Services by March 1, 2019. The report must contain the following:

- The number of licensed special care units in the State.
- The capacity of the currently licensed special care units to serve people in need of their services.
- The anticipated growth in the number of people needing special care unit services.
- The number of applications received from special care units seeking licensure as permitted by this section, and the number of applications that were not approved.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.1: Medicaid Eligibility. (SL 2017-57)

Sec. 11H.1 of S.L. 2017-57 sets forth the same Medicaid eligibility income categories and thresholds as in the 2015 budget bill.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.2: Medicaid Annual Report. (SL 2017-57)

Sec. 11H.2 of S.L. 2017-57 directs the Division of Medical Assistance of the Department of Health and Human Services to continue publishing the Medicaid Annual Report and accompanying tables on its website by December 31 following the end of each fiscal year.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.3: Provider Application and Recredentialing Fee. (SL 2017-57)

Sec. 11H.3 of S.L. 2017-57 codifies the existing Medicaid provider application fee of \$100, in addition to the federal required amount, which the Division of Medical Assistance of the Department of Health and Human Services must charge all Medicaid providers upon initial enrollment and at recredentialing every five years.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.6: Volume Purchase Plans and Single-Source Procurement . (SL 2017-57)

Sec. 11H.6 of S.L. 2017-57 allows the Division of Medical Assistance of the Department of Health and Human Services to utilize volume purchase plans, single source procurement, or other contracting processes in order to improve cost containment.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.7: Annual Issuance of Medicaid Identification Cards. (SL 2017-57)

Sec. 11H.7 of S.L. 2017-57 continues the requirement that the Department of Health and Human Services (DHHS) must issue Medicaid identification cards on an annual basis and directs DHHS to update its rules in accordance with this requirement.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.8: LME/MCO Out-of-Network Agreements. (SL 2017-57)

Sec. 11H.8 of S.L. 2017-57 continues the requirement that the Department of Health and Human Services (DHHS) must ensure that local management entities/managed care organizations (LME/MCOs) utilize standardized out-of-network agreements with single providers of behavioral health or intellectual/developmental disability (IDD) services in order to ensure access to care and reduce administrative burden on providers.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.11: Expand North Carolina Innovations Waiver Slots. (SL 2017-57)

Sec. 11H.11 of S.L. 2017-57 directs the Division of Medical Assistance of the Department of Health and Human Services to make an additional 400 slots available under the NC Innovations waiver beginning January 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.12: Increase Personal Care Services Rate. (SL 2017-57)

Sec. 11H.12 of S.L. 2017-57 directs the Division of Medical Assistance of the Department of Health and Human Services to increase the rate paid for Medicaid personal care services and for in-home aide, respite care in-home aide, and personal care assistance services that are provided under the Community Alternatives Program for Children (CAP-C) waiver. The rate for these services is increased to \$3.90 per 15-minute billing unit, which is equivalent to \$15.76 per hour.

This section became effective July 1, 2017, and requires the rate increase begin January 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 11H.12A: Retroactive Personal Care Services Payment. (SL 2017-57)

Sec. 11H.12A of S.L. 2017-57 pertains to Medicaid reimbursement for personal care services provided to a Medicaid recipient before prior approval for the services has been requested. Before this provision, Medicaid policy allowed prior approval for personal care services to be effective retroactively up to 10 days prior to the date prior approval was requested. This section extends the prior approval retroactive effective period to up to 30 days prior to the date prior approval was requested, which allows providers to receive Medicaid reimbursement for personal care services provided up to 30 days prior to requesting prior approval for the services.

This section became effective August 1, 2017, and applies to personal care services requests received on or after that date.

S257 - Appropriations Act of 2017.

Sec. 11H.13: Graduate Medical Education Medicaid Reimbursement. (SL 2017-57)

Sec. 11H.13 of S.L. 2017-57 pertains to Medicaid reimbursement to hospitals for graduate medical education costs. A provision in the 2015 budget bill imposed certain prohibitions on Medicaid reimbursement for graduate medical education costs. This section directs that for the period July 1, 2017, through June 30, 2019, the Division of Medical Assistance of the Department of Health and Human Services is not required to implement the prohibitions on reimbursement for graduate medical education that were required by the 2015 budget bill. This section states the General Assembly's intent to provide funding to continue the reimbursement for graduate medical education beyond the 2017-2019 fiscal biennium as part of the Medicaid transformation required by legislation passed in 2015. This section requires the Division of Medical Assistance to report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by January 1, 2018, on Medicaid spending for graduate medical education as well as other Medicaid spending.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.14: Plan to Implement Coverage for Home Visits for Pregnant Women and Families with Young Children. (SL 2017-57)

Sec. 11H.14 of S.L. 2017-57 states the General Assembly's intent to provide Medicaid coverage for home visits consistent with the Nurse-Family Partnership model. This section requires the Department of Health and Human Services (DHHS) to develop a plan to implement this coverage and report the plan to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by November 1, 2017. The report must state whether DHHS intends to add this coverage pursuant to the authority granted under G.S. 108A-54(e) or whether additional appropriations are needed to implement the coverage.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.14A: Plan to Establish Medicaid Coverage for Ambulance Transports to Alternative Appropriate Care Locations. (SL 2017-57)

Sec. 11H.14A of S.L. 2017-57 requires the Department of Health and Human Services (DHHS) to develop a plan for adding Medicaid coverage for ambulance transports of Medicaid recipients in behavioral health crisis to behavioral health clinics or other alternative appropriate care locations instead of hospital emergency departments. DHHS must report its plan to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by December 1, 2017, and the report must state whether DHHS intends to add this coverage pursuant to the authority granted under G.S. 108A-54(e) or whether additional appropriations are needed to implement this coverage.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.15: NC Tracks Enhancements to Prevent and Detect Fraud, Waste, and Abuse. (SL 2017-57)

Sec. 11H.15 of S.L. 2017-57 requires the Department of Health and Human Services to enhance the capability of the NC Tracks Medicaid Management Information System (MMIS) to detect and prevent fraud, waste, and abuse prior to the payment of claims. The new capability must be implemented using existing MMIS contracts no later than 150 days after the effective date of this section.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.17: Medicaid Transformation Clarifying Changes. (SL 2017-57)

Sec. 11H.17 of S.L. 2017-57 clarifies language in the 2015 Medicaid transformation legislation that that exempts certain services provided or billed by Local Education Agencies and Child Developmental Services Agencies from being reimbursed through the capitated contracts with Prepaid Health Plans that are required as part of Medicaid transformation. Instead of being covered by Prepaid Health Plans, these exempted services will continue to be reimbursed as they are under the current system.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.19: Prepayment Claims Review Modifications. (SL 2017-57)

Sec. 11H.19 of S.L. 2017-57 amends the statute governing the Medicaid prepayment claims review process, which allows the Department of Health and Human Services (DHHS) to require certain Medicaid providers to submit documentation related to billed claims for review before the provider can receive Medicaid reimbursement for the claims. Changes to the prepayment review process made in this section include:

- DHHS may keep providers on prepayment review for up to 24 months (increased from 12 months).
- Providers must submit a certain volume of claims during the review period in order to meet the standards for successful completion of the prepayment review program.
- If claims for services that were provided with the timeframe that the provider was on prepayment review are submitted after prepayment review has ended, those claims may still be subject to review prior to payment.
- Certain aspects of provider terminations and appeals resulting from prepayment review are clarified.

This section becomes effective October 1, 2017, and applies to providers who are placed on prepayment review on or after that date and to written notices provided to providers on or after that date.

S257 - Appropriations Act of 2017.

Sec. 11H.20: Medicaid Eligibility Monitoring. (SL 2017-57)

Sec. 11H.20 of S.L. 2017-57 creates a new statute that requires the Department of Health and Human Services (DHHS) to review certain information for all Medicaid recipients quarterly to determine whether the recipient has had a change in circumstances that may make the recipient no longer eligible for Medicaid. Under the statute, DHHS must share the information about the change in circumstances with the relevant county departments of social services (DSS), and the statute provides a process that the county DSS must follow with regard to redetermining eligibility for recipients who are identified during the DHHS review.

This section specifies that DHHS may contract with vendors or enter into memoranda of understanding with other agencies to assist with this review.

The statute created by this section becomes effective January 1, 2018. The remainder of the section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.21: Medicaid Eligibility Determination Timeliness Reporting. (SL 2017-57)

Sec. 11H.21 of S.L. 2017-57 codifies a requirement that the Department of Health and Human Services must report annually to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice with certain data related to the timeliness of Medicaid eligibility determinations made by the county departments of social services. This reporting was initially required in the 2016 budget bill for two years, and this section continues the reporting requirement on an ongoing basis.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.22: Support Improvement in the Accuracy of Medicaid Eligibility Determinations. (SL 2017-57)

Sec. 11H.22 of S.L. 2017-57 enacts various provisions related to the accuracy of Medicaid eligibility determinations made by county departments of social services, including the following:

- It clarifies in statute that the Department of Health and Human Services (DHHS) administers the Medicaid program and delegates Medicaid eligibility determinations to the county departments of social services.
- It requires DHHS to report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by November 1, 2017, on progress made in response to the State Auditor's January 2017 Performance Audit regarding the accuracy of county Medicaid eligibility determinations.
- It creates a new set of statutes that require DHHS to annually audit all county departments of social services' Medicaid eligibility determinations based on standards for accuracy and quality assurance set by DHHS in consultation with the State Auditor and adopted in rule. For counties not meeting these standards, the statutes require a corrective action plan and allow DHHS to assume responsibility for determining eligibility if the plan is not completed.
- It requires DHHS to collaborate with the State Auditor to develop a plan of implementation of the annual audits required by statute and to report that plan to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by March 1, 2018.
- It codifies in statute the counties' financial responsibility for eligibility determination errors that are attributable to the county, which was previously established in an administrative rule.
- It requires DHHS to develop a NC FAST training and certification program that all county caseworkers must complete every 3 years. DHHS must report on the implementation of this program to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by March 1, 2018.

This section became effective June 28, 2017. The statute regarding the counties' financial responsibility for certain Medicaid eligibility determination errors applies to errors identified on or after June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.23: Medicaid Subrogation Rights Conforming Changes. (SL 2017-57)

Sec. 11H.23 of S.L. 2017-57 pertains to the Medicaid program's subrogation to a Medicaid beneficiary's right to recover from a third party in cases of personal injury or wrongful death, meaning that the Medicaid program may receive a share of a Medicaid beneficiary's recovery when Medicaid paid for services provided as a result of the injury. Medicaid subrogation is required by federal law, and changes to this federal law are scheduled to become effective October 1, 2017. The changes to federal law will require changes to the North Carolina Medicaid subrogation statute. This section amends the current North Carolina statute pertaining to Medicaid subrogation only if the changes to federal law take effect as planned on October 1, 2017. The changes to the North Carolina statute pertain to the amount of the lien that the Medicaid program has on the Medicaid beneficiary's recovery from a third party.

