

1 2024 GOVERNOR'S BUDGET

2 April 24, 2024

3  
4  
5 A BILL TO BE ENTITLED  
6 AN ACT TO MODIFY THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2023  
7 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATIONS OF THE STATE.  
8

9 The General Assembly of North Carolina enacts:

10  
11 **PART I. TITLE AND INTRODUCTION**

12  
13 **TITLE OF ACT**

14 **SECTION 1.1.** This act shall be known as the "Current Operations Appropriations  
15 Act of 2024."

16  
17 **INTRODUCTION**

18 **SECTION 1.2.** The appropriations made in this act are for maximum amounts  
19 necessary to provide the services and accomplish the purposes described in the budget in  
20 accordance with the State Budget Act. Savings shall be effected where the total amounts  
21 appropriated are not required to perform these services and accomplish these purposes, and the  
22 savings shall revert to the appropriate fund at the end of each fiscal year, except as otherwise  
23 provided by law.  
24

25 **PART II. CURRENT OPERATIONS AND EXPANSION/GENERAL FUND**

26  
27 **GENERAL FUND APPROPRIATIONS**

28 **SECTION 2.1.(a)** Appropriations from the General Fund for the 2024-2025 fiscal  
29 year set out in Section 2.1(a) of S.L. 2023-134 are repealed. Appropriations from the General  
30 Fund for the budgets of the State departments, institutions, and agencies, and for other purposes  
31 as enumerated, are made for the 2024-2025 fiscal year, according to the following schedule:  
32

33 **Current Operations - General Fund** **FY 2024-2025**

34 **EDUCATION**

35 North Carolina Community College System

36 Requirements 2,107,465,642

37 Less: Receipts 428,408,799

38 **Net Appropriation 1,679,056,843**

39  
40 Department of Public Instruction

41 Requirements 14,875,741,928

42 Less: Receipts 1,818,798,621

43 **Net Appropriation 13,056,943,307**

44  
45 **THE UNIVERSITY OF NORTH CAROLINA**

46 East Carolina Univ. - Academic Affairs

47 Requirements 435,157,458

48 Less: Receipts 168,350,410

49 **Net Appropriation 266,807,048**

50  
51 East Carolina Univ. - Health Affairs

52 Requirements 114,341,160

1	Less: Receipts	13,587,770
2	<b>Net Appropriation</b>	<b>100,753,390</b>
3		
4	Elizabeth City State University	
5	Requirements	50,985,154
6	Less: Receipts	4,824,784
7	<b>Net Appropriation</b>	<b>46,160,370</b>
8		
9	Fayetteville State University	
10	Requirements	91,811,366
11	Less: Receipts	13,099,820
12	<b>Net Appropriation</b>	<b>78,711,546</b>
13		
14	Appalachian State University	
15	Requirements	313,413,598
16	Less: Receipts	124,504,786
17	<b>Net Appropriation</b>	<b>188,908,812</b>
18		
19	NC A&T University	
20	Requirements	240,062,658
21	Less: Receipts	88,842,760
22	<b>Net Appropriation</b>	<b>151,219,898</b>
23		
24	NC School of Science and Mathematics	
25	Requirements	45,331,072
26	Less: Receipts	3,291,677
27	<b>Net Appropriation</b>	<b>42,039,395</b>
28		
29	NC State University - Academic Affairs	
30	Requirements	954,304,072
31	Less: Receipts	438,387,357
32	<b>Net Appropriation</b>	<b>515,916,715</b>
33		
34	NC State University - Ag. Research	
35	Requirements	79,228,032
36	Less: Receipts	19,124,784
37	<b>Net Appropriation</b>	<b>60,103,248</b>
38		
39	NC State University - Coop. Extension	
40	Requirements	64,983,558
41	Less: Receipts	18,874,550
42	<b>Net Appropriation</b>	<b>46,109,008</b>
43		
44	North Carolina Central University	
45	Requirements	144,633,692
46	Less: Receipts	53,010,459
47	<b>Net Appropriation</b>	<b>91,623,233</b>
48		
49	UNC at Asheville	
50	Requirements	73,465,728

1	Less: Receipts	23,040,857
2	<b>Net Appropriation</b>	<b>50,424,871</b>
3		
4	UNC at Chapel Hill - Academic Affairs	
5	Requirements	723,833,122
6	Less: Receipts	376,959,533
7	<b>Net Appropriation</b>	<b>346,873,589</b>
8		
9	UNC at Chapel Hill - Area Health Ed.	
10	Requirements	59,771,874
11	Less: Receipts	0
12	<b>Net Appropriation</b>	<b>59,771,874</b>
13		
14	UNC at Chapel Hill - Health Affairs	
15	Requirements	369,568,724
16	Less: Receipts	138,758,876
17	<b>Net Appropriation</b>	<b>230,809,848</b>
18		
19	UNC at Charlotte	
20	Requirements	486,757,239
21	Less: Receipts	179,817,408
22	<b>Net Appropriation</b>	<b>306,939,831</b>
23		
24	UNC at Greensboro	
25	Requirements	314,889,872
26	Less: Receipts	117,357,588
27	<b>Net Appropriation</b>	<b>197,532,284</b>
28		
29	UNC at Pembroke	
30	Requirements	125,508,626
31	Less: Receipts	27,326,770
32	<b>Net Appropriation</b>	<b>98,181,856</b>
33		
34	UNC at Wilmington	
35	Requirements	314,796,162
36	Less: Receipts	115,848,896
37	<b>Net Appropriation</b>	<b>198,947,266</b>
38		
39	UNC BOG - Aid to Private Institutions	
40	Requirements	14,209,300
41	Less: Receipts	10,000,000
42	<b>Net Appropriation</b>	<b>4,209,300</b>
43		
44	UNC BOG - Institutional Programs	
45	Requirements	732,308,786
46	Less: Receipts	60,250,000
47	<b>Net Appropriation</b>	<b>672,058,786</b>
48		
49	UNC BOG - Related Ed. Programs	
50	Requirements	641,280,089

1	Less: Receipts	167,855,939
2	<b>Net Appropriation</b>	<b>473,424,150</b>
3		
4	UNC School of the Arts	
5	Requirements	56,488,236
6	Less: Receipts	17,148,612
7	<b>Net Appropriation</b>	<b>39,339,624</b>
8		
9	UNC System Office	
10	Requirements	47,640,384
11	Less: Receipts	259,217
12	<b>Net Appropriation</b>	<b>47,381,167</b>
13		
14	Western Carolina University	
15	Requirements	186,734,561
16	Less: Receipts	30,671,875
17	<b>Net Appropriation</b>	<b>156,062,686</b>
18		
19	Winston-Salem State University	
20	Requirements	93,110,088
21	Less: Receipts	23,599,718
22	<b>Net Appropriation</b>	<b>69,510,370</b>
23		
24	<b>HEALTH AND HUMAN SERVICES</b>	
25	Aging and Adult Services	
26	Requirements	175,848,316
27	Less: Receipts	120,859,697
28	<b>Net Appropriation</b>	<b>54,988,619</b>
29		
30	Central Management and Support	
31	Requirements	560,960,453
32	Less: Receipts	295,358,595
33	<b>Net Appropriation</b>	<b>265,601,858</b>
34		
35	Child and Family Well-Being	
36	Requirements	628,751,349
37	Less: Receipts	550,449,233
38	<b>Net Appropriation</b>	<b>78,302,116</b>
39		
40	Child Development and Early Education	
41	Requirements	1,599,459,055
42	Less: Receipts	671,848,539
43	<b>Net Appropriation</b>	<b>927,610,516</b>
44		
45	Emp. & Indep. for People with Disabilities	
46	Requirements	201,072,005
47	Less: Receipts	152,965,037
48	<b>Net Appropriation</b>	<b>48,106,968</b>
49		
50	Health Benefits	

1	Requirements	32,779,319,648
2	Less: Receipts	26,081,635,238
3	<b>Net Appropriation</b>	<b>6,697,684,410</b>
4		
5	Health Services Regulation	
6	Requirements	85,597,916
7	Less: Receipts	57,084,858
8	<b>Net Appropriation</b>	<b>28,513,058</b>
9		
10	Mental Hlth./Dev. Disabl./Subs. Use Serv.	
11	Requirements	1,963,841,323
12	Less: Receipts	1,101,049,960
13	<b>Net Appropriation</b>	<b>862,791,363</b>
14		
15	Public Health	
16	Requirements	515,281,812
17	Less: Receipts	362,850,527
18	<b>Net Appropriation</b>	<b>152,431,285</b>
19		
20	Services for the Blind/Deaf/Hard of Hearing	
21	Requirements	50,567,264
22	Less: Receipts	39,896,340
23	<b>Net Appropriation</b>	<b>10,670,924</b>
24		
25	Social Services	
26	Requirements	2,266,843,734
27	Less: Receipts	2,027,527,259
28	<b>Net Appropriation</b>	<b>239,316,475</b>
29		
30	<b>AGRICULTURE, NATURAL, AND ECONOMIC RESOURCES</b>	
31	Agriculture and Consumer Services	
32	Requirements	305,391,185
33	Less: Receipts	92,158,909
34	<b>Net Appropriation</b>	<b>213,232,276</b>
35		
36	Commerce	
37	Requirements	532,397,044
38	Less: Receipts	287,093,455
39	<b>Net Appropriation</b>	<b>245,303,589</b>
40		
41	Environmental Quality	
42	Requirements	418,451,906
43	Less: Receipts	189,844,998
44	<b>Net Appropriation</b>	<b>228,606,908</b>
45		
46	Labor	
47	Requirements	47,705,202
48	Less: Receipts	18,112,941
49	<b>Net Appropriation</b>	<b>29,592,261</b>
50		