This section became effective July 1, 2017, and the changes required by the section will become effective if federal law changes take effect on October 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11H.25: Study Program of All-Inclusive Care for the Elderly. (SL 2017-57)

Sec. 11H.25 of S.L. 2017-57 requires the Department of Health and Human Services (DHHS), Division of Medical Assistance to study the efficacy of the Program of All-Inclusive Care for the Elderly (PACE). DHHS must engage a variety of stakeholders, PACE organizations, PACE consumers, and the general public and the study must consist of the following:

- An evaluation of the existing program including an update on the report required by Sec. 12H.3 of S.L. 2014-100, structures of PACE organizations, and clinical outcome and quality measures.
- A statewide assessment of anticipated long-term care needs over the next 10 years, by county.
- A review of PACE experiences in other states with an analysis of costs and quality.
- An evaluation of State regulations on PACE providers, including any that could be eliminated.
- An assessment of the role of PACE in the continuum of care and the opportunities to apply the PACE model to additional populations under the PACE Innovations Act of 2015, P.L. 114-85.

No later than March 1, 2018, DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the information above and recommendations to provide the highest quality programs at a low cost and to keep aging individuals in their homes.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11J.3: Authorization for Chiropractic Preceptorships. (SL 2017-57)

Sec. 11J.3 of S.L. 2017-57 amends Article 8 of Chapter 90 of the General Statutes to establish a chiropractic preceptorship program where chiropractic students may observe licensed chiropractors and

perform the duties of a certified chiropractic assistant while under the supervision of a licensed chiropractor.

This section became effective June 28, 2017.

Information Technology

See full summary documents for additional detail

S257 - Appropriations Act of 2017.

Sec. 37.2: Government Budgets Transparency/Accountability/Reporting. (SL 2017-57)

Sec. 37.2 of S.L. 2017-57 requires certain State agencies to provide an update on the status of the State budget transparency Internet Web site mandated under S.L. 2015-241. The section places a deadline of January 1, 2018 for the Web site to be fully functional and allocates up to \$1 million from the Information Technology Reserve Fund to accomplish this. Lastly, the section removes cities from the requirement to post budgetary and spending data and requires quarterly reports be submitted detailing the progress of the Web site.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 37.3 Data Center Consolidation. (SL 2017-57)

Section 37.3 of S.L. 2017-57 provides that the consolidation of State data centers will continue to be a priority, but the Western Data Center in Rutherford County and the Eastern Data Center in Wake County may not be closed or consolidated without express authorization by the General Assembly. Unless otherwise exempt, State agencies must continue to use the State infrastructure to host their projects, data, and applications, except that the State Chief Information Officer may grant an exception in limited circumstances. By December 1, 2017, the State Chief Information Officer must report on data center consolidations to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. On or before May 1, 2018, the State Chief Information Officer must report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the number of physical servers eliminated by data center consolidations and the savings associated with the elimination. This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 37.4: Department of Information Technology Transfers/Completion by July 1, 2018. (SL 2017-57)

Section 37.4 of S.L. 2017-57 requires the transfer and consolidation of information technology functions from participating agencies to the Department of Information Technology (DIT) to be completed by July 1, 2018. It also requires the Department of Public Instruction (DPI) and the Department of Revenue (DOR) to engage in transition planning with DIT and report on their progress by October 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 37.5: Information Technology Internal Service Fund/Rates. (SL 2017-57)

Section 37.5 of S.L. 2017-57 provides that the Information Technology (IT) Internal Service Fund receipts for the 2017-2019 fiscal biennium must not exceed \$205 million per fiscal year. IT Internal Service Fund receipts may be increased for specific purposes as needed and upon consultation with the Joint Legislative Commission on Governmental Operations. All receipts must be used only for the specific purpose for which they were collected.

During the 2017-2018 fiscal year, receipts in excess of requirements are to be maintained in a separate account managed by the Office of State Budget and Management (OSBM), and are to be used to offset agency budget shortfalls resulting from rate increases or to offset any IT Internal Service Fund budget shortfalls, if approved by OSBM. During the 2018-2019 fiscal year, budget requirements and associated rates are to be developed based on actual service costs for the 2016-2017 fiscal year, as reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by October 1, 2018.

This section directs the Department of Information Technology to report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the development of rates and the means and methods by which it is in compliance with this section by December 1, 2017.

This section directs the State Chief Information Officer to ensure that bills from the Department of Information Technology are easily understandable and fully transparent. If a State agency fails to pay its IT Internal Service Fund bill within 30 days of receipt, OSBM may transfer funds from the agency to the IT Internal Service Fund.

This section of the act became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 37.6: Enterprise Resource Planning. (SL 2017-57)

Section 37.6 of S.L. 2017-57 directs the Department of Information Technology (DIT) to collaborate with the Office of State Budget and Management and the Office of State Controller to continue to develop a fully consolidated statewide Enterprise Resource Planning (ERP) solution and to that end allocates to the Department of Information Technology from the funds appropriated in this act to the Statewide Reserves, the sum of \$3 million for the 2017-2018 fiscal year and the sum of \$10 million for the 2018-2019 fiscal year. This section also directs DIT to submit an annual ERP project progress report to the Joint Legislative Oversight Committee on Information Technology and to the Fiscal Research Division on or before January 1. This section of the act became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 37.7: Community College System Enterprise Resource Plan Design and Implementation Revisions. (SL 2017-57)

S.L. 2017-57, Sec. 37.7 modifies a prior provision directing the North Carolina Community Colleges System Office (System Office) to plan and design a modernized enterprise resource plan (ERP) for the State's 58 community colleges. This section requires the System Office to initiate a competitive solicitation process for implementation of a replacement ERP system no later than October 1, 2017. Additionally, a restriction is removed that would have limited spending on planning and request for proposal development efforts to \$1 million. The System Office must submit a detailed report on the results of the planning and design effort by October 1, 2017 to the Joint Legislative Oversight Committee on Information Technology. This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 37.8: Establish Rotational Development Program for State Information Technology. (SL 2017-57)

Sec. 37.8 of S.L. 2017-57 directs the Department of Information Technology to develop a rotational development program for its Statewide Information Technology Division and for information technology procurement.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 37.9: Risk and Vulnerability Assessment. (SL 2017-57)

Section 37.9 of S.L. 2017-57 requires the Department of Information Technology to conduct a risk and vulnerability assessment with each agency that has transferred its personnel, operations, assets, projects, and funding to the Department of Information Technology. The assessment must consider: (1) the existing network infrastructure and configuration, (2) publicly available information and data accessible via agency Web sites, (3) an inventory of all agency hardware, operating systems, and network management systems, (4) an inventory of all applications, data storage devices and systems, and identification and authentication measures, (5) existing security systems and components, (6) network application processes and formal and informal policies, procedures, and guidelines, and (7) all applicable laws, regulations, and industry best practices. The sum of \$2 million from the Information Technology Reserve Fund will be used to conduct the assessment.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 37.10: Encrypted Device Study. (SL 2017-57)

Section 37.10 of S.L. 2017-57 requires the Department of Information Technology to conduct a study on the use of encrypted mobile information storage devices. The study must consider potential benefits, risks, and costs of implementing and utilizing encrypted mobile information storage devices, including any identifiable issues relating to interfacing or networking with existing State resources. The Department must submit the results of the study to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on or before January 15, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 37.11: Network Segmentation and Automation. (SL 2017-57)

Section 37.11 of S.L. 2017-57 requires the Department of Information Technology to incorporate network segmentation and automation into its statewide cybersecurity policy and also requires participating agencies to adopt solutions and security controls that isolate and segment sensitive information.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 37.12: Wireless Broadband Network for Public Safety Competitive Grant Program. (SL 2017-57)

Section 37.12 of S.L. 2017-57 requires the Department of Information Technology to use a competitive request for proposals to continue the work of the FirstNet program for wireless broadband networking capabilities. The Department must submit a report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the outcome of the process upon its completion.

This section became effective July 1, 2017.

Insurance

See full summary documents for additional detail

H26 - Workers' Comp/Approval of Disputed Legal Fees. (SL 2017-124)

S.L. 2017-124 provides that if an employer has begun paying workers compensation benefits pursuant to a Commission-approved agreement with its injured employee, the employee is not entitled to compensation for additional medical treatment for a condition or injury not identified in the agreement, unless the employee provides that the injury or condition is causally related to the compensable injury. The act also requires the Commission to give notice of the amount of the approved attorneys' fees in a workers' compensation case to all attorneys who represented the injured worker. This act became effective July 20, 2017, and applies to claims accrued or pending on or after that date.

H383 - NAIC Models/ORSA & Credit for Reinsurance. (SL 2017-136)

S.L. 2017-136 amends North Carolina's insurance laws to comply with the National Association of Insurance Commissioners (NAIC) and allow the North Carolina Department of Insurance (DOI) to maintain its NAIC accreditation.

Specifically, the act 1) creates a new insurance regulation, Own Risk and Solvency Assessment (ORSA), which requires an insurer to perform an internal assessment of its material and relevant risks and the sufficiency of its capital resources to support its risks, 2) establishes a certification program for foreign reinsurers, and 3) requires DOI to adopt rules substantially similar to the most recent model regulation on suitability in annuity transactions issued by the NAIC.

This act has multiple effective dates. The provisions of this act pertaining to a certification program for foreign reinsurers become effective January 1, 2019. The provision of this act pertaining to ORSA becomes effective January 1, 2018.

For the effective dates for the provisions of this act pertaining to suitability in annuity transactions, please see the full summary. Except as otherwise provided, the remainder of this act became effective July 20, 2017.

H440 - Federal Home Loan Bank/Insurer Receivership. (SL 2017-164)

S.L. 2017-164 clarifies the obligations between the Federal Home Loan Bank (FHLB) and an insurance company in the conservatorship and rehabilitation process.

This act became effective July 21, 2017.

H666 - Revise Volunteer Fire Department Requirements. (SL 2017-167)

S.L. 2017-666 revises the primary personnel requirement to allow a fire department to apply for a waiver from the requirement that the fire department maintain 20 primary personnel on its certified state roster, provided that the requirement is not reduced below 15 primary personnel.

This act became effective July 21, 2017.

S100 - Aerial Adventure Financial Responsibility. (SL 2017-118)

S.L. 2017-118 requires owners and operators of challenge and aerial courses in North Carolina to have liability insurance coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate against liability for injury to persons or property arising out of the operation of the facilities or devices and authorizes the Commissioner of Insurance to enforce those requirements.

The Commissioner of Insurance became authorized to adopt rules to implement this act on July 18, 2017. The remainder of this act becomes law on June 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 22.1: Insurance Regulatory Charge.. (SL 2017-57)

North Carolina law requires an annual insurance regulatory charge be levied on each insurance company, other than a captive insurance company. Sec. 22.1 of S.L. 2017-57 sets the percentage rate to be used in calculating the insurance regulatory charge at 6.5% for the 2018 calendar year.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 22.2: Department of Insurance End Support of Eight Office of State Construction Engineer Positions in Department of Administration.. (SL 2017-57)

Sec. 22.2 of S.L. 2017-257, as amended by Sec. 6.2 of S.L. 2017-197, repeals budget provisions from 2009 and 2012 that transferred four building code review positions from the Department of Insurance (DOI) to the Department of Administration (DOA) and established within DOA four new Advanced Engineering/Architectural Technician positions, all of which were supported by the Insurance Regulatory Fund.

This section, as amended, became effective on July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 22.3: Allow Adaptive Behavior Treatment Covered by a Health Benefit Plan to be Provided or Supervised by a Board Certified Behavior Analyst.. (SL 2017-57)

Sec. 22.3 of S.L. 2017-57 adds "board-certified behavior analyst" to the professionals listed in the statute who can provide or supervise adaptive behavior treatment and have it covered by insurance.

This section became effective on July 1, 2017, and applies to insurance contracts issued, renewed, or amended on or after that date.

S257 - Appropriations Act of 2017.

Sec. 22.4: Allow the State Fire Marshal to Investigate Arson.. (SL 2017-57)

Sec. 22.4 of S.L. 2017-57 authorizes the State Fire Marshal to investigate the cause, origin, and circumstances of every fire in the State in which property has been destroyed or damaged, and to specially make investigation whether the fire was the result of carelessness or design.

This section became effective on June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 22.5 Study Health Insurance High Risk Pools. (SL 2017-57)

Section 22.5 of S.L. 2017-57 requires the Department of Insurance to conduct a study on the establishment of a State high-risk health insurance pool in the event the provision of the Affordable Care Act preventing denial of insurance for pre-existing conditions is repealed. The Department must issue a report to the Joint Legislative Oversight Committee on Government Operations no later than March 1, 2018. The report must contain the following information: an update on changes to the Affordable Care Act, the design and cost of a State high-risk insurance pool, sources of funding for a State high-risk insurance pool, recommendations regarding the options studied, and proposed legislation.

This section became effective July 1, 2017.

S415 - Clarify Definition of Collection Agency. (SL 2017-149)

OVERVIEW: S.L. 2017-149 clarifies the definition of "collection agency" by excluding corporations or associations engaged in routine accounting, bookkeeping or data processing services.

This act became effective July 20, 2017.

S489 - Clarify Workers' Comp. Policy Cancellation. (SL 2017-150)

S.L. 2017-150 provides that an insurer's delivery of a notice of cancellation of a workers' compensation insurance policy will be deemed to have been completed within three days of having been sent if the insurer also sends it on the same day by first-class mail and by electronic means to the insured and to any other person designated in the policy to receive notice. The act also provides that if the deputy commissioner or commissioner who conducted the hearing is unable to decide the case and issue an award, the Commission is authorized to appoint another deputy commissioner or commissioner to do so. This act became effective July 20, 2017, and applies to notices of cancellation sent on or after that date and to claims pending on or after that date

Labor and Employment

See full summary documents for additional detail

S82 - Achieving Business Efficiencies. (SL 2017-185)

S.L. 2017-185 exempts an employee of a seasonal amusement or recreational establishment from State overtime and record keeping requirements and removes the authority of the Commissioner of Labor to allow this same group of employees to be paid less than minimum wage.

This act becomes effective January 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 16.2: No Transfer of Positions to Other State Agencies. (SL 2017-57)

Sec. 16.2 of S.L. 2017-57 prohibits the Office of State Budget and Management (OSBM) from transferring any positions, personnel, or funds from the Department of Public Safety (DPS) to any other State agency during the 2017-2019 fiscal biennium, unless otherwise included in a base budget for that period or if related to the annual transfer to the Office of the Governor for administrative support.

Transfers that violate this section that were made in fiscal year 2016-2017, prior to July 1, 2017, must be rescinded within 15 days of July 1, 2017.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 35.18: State Human Resources/Hire From Pool of Most Qualified Persons. (SL 2017-57)

Section 35.18 of S.L. 2017-57 provides that it is the policy of the State that State departments and agencies select from the pool of the most qualified persons for State government employment based on job qualifications. It also requires State departments and agencies to select from the pool of the most qualified persons for State government employment without regard to political affiliation or political influence. This section became effective July 1, 2017.

S407 - Employee Misclassification/IC Changes. (SL 2017-203)

S.L. 2017-203 enacts the Employee Fair Classification Act that formally creates the Employee Classification Section (Section) within the Industrial Commission. The Section is authorized to receive complaints of employee misclassification, investigate complaints, coordinate investigations by other State agencies, exchange information among State agencies, and report the results of these investigations. The act also requires State occupational licensing boards to include on every application for a license: (1) a certification that the applicant has read a notice statement on employee misclassification and (2)

disclosure, by the applicant, of any investigations for employee misclassification. The provisions dealing with employee misclassification become effective December 31, 2017. The act also requires the Industrial Commission to adopt rules for the utilization of opioids and pain management treatment and exempts the Industrial Commission from a fiscal note requirement to allow rules to be implemented more quickly. These provisions became effective August 11, 2017.

Local Government

See full summary documents for additional detail

H89 - Housing Authority Transfers. (SL 2017-178)

S.L. 2017-178 allows municipalities to transfer the powers, duties, and responsibilities of a public housing authority to a regional council of government. The date of the abolition of the authority is set in the city's council's resolution abolishing the authority and is a date that will allow sufficient time to wind down the operations of the housing authority. The act became effective July 25, 2017, but does not apply to cities with a population of greater than 250,000.

H119 - Clarify Vacancy Elections - County Commission. (SL 2017-2)

S.L. 2017-2 clarifies that, in the event of a vacancy during a four-year county board of commissioners' term, the length of the appointment to fill the vacancy is determined by the date of the next general election for county commissioner, not just a general election in which all precincts in that county are open on election day.

This act became effective March 16, 2017, and applies to vacancy elections held on or after that date.

H142 - Reset of S.L. 2016-3. (SL 2017-4)

S.L. 2017-4 does the following:

- Repeals S.L. 2016-3 and S.L. 2016-99.
- Preempts regulation of access to multiple occupancy restrooms, showers, or changing facilities by any State or local government, except in accordance with an act of the General Assembly.
- Prohibits a local government from enacting or amending an ordinance regulating private employment practices or regulating public accommodations. This section expires December 1, 2020.

This act became effective March 30, 2017.

H158 - Special Assessments/Critical Infrastructure. (SL 2017-40)

S.L. 2017-40 does two things:

- It authorizes a county or city to contract with a private party to construct a project on behalf of the county or city, and to reimburse the private party for costs incurred by the private party related to the project from the imposition of special assessments on the benefited property owners. The county or city would not be obligated to reimburse the private party any amount in excess of assessment revenues actually collected, less the entity's related administrative expenses.

- It clarifies who may be entitled to the proceeds of a performance guarantee issued by a developer to a county or city to assure successful completion of required improvements by the developer under a subdivision control ordinance.

This act became effective June 21, 2017, and applies to assessments made on or after that date.

H252 - Building Code Regulatory Reform. (SL 2017-130)

S.L. 2017-130 makes several changes to building inspection procedures for counties and cities, including:

- Prohibiting the adoption or enforcement of any existing regulation requiring regular, routine building inspections, without first obtaining approval from the North Carolina Building Code Council;
- Adding new inspection requirement exemptions for persons supervised by architects or engineers and new exemptions for engineered components and elements certified as compliant by the manufacturer;
- Creating a new informal review process for inspection decisions made by county and city inspectors;
- Allowing a building permit applicant to choose which version of an interpretation will apply to the permit, if an interpretation changes after the building permit is issued;
- Exempting certain lots from needing separate meters for new irrigation systems; and
- Exempting therapeutic equine facilities from the State Building Code.

This act became effective October 1, 2017, except for the section exempting therapeutic equine facilities from the State Building Code, which became effective July 20, 2017.

H436 - Local Government/Regulatory Fees. (SL 2017-138)

S.L. 2017-138 establishes a uniform authority for system development fees to be charged by a publicly operated water or sewer system, or both, effective October 1, 2017, applying to system development fees imposed on or after that date. The act also clarifies that the statute of limitations is three years for repayment of an unlawful fee, charge, or exaction imposed by a local unit of government, applying to claims accrued or pending prior to and after July 20, 2017.

H764 - Expansion of Metropolitan Sewerage District / Board Appointments. (SL 2017-26)

S.L. 2017 allows a political subdivision to request inclusion into a metropolitan sewerage district (MSD) of all, or part of, the political subdivision, and requires that when new territory is expanded into a MSD, any county without representation on the MSD district board must be represented by three additional board members who are qualified voters residing within the new territory appointed by the county board of commissioners governing the new territory. The act became effective June 8, 2017 and applies to any MSD expansion on or after that date.

S55 - School Bus Cameras/Civil Penalties. (SL 2017-188)

S.L. 2017-188 authorizes counties to impose a civil penalty on the owner of a vehicle that is recorded unlawfully passing a stopped school bus by a school bus safety camera, as long as the driver is not criminally prosecuted and no injury or death occurred. Failure to pay the civil penalty will prevent the owner from registering the vehicle with the Division of Motor Vehicles (DMV). Counties enacting the ordinance must maintain records of all violations resulting in imposition of a civil penalty and provide them upon request to the North Carolina Child Fatality Task Force and the General Assembly. Local school boards may contract with private vendors to install and operate the school bus safety cameras. The act's vehicle registration provision becomes effective July 25, 2018, and applies to payment delinquencies reported to the DMV on or after that date. The remainder of the act became effective July 25, 2017.

S181 - Electronic Notice - Guilford County. (SL 2017-210)

S.L. 2017-210 does both of the following:

- Authorizes Guilford County, any municipality located wholly or partly therein, and the Guilford County Board of Elections to adopt an ordinance authorizing electronic publication of public notices and advertisements on their local government web sites in lieu of, or in addition to, newspaper publication.
- Authorizes the Guilford County Board of Commissioners to adopt an ordinance allowing general legal notices to be published on the County web site in lieu of newspaper publication.

This act became effective October 5, 2017, and applies notices published on or after December 1, 2017.

Military, Veterans, and Indian Affairs

See full summary documents for additional detail

H120 - National Guard Can Purchase From Correction Enterprises. (SL 2017-154)

S.L. 2017-154 adds National Guard members, employees, and retirees to the list of individuals eligible to purchase from Correction Enterprises, subject to verification through federal or State issued identification, or proof of retirement status.

This act became effective July 21, 2017.

H487 - Nat. Guard Reemployment Rights/Definitions. (SL 2017-156)

S.L. 2017-153 extends the reemployment rights of members of the National Guard to include members called to active duty by any governor, provide a time period for recovery if the member was injured in the line of duty, and defines relevant terms. The act also extends the right to terminate a rental agreement early to active members of the National Guard and Reserve and military technicians, in addition to members of the regular Armed Forces.

The act became effective July 21, 2017.

S62 - Veterans' Affairs Commission/Strategic Plan. (SL 2017-29)

S.L. 2017-29 requires the Veterans' Affairs Commission (Commission) to adopt a comprehensive strategic plan to enhance benefits for veterans and their dependents and to require the Department of Military and Veterans Affairs to study program outcomes for military veterans and their families. This act became effective June 8, 2017.

S63 - Military Affairs Commission/Strategic Plan. (SL 2017-64)

S.L. 2017-64 requires the North Carolina Military Affairs Commission to adopt a comprehensive strategic plan to enhance North Carolina military installations and their missions, to report on the State's performance under the plan annually, and to update the plan every four years.

The act became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 19.1: Military Affairs Commission/Military Presence Stabilization Fund. (SL 2017-57)

Section 19.1 of S.L. 2017-57 removes the North Carolina Military Affairs Commission (Commission) from a commission established within the Department of Military and Veterans Affairs (DMVA) to one assigned to the Department solely for the provision of administrative services and prohibits the Secretary of DMVA from performing any of the Commission's management functions. This section of the act also provides that the use of funds in the Military Presence Stabilization Fund must be approved by the Commission. This section of the act became effective on July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 19.2: Scholarships for Children of War Veterans. (SL 2017-57)

Section 19.2 of S.L. 2017-57 adds persons currently serving in a second or subsequent enlistment to the definition of "veteran" for purposes of determining rights and benefits administered by the Veterans' Affairs Commission including scholarships offered to children of eligible veterans. This section also authorizes children of veterans to be considered for a veteran's scholarship under more than one eligibility class as long as the child falls within the provisions and is subject to the limitations of each eligibility class for which the child is being considered. This section of the act became effective on July 1, 2017.