1	Natural and Cultural Resources	
2	Requirements	423,639,900
3	Less: Receipts	54,842,950
4	<b>Net Appropriation</b>	<b>368,796,950</b>
5		
6	Wildlife Resources Commission	
7	Requirements	101,711,069
8	Less: Receipts	81,855,762
9	<b>Net Appropriation</b>	<b>19,855,307</b>
10		
11	<b>JUSTICE AND PUBLIC SAFETY</b>	
12	Indigent Defense Services	
13	Requirements	189,928,261
14	Less: Receipts	13,962,679
15	<b>Net Appropriation</b>	<b>175,965,582</b>
16		
17	Department of Public Safety	
18	Requirements	919,555,747
19	Less: Receipts	193,653,989
20	<b>Net Appropriation</b>	<b>725,901,758</b>
21		
22	State Bureau of Investigation	
23	Requirements	77,537,719
24	Less: Receipts	21,057,226
25	<b>Net Appropriation</b>	<b>56,480,493</b>
26		
27	Department of Adult Correction	
28	Requirements	2,187,551,408
29	Less: Receipts	28,612,230
30	<b>Net Appropriation</b>	<b>2,158,939,178</b>
31		
32	Administrative Office of the Courts	
33	Requirements	832,763,685
34	Less: Receipts	6,210,166
35	<b>Net Appropriation</b>	<b>826,553,519</b>
36		
37	Department of Justice	
38	Requirements	121,010,020
39	Less: Receipts	45,147,562
40	<b>Net Appropriation</b>	<b>75,862,458</b>
41		
42	<b>GENERAL GOVERNMENT</b>	
43	Administration	
44	Requirements	86,670,340
45	Less: Receipts	12,636,055
46	<b>Net Appropriation</b>	<b>74,034,285</b>
47		
48	Administrative Hearings	
49	Requirements	9,828,367
50	Less: Receipts	1,216,625
51	<b>Net Appropriation</b>	<b>8,611,742</b>

1		
2	Auditor	
3	Requirements	27,234,163
4	Less: Receipts	6,899,163
5	<b>Net Appropriation</b>	<b>20,335,000</b>
6		
7	Budget and Management	
8	Requirements	16,264,365
9	Less: Receipts	3,659,972
10	<b>Net Appropriation</b>	<b>12,604,393</b>
11		
12	Budget and Management - Special Approp.	
13	Requirements	62,275,000
14	Less: Receipts	51,725,000
15	<b>Net Appropriation</b>	<b>10,550,000</b>
16		
17	Controller	
18	Requirements	38,476,134
19	Less: Receipts	875,957
20	<b>Net Appropriation</b>	<b>37,600,177</b>
21		
22	Elections	
23	Requirements	12,404,913
24	Less: Receipts	102,000
25	<b>Net Appropriation</b>	<b>12,302,913</b>
26		
27	General Assembly	
28	Requirements	104,311,881
29	Less: Receipts	561,000
30	<b>Net Appropriation</b>	<b>103,750,881</b>
31		
32	Governor	
33	Requirements	8,601,199
34	Less: Receipts	1,000,730
35	<b>Net Appropriation</b>	<b>7,600,469</b>
36		
37	Housing Finance Agency	
38	Requirements	120,040,000
39	Less: Receipts	109,380,000
40	<b>Net Appropriation</b>	<b>10,660,000</b>
41		
42	Human Resources	
43	Requirements	12,325,864
44	Less: Receipts	100,888
45	<b>Net Appropriation</b>	<b>12,224,976</b>
46		
47	Industrial Commission	
48	Requirements	25,213,564
49	Less: Receipts	20,739,136
50	<b>Net Appropriation</b>	<b>4,474,428</b>

1		
2	Insurance	
3	Requirements	97,749,880
4	Less: Receipts	25,140,347
5	<b>Net Appropriation</b>	<b>72,609,533</b>
6		
7	Lieutenant Governor	
8	Requirements	1,404,464
9	Less: Receipts	0
10	<b>Net Appropriation</b>	<b>1,404,464</b>
11		
12	Military and Veterans Affairs	
13	Requirements	14,226,118
14	Less: Receipts	400,000
15	<b>Net Appropriation</b>	<b>13,826,118</b>
16		
17	Revenue	
18	Requirements	197,650,218
19	Less: Receipts	68,697,348
20	<b>Net Appropriation</b>	<b>128,952,870</b>
21		
22	Secretary of State	
23	Requirements	21,812,308
24	Less: Receipts	330,036
25	<b>Net Appropriation</b>	<b>21,482,272</b>
26		
27	Treasurer	
28	Requirements	80,840,237
29	Less: Receipts	80,631,163
30	<b>Net Appropriation</b>	<b>209,074</b>
31		
32	Treasurer - Other Retirement Plans/Benefits	
33	Requirements	22,923,708
34	Less: Receipts	0
35	<b>Net Appropriation</b>	<b>22,923,708</b>
36		
37	<b>INFORMATION TECHNOLOGY</b>	
38	Department of Information Technology	
39	Requirements	116,435,543
40	Less: Receipts	31,479,233
41	<b>Net Appropriation</b>	<b>84,956,310</b>
42		
43	<b>RESERVES AND LOTTERY</b>	
44	General Fund Reserve	
45	Requirements	816,291,122
46	Less: Receipts	694,265,711
47	<b>Net Appropriation</b>	<b>122,025,411</b>
48		
49	<b>Total Requirements</b>	<b>72,635,987,590</b>
50	<b>Less: Total Receipts</b>	<b>38,089,420,380</b>
51	<b>Total Net Appropriation</b>	<b>34,546,567,210</b>

1  
2           **SECTION 2.1.(b)** For purposes of this act and the Committee Report described in  
3 Section 43.2 of this act, the requirements set forth in this section represent the total amount of  
4 funds, including agency receipts, appropriated to an agency, department, or institution.  
5

6   **GENERAL FUND AVAILABILITY**

7           **SECTION 2.2.(a)** The General Fund availability for the 2024-2025 fiscal year set  
8 out in Section 2.2(a) of S.L. 2023-134 is repealed. The General Fund availability derived from  
9 State tax revenue, nontax revenue, and other adjustments used in developing the budget for the  
10 2024-2025 fiscal year is as follows:

	<b>FY 2024-2025</b>	
11		
12		
13	Unappropriated Balance	1,564,437,931
14	Overcollections Consensus Estimate FY 2023-24	413,138,702
15	Reversions FY 2023-24 (S.L 2023-134)	300,000,000
16	Additional Reversions	200,000,000
17	<b>Total, Estimated Beginning Unreserved Balance</b>	<b>2,477,576,633</b>
18		
19	<b>Investments to Reserves per S.L. 2023-134</b>	
20	State Capital and Infrastructure (SCIF)	(1,461,333,238)
21	Additional Transfer to SCIF	(700,000,000)
22	Clean Water and Drinking Water Reserve	(1,000,000,000)
23	Economic Development Reserve	(100,000,000)
24	Transportation Reserve	(100,000,000)
25	State Emergency Response and Disaster Relief Fund	(75,000,000)
26	Housing Reserve	(60,000,000)
27	NC Innovation Reserve Shifted to Child Care	0
28	Medicaid Contingency Reserve	0
29	Savings Reserve	0
30	<b>Total, Investments to Reserves</b>	<b>(3,496,333,238)</b>
31		
32	<b>Adjustments to Reserves</b>	
33	Invest Inflation Reserve	1,000,000,000
34	<b>Total, Adjustments to Reserves</b>	<b>1,000,000,000</b>
35		
36	<b>Revenues</b>	
37	Certified Tax Revenue (S.L. 2023-42; S.L. 2023-134)	31,884,670,000
38	Certified Non-Tax Revenue (S.L. 2023-7; S.L. 2023-42; S.L. 2023-93;	
39	S.L. 2023-134)	1,480,876,093
40	Consensus Forecast Adjustment	1,003,753,907
41	<b>Total, Revenues</b>	<b>34,369,300,000</b>
42		
43	<b>Adjustments to Revenues</b>	
44	Individual Income Tax Fairness, Rate at 4.5% for Income	
45	>\$200K/100K (MFJ/single)	126,900,000
46	Maintain Lowest Corporate Income Tax Rate at 2.5%	74,200,000
47	Maintain General Fund Sales Tax Transfer to DOT at 4%	236,900,000
48	Child and Dependent Care Tax Credit	(57,800,000)
49	Conservation Tax Credit	(4,700,000)
50	<b>Total, Adjustments to Revenues</b>	<b>375,500,000</b>

1		
2	<b>Adjustments to Availability</b>	
3	Insurance Non-Tax Transfer	19,321,482
4	<b>Total, Adjustments to Availability</b>	<b>19,321,482</b>
5		
6	<b>Revised Total Net General Fund Availability</b>	<b>34,745,364,877</b>
7		
8	Less General Fund Net Appropriations	(34,546,567,210)
9		
10	<b>Unappropriated Balance Remaining</b>	<b>198,797,677</b>

11  
12       **SECTION 2.2.(b)** Notwithstanding the provisions of G.S. 143C-4-2.(i) and (j), no  
13 funds shall be transferred to the Unfunded Liability Solvency Reserve in fiscal year 2024-2025.

14       **SECTION 2.2.(c)** Section 2.2(q) of S.L. 2022-74 is repealed.

15       **SECTION 2.2.(d)** Section 2.2(c) of S.L. 2023-134 reads as rewritten:

16       **"SECTION 2.2.(c)** Medicaid Contingency Reserve. – The State Controller shall reserve to  
17 the Medicaid Contingency Reserve described in G.S. 143C-4-11 from funds available in the  
18 General Fund the sum of four hundred million dollars (\$400,000,000) in nonrecurring funds for  
19 the 2023-2024 fiscal year ~~and the sum of two hundred fifty million dollars (\$250,000,000) in~~  
20 ~~nonrecurring funds for the 2024-2025 fiscal year."~~

21       **SECTION 2.2.(e)** Section 2.2(h) of S.L. 2023-134 reads as rewritten:

22       **"SECTION 2.2.(h)** Economic Development Project Reserve. – The State Controller shall  
23 reserve to the Economic Development Project Reserve established in Section 2.2 of S.L.  
24 2021-180 from funds available in the General Fund the sum of six hundred thirty million dollars  
25 (\$630,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of one hundred  
26 million dollars (\$100,000,000) for the 2024-2025 fiscal year. The State Controller shall transfer  
27 funds available in the Economic Development Project Reserve to State agencies and departments  
28 for economic development initiatives in accordance with the following schedule, and the funds  
29 transferred are appropriated for the fiscal year in which they are transferred:

30			
31	<b>State Agency or Department</b>	<b>2023-2024</b>	<b>2024-2025</b>
32			
33	(1) Department of Commerce		
34	(Budget Code: 14601)	\$10,000,000	\$0
35	<del>(2) Department of Commerce</del>		
36	<del>    (Budget Code 14600)</del>	<del>0</del>	<del>3,000,000</del>
37	(2) Department of Commerce		
38	(Budget Code: 14602)	10,600,000	<del>108,400,000</del> 186,400,000
39	(3) Department of Environmental Quality		
40	(Budget Code: 14300)	1,000,000	0
41	<del>(4) Department of Transportation</del>		
42	<del>    (Budget Code: 84210)</del>	<del>0</del>	<del>150,000,000</del>
43	<del>(5) Central Carolina Community College</del>	<del>0</del>	<del>40,000,000"</del>

44  
45       **SECTION 2.2.(f)** Section 2.2(i) of S.L. 2023-134 reads as rewritten:

46       **"SECTION 2.2.(i)** Housing Reserve. – The State Controller shall reserve to the Housing  
47 Reserve established in Section 2.2(k) of S.L. 202274 from funds available in the General Fund  
48 the sum of forty-five million dollars (\$45,000,000) in nonrecurring funds for the 20232024 fiscal  
49 year and the sum of ~~forty-five-sixty~~ million dollars ~~(\$45,000,000) (\$60,000,000)~~ in nonrecurring  
50 funds for the 20242025 fiscal year. The State Controller shall transfer funds available in the

1 Housing Reserve to the Housing Finance Agency (Budget Code: 13010) in the sum of forty five  
2 million dollars (\$45,000,000) in nonrecurring funds for the 20232024 fiscal year and the sum of  
3 ~~fortyfive-sixty~~ million dollars (~~\$45,000,000~~–~~(\$60,000,000)~~) in nonrecurring funds for the  
4 20242025 fiscal year, and those funds are appropriated for the fiscal year in which they are  
5 transferred."

6 **SECTION 2.2.(g)** Section 2.2(k) of S.L. 2023-134 reads as rewritten:

7 **"SECTION 2.2.(k)** NCInnovation. – There is established in the General Fund an  
8 NCInnovation Reserve to make funds available for NCInnovation, Inc. (NCInnovation), a North  
9 Carolina nonprofit corporation, for the purposes set out in Section 11.9 of this act. The State  
10 Controller shall reserve to the NCInnovation Reserve from funds available in the General Fund  
11 the sum of two hundred fifty million dollars (\$250,000,000) in nonrecurring funds for the  
12 2023-2024 fiscal year ~~and the sum of two hundred fifty million dollars (\$250,000,000) in~~  
13 ~~nonrecurring funds for the 2024-2025 fiscal year.~~ The State Controller shall transfer portions of  
14 the funds in the NCInnovation Reserve to the Department of Commerce (Department) as  
15 provided in this subsection, and these funds are hereby appropriated to the Department for  
16 allocation to NCInnovation for purposes consistent with Section 11.9 of this act. The required  
17 transfers are as follows:

- 18 (1) Two hundred fifty million dollars (\$250,000,000) upon the Department  
19 certifying to the State Controller that NCInnovation has met the requirements  
20 set out in Article 76B of Chapter 143 of the General Statutes, as enacted by  
21 Section 11.9 of this act.
- 22 (2) ~~Two hundred fifty million dollars (\$250,000,000) upon the later of July 1,~~  
23 ~~2024, or the Department certifying to the State Controller that NCInnovation~~  
24 ~~has met the following requirements:~~
  - 25 ~~a. NCInnovation has established a network of regional innovation hubs~~  
26 ~~with at least four regional innovation hubs.~~
  - 27 ~~b. NCInnovation has completed (i) research, technology, and innovation~~  
28 ~~studies of the four regional innovation hubs to maximize local~~  
29 ~~educational research efforts and the commercialization of those efforts~~  
30 ~~to meet regional needs and (ii) a statewide strategic technology~~  
31 ~~development plan.~~
  - 32 ~~c. NCInnovation has produced and provided to the Joint Legislative~~  
33 ~~Commission on Governmental Operations detailed spending plans and~~  
34 ~~performance management programs for awarding funds.~~
  - 35 ~~d. NCInnovation has received written commitments for private~~  
36 ~~contributions totaling at least twenty five million dollars~~  
37 ~~(\$25,000,000) to be received within four years of receipt of the~~  
38 ~~endowment.~~
  - 39 ~~e. NCInnovation has reported, at least semiannually, to the Joint~~  
40 ~~Legislative Commission on Governmental Operations on the progress~~  
41 ~~of meeting the requirements of this subdivision."~~

42 **SECTION 2.2.(h)** Section 2.2(p) of S.L. 2023-134 reads as rewritten

43 **"SECTION 2.2.(p)** Federal Infrastructure Match Reserve. – The State Controller shall  
44 reserve to the Federal Infrastructure Match Reserve established in Section 2.2(m) of S.L. 2022-  
45 74 from funds available in the General Fund the sum of fifty million dollars (\$50,000,000) in  
46 nonrecurring funds for the 2023-2024 fiscal year and the sum of forty-five million dollars  
47 (\$45,000,000) in the 2024-2025 fiscal year. The State Controller shall transfer funds available in  
48 the Federal Infrastructure Match Reserve to agencies and departments as needed to draw down  
49 federal funds in accordance with the following schedule, and the funds transferred are  
50 appropriated for the fiscal year in which the funds are transferred:

	<b>State Agency or Department</b>	<b>2023-2024</b>	<b>2024-2025</b>
1			
2			
3	(1) Department of Commerce		
4	(Budget Code: 14600)	\$250,000	\$250,000
5	(2) Department of Environmental Quality		
6	(Budget Code: 14300)	850,000	850,000
7	(3) Department of Environmental Quality		
8	(Budget Code: 24300)	1,388,921	1,388,921
9	(4) Department of Environmental Quality		
10	Budget Code: 64305)	500,000	500,000
11	(5) Department of Environmental Quality		
12	(Budget Code: 64311)	3,975,123	8,675,950
13	(6) Department of Environmental Quality		
14	(Budget Code: 64320)	6,605,875	14,417,727
15	(7) Office of State Budget and Management		
16	(Budget Code: 13005)	10,000,000	<del>0</del> 45,000,000"

17 **SECTION 2.2.(i)** Section 2.2(r) of S.L. 2023-134 is repealed.

18 **SECTION 2.2.(j)** The State Controller shall transfer the sum of forty-six million five  
19 hundred thirty one thousand eight hundred twenty nine dollars (\$46,531,829) from the  
20 unreserved fund balance in the General Fund to the Information Technology Reserve. The  
21 following information technology projects are funded from the Information Technology  
22 Reserve: The Department of Health and Human Services' North Carolina Database Application  
23 for Vital Events (NCDAVE) self-service portal and enhancements.

- 24 (1) The Department of Health and Human Services' Medical Examiner  
25 Information Technology System.
- 26 (2) The Department of Natural and Cultural Resources' network infrastructure  
27 upgrades.
- 28 (3) The Department of Information Technology's modernization of Tanium  
29 Endpoint Detection and Response.
- 30 (4) The Department of Public Instruction's School Business Systems  
31 Modernization ERP Grant Program.
- 32 (5) The Department of Justice's North Carolina Justice Data Portal data  
33 consolidation.
- 34 (6) The Office of State Budget and Management's Integrated Budget Information  
35 System (IBIS) Replacement.
- 36 (7) The Department of Human Resources' Human Capital Management System  
37 Phase I and Phase II.
- 38 (8) The Department of Human Resources' HR Data Analytics Application.
- 39 (9) The State Board of Elections' Election Management System (SEIMS)  
40 software modernization.
- 41 (10) The State Bureau of Investigation's modernization of investigation platforms.
- 42 (11) The Secretary of State's database modernization project and program for  
43 automating certain business service processes.

44 Funds appropriated to the Information Technology Reserve shall be allocated by the  
45 Director of the State Budget in consultation with the State Chief Information Officer and the head  
46 of the department with primary ownership over the information technology project. Funds shall  
47 be allocated based on documented needs. Funds transferred under this section to the Information  
48 Technology Reserve are appropriated for the life of the project and shall be used in accordance  
49 with this act.

50 **SECTION 2.2.(k)** Section 2.2(e) of S.L. 2023-134 reads as rewritten;

"SECTION 2.2.(e) SERDRF. – The State Controller shall reserve to the State Emergency Response and Disaster Relief Fund established in G.S. 166A-19.42 from funds available in the General Fund the sum of seventy-five million dollars (\$75,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of seventy-five million dollars (\$75,000,000) in nonrecurring funds for the 2024-2025 fiscal year. The State Controller shall transfer funds available in the State Emergency Response and Disaster Relief Fund to State agencies and departments for the purposes described in Section 5.6 of this act and in accordance with the following schedule. The funds transferred are appropriated for the five-year period ending June 30, 2028.

State Agency or Department	2023-2024	2024-2025
(1) Emergency Management (Budget Code: 24552)	\$174,601,092	\$0
<u>(1a) Department of Public Safety (Budget Code: 14550)</u>	<u>0</u>	<u>5,000,000</u>
(2) Office of State Budget and Management – Special Appropriations (Budget Code: 13085)	22,255,000	<u>95,000,000</u>
<u>(2a) Office of State Budget and Management – General Fund – Special Revenue (Budget Code: 23014)</u>	<u>0</u>	<u>75,000,000</u>
<u>(2b) OSBM – Tropical Storm Fred DR (Budget Code: 23024)</u>	<u>0</u>	<u>2,500,000</u>
(3) DACS–Soil & Water Conservation (Budget Code: 23704)	20,000,000	<u>921,000,000</u>
<u>(3a) DACS (Budget Code 13700)</u>	<u>0</u>	<u>300,000</u>
(4) Department of Insurance (Budget Code: 63903)	20,000,000	0
<u>(4a) Department of Insurance (Budget Code: 13900)</u>	<u>0</u>	<u>20,000,000</u>
(5) Department of Environmental Quality (Budget Code: 14300)	7,500,000	0
<u>(5a) Department of Environmental Quality (Budget Code: 24300)</u>	<u>0</u>	<u>4,000,000</u>
(5) Department of Environmental Quality – Disaster (Budget Code: 24310)	10,493,953	987,906
(6) Wildlife Resources Commission (Budget Code: 14350)	11,000,000	0
(7) DEQ – Special Revenue (Budget Code: 24317)	10,000,000	10,000,000
(8) UNC at Chapel Hill – Academic Affairs (Budget Code: 16020)	330,000	330,000
(9) NC School of Science & Math (Budget Code: 16094)	264,000	0
(10) North Carolina Central University (Budget Code: 16090)	50,000	0"

**PART III. HIGHWAY FUND AND HIGHWAY TRUST FUND**

**CURRENT OPERATIONS/HIGHWAY FUND**

SECTION 3.1. The appropriations for the State Highway Fund for the 2024-2025 fiscal year set out in Section 3.1 of S.L. 2023-134 are repealed. Appropriations from the State Highway Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are made for the fiscal year ending June 30, 2025 according to the following schedule:

Highway Fund	FY 2024-2025
Administration	147,623,011
Division of Highways	
Administration	40,389,207
Construction	77,543,078
Maintenance	2,177,551,082
Governor's Highway Safety Program	613,391
OSHA	358,030