S578 - Veteran-Owned Small Business/Annual Report. (SL 2017-90)

S.L. 2017-90 requires the Secretary of State to compile aggregated data on the number of corporations and limited liability companies and partnerships that are veteran-owned and service-disabled veteran-owned small businesses and report the findings to the Department of Military Affairs by March 1st of every year. This act becomes effective January 1, 2018, and applies to annual reports filed by business entities on or after that date.

Occupational Boards and Licensing

See full summary documents for additional detail

S104 - Require Criminal BGC/Pharmacist Licensure. (SL 2017-144)

S.L. 2017-144 makes a number of technical changes to G.S. 90-85.15, which governs applications and requirements for licensure as a pharmacist, and mandates that the Board of Pharmacy require applicants for a pharmacy license to provide the Board with a criminal history report, at the applicant's expense, from a reporting service designated by the Board.

This act becomes effective January 1, 2018.

S156 - Plumbing & Heating Contractors Changes. (SL 2017-15)

S.L. 2017-15 authorizes the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors to regulate the inspection, evaluation, and testing of heating, plumbing, and fire sprinkler systems as well as their installation and would reauthorize the Board to issue licenses for certain restricted classifications. S.L. 2017-15 became effective May 23, 2017.

Property, Trusts, and Estates

See full summary documents for additional detail

H294 - Unclaimed Property Notice Requirements/Modify Various Board Term Limits. (SL 2017-134)

S.L. 2017-134:

- Amends notice requirements under the North Carolina Unclaimed Property Act (NCUPA), effective October 1, 2017.
- Restores the Treasurer's authority under the NCUPA to dispose of abandoned property having no substantial commercial value, retroactively effective October 1, 2015.
- Makes other technical and conforming changes to the NCUPA, effective July 20, 2017.
- Modifies term limits of certain members of the Vocational Rehabilitation Council and the Board of Trustees of the North Carolina Museum of Art, effective July 20, 2017.

CURRENT LAW:

H454 - Surveying and Plat Recording Changes. (SL 2017-27)

S.L. 2017-27 amends the recording requirements for plats and subdivisions and eliminates the use of control corners in favor of grid control in the preparation of plats and subdivisions. This act became effective July 1, 2017, and applies to plats and subdivisions submitted for recording on or after that date.

H530 - Counties/Condemnation of Unsafe Bldgs/Liens. (SL 2017-109)

S.L. 2017-109 grants counties the same authority provided to cities in condemnation actions by allowing counties to do the following:

- Condemn nonresidential buildings or structures and residential buildings if an ordinance is adopted, under certain conditions.
- Remove or demolish unsafe buildings or structures.
- Place a lien on real property of the owner for the cost of removal or demolition.

This act became effective July 12, 2017.

H584 - Real Property/Error Correction and Title Curative. (SL 2017-110)

S.L. 2017-110 clarifies the process for correcting non-material errors in recorded instruments of title, creates a curative procedure for obvious description errors in documents of title, enacts a one-year statute of repose within which to challenge the validity of a curative statute from the date it is recorded, entitles any person to recover damages, including costs and attorney's fees, from an attorney who erroneously or wrongfully records a curative affidavit, and creates a seven-year curative provision for certain defects in

recorded instruments of title. The act becomes effective August 31, 2018, and applies to curative affidavits filed on or after that date.

H707 - Lien Agent/Notice of Cancellation. (SL 2017-168)

S.L. 2017-168 provides that a lien agent notice automatically expires if it is not cancelled or renewed within five years after being given, and permits a contractor to renew a lien notice for one additional five-year period. For improvements to a one- or two-family dwelling, the act requires a lien notice to be cancelled within a reasonable time after the contractor confirms receipt of final payment for the work. The act also increases the fee an owner must pay to the designated lien agent. The act becomes effective October 1, 2018.

S450 - Uniform Trust Decanting Act. (SL 2017-121)

S.L. 2017-121 adopts the North Carolina Uniform Trust Decanting Act, which replaces existing law governing the circumstances under which a trustee is permitted to distribute assets from one trust into a second trust without the approval of a court. The act became effective on July 18, 2017.

S567 - Reform/Correct/Wills and Trusts. (SL 2017-152)

Retirement

See full summary documents for additional detail

H115 - Retirement Technical Corrections Act of 2017. (SL 2017-125)

S.L. 2017-125 makes technical and conforming changes to the laws governing the Teacher's and State Employees Retirement System (TSERS), the Local Government Employees' Retirement System (LGERS), and other related statutes. This act became effective July 20, 2017.

H159 - Charter School TSERS Election. (SL 2017-98)

S.L. 2017-98 extends the time a charter school has to elect to become a participating employer in the Teachers' and State Employees' Retirement System (TSERS) from one year to two years. This act became effective August 1, 2017.

H176 - Pensions Integrity Act of 2017. (SL 2017-128)

S.L. 2017-128 makes changes to assist in preventing and detecting fraud, waste, and abuse and ensure fiscal integrity of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit, and the Local Governmental Employees' Retirement System (LGERS). This act has various effective dates. Please see the full summary for more detail.

H183 - Retirement Admin. Changes Act of 2017. (SL 2017-129)

S.L.2017-129 makes the following changes: addresses the recoupment of overpaid benefits or erroneous payments; amends retirement laws to reflect system funding policies and incorporate trust language from the Governmental Accounting Standards Board (GASB); permits electronic beneficiary designation; clarifies that TSERS is a multi-employer plan under GASB; creates a Legislative Enactment Implementation Arrangement (LEIA) to pay costs of legislative benefit changes; clarifies that unpaid State checks are confidential; allows public employers to make additional contributions to employee deferred compensation accounts; requires the overdrawn check fee be paid with non-State funds; standardizes the reporting of sick leave; and makes various technical changes. Statutes for the following systems and funds are amended by this act: Firefighters' and Rescue Squad Workers' Pension Fund, Teachers' and State Employees' Retirement System (TSERS), Local Governmental Employees' Retirement System (LGERS), Consolidated Judicial Retirement System (CJRS), Legislative Retirement System, Disability Income Plan, investment fund, Achieving a Better Life Experience (ABLE) Program Trust.

The effective dates for this act vary by section, please refer to the full analysis for the effective date of each section.

H190 - Local Firefighter Relief Fund Eligibility. (SL 2017-99)

S.L. 2017-99 does the following: 1) removes the requirement that a firefighter serve for at least five years before being eligible to receive financial assistance from a local Firefighters' Relief Fund; 2) requires the North Carolina State Firefighters' Association to certify to the Department of Insurance a listing of local board of trustee members, including the chairman and treasurer; and 3) requires fire chiefs in certain districts to file a certificate of eligibility with the North Carolina State Firefighters' Association by January 31 or forfeit payment to that district's fund.

This act became effective July 1, 2017 and applies to distributions to local firefighters' relief funds on or after that date.

H299 - State Health Plan Administrative Changes. (SL 2017-135)

S.L. 2017-135 makes administrative changes to statutes governing the North Carolina State Health Plan for Teachers and State Employees (Plan) to: 1) allow revocation of coverage for misrepresentations made by covered individuals regarding eligibility or enrollment; 2) clarify the premium split between the State and certain General Assembly retirees; 3) provide coverage to children newly born to existing covered employees; 4) provide members of the Board of Trustees with immunity from civil liability for most actions taken in their official capacity; 5) add a definition of "authorized representatives who are assisting the State Health Plan Division staff" to the definition section for the Plan; 6) add a new section to the Plan statutes pertaining to fraud and detection audit programs; 7) require the Department of Revenue to furnish certain tax, wage, or income information for a beneficiary to the Department of State Treasurer; 8) require that a retiree who is a prisoner serving an active sentence in the State prison system be covered by the State prison system health services rather than the Plan; and 9) provide for the recoupment of overpaid benefits or erroneous payments.

The section that pertains to coverage for newborns becomes effective October 1, 2017, and applies to children born to covered employees on or after that date. The remainder of the act became effective July 20, 2017.

S257 - Appropriations Act of 2017.

Sec. 35.19A: Provide Cost-of-Living Adjustment for Retirees of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. (SL 2017-57)

Sec. 35.19A of S.L. 2017-57 provides a cost-of-living adjustment for retirees of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 35.19B: Enhance the Benefits of Probation/Parole Officers who are Members of the Teachers' and State Employees' Retirement System. (SL 2017-57)

Section 35.19B of S.L. 2017-57 enhances the benefits of probation/parole officers who are members of the Teachers' and State Employees' Retirement System.

This section became effective July 1, 2017, and applies to persons retiring on or after that date.

S257 - Appropriations Act of 2017.

Sec. 35.21: Study State Employee Total Compensation/Reduce Long-Term Unfunded Health Care Liabilities . (SL 2017-57)

Section 35.21 of S.L. 2017-57 creates a study committee to study state employee total compensation and makes changes to reduce long-term unfunded health care liabilities.

The provisions establishing the committee and its membership became effective July 1, 2017. The provisions relating to retiree eligibility become effective January 1, 2021.

State Government

See full summary documents for additional detail

H7 - LRC/Strengthen Savings Reserve. (SL 2017-5)

S.L. 2017-5 amends G.S. 143C-4-2 to (i) require the automatic transfer of a set amount of funds each fiscal year to the Savings Reserve and (ii) limit the uses for which funds in the Savings Reserve may be expended.

The section requiring the Office of State Budget and Management and the Fiscal Research Division to start establishing the target required under G.S. 143C-4-2(f), as enacted by this act, became effective April 13, 2017. The remainder of this act becomes effective October 1, 2017.

H161 - Divestment From Companies That Boycott Israel. (SL 2017-193)

S.L. 2017-193 requires State divestment from, and prohibits State agencies from contracting with, companies that boycott Israel. S.L. 2017-193 also amends the existing Sudan and Iran Divestment statutes. This act becomes effective October 1, 2017, except for the section authorizing the State Treasurer to retain personnel to assist in its implementation, which became effective July 27, 2017.

H256 - 2017 Appointments Bill. (SL 2017-75)

S.L. 2017-75 appoints persons to various public offices upon the recommendation of the Speaker of the House of Representatives, President Pro Tempore of the Senate, and the majority and minority leaders of the House of Representatives and Senate; and makes technical changes to prior appointments.

S.L. 2017-75 became effective June 29, 2017.

H719 - Improve Security/Upper Level/Parking Lot 65. (SL 2017-199)

S.L. 2017-199 makes all of the parking spaces in the upper level of Parking Deck 65 under the Halifax Street Mall part of the "State legislative buildings and grounds" for purposes of allocation by the Legislative Services Commission. The act also gives the Legislative Services Commission the exclusive authority to assign parking spaces in Lot 7 of the State Government Parking Complex. The act became effective July 31, 2017.