1	Aid to Municipalities	
2	Powell Bill	185,875,000
3		
4	Intermodal Divisions	
5	Ferry	76,929,849
6	Public Transportation, Bicycle and Pedestrian	82,510,286
7	Aviation	160,274,429
8	Rail	55,299,938
9		
10	Division of Motor Vehicles	149,165,896
11		
12	Other State Agencies, Reserves, Transfers	84,848,940
13		
14	Capital Improvements	43,571,863
15		
16	<b>Total Highway Fund Appropriations</b>	<b>\$3,282,554,000</b>

17  
18 **HIGHWAY FUND AVAILABILITY**

19       **SECTION 3.2.** The Highway Fund availability for the 2024-2025 fiscal year in  
20 Section 3.2 of S.L. 2023-134 is repealed. The Highway Fund availability used in adjusting the  
21 2024-2025 fiscal year budget is shown below:

22		<b>FY 2024-2025</b>
23	<b>Beginning Balance</b>	<b>\$65,000,000</b>
24		
25	<b>Consensus Revenue Forecast</b>	
26	Motor Fuels Tax	1,848,200,000
27	Licenses and Fees	1,077,700,000
28	Short-Term Lease	118,800,000
29	Investment Income	52,400,000
30	Sales Tax Transfer	118,500,000
31		
32	<b>Adjustments to Availability</b>	
33	Title Fees – Transfer from Highway Trust Fund	1,954,000
34		
35	<b>Total Highway Fund Availability</b>	<b>\$3,282,554,000</b>

36  
37 **HIGHWAY TRUST FUND APPROPRIATIONS**

38       **SECTION 3.3.** The appropriations for the State Highway Trust Fund for the 2024-  
39 2025 fiscal year set out in Section 3.3 of S.L. 2023-134 are repealed. Appropriations from the  
40 State Highway Trust Fund to the Department of Transportation for construction and other  
41 purposes as enumerated are made for the fiscal year ending June 30, 2025, according to the  
42 following schedule:

43		
44	<b>Current Operations – Highway Trust Fund</b>	<b>FY 2024-2025</b>
45	Program Administration	42,467,867
46	Bonds	121,436,775
47	Turnpike Authority	49,000,000
48	State Ports Authority	45,000,000
49	Strategic Prioritization Funding Plan for	
50	Transportation Investments	2,060,701,358

1	Transfer to Visitor Center	640,000
2	<b>Total Highway Trust Fund Appropriations</b>	<b>\$2,319,246,000</b>

3  
4 **HIGHWAY TRUST FUND AVAILABILITY**

5 **SECTION 3.4.** The Highway Trust Fund availability for the 2024-2025 fiscal year  
6 set out in Section 3.4 of S.L. 2023-134 is repealed. The Highway Trust Fund availability used in  
7 adjusting the 2023-2024 fiscal year budget is shown below:

8		<b>FY 2024-2025</b>
9	<b>Beginning Balance</b>	<b>\$31,300,000</b>
10		
11	<b>Consensus Revenue Forecast</b>	
12	Highway Use Tax	1,131,400,000
13	Motor Fuels Tax	613,900,000
14	Fees	169,000,000
15	Investment Income	20,200,000
16	Sales Tax Transfer	355,300,000
17		
18	<b>Adjustments to Availability</b>	
19	Title Fees – Transfer to Highway Fund	(1,954,000)
20		
21	<b>Total Highway Trust Fund Availability</b>	<b>\$2,319,146,000</b>

22  
23 **PART IV. OTHER AVAILABILITY AND APPROPRIATIONS**

24  
25 **EDUCATION LOTTERY FUNDS/CHANGES TO REVENUE ALLOCATIONS**

26 **SECTION 4.1.(a)** Section 4.3(a) of S.L. 2023-134 reads as rewritten:

27 **"SECTION 4.3.(a)** The allocations made from the Education Lottery Fund for the  
28 2023-2025 fiscal biennium are as follows:

29		<b>FY 2023-2024</b>	<b>FY 2024-2025</b>
30	Noninstructional Support Personnel	\$385,914,455	<del>\$385,914,455</del> <u>\$415,914,455</u>
31	Prekindergarten Program	78,252,110	<del>\$78,252,110</del> <u>111,152,110</u>
32	<u>School Health Personnel</u>	<u>0</u>	<u>8,100,000</u>
33	Public School Building Capital Fund	100,000,000	100,000,000
34	Needs-Based Public School Capital Fund	254,252,612	258,252,612
35	Public School Repair & Renovation	50,000,000	50,000,000
36	Scholarship Reserve Fund for Public Colleges		
37	and Universities	41,194,733	41,194,733
38	LEA Transportation	21,386,090	21,386,090
39	<b>TOTAL ALLOCATION</b>	<b>\$931,000,000</b>	<del><b>\$935,000,000</b></del> <u><b>\$1,006,000,000</b></u> "

40  
41 **INDIAN GAMING EDUCATION REVENUE FUND APPROPRIATIONS**

42 **SECTION 4.2.(a)** Section 4.4(a) of S.L. 2023-134 reads as rewritten:

43 **"SECTION 4.4.(a)** Allocations are made from the Indian Gaming Education Revenue Fund  
44 for the fiscal biennium ending June 30, 2025, as follows:

45		<b>FY 2023-2024</b>	<b>FY 2024-2025</b>
46	Textbook and Digital Resources Allotment	\$10,000,000	\$10,000,000
47	Classroom Materials	11,000,000	<del>1,000,000</del> <u>6,000,000</u>
48	<b>Total Appropriation</b>	<b>\$21,000,000</b>	<del><b>\$11,000,000</b></del> <u><b>\$16,000,000</b></u> "

49  
50 **CIVIL PENALTY AND FORFEITURE FUND**

1           **SECTION 4.3.** Section 4.5 of S.L. 2023-134 reads as rewritten:  
 2           **"SECTION 4.5.** Allocations are made from the Civil Penalty and Forfeiture Fund for the  
 3 fiscal biennium ending June 30, 2025, as follows:

	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>
4 School Technology Fund	\$18,000,000	\$18,000,000
5 Drivers Education	31,493,768	31,493,768
6 State Public School Fund	226,041,640	<del>166,041,640</del> 191,041,640
7 <b>Total Appropriation</b>	<b>\$275,535,408</b>	<del><b>\$215,535,408</b></del> <b>\$240,535,408"</b>

9  
 10 **ARPA TEMPORARY SAVINGS FUND**

11           **SECTION 4.4.** Section 4.9.(d) of S.L. 2023-134 reads as rewritten:  
 12           **"SECTION 4.9.(d)** Priority of Disbursement of Funds in the 2024-2025 Fiscal Year. – For  
 13 the 2024-2025 fiscal year, funds appropriated in this act from the ARPA Temporary Savings  
 14 Fund and allocated as described in this act, or in the Committee Report described in Section 43.2  
 15 of this act, shall be disbursed in the following order:

- 16           (1) East Carolina University – Health Affairs (Budget Code 16066) for ECU  
 17 Primary Care Programs Expansion.
- 18           (2) The Department of Public Instruction (Budget Code 13510) for Health Career  
 19 Promotion.
- 20           (3) UNC BOG – Institutional Programs (Budget Code 16011) for Rural  
 21 Residency Medical Education and Training Fund.
- 22           (4) The Department of Health and Human Services, Division of Health Benefits,  
 23 (Budget Code 14445) for Federally Qualified Health Centers and Rural Health  
 24 Clinics.
- 25           (5) UNC BOG – Related Education Programs (Budget Code 16012) for Primary  
 26 Care Providers and Psychiatrists Forgivable Loan Program.
- 27           (6) UNC at Pembroke (Budget Code 16082) for UNCP Health Sciences.
- 28           (7) NC Community College System (Budget Code 16800) for Nursing and  
 29 Health-Related Workforce Programs Start-up Funds.
- 30           (8) The Department of Health and Human Services, Division of Mental Health,  
 31 Developmental Disabilities, and Substance Use Services, (Budget Code  
 32 14460) for State Facility Workforce Investment.
- 33           (9) The Department of Health and Human Services, Central Management and  
 34 Support, Office of Rural Health (Budget Code 14410) for Incentives for  
 35 Health Providers in Rural and Underserved Areas.
- 36           (10) Department of Health and Human Services Division of Child and Family  
 37 Well-Being for the School Behavioral Health Package.
- 38           (11) The Department of Health and Human Services Division of Aging and Adult  
 39 Services for Rural Aging in Place.
- 40           (12) The Department of Health and Human Services Division of Social Services  
 41 for State Aid to County Departments of Social Services
- 42           (13) Department of Health and Human Services Division of Health Benefits for  
 43 Medicaid Administration and Healthy Opportunities Statewide Expansion.
- 44           ~~(14)~~ (14) In order of least to most, all remaining allocations that are not allocations  
 45 made through funds appropriated to the State Capital and Infrastructure Fund.
- 46           ~~(15)~~ (15)—In order of least to most, allocations made through funds appropriated to  
 47 the State Capital and Infrastructure Fund.

48           If there are two or more allocations in subdivision (10) or subdivision (11) of this  
 49 subsection that are of equal amounts, then the funds for those allocations shall be disbursed in  
 50 the order determined by the Secretary of DHHS, taking into account any time lines for the use of

1 the funds, the best interest of the citizens of the State, and the avoidance of any disruption in  
2 services to those citizens.

3 ...."  
4

## 5 **PART V. GENERAL PROVISIONS**

### 6 7 **APPROPRIATION OF RECENT FEDERAL GRANT, SUBSIDIES, LOANS, AND** 8 **REBATES**

9 **SECTION 5.1.(a)** Funds received from federal programs authorized under the  
10 Bipartisan Infrastructure Law (BIL) (P.L. 117-58 (also known as the Infrastructure Investment  
11 and Jobs Act (IIJA)), the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and  
12 Science Act (P.L. 117-167), and the Inflation Reduction Act (IRA) (P.L. 117-169) are  
13 appropriated in the amounts provided in the notification of award from the federal government  
14 or any entity acting on behalf of the federal government to administer the federal funds. State  
15 agencies may, with approval of the Director of the Budget, spend funds received from federal  
16 grants, subsidies, loans, and rebates resulting from enactment of this legislation. State agencies  
17 shall report to the Joint Legislative Commission on Governmental Operations, the chairs of the  
18 Senate Committee on Appropriations/Base Budget, the chairs of the House Appropriations  
19 Committee, and the Fiscal Research Division within 30 days of receipt of such funds.

20 **SECTION 5.1.(b)** The Office of State Budget and Management shall work with the  
21 recipient State agencies to budget funding awards according to the annual program needs and  
22 within the parameters of the respective granting entities. Depending on the nature of the award,  
23 additional State personnel may be employed on a time-limited basis. Funds received from such  
24 awards are hereby appropriated up to the applicable amount set forth in subsection (a) of this  
25 section and shall be incorporated into the authorized budget of the recipient State agency.

26 **SECTION 5.1.(c)** Section 4.2 of S.L. 2023-134 shall not apply to grant funds  
27 received under BIL, the CHIPS and Science Act, or IRA.  
28

### 29 **OTHER RECEIPTS FROM PENDING GRANT AWARDS**

30 **SECTION 5.2.(a)** Section 4.2.(a) of S.L. 2023-134 reads as rewritten:

31 **"SECTION 4.2.(a)** Notwithstanding G.S. 143C-6-4, State agencies may, with approval of  
32 the Director of the Budget, spend funds received from grants awarded after the enactment of this  
33 act for grant awards that are for less than ~~two million five hundred thousand dollars~~  
34 ~~(\$2,500,000).~~five million dollars (\$5,000,000). State agencies shall report to the Joint Legislative  
35 Commission on Governmental Operations, the chairs of the Senate Committee on  
36 Appropriations/Base Budget, the chairs of the House Appropriations Committee, and the Fiscal  
37 Research Division within 30 days of receipt of such funds.

38 ..."  
39

### 40 **STATE FISCAL RECOVERY FUND REALLOCATIONS**

41 **SECTION 5.3.(a)** Notwithstanding any provision of law, the North Carolina  
42 Pandemic Recovery Office (NCPRO) shall reallocate one hundred thirty-one million eight  
43 hundred and eighty-seven thousand eight hundred and eighty-two dollars (\$131,887,882) in  
44 unexpended State Fiscal Recovery Funds (SFRF) as follows:

- 45 (1) \$9,000,000 to provide local assistance, split evenly between the NC League of  
46 Municipalities, the NC Association of Regional COGs, and the NC Association  
47 of County Commissioners.
- 48 (2) \$3,327,585 from the Smart School Bus program within the Department of Public  
49 Instruction to the School Bus Safety program.

1 (3) \$100,000,000 from the Broadband Make Ready Accelerator program within the  
2 Department of Information Technology to the Completing Access to Broadband  
3 program.

4 (4) \$19,560,298 to the Department of Environmental Quality for unexpected  
5 expenses, project overruns, and other necessary costs of existing Viable Utility  
6 Reserve and Local Assistance for Stormwater Infrastructure Investments program  
7 grants.

8 **SECTION 5.3.(b)** Notwithstanding any provision of law, NCPRO, in consultation  
9 with the Director of the Budget, may reallocate SFRF appropriated by this act or any of the  
10 following acts:

11 (1) S.L. 2021-180.

12 (2) S.L. 2021-189.

13 (3) S.L. 2022-6.

14 (4) S.L. 2022-74.

15 (5) S.L. 2023-134.

16  
17 These State Fiscal Recovery Funds may be reallocated under all of the following conditions only:

18 (1) The appropriated funds are unobligated on September 30, 2024.

19 (2) There is not a reasonable expectation that the funds will be obligated before the  
20 deadline established by applicable federal law or guidance.

21 (3) The reallocation is made to support one or more SFRF related activities authorized  
22 and receiving appropriations under this act or one of the acts listed in the  
23 Requirements above within this Section. Reallocated funds shall not be used for  
24 any new activity, purpose, or program.

25 (4) To the extent that funds reallocated pursuant to this section are unappropriated,  
26 those funds are hereby appropriated and available for use pursuant to this section.

27 **SECTION 5.3.(c)** Section 9G.8.(a)(2)b of S.L. 2021-180 reads as rewritten:

28 **"SECTION 9G.8.(a)**

29 ...

30 (2) \$117,187,500 in nonrecurring funds shall be used to fund a program for lead  
31 paint abatement and asbestos abatement in public school units and child care  
32 facilities. As part of the program, public school units and child care facilities  
33 shall be required to conduct inspections for lead paint and asbestos hazards in  
34 their facilities. The program shall include at least the following components:

35 a. DHHS and DPI shall develop a mechanism for providing funding for  
36 lead paint abatement, asbestos inspection and abatement, or both in  
37 public school units and child care facilities; provided, however, that the  
38 following conditions are met:

39 1. A professional accredited in accordance with G.S. 130A-447  
40 or certified in accordance with G.S. 130A-453.03 determines  
41 that action must be taken in response to an inspection report.

42 2. Lead paint, asbestos, or both are detected as part of an  
43 inspection or as part of a capital, renovation, or repair project  
44 that meets the lead-based paint hazard level, as set forth in G.S.  
45 130A-131.7, or that meets the definition of asbestos containing  
46 material, as set forth in G.S. 130A-444. Capital projects may  
47 include HVAC, window, or other ventilation projects related  
48 to COVID-19 mitigation, or other capital, renovation, or repair  
49 projects undertaken—for which a hazard has been  
50 identified during calendar years 2021 through 2024.

- 1                   b. A requirement that public school unit recipients of funds in Tier 3  
2                   counties allocated under this subdivision shall provide matching funds  
3                   in the amount of one dollar (\$1.00) of local funds for every two dollars  
4                   (\$2.00) of State funds.  
5                   c. The Commission for Public Health, Child Care Commission, and State  
6                   Board of Education shall adopt rules as needed to implement this  
7                   subdivision."

8                   **SECTION 5.3.(d).** G.S. 143B-1373.1 reads as rewritten:

9                   **"§ 143B-1373.1. Completing Access to Broadband program.**

10                   ...

11                   (c) In collaboration with the Broadband Infrastructure Office, a county may request  
12                   funding under this section for either a defined eligible project area that is mutually identified by  
13                   the county and the Office or for a project that was not awarded a grant in the most recent round  
14                   of grant awards under G.S. 143B-1373. All identified projects shall be subject to the bid process  
15                   requirements in this subsection. In selecting project areas to receive funding, the Office shall give  
16                   priority to eligible areas that a county has requested funding for based upon utilizing the Office's  
17                   Community Broadband Planning Playbook and those counties that meet the criteria established  
18                   in subsection (e) of this section. The Department shall utilize its authority under Part 4 of this  
19                   Article to develop competitive bid processes for the procurement of the construction, installation,  
20                   and operation of broadband infrastructure. Notwithstanding Article 8 of Chapter 143 of the  
21                   General Statutes, or any other provision of law to the contrary, the Department may delegate to  
22                   a county the authority to select a provider for the project area in accordance with Part 4 of this  
23                   Article. The Department shall reserve the authority to approve the selection of a county pursuant  
24                   to this subsection. Unless the county has bid processes acceptable to the Office, the Office shall  
25                   utilize customizable forms and procedures developed by the Department for the purposes of this  
26                   subsection. Selections made pursuant to this subsection are not subject to the Department's  
27                   administrative review authority under Article 3A of Chapter 150B of the General Statutes or the  
28                   Department's administrative rules regarding information technology bid protests and contested  
29                   case procedures. Selection of project areas shall be subject to the protections provided in G.S.  
30                   143B-1373(c). In conjunction with the bid process, a proposed project area shall be posted on the  
31                   Department's website for a period of at least 10 days. Upon submission of credible evidence, a  
32                   broadband service provider may request a project scope adjustment to the Office in accordance  
33                   with G.S. 143B-1373(e). Upon a finding that the evidence submitted by the broadband service  
34                   provider is credible, the Office shall work with the county to amend the scope of the project. The  
35                   Office shall develop and administer any agreement entered into pursuant to this section. Nothing  
36                   in this subsection shall be deemed to grant authority for a county to own, operate, or otherwise  
37                   control broadband infrastructure contracted for under this section.

38                   (d) A broadband service provider selected for a project under this section may provide  
39                   ~~up to thirty percent (30%) a match of at least twenty-five percent (25%)~~ of the total estimated  
40                   project cost. The Office may commit up to ~~thirty-five percent (35%)~~seventy-five percent (75%)  
41                   of the total estimated project cost from monies in the CAB Fund. A county requesting a project  
42                   may provide up to fifty percent (50%) of the service provider's required match of the estimated  
43                   project cost. The county requesting the project shall be responsible for at least thirty-five percent  
44                   ~~(35%) of the total estimated project cost and shall utilize federal American Rescue Plan Act (P.L.~~  
45                   ~~117-2) funds or nonrestricted general funds for that purpose.~~ In the event CAB Fund monies are  
46                   insufficient to fund a project, a county or provider may increase its share of the total estimated  
47                   project cost, or the Office may adjust the scope of the project to meet the level of available  
48                   funding. ~~No county may receive more than eight million dollars (\$8,000,000) in aggregate~~  
49                   ~~funding from the CAB Fund in any single fiscal year.~~

(e) The Office shall prioritize projects for which a county is contributing a portion of the service provider's required match of the total estimated project cost. No county may receive more than eight million dollars (\$8,000,000) in aggregate funding from the CAB Fund in any single fiscal year, provided that a county contributing a portion of the service provider's required match of the total estimated project cost may receive more than eight million dollars (\$8,000,000) from the CAB Fund. The additional amount shall be no more than one hundred percent (100%) of the amount of the county's contribution during a fiscal year. ~~Notwithstanding the project cost responsibility allocations in subsection (d) of this section, for a county receiving from the federal government less than an aggregate of eight million dollars (\$8,000,000) in federal American Rescue Plan Act (P.L. 117-2) funds, a broadband service provider selected for a project shall provide not less than fifteen percent (15%) of the total estimated project cost. If a broadband service provider provides more than fifteen percent (15%) of the total estimated project cost, the State and county cost responsibilities shall be equally apportioned. The following cost responsibility allocations for counties meeting the requirements of this subsection and the State apply:~~

<del>Direct Federal Funds Received</del>	<del>County Responsibility</del>	<del>State Responsibility</del>
<del>\$250,000, up to \$4,000,000</del>	<del>5%, minimum</del>	<del>Up to 80%</del>
<del>\$4,000,000, up to \$8,000,000</del>	<del>10%, minimum</del>	<del>Up to 75%</del>

(f) A broadband service provider selected for a project under this section shall enter into an agreement with the Office that shall include the project description, time lines, benchmarks, proposed broadband speeds, and any other information and documentation the Office deems necessary. All proposed broadband speeds must meet or exceed the federal guidelines for use of American Rescue Plan Act (P.L. 117-2) funds. If a county provides a portion of the service provider's required match of the total estimated project cost, upon ~~Upon~~ execution of an agreement, the county shall provide its portion of the total estimated project costs to the Office to be combined with CAB Funds awarded for the project and placed in a separate project account. The Office shall provide project oversight, and, upon completion of established benchmarks in the project agreement, the Office shall disburse funds from the project account to the broadband service provider. The forfeiture provisions in G.S. 143B-1373(l) shall apply to agreements entered into under this section."