H740 - Search and Rescue Rename/Disputed County Boundaries/Mapping. (SL 2017-170)

S.L. 2017-170 modernizes and updates statutes related to the urban search and rescue program and the North Carolina Geodetic Survey, including the following:

- Changes the name of the Urban Search and Rescue Program to the North Carolina Search and Rescue Program, and directs the Secretary of the Department of Public Safety to include reliance on memorandums of understanding and agreement with contract response teams in search and rescue efforts.
- Directs the North Carolina Geodetic Survey to assist counties in defining and reestablishing the location of an uncertain or disputed boundary, upon receiving written request from all counties adjacent to the uncertain or disputed boundary.
- Requires that maps, drawings, or documents identifying the protected mountain ridges be housed with the office of the North Carolina Geodetic Survey, NC Emergency Management, in Raleigh.

The section of the act pertaining to the search and rescue program became effective July 1, 2017. The sections of the act pertaining to the North Carolina Geodetic Survey became effective July 21, 2017.

S257 - Appropriations Act of 2017.

Sec. 6.7: Use of State Funds for Employment of Outside Counsel/General Assembly Right to Intervene. (SL 2017-57)

Section 6.7 of S.L. 2017-57:

- Provides that no State funds can be used by State agencies to pay for litigation services provided by private counsel, except as expressly authorized by an appropriation of the General Assembly, or unless an exception applies.
- Makes changes to State law governing standing, necessary joinder, and intervention rights of the General Assembly in specified legal proceedings challenging legislative actions.
- Provides that participation of the Speaker and the President Pro Tempore in specified legal proceedings challenging legislative actions do not constitute a waiver of legislative immunity or legislative privilege.
- States duties of the Attorney General to the General Assembly in specified legal actions challenging legislation actions.
- Provides that the President Pro Tempore and the Speaker continue to have the authority to represent and articulate the institutional position of the General Assembly in the action known as *Berger v. Price*, 5:17-cv-00025-FL (E.D.N.C.).

This section became effective July 1, 2017, with specified provisions applicable to pending and future legal actions.

S257 - Appropriations Act of 2017.

Sec. 6.8: Pending Litigation. (SL 2017-57)

Sec. 6.8 of S.L. 2017-57 provides that any reference to either the State Board of Elections or the State Ethics Commission in the Appropriations Act or the Appropriations Act Committee Report does not constitute a waiver by the General Assembly regarding the validity and constitutionality of S.L. 2017-6, short title: Bipartisan Board of Elections and Ethics Enforcement.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.10: Prosperity Zone Reporting. (SL 2017-57)

Sec. 15.10 of S.L. 2017-57 requires the Department of Commerce to:

- Submit a report, with specified performance measures, on or before September 1 of each year to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Economic Development and Global Engagement Oversight Committee, and the Fiscal Research Division for each Collaboration for Prosperity Zone.
- Develop performance metrics for Community Planners for the Collaboration for Prosperity Zones and submit a report on or before September 1 of each year to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Economic Development and Global Engagement Oversight Committee, and the Fiscal Research Division detailing the performance metrics and the measurements observed for each Community Planner within the Collaboration for Prosperity Zones.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.12: Youth Workforce Investment Program Changes. (SL 2017-57)

Sec. 15.12 of S.L. 2017-57 makes the following changes to the Youth Workforce Investment Program:

- Requires local Workforce Development Boards to include a competitive process for awarding grants that requires youth workforce investment activity grant recipient applicants to provide specified information in their applications.
- Requires, on or before October 1 of each year, that local Workforce Development Boards submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division on prior State fiscal year program activities, expenditures, fund sources, grant recipients, and the amount of each grant.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16.3: Lapsed Salary Report. (SL 2017-57)

Sec. 16.3 of S.L. 2017-57 requires the Department of Public Safety (DPS) to submit reports and itemized accountings related to lapsed salaries by fund codes to the Joint Legislative Oversight Committee on Justice and Public Safety and the Appropriations Committee on Justice and Public Safety for both the House and the Senate. A lapsed salary accrues when a funded position is vacant for a portion of the year.

DPS shall submit these reports annually by February 1 and August 1. The August 1 report must include an annual accounting for the previous fiscal year.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 16E.2: Search and Rescue Changes. (SL 2017-57)

Sec. 16E.2 of S.L. 2017-57 renames the search and rescue services program of the Department of Public Safety, Division of Emergency Management, as the "North Carolina Search and Rescue Program."

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 21.1: Add Esophageal Cancer as Occupational Disease to Line of Duty Death Benefits for Firefighters. (SL 2017-57)

Sec. 21.1 of S.L. 2017-57 adds esophageal cancer as an occupational disease to line of duty death benefits for firefighters.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 24.1: Program Evaluation Division Study/Measurability Assessment of Department of Administration Administrative Activities and Programs. (SL 2017-57)

Sec. 24.1 of S.L. 2017-57 directs the Program Evaluation Division (PED) to conduct evaluations of the Department of Administration (DOA) to improve DOA accountability reporting, and to recommend potential cost savings. This section directs PED to report its findings and recommendations by March 30, 2018 to the Joint Legislative Program Evaluation Oversight Committee and Joint Legislative Oversight Committee on General Government and, upon request, to other committees.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 24.3: Study Rates and Transfers/Public Enterprises. (SL 2017-57)

Sec. 24.3 of S.L. 2017-57 directs the Legislative Research Commission (LRC) to study fees and charges for services, and transfers of funds from, local government public enterprises, focusing on water and sewer services. The LRC is directed to make an interim report to the 2017 Regular Session of the General

Assembly prior to its reconvening in 2018, and a final report to the 2019 Regular Session of the General Assembly.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 26.3: Results First Project. (SL 2017-57)

Sec. 26.3 of S.L. 2017-57 directs the Office of State Budget and Management (OSBM) to implement a cost-benefit analysis model for use in developing policy and budget decisions. This section directs OSBM to make an interim report to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Oversight Committee on General Government, and the Joint Legislative Program Evaluation Oversight Committee by April 8, 2018 on progress in implementing the cost-benefit analysis model, and an annual report by October 1 of each year.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 28.1: Housing Finance Agency/Workforce Housing Loan Program Established. (SL 2017-57)

Sec. 28.1 of S.L. 2017-57 directs the North Carolina Housing Finance Agency to establish and administer the Workforce Housing Loan Program for the purpose of making loans for qualified low income housing development in the State. This section also directs the Agency, by February 1 of each year, to report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the loans made by the Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 31.1: Transfer the Human Relations Commission. (SL 2017-57)

Sec. 31.1 of S.L. 2017-57 transfers the North Carolina Human Relations Commission from the Department of Administration to the Civil Rights Division of the Office of Administrative Hearings.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 31.2: Council for Women/Domestic Violence Grants. (SL 2017-57)

Section 31.2 of S.L. 2017-57:

- Directs the Department of Administration to send contracts to Domestic Violence Center Fund grantees within 10 business days of the date the Current Operations Appropriations Act is certified in any fiscal year.
- Directs the North Carolina Council for Women to report on the quarterly distributions of the grants from the Domestic Violence Center Fund to the House and Senate chairs of the General Government Appropriations Committee within five business days of distribution.
- Directs the Department of Information Technology to review the grants management process of the North Carolina Council for Women and Youth Involvement Office and provide a report on online grants management options to the chairs of the Joint Legislative Oversight Committee on General Government prior to or on April 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 31.3: Department of Administration/Cost to Agencies to Maintain and Operate Motor Fleet. (SL 2017-57)

Section 31.3 of S.L. 2017-57 makes various changes to the State's system for allocating costs of motor fleet transportation used by State agencies.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 32.1: Criminal Records Checks for the Department of Revenue. (SL 2017-57)

Section 32.1 of S.L. 2017-57 directs the Department of Public Safety, upon request, and for a fee, to provide criminal histories to the Department of Revenue for its prospective employees, employees, and contractors, subject to the conditions of this section.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 33.1: Overpayments Audit. (SL 2017-57)

Section 33.1 of S.L. 2017-57:

- Provides that during the 2017-2019 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 shall be deposited in a Special Reserve Account as required by law.
- Provides that of the funds appropriated from the Special Reserve Account, and for each year of the 2017-2019 fiscal biennium, \$500,000 of the funds shall be used by the Office of the State Controller for data processing, debt collection, or e commerce costs.

- Provides that all funds available in Special Reserve Account on June 30 of each year of the 2017-2019 fiscal biennium shall revert to the General Fund on that date.
- Requires the State Controller to the General Assembly on the revenue deposited in Special Reserve Account, and the disbursement of that revenue.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 35.22: State Treasurer Authority over State Health Plan Employees. (SL 2017-57)

Section 35.22 of S.L. 2017-57 provides that the following employees of the State Health Plan shall serve at the pleasure of the State Treasurer: the Executive Administrator, the Deputy Executive Administrator, and all other employees designated by the State Treasurer as exempt from the North Carolina Human Resources Act.

Section 35.22 of S.L. 2017-57 became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 36.12: Pay-As-You-Go Capital and Infrastructure Fund Established July 1, 2019. (SL 2017-57)

Sec. 36.12 of S.L. 2017-57 creates the State Capital and Infrastructure Fund to utilize debt service savings for the purpose of meeting the State's debt service obligations: new State and The University of North Carolina capital projects; and repair and renovation of existing capital assets.

This section becomes effective July 1, 2019.

S312 - Surplus Computers for Low-Income Students. (SL 2017-67)

S.L. 2017-67 expands the definition of nonprofit tax-exempt organizations, as it applies to the State Surplus Property Agency, to include certified 501(c)(3) nonprofit entities qualified under rules adopted by the State Surplus Property Agency that refurbish computers for the purpose of donating them to low-income students or households.

This act became effective June 28, 2017.

S338 - Disaster Recovery Act of 2017. (SL 2017-119)

S.L. 2017-119 allocates \$100,000,000 to various purposes and programs related to disaster relief from Hurricane Matthew, Tropical Storms Julia and Hermine, and the western wildfires.

This act became effective July 18, 2017.

S344 - Combine Adult Correction & Juvenile Justice. (SL 2017-186)

Parts I through III of S.L. 2017-186 statutorily combine the Division of Adult Correction and the Division of Juvenile Justice into one division within the Department of Public Safety to make the statutes consistent with the fact that those divisions have been operating as a single Division of Adult Correction and Juvenile Justice. These parts become effective December 1, 2017.

Part IV exempts the coverage of eyeglasses from the services that will be covered by Prepaid Health Plans under Medicaid transformation and allows payment for eyeglasses to continue under existing arrangements.

Except as otherwise indicated, the act became effective July 25, 2017.

S689 - 2017 Appointments Bill Modifications. (SL 2017-201)

S.L. 2017-201 appoints persons to various public offices upon the recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, and makes modifications to appointments made in the first 2017 appointments bill, S.L. 2017-75.

This act became effective August 3, 2017.

Transportation

See full summary documents for additional detail

H21 - Driver Instruction/Law Enforcement Stops. (SL 2017-95)

S.L. 2017-95 requires the Division of Motor Vehicles (DMV) to consult with the State Highway Patrol, the Sheriff's Association, and the Association of Chiefs of Police in including law enforcement traffic stop procedures and descriptions of appropriate driver interactions with law enforcement officers within its driver license handbook. It also requires the Department of Public Instruction (DPI) to incorporate these topics into the driver education curriculum offered at public high schools.

The part of this act that relates to DMV becomes effective January 1, 2018. The part of this act that relates to DPI became effective July 12, 2017, and applies beginning with the 2017-2018 school year.