**EMERGENCY RENTAL ASSISTANCE (ERA) REALLOCATION**

**SECTION 5.4.(a)** Notwithstanding any provision of law, all remaining Emergency Rental Assistance (ERA) funds allocated in Section 5 of S.L. 2021-1, Section 1.4 of S.L. 2021-3, and Section 3.4 of S.L. 2021-25, except those in retained pursuant to Section 5.4(b), and any interest earned on those funds budgeted in Budget Code 23021, Budget Fund 21450 shall be reallocated to the North Carolina Housing Finance Authority for the Housing Trust Fund and be used in for projects that comply with US Department of the Treasury's Emergency Rental Assistance guidelines. These funds are hereby appropriated.

**SECTION 5.4.(b)** Section 3.4(i) of S.L. 2021-25 is amended by adding a new subsection to read:

"SECTION 3.4.(i1) In addition to funds allowed for administration in subsection (i), the Office shall retain one million dollars (\$1,000,000) of Emergency Rental Assistance funds to close out the program. These funds shall be used to:

1. Review fraud, waste, and abuse allegations and assist with investigations.
2. Conduct activities related to recovery of funds.
3. Prepare for desk review and other federal and state audits.
4. Prepare and submit required reports.

1 5. And other unforeseen duties that arise in the closeout process of this program."

2  
3 **DARE COUNTY AFFORDABLE HOUSING FUNDS**

4 **SECTION 5.5.** Notwithstanding any provision of law, funds for Dare County  
5 Affordable Housing appropriated in S.L. 2022-74 that are returned to the state pursuant to the  
6 Dare County Commissioner vote on April 9, 2024, shall be reallocated to the North Carolina  
7 Housing Finance Authority for the Housing Trust Fund and these funds are hereby appropriated.  
8

9 **ESTABLISHING OR INCREASING FEES**

10 **SECTION 5.6.(a)** Notwithstanding G.S. 123.1, an agency is not required to consult  
11 with the Joint Legislative Commission on Governmental Operations prior to establishing or  
12 increasing a fee to the level authorized or anticipated in this act.

13 **SECTION 5.6.(b)** Notwithstanding G.S. 150B21.1A(a), an agency may adopt an  
14 emergency rule in accordance with G.S. 150B21.1A to establish or increase a fee as authorized  
15 by this act if the adoption of a rule would otherwise be required under Article 2A of Chapter  
16 150B of the General Statutes.  
17

18 **SPORTS BETTING – USE OF PROCEEDS / REVERSION**

19 **SECTION 5.7.(a)** G.S. 105-113.128 reads as rewritten:

20 **"§ 105-113.128. Use of tax proceeds.**

21 a. The Secretary shall distribute the taxes collected under this Article, less the  
22 allowance to the Department of Revenue and reimbursement to the Lottery  
23 Commission for administrative expenses, in accordance with this section. The  
24 Secretary may retain the cost of administering this Article, not to exceed five  
25 hundred thousand dollars (\$500,000) a year, as reimbursement to the  
26 Department. The Lottery Commission shall, no later than 20 days after the end  
27 of the month, notify the Department of its unreimbursed expenses from  
28 administering the provisions of Article 9 of Chapter 18C of the General  
29 Statutes from the previous month. The Department shall reimburse the Lottery  
30 Commission from the tax revenues collected under this Article no later than  
31 the end of the month in which the Department was notified. The remainder of  
32 the net proceeds of the tax collected under this Article are to be credited in the  
33 following priority:

34 ...

35 b. Funds appropriated pursuant to section (a), subsections (1) through (5)b, shall  
36 not revert until the end of the fiscal year following that in which they are  
37 appropriated."

38 **SECTION 5.7.(b)** This section becomes effective June 30, 2024.  
39

40 **2024 DISASTER RECOVERY**

41 **SECTION 5.8.(a)** State Emergency Response and Disaster Relief Fund. – Of the  
42 nonrecurring funds appropriated in S.L. 2023-134 and this act for the 2024-2025 fiscal year, one  
43 hundred thirty-two million eight hundred thousand hundred dollars (\$132,800,000) shall be  
44 allocated as follows:

- 45 (1) \$75,000,000 to the Office of State Budget and Management to provide disaster  
46 recovery assistance to households and communities in response to Hurricane  
47 Matthew and Hurricane Florence.  
48 (2) \$5,000,000 to the Office of State Budget and Management to provide a  
49 directed grant to the North Carolina Insurance Underwriting Association,  
50 consistent with the purposes set forth in Section 5.9(i) of S.L. 2021-180.

- 1 (3) \$2,500,000 to the Office of State Budget and Management to provide disaster  
2 recovery assistance to households and communities in response to Tropical  
3 Storm Fred.
- 4 (4) \$20,000,000 to the Department of Agriculture and Consumer Services to  
5 support the Streamflow Rehabilitation Assistance Program, which maintains  
6 and restores streams in flood mitigation efforts.
- 7 (5) \$20,000,000 to the Department of Insurance, Office of the State Fire Marshal,  
8 to sustain the State Property Fire Insurance Fund.
- 9 (6) \$5,000,000 to the Department of Public Safety, Emergency Management  
10 Division, to support disaster recovery projects in Princeville in response to  
11 Hurricane Matthew.
- 12 (7) \$4,000,000 to the Department of Environmental Quality to support coastal  
13 modeling for the Flood Resiliency Blueprint.
- 14 (8) \$1,000,000 to the Department of Agriculture and Consumer Services to  
15 support the Agricultural Water Resources Assistance Program, which  
16 provides funds for agricultural water supply and efficiency increases for  
17 agricultural water use.
- 18 (9) \$300,000 to the Department of Agriculture and Consumer Services for  
19 equipment to transport mobile depopulation units, which quickly depopulate  
20 livestock following disease outbreaks, natural disasters, or other catastrophic  
21 events.

22 **SECTION 5.8.(b)** Implementation. – The following actions and policies shall be  
23 taken to implement subsection 5.7.(a)(1):

- 24 (1) If a person's home is relocated or purchased with funds allocated in this  
25 subsection, the State Emergency Response and Disaster Relief Fund is  
26 subrogated to the person's rights under any insurance coverage for the damage  
27 to the home and any monies received from the insurance coverage shall be  
28 paid to the State Emergency Response and Disaster Relief Fund. The Office  
29 of State Budget and Management shall ensure that those potentially affected  
30 by this section are notified of, and adhere to, its requirements.
- 31 (2) No State funds appropriated in this section may be expended for the  
32 construction of any new residence within the 100-year floodplain unless the  
33 construction is in an area regulated by a unit of local government pursuant to  
34 a floodplain management ordinance and the construction complies with the  
35 ordinance. As used in this section, "100-year floodplain" means any area  
36 subject to inundation by a 100-year flood, as indicated on the most recent  
37 Flood Insurance Rate Map prepared by the Federal Emergency Management  
38 Agency under the National Flood Insurance Program.
- 39 (3) Homeowners in the 100-year floodplain who receive homeowner's housing  
40 assistance pursuant to this section shall have in effect federal flood insurance,  
41 if available, as a precondition to receipt of State homeowner's housing  
42 assistance for losses resulting from future flooding.

43 **SECTION 5.8.(c)** Limitation. – Funds allocated in this section shall be expended in  
44 a manner that does not adversely affect any person's or entity's eligibility for federal funds that  
45 are made available, or that are anticipated to be made available, as a result of natural disasters.  
46 To the extent practicable, funds allocated in this section shall not be used to cover costs that will  
47 be, or likely will be, covered by federal funds.

48 **SECTION 5.8.(d)** No Reversion of Funds. – Funds allocated in this section shall  
49 remain available to implement the provisions of this section until the General Assembly directs

1 the reversion of any unexpended and unencumbered funds and G.S. 143C-6-23(f1)(1) shall not  
2 apply to those funds.

3 **SECTION 5.8.(e)** Reporting Requirements. – The Office of State Budget and  
4 Management shall provide periodic reports on the use of the funds allocated and appropriated in  
5 this section in a manner which is consistent with Section 5.8 of Session Law 2019-250.

6 **SECTION 5.8.(f)** Programmatic Support – The Office of State Budget and  
7 Management may use up to five percent (5%) of the funds allocated in subsections (a)(1), (a)(2),  
8 and (a)(3) for programmatic capacity and administrative expenses.

9 **SECTION 5.8.(g)** Section 5.9(i) of S.L. 2021-180 reads as rewritten:

10 **"SECTION 5.9A.(i)** North Carolina Insurance Underwriting Association (NCIUA) Coastal  
11 Resilient Roof Grant Pilot Program. – NCIUA shall establish the Coastal Resilient Roof Grant  
12 Pilot Program, adopt rules, and award amounts for resilient roof grant applicants under this pilot  
13 program. NCIUA must provide a match of one dollar (\$1.00) in non-State funds for one dollar  
14 (\$1.00) provided in State grant funds. No eligible ~~structure~~primary residence, as defined by  
15 NCIUA rules, may receive more than ~~three thousand three hundred four thousand dollars~~  
16 (\$4,000) in State funds ~~for households with an income level not in excess of the median~~  
17 household income for that county or more than two thousand dollars (\$2,000) in State funds for  
18 households with an income level in excess of the median household income for that county under  
19 this pilot program. NCIUA may use matching funds for evaluator costs and grants but shall not  
20 use any of the funds allocated for the pilot program for administrative costs. State funds allocated  
21 for this pilot program that are not encumbered or spent by June 30, 2025, shall revert to the  
22 General Fund. NCIUA will include a report on the pilot program funded by this subsection in the  
23 annual report required by G.S. 58-45-65. The report shall include information on the number of  
24 grants provided, geographical distribution of grants by county, and the average insured value of  
25 the structures receiving grant funding for resiliency improvements under this program. The  
26 NCIUA will provide this portion of its annual report to the Chairs of the Joint Legislative  
27 Emergency Management Oversight Committee and the Fiscal Research Division. The following  
28 definitions apply in this subsection:

29 (1) Coastal area. – Defined in G.S. 58-45-5.

30 (2) Eligible expense. – Costs for the replacement or upgrade of the roof of an  
31 eligible structure when the replacement or upgrade results in the roof meeting  
32 applicable resiliency standards issued by the Institute for Business and Home  
33 Safety or another construction storm resiliency standard that the NCIUA finds  
34 to be equivalent for purposes of reduction of risk of loss to the Coastal  
35 Property Insurance Pool (Pool) established by Article 45 of Chapter 58 of the  
36 General Statutes.

37 (3) Eligible structure. – An eligible residential structure as defined by NCIUA  
38 rules and insured under a policy issued by the NCIUA through the Pool."  
39

#### 40 **FLEXIBILITY FOR USE OF UNEXPENDED DISASTER RECOVERY FUNDS**

41 **SECTION 5.9.(a)** Section 3.1(a) of S.L. 2019-250 reads as rewritten:

42 **"SECTION 3.1.(a)** Notwithstanding any other provision or law, any State agency that  
43 received funds pursuant to this act or any of the following enactments may reallocate unexpended  
44 and unobligated program funds to the same programs or purposes for damage caused by  
45 Hurricane Matthew, Florence, Michael, Dorian, Tropical Storm Fred, the earthquake in Sparta,  
46 or future storms:

47 (1) S.L. 2016-124.

48 (2) S.L. 2017-119.

49 (3) Section 5.6 of S.L. 2018-5.

50 (4) S.L. 2018-134.

- 1 (5) S.L. 2018-136
- 2 (6) S.L. 2018-138.
- 3 (7) S.L. 2019-3.
- 4 (8) S.L. 2020-97
- 5 (9) S.L. 2021-180
- 6 (10) S.L. 2022-74"

7 **SECTION 5.9.(b)** Notwithstanding any other provision of law, any State agency that  
8 received Tropical Storm Fred recovery funds pursuant to this act or any of the following  
9 enactments may reallocate unexpended and unobligated program funds to any program or  
10 purpose stated in those appropriations:

- 11 (1) S.L. 2021-180.
- 12 (2) S.L. 2021-189.
- 13 (3) S.L. 2022-6.
- 14 (4) S.L. 2022-74.
- 15 (5) S.L. 2023-11.

16 **SECTION 5.9.(c)** Any State agency that reallocates funds pursuant to subsection (b)  
17 of this section shall report, at least 30 days prior to the reallocation, to the chairs of the Senate  
18 Appropriations/Base Budget Committee, the chairs of the House of Representatives  
19 Appropriations Committee, and the Fiscal Research Division. The report shall identify all of the  
20 following:

- 21 (1) The original funding authorization.
- 22 (2) The original program or purpose for the use of the funds.
- 23 (3) The amount of funds expended or obligated for the original program or  
24 purpose.
- 25 (4) The amount of funds that remain unexpended or unencumbered.
- 26 (5) The amount of funds to be reallocated.

## 27

## 28 **PART VI. COMMUNITY COLLEGE SYSTEM**

## 29

### 30 **PROPEL NC FUNDING MODEL ADJUSTMENT**

31 **SECTION 6.1.(a)** The funds appropriated in this act for Propel NC shall be used to  
32 shift North Carolina Community College System's enrollment formula from the current tier-  
33 based allocation model to a labor-market driven model. This new model shall link courses to  
34 workforce sectors that are ranked and valued by statewide salary job demand data.

35 **SECTION 6.1.(b)** The State Board of Community Colleges in consultation with the  
36 Department of Commerce shall identify the workforce sectors aligned with the State's high-  
37 demand, high-salary jobs and allocate the funds appropriated in this act to those workforce  
38 sectors. Appropriated funds may also be used for customized training and Small Business Centers  
39 at the individual colleges.

### 40

### 41 **PROPEL NC ENROLLMENT GROWTH RESERVE**

42 **SECTION 6.2.** G.S. 115D-31 reads as rewritten:

43 **"§ 115D-31. State financial support of institutions.**

44 ...

45 (e) If receipts for community college tuition and fees exceed the amount certified in General  
46 Fund Codes at the end of a fiscal year, the State Board of Community Colleges shall ~~transfer~~  
47 retain the amount of receipts and fees above those budgeted ~~to the Enrollment Growth Reserve.~~  
48 Funds ~~in the Enrollment Growth Reserve~~ shall not revert to the General Fund and shall remain  
49 available to the State Board until expended. The State Board may allocate these funds ~~in this~~  
50 ~~reserve to colleges experiencing an enrollment increase greater than five percent (5%) of~~

1 budgeted enrollment levels proportionally to colleges based on actual receipt collections from  
2 the prior fiscal year.

3 (f) The Enrollment Growth Reserve shall be established as a recurring, nonreverting reserve  
4 under the direction of the State Board of Community Colleges. Funds appropriated by the North  
5 Carolina General Assembly shall be allocated based on actual fall semester FTE. The method of  
6 allocation shall be as follows: at one-half the average FTE value per FTE for the greater of FTE  
7 increases in excess of 5% for each category of instruction, or for increases in total FTE greater  
8 than 325. If enrollment growth exceeds the funds appropriated in a given year, the value per FTE  
9 would be reduced proportionately."

## 10 11 **NC CHILD CARE GRANT PROGRAM EVALUATION**

12 **SECTION 6.3.** Of the funds appropriated in this act to the Community College  
13 System for Program Evaluation Funds, the Community College System shall use up to one  
14 hundred thousand dollars (\$100,000) to evaluate the effectiveness of the Child Care Grant  
15 Program funded in S.L. 2023-134. The Community College System Office may consult with the  
16 Office of State Budget and Management (OSBM) for assistance on how to develop an evaluation,  
17 including how to register and use a pre-analysis plan. The Community College System Office  
18 shall report annually to OSBM and the Fiscal Research Division of the General Assembly on the  
19 progress of the evaluation and, when completed, make publicly available the pre-analysis plan,  
20 the final evaluation report, and (to the extent possible) an anonymized version of the dataset(s)  
21 that is sufficient for others to replicate the reported analytics. The evaluation shall include, at a  
22 minimum, the following components:

- 23 (1) Statistics that describe the uptake and use of the program, such as the number  
24 of applications received, amount of grant funds requested, number of  
25 applications approved, total amount of grant funds awarded, and the types of  
26 child care used by students with grant funds.
- 27 (2) An estimate of the number of students who would not otherwise pursue  
28 community college but do so and receive credits as a result of this program.
- 29 (3) An estimate of the number of students who would not otherwise continue  
30 community college studies but do so and receive credits as a result of this  
31 program.
- 32 (4) An assessment of obstacles to receiving these grants by students who apply but  
33 do not qualify, and those who qualify but do not apply.
- 34 (5) Recommendations on whether to continue the program and, if so, what  
35 program improvements might be made.

## 36 37 **PART VII. PUBLIC INSTRUCTION**

### 38 39 **AVERAGE DAILY MEMBERSHIP CONTINGENCY RESERVE**

40 **SECTION 7.1.(a)** Creation. –The Average Daily Membership (ADM) Contingency  
41 Reserve is established within the General Fund. The General Assembly shall appropriate in the  
42 Current Operations Appropriations Act or other appropriations act a specific amount to this  
43 reserve for allocation, on an as-needed basis only, to fund increases in public school current year  
44 allotted ADM over prior year allotted ADM.

45 **SECTION 7.1.(b)** Definitions. – Allotted ADM and the funds requested per ADM  
46 will conform with State Board of Education policy, as documented in the Department of Public  
47 Instruction's Allotment Policy Manual.

48 **SECTION 7.1.(c)** Authorized Uses. – The funds in the ADM Contingency Reserve  
49 are available to the Department of Public Instruction for increases in a public school's current

1 year allotted ADM over the prior year allotted ADM that was used to generate initial allotments.  
2 This includes increases to transportation allotments.

3 **SECTION 7.1.(d)** Request for Allocation. –The Department of Public Instruction  
4 may request an allocation from the ADM Contingency Reserve by submitting a report detailing  
5 the initial allotted ADM, the ADM increase, the funds allocated per ADM, and the total additional  
6 funds requested by school.

7 **SECTION 7.1.(e)** The Office of State Budget and Management (OSBM) must certify  
8 the need for any allocation before disbursing funds from the reserve. The OSBM shall report to  
9 the Fiscal Research Division on or before April 1 of each year on any disbursements made from  
10 the reserve.

11  
12 **COMPREHENSIVE REMEDIAL PLAN FORWARD FUND**

13 **SECTION 7.2.(a)** Chapter 115C of the General Statutes is amended by adding a new  
14 Article to read:

15 " Article 32G.

16 " Sound Basic Education.

17 "**§ 115C-472.20. Ensuring a Sound Basic Education for North Carolina Students.**

18 (a) The General Assembly finds that, due to the critical need in this State to provide  
19 opportunity for North Carolina public school students, it is imperative that the State fully fund  
20 and implement the Comprehensive Remedial Plan, as ordered by Judge David Lee on June 7<sup>th</sup>,  
21 2021. To implement the plan, the state shall treat FY 2024-25 as plan year three and adjust  
22 ensuing plan years accordingly. Therefore, there is appropriated from the General Fund the  
23 following amounts for each fiscal year to be used for the purposes set forth in the Plan and in  
24 order to accomplish these objectives by FY 2029-30:

25  
26 To the Department of Health and Human Services

<u>Fiscal Year</u>	<u>Appropriation</u>
<u>2025-2026</u>	<u>\$167,970,000</u>
<u>2026-2027</u>	<u>\$370,370,000</u>
<u>2027-2028</u>	<u>\$657,620,000</u>
<u>2028-2029</u>	<u>\$904,570,000</u>
<u>2029-2030</u>	<u>\$1,190,720,000</u>

33  
34 For the 2030-31 fiscal year and each fiscal year thereafter, there is appropriated from the  
35 General Fund the sum of one billion one hundred ninety million seven hundred twenty thousand  
36 dollars (\$1,190,720,000) to be used for the purposes set forth in this section. When developing  
37 the base budget, as defined by G.S. 143C11, for each fiscal year specified in this subsection, the  
38 Director of the Budget shall include the appropriated amount specified in this subsection for that  
39 fiscal year.

40  
41 To the Department of Public Instruction

<u>Fiscal Year</u>	<u>Appropriation</u>
<u>2025-2026</u>	<u>\$689,856,904</u>
<u>2026-2027</u>	<u>\$1,354,242,088</u>
<u>2027-2028</u>	<u>\$2,010,942,088</u>
<u>2028-2029</u>	<u>\$2,674,891,976</u>
<u>2029-2030</u>	<u>\$3,326,391,976</u>

42  
43  
44  
45  
46  
47  
48  
49 For the 203031 fiscal year and each fiscal year thereafter, there is appropriated from the  
50 General Fund the sum of three billion three hundred twenty-six million three hundred ninety-one

1 thousand nine hundred seventy-six dollars (\$3,326,391,976) to be used for the purposes set forth  
2 in this section. When developing the base budget, as defined by G.S. 143C11, for each fiscal year  
3 specified in this subsection, the Director of the Budget shall include the appropriated amount  
4 specified in this subsection for that fiscal year.