H27 - Clarify Expiration of Vehicle Registration. (SL 2017-96)

S.L. 2017-96 clarifies the expiration date and lawful use grace period for a vehicle registration renewed by a new registration plate, instead of a sticker.

This act became effective July 12, 2017.

H30 - Various Special Registration Plates. (SL 2017-114)

S.L. 2017-114 authorizes the Division of Motor Vehicles to issue new plates for Colorectal Cancer Awareness, the Big Rock Blue Marlin Tournament, and Kick Cancer for Kids. It also authorizes the existing Order of the Long Leaf Pine plate to be on a full-color background.

This act became effective July 18, 2017.

BILL ANALYSIS: This act authorizes the existing Order of the Long Leaf Pine plate to be on a plate that does not have the "First in Flight" or "First in Freedom" background (typically referred to as a "full color background" plate). It also authorizes the Division of Motor Vehicles to issue the following new special license plates:

H84 - Driver's License/Deaf or Hard of Hearing Designation. (SL 2017-191)

S.L. 2017-191 directs the Division of Motor Vehicles (DMV) to develop a voluntary driver's license designation for persons who are deaf or hard of hearing, and requires training for law enforcement on the designation and on recognizing and appropriately interacting with persons who are deaf or hard of hearing.

The act becomes effective January 1, 2018.

H95 - Truck Deliveries to Port/Night Travel. (SL 2017-97)

S.L. 2017-97 authorizes the issuance of oversized and overweight permits that allow travel after sunset for vehicles transporting cargo, containers, or other equipment, and prohibits the Department of Transportation from restricting nighttime travel for shipments going to or from international ports unless it is determined to be unsafe.

This act became effective July 12, 2017.

H128 - Prohibit Drone Use Over Prison/Jail. (SL 2017-179)

H212 - Zeta Phi Beta Special Registration Plate. (SL 2017-100)

S.L. 2017-100 reauthorizes the Zeta Phi Beta special registration plate. The plate was originally authorized in 2003 but expired in 2014 because it did not have the required applications. Zeta Phi Beta subsequently completed the new special plate development process through the Division of Motor Vehicles and submitted the required number of paid applications.

This act became effective July 12, 2017.

H337 - Unmanned Aircraft Systems Law Revisions. (SL 2017-160)

S.L. 2017-160: (1) clarifies that State laws applicable to unmanned aircraft systems (UAS) include model aircrafts generally; (2) repeals a State law limitation on the use of special imaging technology on unmanned aircraft systems; (3) exempts unmanned aircraft systems used by emergency management agencies for emergency management purposes from certain State law restrictions; (4) aligns State law permitting requirements for commercial operation of unmanned aircraft systems with federal law; and (5) exempts model aircraft used for hobby or recreational purposes from State testing and permitting requirements.

This act became effective July 21, 2017, except for the emergency management agencies' UAS exception, which becomes effective December 1, 2017.

H469 - Regulation of Fully Autonomous Vehicles. (SL 2017-166)

S.L. 2017-166 regulates fully autonomous vehicles and makes various changes to various existing motor vehicle laws to account for the operation of fully autonomous vehicles on the roadways of this State without a human driver.

This act becomes effective December 1, 2017, and applies to offenses committed on or after that date.

H501 - Department of Transportation Surveying Information in Plans/Department of Transportation Residue Property Disposal/Taxicab Liability Insurance. (SL 2017-137)

S.L. 2017-137 requires the Department of Transportation (DOT) to include specified surveying data on plans to acquire property rights; makes changes to DOT's residue property disposal procedures; and increases the liability insurance limits for taxicabs.

This act becomes effective October 1, 2017.

H716 - Commercial Motor Vehicles/Use of Platoons. (SL 2017-169)

S.L. 2017-169 exempts the driver of a nonleading commercial motor vehicle traveling in a "platoon" from the requirement that a vehicle following another vehicle leave sufficient space between them, when authorized by the Department of Transportation (DOT) by traffic ordinance.

This act became effective August 1, 2017.

S119 - Pisgah Conservancy Special Registration Plate. (SL 2017-107)

S.L. 2017-107 authorizes the Pisgah Conservancy special registration plate to be issued with a full-color background.

This act became effective July 1, 2017.

S160 - Handicap Parking Privilege Certification. (SL 2017-111)

S.L. 2017-111 authorizes licensed physician assistants and licensed nurse practitioners to certify applications to the Division of Motor Vehicles (DMV) for handicapped license plates, removable placards, and temporary removable placards, and also authorizes licensed certified nurse midwives to certify initial applications to DMV for the issuance of temporary removable handicapped parking placards.

This act became effective July 12, 2017.

S182 - Prohibit Use of Light Bars on Motor Vehicles. (SL 2017-112)

S.L. 2017-112 prohibits the use of bar-shaped lighting devices that project a light greater than 25 candlepower on the highway while driving.

This act becomes effective October 1, 2017, and applies to offenses committed on or after that date.

S257 - Appropriations Act of 2017.

Sec. 32.2: Department of Revenue Tax Fraud Analytics. (SL 2017-57)

Section 32.2 of S.L. 2017-57 provides that \$4,400,000 of the funds appropriated to the Department of Revenue (DOR) for the 2017-2018 fiscal year shall be used to continue and expand DOR's tax fraud analysis contract. This section also directs DOR to continue to coordinate with the Government Data Analytics Center for fraud detection analytics and infrastructure.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.1: Cash Flow Highway Fund and Highway Trust Fund Appropriations. (SL 2017-57)

Sec. 34.1 of S.L. 2017-57 sets out the anticipated revenue for the Highway Fund and the Highway Trust Fund for fiscal year 2019-2020 through fiscal year 2022-2023; and directs the Department of Transportation to develop a four-year revenue forecast beginning with the 2023-2024 fiscal year for use in developing cash flow estimates, for development of the Strategic Transportation Improvement Program, and to compute transportation debt capacity.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.2: Contingency Funds. (SL 2017-57)

Sec. 34.2 of S.L. 2017-57:

- Appropriates \$12 million annually to the Department of Transportation (DOT) in the 2017- 2019 fiscal biennium for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, railroad infrastructure, and spot safety projects, including pedestrian walkways that enhance highway safety.
- Provides that projects funded pursuant to this section require prior approval by the Secretary of Transportation.
- Requires DOT to report to the members of the General Assembly on projects funded pursuant to this section in each member's district prior to construction.
- Requires DOT to make a quarterly comprehensive report on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.3: Repairs and Renovations. (SL 2017-57)

Section 34.3 of S.L. 2017-57 appropriates from the Highway Fund to the Department of Transportation (DOT) for the 2017-2019 fiscal biennium, funds for repairs and renovation of listed DOT facilities.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.4: Department of Transportation/Funding for Analytics Services. (SL 2017-57)

Section 34.4 of S.L. 2017-57 authorizes the Secretary of the Department of Transportation (DOT) to use up to \$2 million from funds available for the 2017-2018 fiscal year to cover costs incurred for obtaining additional analytics services to improve the efficiency and operations of DOT, in addition to other funding appropriated to DOT for transportation analytics services.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.4A: Department of Transportation/Consultation on Transportation Projects with Affected Utility Providers. (SL 2017-57)

Section 34.4A of S.L. 2017-57 requires the Department of Transportation, prior to any related action of the Board of Transportation on a transportation project, to: inform utility providers affected by a planned transportation project; request each affected utility provider to submit their views on the planned project within 45 days; and consider their response.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.5: Department of Transportation Acquisitions/Appraisals Waiver Valuation. (SL 2017-57)

Section 34.5 of S.L. 2017-57:

- Exempts the Department of Transportation (DOT) from obtaining a property appraisal, and authorizes DOT to instead prepare, or contract for, an appraisal waiver valuation for any proposed property acquisition with an anticipated value of \$40,000 or less, except as otherwise required by federal law.

- Provides that DOT, in consultation with the North Carolina Appraisal Board, the North Carolina Chapter of the Appraisal Institute, and the North Carolina Association of Realtors, shall develop a process for performing appraisal waiver valuations authorized by this section.
- Requires DOT, by December 31, 2017, to submit a report to the Joint Legislative Transportation Oversight Committee on the development of the newly authorized appraisal waiver valuation process.

The authorization for use of appraisal waiver valuations becomes effective May 15, 2018, and applies to acquisitions by DOT on or after that date. The remainder of this section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.6: Establishment of Advance Right-of-Way Acquisition Account. (SL 2017-57)

Section 34.6 of S.L. 2017-57 creates an Advance Right-of-Way Acquisition Account within the Highway Trust Fund, for acquisition of specified right-of-way by the Department of Transportation (DOT) prior to a project being programmed in the State Transportation Improvement Program (STIP). Funds may only be used for a project that meets all of the following requirements:

- The right-of-way must be identified as a future right-of-way in: (i) a corridor protection map adopted pursuant State law; (ii) the most recently adopted STIP, or (iii) both a corridor protection map and the most recently adopted STIP.
- DOT has determined it is in the best interest of the public to acquire the right-of-way: (i) as a protective purchase, or (ii) to remove an undue hardship.
- For Turnpike projects only, a Record of Decision or a Finding of No Significant Impact must have been issued.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.6A: Road Improvements Adjacent to Schools. (SL 2017-57)

Section 34.6A of S.L. 2017-57:

- Amends the Department of Transportation's (DOT) power to oversee improvements to public roads adjacent to any K-12 school.
- Amends the power of cities to require road improvements related to K-12 schools.
- Requires DOT to develop a report on road improvements required for K-12 schools in specified past and future years.

The provisions of this section applicable to DOT and city-required road improvements became effective October 1, 2017. The remainder of this section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.7: Use of Funds in Mobility/Modernization Fund. (SL 2017-57)

Section 34.7 of S.L. 2017-57:

- Provides that the funds appropriated to the Mobility/Modernization Fund in the Highway Fund, shall be used by the Department of Transportation (DOT) as follows: 40% for a spot mobility program; 12% for economic development, small construction, and industrial access projects; and 48% for high impact low cost construction projects.
- Requires DOT to develop a report detailing: the formulas used to distribute funds under this section, the types of projects funded, and the total amount of funding allocated to each project; and submit the report to the Joint Legislative Transportation Oversight Committee by March 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.7A: Department of Transportation/Disposition of Settlement Funds. (SL 2017-57)

Section 34.7A of S.L. 2017-57 exempts funds received by the Department of Transportation (DOT) as a part of a settlement or final court order from the general law prohibitions on expenditure until appropriated, or on expenditure as overrealized receipts, if the funds represent the recovery of funds previously expended by DOT.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.8: Rural Project Development. (SL 2017-57)

Section 34.8 of S.L. 2017-57:

- Authorizes the Department of Transportation (DOT) to annually allocate funds to specified qualifying Metropolitan Planning Organizations (MPOs) and Rural Transportation Planning Organizations (RPOs) to fund a portion of the local match required under federal law for federal State Planning and Research Program Funds.
- Requires DOT to establish a Corridor Development Unit to work with MPOs and RPOs that receive funding under this section, to assist them in the development of corridor studies on highway projects prior to submitting them for prioritization in a long term transportation planning document.
- Directs DOT to develop reports due April 1, 2018 and April 1, 2019 on the usage of federal State Planning and Research Program funds allocated in accordance with this section, and submit them to the Joint Legislative Transportation Oversight Committee.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.9: Expand Use of Pavement Preservation Program Funds. (SL 2017-57)

Section 34.9 of S.L. 2017-57 expands the eligible uses of pavement preservation program funds by the Department of Transportation to include pavement markings.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.10: Codify Bridge Program. (SL 2017-57)

Section 34.10 of S.L. 2017-57, as amended by Section 7.1 of S.L. 2017-197, codifies and makes modifications to the existing bridge program of the Department of Transportation.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.11: Highway Maintenance Improvement Program/Revise Periods and Consolidate with Other Improvement Programs. (SL 2017-57)

Section 34.11 of S.L. 2017-57 changes the time period of the Department of Transportation (DOT) Highway Maintenance Improvement Program from three to five years. This section also directs DOT to merge the Bridge Maintenance Improvement Program and the General Maintenance Improvement Program with the Highway Maintenance Improvement Program by January 1, 2020.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.12: Revise Content of Transportation Improvement Program Schedule. (SL 2017-57)

Section 34.12 of S.L. 2017-57 revises the required content of the Department of Transportation's Transportation Improvement Program, to delete a requirement to include anticipated funding sources, and a requirement to list changes and the reasons for the changes from the previous Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.12C: Department of Transportation/Funding for Preliminary Engineering. (SL 2017-57)

Section 34.12C of S.L. 2017-57 authorizes the Department of Transportation (DOT) to enter into agreements with local governments, allowing the local government to fund preliminary engineering for projects not currently programmed in the Transportation Improvement Program (TIP), but that were programmed in the immediately preceding TIP.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.13: Department of Transportation/Outsourcing and Project Delivery Reports. (SL 2017-57)

Section 34.13 of S.L. 2017-57 encourages the Department of Transportation (DOT) to increase its outsourcing of preconstruction activities; requires DOT to provide a biannual Outsourcing Report and an annual Project Delivery report to the General Assembly; and requires DOT to consult with the General Assembly if DOT fails to meet specified preconstruction outsourcing targets, or if specified numbers of project stages are delayed.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.14: Board of Transportation/Study Fee Structure for Services Performed by the Highway Division. (SL 2017-57)

Section 34.14 of S.L. 2017-257 requires the Board of Transportation to study the fee structure for services performed by Highway Division personnel. For the previous three fiscal years, the Board must identify services performed, whether a fee was charged or could have been charged, the cost incurred by the Department of Transportation in performing the service, and, if applicable, the reason for not charging a fee. The Board is required to submit its findings to the Joint Legislative Transportation Oversight Committee by January 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.15: Align Department of Transportation's Program for Participation by Disadvantaged Minority-Owned and Women-Owned Businesses with Federal Law. (SL 2017-57)

Section 34.15 of S.L. 2017-57 makes the following changes with regard to the Department of Transportation's Program for Participation by Disadvantaged Minority-Owned and Women-Owned Businesses:

- Changes the required contract participation goals under the program from separate aspirational goals for each disadvantaged minority-owned and women-owned business category that has demonstrated disparity in contract utilization to a single combined aspirational goal in the form of a percentage for the overall participation in contracts by disadvantaged minority-owned and women-owned businesses.
- Extends the program's expiration date from August 31, 2017, to August 31, 2022.
- Requires the Department to develop a plan to establish and implement the combined goal and submit the plan to the Joint Legislative Transportation Oversight Committee by February 1, 2018, and implement the plan by April 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.16: "DOT Report" Program Revisions. (SL 2017-57)

Section 34.16 of S.L. 2017-57 makes the following changes to the "DOT Report" program, established under G.S. 136-18.05 to improve the condition of North Carolina's roads through increased transparency and responsiveness to the public:

- With regard to the system implemented to receive citizen reports of problems on State-maintained roads, this section requires the Department of Transportation to report monthly on the number of citizen reports received and whether they were resolved within the applicable time frames to the Joint Legislative Transportation Oversight Committee, the Fiscal Research Division, the chairs of the House Appropriations Committee on Transportation, and the chairs of the Senate Appropriations Committee on the Department of Transportation.
- This section also codifies language from the 2015 budget that directed the Department to adopt procedures to streamline project delivery and to establish a baseline unit pricing structure for transportation goods used in highway maintenance and construction projects.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.16A: Department of Transportation/Close State Infrastructure Bank. (SL 2017-57)

Section 34.16A of S.L. 2017-57 directs the Department of Transportation to close the State Infrastructure Bank.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.17: State Aid to Municipalities/No Funds if Municipality Fails to File Statement and Study How to Account for Seasonal Population Shifts. (SL 2017-57)

Section 34.17 of S.L. 2017-57 provides the following with regard to State aid to municipalities:

- Prohibits funds from being used to construct sidewalks into which mailboxes, utility poles, fire hydrants, or other obstructions are built that would impede passage of pedestrians.
- Provides any municipality that fails to file a statement, required under existing law, showing in detail the expenditure of funds during the preceding year and the balance of funds on hand, is ineligible to receive funds for the fiscal year in which the municipality failed to file the statement.
- Directs the Department of Transportation to study how to adjust the formula for allocation of funds to account for seasonal shifts in municipal populations and report its findings to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

The part of this section regarding ineligibility to receive funds for failing to file the required statement on use of funds became effective July 1, 2017, and applies to allocations on or after that date. The remainder of the section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.17A: Department of Transportation /Defend, Indemnify, and Hold Harmless the City of Wilmington from Liability for Map Act Claims. (SL 2017-57)

Section 34.17A of S.L. 2017-57 directs the Department of Transportation to defend, indemnify, and hold harmless the City of Wilmington against any claims related to maps adopted, filed, or amended under the Map Act.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.18: Extend Moratorium on Adoption of New Maps under the Map Act. (SL 2017-57)

Section 34.18 of S.L. 2017-57 extends the moratorium enacted in 2016 on adoption of new maps under the Transportation Corridor Official Map Act until July 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.18A: Department of Transportation/Increase Consolidation and Coordination of Public Transportation Systems. (SL 2017-57)

Section 34.18A of S.L. 2017-57 authorizes the Department of Transportation to allocate funds, up to \$200,000 annually, to a qualifying public transportation system to be used to consolidate and coordinate with other public transportation systems. To qualify, a system must submit a plan for consolidation, including a time line and estimated cost for completion. Beginning December 1, 2017, the Department is required to report annually to the Joint Legislative Transportation Oversight Committee on each system provided funding, the amount of funds disbursed, and the purposes for which the funds were used. The Department must establish criteria for approving plans submitted by public transportation systems by September 1, 2017, and publish the criteria on the Department's Web site.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.19: Funding for Airport Improvements and Debt Service. (SL 2017-57)

Section 34.19 of S.L. 2017-57 allocates funds appropriated from the Highway Fund to the Department of Transportation for capital improvements at commercial airports for 2017-2018 and 2018-2019 and provides:

- Funds may be used for airport improvements or paying debt service or financing costs on bonds or notes.
- Appropriation of funds and issuance of bonds or notes by airports in reliance thereon does not constitute a pledge of faith and credit and taxing power of the State, and the General Assembly is not prohibited from amending appropriations at any time.
- The Department is required to report to the Joint Legislative Transportation Oversight Committee on the use of funds by each airport by March 1, 2019.
- The Division of Aviation is required to develop a funding needs assessment setting out the amount of funds needed by each airport and what projects would be funded using the funds. The Division is to use the data to develop a formula for allocating State funds to commercial airports and report the funding needs assessment and description of the formula by April 15, 2018, to the chairs of the House Appropriations Committee on Transportation, the chairs of the Senate

Appropriations Committee on the Department of Transportation, and the Fiscal Research Division.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.20: Require Use of Outside Vendor to Sell Sikorsky Helicopter. (SL 2017-57)

Section 34.20 of S.L. 2017-57 amends the Appropriations Act of 2014, which directed the Division of Aviation of the Department of Transportation to sell the Sikorsky S-76C helicopter as expeditiously as possible in order to modernize its fleet. This section revises that provision to require the Division to contract with an outside vendor with experience in the sale of aviation equipment to sell the helicopter. The Division is required to contract with a vendor by August 1, 2017, and report details of the contract to the Joint Legislative Transportation Oversight Committee by August 15, 2017.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.21: Revise Use of Taxes Collected on Aviation Gasoline and Jet Fuel. (SL 2017-57)

Section 34.21 of S.L. 2017-57 changes the authorized use of proceeds of the tax collected on aviation gasoline and jet fuel by limiting it to general aviation airports for time-sensitive aviation capital improvement projects for economic development purposes (was capital improvements to public airports and time-sensitive aviation capital improvement projects for economic development purposes.)

This section becomes effective January 1, 2018, and applies to sales made on or after that date.

S257 - Appropriations Act of 2017.

Sec. 34.21B: Division of Aviation/Institute for Transportation Research and Education Funds. (SL 2017-57)

Section 34.21B of S.L. 2017-57 authorizes the Division of Aviation to allocate \$1,000,000 to the Institute for Transportation Research and Education at North Carolina State University to be used for analyzing Localized Unmanned Aircraft Systems Traffic Management Solutions.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.22: Annual Report/Progress of Projects Identified in Plans Funded from Bicycle and Pedestrian Planning Grant Funds. (SL 2017-57)

Section 34.22 of S.L. 2017-57 requires the Division of Bicycle and Pedestrian Transportation of the Department of Transportation to submit an annual report on the progress of projects identified in plans submitted to the Division in the 10 years prior to the report and funded from Bicycle and Pedestrian Planning Grant funds. The report is to be submitted by May 15 each year to the chairs of the House Appropriations Committee on Transportation, the chairs of the Senate Appropriations Committee on the Department of Transportation, and the Fiscal Research Division.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.23: Rail Division/Five-Year Spending Plan for Freight Rail & Rail Crossing Safety Improvement. (SL 2017-57)

Section 34.23 of S.L. 2017-57 requires the Rail Division of the Department of Transportation to develop a five-year spending plan for funds in the Freight Rail & Rail Crossing Safety Improvement Fund and submit the plan to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.24: Rail Division/Report Required Prior to Entering into Certain Contracts. (SL 2017-57)

Section 34.24 of S.L. 2017-57 requires the Rail Division of the Department of Transportation to submit a report to the Joint Legislative Transportation Oversight Committee prior to entering into any contract with a duration of five years or more and a cost to the State of \$1,500,000 or more. The report must identify the duration, total cost, parties, and other relevant terms of the proposed contract.

This section became effective July 1, 2017, and applies to contracts entered into on or after that date. This section expires June 30, 2022.

S257 - Appropriations Act of 2017.

Sec. 34.26: Global TransPark/Strategic Plan and Marketing. (SL 2017-57)

Section 34.26 of S.L. 2017-57 provides the following with regard to the Global TransPark:

- Requires the Global TransPark Authority to establish and implement a strategic plan and submit a report to the Joint Legislative Transportation Oversight Committee detailing implementation of the plan by January 15, 2018.
- Requires the Global TransPark Authority to contract with an outside vendor to provide marketing services for the Global TransPark by February 1, 2018, and submit a report to the Joint Legislative Transportation Oversight Committee by February 15, 2018, detailing the contract entered into.
- Requires the Communications Office of the Department of Transportation to manage the Web site for the Global TransPark, including providing updates on achievements of the Global TransPark, business opportunities available, and events held there.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.27: North Carolina State Ports Authority/Funds for Debt Service and Capital Projects. (SL 2017-57)

Section 34.27 of S.L. 2017-57 provides that funds appropriated to the North Carolina State Ports Authority from the Highway Trust Fund may only be used to pay debt service or financing costs on bonds or notes or for capital projects. Appropriation of funds and issuance of bonds or notes by State Ports Authority in reliance thereon does not constitute a pledge of faith and credit and taxing power of the State, and the General Assembly is not prohibited from amending appropriations at any time. These funds are not subject to the Transportation Investment Strategy Formula.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.28: State Ports Authority/Funding For Dredging. (SL 2017-57)

Section 34.28 of S.L. 2017-57 authorizes up to \$15 million of nonrecurring funds appropriated to the North Carolina State Ports Authority from the Highway Trust Fund for the 2017-2018 fiscal year to be used for State port facility approach dredging.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.28A: Dredging Services Cost-Benefit Analysis. (SL 2017-57)

Section 34.28A of S.L. 2017-57 requires the Department of Transportation (DOT) and the Department of Environmental Quality (DEQ) to jointly perform a cost-benefit analysis to compare State provided and private contractor provided dredging services. The analysis must identify:

- Cost savings.
- Time savings.

- Whether private contractors can support the dredging needs of the State.
- Potential contract structures to maximize benefit to the State.

DOT and DEQ must jointly submit findings and recommendations to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources by February 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.28B: Ferry Vessel Priority Boarding/Clarification. (SL 2017-57)

Section 34.28B of S.L. 2017-57 clarifies that all vehicles owned by the person issued an annual state ferry vessel priority boarding pass are entitled to priority ferry boarding.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.28C: Ferry Division/Life-Cycle Plan for Terminal Structure Repairs and Replacements. (SL 2017-57)

Section 34.28C of S.L. 2017-57 requires the Ferry Division of the Department of Transportation (DOT) to develop a life-cycle plan for the repair and replacement of ferry terminal structures. The plan must include a cost-benefit analysis comparing repair versus replacement of terminal structures.

DOT must submit a report to the Joint Legislative Transportation Oversight Committee by November 1, 2017.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.29: Study/Use of Dredge Manteo. (SL 2017-57)

Section 34.29 of S.L. 2017-57 requires the Department of Transportation (DOT) to study the use of its new dredge vessel "Manteo." The study must include approximate annual operating costs, including maintenance, and a plan to allow use by other State departments and agencies.

DOT must submit its report to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.30: Department of Transportation Performance Dashboard/Track Division of Motor Vehicles Progress. (SL 2017-57)

Section 34.30 of S.L. 2017-57 requires the Department of Transportation (DOT) to expand its performance dashboard on DOT's Web site to include the following information related to the Division of Motor Vehicles (DMV):

- The number of motor vehicle registrations issued per month and year to date.
- The number of motor vehicle registrations renewed per month and year to date.
- The number of drivers licenses issued per month and year to date.
- The number of drivers licenses renewed per month and year to date.
- The number of motor vehicle registrations renewed online per month and year to date.
- The number of drivers licenses renewed online per month and year to date.
- The total number of persons employed by DMV as of the first day of each month, including full time, part time, and temporary employees.

DOT must complete this expansion by October 1, 2017.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.31: Division of Motor Vehicles/Purchase Credit Card Payment Processing Devices. (SL 2017-57)

Section 34.31 of S.L. 2017-57 requires the Division of Motor Vehicles of the Department of Transportation to purchase credit/debit card processing devices used solely for payments rather than leasing those devices. The purchase price must include the cost of repair and replacement.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.32: Division of Motor Vehicles/Hearing Fee Implementation Revisions. (SL 2017-57)

Section 34.32 of S.L. 2017-57, as amended by Section 7.3(a) of S.L. 2017-197:

- Requires the Division of Motor Vehicles (DMV) of the Department of Transportation to develop a schedule of fees to recover all costs incurred by the DMV's Hearings Unit for the performance of administrative hearings under DMV's rules.
- Requires DMV to establish a Hearings Unit fund, into which DMV must deposit fees collected, and provides that those fees are the sole funding source for the Hearings Unit.

- Authorizes DMV to charge fees to any person that requests an administrative hearing, and sets forth the requirements for requesting a hearing.
- Authorizes DMV to adopt temporary rules in accordance with these changes.

This section became effective July 1, 2017, except for the requirement and authorization to implement and charge administrative hearing fees, which becomes effective January 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 34.33: Division of Motor Vehicles/Study Streamlining International Fuel Tax Agreement and International Registration Plan Processes. (SL 2017-57)

Section 34.33 of S.L. 2017-57 requires the Division of Motor Vehicles (DMV) of the Department of Transportation, in consultation with the Department of Revenue, to study the streamlining of the processes required by the International Fuel Tax Agreement and the International Registration Plan, and study the feasibility of consolidating these processes within DMV.

DMV must submit its findings and recommendations to the Joint Legislative Transportation Oversight Committee by March 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.34: Pilot Project/Funding for Rest Area in Richmond County. (SL 2017-57)

Section 34.34 of S.L. 2017-57 requires the Department of Transportation (DOT) to implement a pilot project to provide funding for operating a rest area on U.S. Highway 220 in Richmond County. DOT must allocate \$100,000 in nonrecurring funds for each fiscal year of the 2017-2019 biennium to the Town of Ellerbe for this project. DOT may advertise local attractions or accommodations at the rest area.

DOT must provide a report, including visitor counts and annual operating costs from opening to November 1, 2018, to the Joint Legislative Transportation Oversight Committee by December 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.35: Asset Management Long Range Facility Planning/Division of Motor Vehicle New Bern Avenue Property Relocation. (SL 2017-57)

Section 34.35 of S.L. 2017-57 requires the Department of Transportation (DOT) to specify its plan for relocating the Division of Motor Vehicles (DMV) from its New Bern Avenue location in Raleigh, and whether DOT will purchase or lease the relocation site.

DOT must submit a report to the Joint Legislative Transportation Oversight Committee by May 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.36: Study/Eliminate Use of Nurses in Medical Review Program. (SL 2017-57)

Section 34.36 of S.L. 2017-57 requires the Division of Motor Vehicles (DMV) of the Department of Transportation (DOT) to study the feasibility of eliminating the use of nurses in DMV's medical review program.

DMV must report findings and recommendations to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.37: Restore Mercury Switch Removal Funding. (SL 2017-57)

Section 34.37 of S.L. 2017-57 requires the Division of Motor Vehicles of the Department of Transportation (DOT) to allocate 20¢ of each fee collected related to motor vehicle titling and registration to the Mercury Pollution Prevention Fund in the Department of Environmental Quality (DEQ).

This section became effective July 1, 2017 and expires June 30, 2021.

S257 - Appropriations Act of 2017.

Sec. 34.39: Department of Transportation/Traffic Impact Analysis Time Frame. (SL 2017-57)

Section 34.39 of S.L. 2017-57: (1) creates time frames in which the Department of Transportation (DOT) must make decisions for Traffic Impact Analysis (TIA) approvals; (2) requires DOT to develop an appeals process for TIA rejection by DOT; (3) requires DOT to submit an annual report to the Joint Legislative Transportation Oversight Committee (JLTOC); and (4) authorizes DOT to use up to \$100,000 of nonrecurring 2017-2018 funds, from the Highway Fund allocated for general maintenance, to implement these changes.

The new statutory provisions related to traffic impact analysis timeframes and appeals become effective October 1, 2017, and the remainder of this section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.40: Excavation or Demolition Notice Requirements/Clarify Exemption. (SL 2017-57)

Section 34.40 of S.L. 2017-57 expands the notification requirement exemption under North Carolina's Underground Utility Safety and Damage Prevention Act for maintenance-related excavation or demolition performed to Department of Transportation (DOT), local government, special purpose district, or public service district rights-of-way, to include all rights-of-way if performed by those responsible for routine maintenance of that right-of-way.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.41: Division of Motor Vehicles/Sale of Unclaimed Vehicles Process Improvement. (SL 2017-57)

Section 34.41 of S.L. 2017-57 requires the Division of Motor Vehicles (DMV) of the Department of Transportation (DOT) to:

- Make all required forms for unclaimed vehicle sales available on their Web site.
- Allow electronic submission of these forms to DMV.
- Allow electronic signatures on these forms, when electronically signed as required.

This section becomes effective October 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.42: Sale of Linwood Springs Golf Course/Right of First Refusal for City of Gastonia. (SL 2017-57)

Section 34.42 of S.L. 2017-57 requires the Department of Transportation (DOT) to give the City of Gastonia a right of first refusal if DOT decides to sell the Linwood Springs Golf Course. DOT cannot sell the property if it determines that any mitigation credits associated with the property are not transferable.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.43: State Park Roads/Increase Allowable Maintenance Costs. (SL 2017-57)

Section 34.43 of S.L. 2017-57 requires the Department of Transportation (DOT) to spend \$750,000 in nonrecurring funds, for the 2017-2018 fiscal year, on road maintenance in State parks administered by the

Division of Parks and Recreation (DPR) of the Department of Natural and Cultural Resources, and to jointly develop a five-year capital plan to address State park road maintenance needs with DPR.

DOT and DPR must submit this capital plan to the Joint Legislative Transportation Oversight Committee on Agriculture and Natural and Economic Resources by February 15, 2018.

This section became effective July 1, 2017.

S326 - Clarify Highway Use Tax & Improve Vehicle Titling Process.

Secs. 2 and 2.1: Improve Vehicle Titling Process; Titling and Registration of High Mobility Multipurpose Wheeled Vehicles. (SL 2017-69)

Section 2 of S.L. 2017-69 eliminates duplicative and unnecessary information on an application for a motor vehicle title. This section became effective July 1, 2017.

Section 2.1 of S.L. 2017-69 directs the Division of Motor Vehicles (DMV) to title and register high mobility multipurpose wheeled vehicles, commonly referred to as "HMMWVs" or "Humvees." This section became effective June 28, 2017.

S391 - Ferry Transportation Authority. (SL 2017-120)

S.L. 2017-120 authorizes the creation of a Ferry Transportation Authority to operate a ferry system in the area of a tidal river, and adjoining estuaries, in the vicinity of a municipality that is only accessible by water.

This act became effective July 18, 2017.

S413 - Clarify Motor Vehicle Dealer Laws. (SL 2017-148)

S.L. 2017-148 makes changes to North Carolina's Motor Vehicle Dealers and Manufacturers Licensing Law.

The part of this act pertaining to notification of shop fees becomes effective January 1, 2018, and applies to fees charged on or after that date. The remainder of the act became effective July 20, 2017.

Utilities

See full summary documents for additional detail

H310 - Wireless Communications Infrastructure Siting. (SL 2017-159)

H396 - Municipal Broadband Service Area. (SL 2017-180)

S.L. 2017-180 modifies an exemption for the City of Wilson (City) from requirements applicable to cities that operate a communications service that is offered to the public for a fee included in Article 16A of Chapter 160A of the General Statutes.

The act became effective July 25, 2017.

H589 - Competitive Energy Solutions for NC. (SL 2017-192)

S.L. 2017-192 amends various laws related to energy policy, including reform of the State implementation of PURPA, the creation of a competitive bidding process for new renewable energy facilities, and the enactment of the Distributed Resources Access Act to authorize leasing of third-party owned solar development.

H799 - Utility Billing by Lessors. (SL 2017-172)

Session Law 2017-172 clarifies and amends the laws regarding the billing of water, electricity, and natural gas utilities services by lessors.

This act became effective July 21, 2017.