5  
6 To the University of North Carolina

<u>Fiscal Year</u>	<u>Appropriation</u>
<u>2025-2026</u>	<u>\$23,500,000</u>
<u>2026-2027</u>	<u>\$44,700,000</u>
<u>2027-2028</u>	<u>\$67,300,000</u>
<u>2028-2029</u>	<u>\$85,600,000</u>
<u>2029-2030</u>	<u>\$101,900,000</u>

13  
14 For the 2030-31 fiscal year and each fiscal year thereafter, there is appropriated from the  
15 General Fund the sum of one hundred one million nine hundred thousand dollars (\$101,900,000)  
16 to be used for the purposes set forth in this section. When developing the base budget, as defined  
17 by G.S. 143C11, for each fiscal year specified in this subsection, the Director of the Budget shall  
18 include the appropriated amount specified in this subsection for that fiscal year.

19 (b)It is the intent of the General Assembly that all policy changes required by the  
20 Comprehensive Remedial Plan shall be implemented. The administering agencies shall make  
21 such changes if they possess the authority. In cases where legislative changes are necessary, the  
22 General Assembly shall implement such changes as required by the Plan. "

23  
24 **BUDGET FLEXIBILITY FOR LOCAL BOARDS OF EDUCATION**

25 **SECTION 7.3.** G.S. 115C-105.25(b) reads as rewritten:

26 **"§ 115C-105.25. Budget flexibility.**

27 (b) Subject to the following limitations, local boards of education may transfer and may  
28 approve transfers of funds between funding allotment categories:

29 ...

30 ~~(1b) No funds shall be transferred out of the children with disabilities allotment~~  
31 ~~category.~~

32 ...

33 ~~(3a) No funds shall be transferred out of the teacher assistants allotment category.~~

34 ~~(3b) No funds shall be transferred out of the academically or intellectually gifted~~  
35 ~~children allotment category.~~

36 ...

37 (5a) ~~No positions shall be transferred out of the allocation for classroom teachers~~  
38 ~~for kindergarten through twelfth grade, except as provided in this subdivision.~~

39 Positions allocated for classroom teachers may be converted to dollar  
40 equivalents to contract for visiting international exchange teachers through a  
41 visiting international exchange teacher program approved by the State. These  
42 positions shall be converted at the statewide average salary for classroom  
43 teachers, including benefits. The converted funds shall be used only to provide  
44 visiting international exchange teachers with salaries commensurate with their  
45 experience levels, to provide any State-approved bonuses, and to cover the  
46 costs associated with supporting visiting international exchange teachers  
47 within the local school administrative unit, including programming and  
48 related activities, background checks, medical coverage, and other program  
49 administration services in accordance with the federal regulations for the  
50 Exchange Visitor Program, 22 C.F.R. Part 62. (5b) (5c) (5d)

1 (5b) Positions Except as provided in subdivision (5a) of this subsection, positions  
2 allocated for classroom teachers and instructional support personnel may be  
3 converted to dollar equivalents for any purpose authorized by the policies of  
4 the State Board of Education. These positions shall be converted at the salary  
5 on the first step of the "A" Teachers Salary Schedule. Certified position  
6 allotments shall not be transferred to dollars to hire the same type of position.

7 ~~(5d) No positions shall be transferred out of the allocation for program~~  
8 ~~enhancement teachers for kindergarten through fifth grade except as provided~~  
9 ~~in this subdivision. Positions allocated for program enhancement teachers for~~  
10 ~~kindergarten through fifth grade may be converted into positions allocated for~~  
11 ~~classroom teachers for kindergarten through twelfth grade. For the purposes~~  
12 ~~of this subdivision, the term "program enhancement" is as defined in G.S.~~  
13 ~~115C-301(e2).~~

14 ...  
15 ~~(10a) No funds shall be transferred out of the limited English proficiency allotment~~  
16 ~~category.~~

17 ...  
18 ~~(12) Funds allotted for textbooks and digital resources may only be used for the~~  
19 ~~purchase of textbooks and digital resources. These funds shall not be~~  
20 ~~transferred out of the allotment for any other purpose."~~

## 21 FUNDS FOR CHILDREN WITH DISABILITIES

22 SECTION 7.4. G.S. 115C-111.05 reads as rewritten:

### 23 "§ 115C-111.05. Funding for children with disabilities.

24 ~~To the extent funds are made available for this purpose, the State Board shall allocate funds~~  
25 ~~for children with disabilities to each local school administrative unit on a per-child basis. Each~~  
26 ~~local school administrative unit shall receive funds for the lesser of (i) all children who are~~  
27 ~~identified as children with disabilities or (ii) thirteen percent (13%) of its allocated average daily~~  
28 ~~membership in the local school administrative unit for the current school year. The State Board~~  
29 ~~of Education shall allocate additional funds for children with disabilities on the basis of five~~  
30 ~~thousand six hundred seventy dollars (\$5,670) for fiscal year 2024-25 per child. Each local school~~  
31 ~~administrative unit shall receive funds for the total number of children who are identified as~~  
32 ~~children with disabilities in the local school administrative unit. The dollar amounts allocated~~  
33 ~~under this section for children with disabilities shall also be adjusted in accordance with~~  
34 ~~legislative salary increments, retirement rate adjustments, and health benefit adjustments for~~  
35 ~~personnel who serve children with disabilities."~~

## 36 FUNDS FOR LIMITED ENGLISH PROFICIENCY

37 SECTION 7.5. The State Board of Education shall allocate additional funds for  
38 services to students with limited proficiency in the English language to local school  
39 administrative units and to charter schools based on the three-year weighted headcount of  
40 students in the units or charter school with limited English proficiency.  
41

## 42 DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)/AT-RISK 43 STUDENT SERVICES/ALTERNATIVE SCHOOLS

44 SECTION 7.6. G.S. 115C-472.19 reads as rewritten:

### 45 "§ 115C-472.19. Disadvantaged student supplemental funding.

46 (a) To the extent funds are made available for this purpose, funds appropriated for  
47 disadvantaged student supplemental funding shall be used, consistent with the policies and  
48 procedures adopted by the State Board of Education, only to do the following:  
49  
50

- 1 (1) Provide instructional positions or instructional support positions.
- 2 (2) Provide professional development.
- 3 (3) Provide intensive in-school or after-school remediation, or both.
- 4 (4) Purchase diagnostic software and progress-monitoring tools.
- 5 (5) Provide funds for teacher bonuses and supplements. ~~The State Board of~~
- 6 ~~Education shall set a maximum percentage of the funds that may be used for~~
- 7 ~~this purpose.~~

8 The State Board of Education may require local school administrative units receiving funding  
9 under the Disadvantaged Student Supplemental Fund to purchase the Education Value-Added  
10 Assessment System (EVAAS) in order to provide in-depth analysis of student performance and  
11 help identify strategies for improving student achievement. This data shall be used exclusively  
12 for instructional and curriculum decisions made in the best interest of children and for  
13 professional development for their teachers and administrators.

14 (b) Disadvantaged student supplemental funding (DSSF) shall be allotted to a local  
15 school administrative unit based on (i) the unit's eligible DSSF population and (ii) the difference  
16 between a teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

- 17 (1) For counties with wealth greater than ninety percent (90%) of the statewide  
18 average, a ratio of 1:19.9.
- 19 (2) For counties with wealth not less than eighty percent (80%) and not greater  
20 than ninety percent (90%) of the statewide average, a ratio of 1:19.4.
- 21 (3) For counties with wealth less than eighty percent (80%) of the statewide  
22 average, a ratio of 1:19.1.
- 23 (4) For local school administrative units that received DSSF funds in fiscal year  
24 2005-2006, a ratio of 1:16. These local school administrative units shall  
25 receive no less than the DSSF amount allotted in fiscal year 2006-2007.

26 For the purpose of this subsection, wealth shall be calculated under the low-wealth  
27 supplemental formula as provided for in this Article.

28 (c) If a local school administrative unit's wealth increases to a level that adversely affects  
29 the unit's disadvantaged student supplemental funding (DSSF) allotment ratio, the DSSF  
30 allotment for that unit shall be maintained at the prior year level for one additional fiscal year.

31 (d) For the 2024-25 fiscal year the State Board of Education shall transfer the At-Risk  
32 Student Services/Alternative Schools allotment into the DSSF allotment and allocate these funds  
33 to local school administrative units under a formula that:

- 34 (1) Expands the allowable uses of the DSSF allotment to incorporate activities  
35 allowed under the current At-Risk allotment; and
- 36 (2) Provides that no local administrative unit receives a decrease in combined  
37 funding.

38 Reallocated At-Risk funding must be counted as an independent supplement to  
39 existing DSSF funds."

## 40 **NATIONAL BOARD CERTIFICATION FEE SUPPORT**

41 **SECTION 7.7.(a)** Of the funds appropriated to the Department of Public Instruction  
42 by this act, the Department shall transfer the sum of nine hundred thousand dollars (\$900,000) in  
43 fiscal year 2024-25 to the State Education Assistance Authority to pay the application fees for  
44 first time candidates applying for certification by the National Board for Professional Teaching  
45 Standards. Funds shall be available beginning with the 2024-25 school year.

46 **SECTION 7.7.(b)** G.S. 115C-296.2 reads as rewritten:

47 **"§ 115C-296.2. National Board for Professional Teaching Standards Certification.**

48 (a) State Policy. – It is the goal of the State to provide opportunities and incentives for  
49 good teachers to become excellent teachers and to retain them in the teaching profession; to attain  
50

1 this goal, the State shall support the efforts of teachers to achieve national certification by  
2 providing approved paid leave time for teachers participating in the process, ~~lending teachers~~  
3 ~~paying~~ the participation fee, and paying a significant salary differential to teachers who attain  
4 national certification from the National Board for Professional Teaching Standards (NBPTS).

5 ...

6 (c) Payment of the NBPTS Participation Fee; Paid Leave. – The State shall ~~lend~~ provide  
7 teachers the participation fee and shall provide up to three days of approved paid leave to all  
8 teachers participating in the NBPTS program who:

- 9 (1) Have completed three full years of teaching in a North Carolina public school;  
10 and
- 11 (2) Have (i) not previously received State funds for participating in any  
12 certification area in the NBPTS program, (ii) repaid any State funds  
13 previously received for the NBPTS certification process, or (iii) received a  
14 waiver of repayment from the State Board of Education.

15 Teachers participating in the program shall take paid leave only with the approval of  
16 their supervisors.

17 ...."

## 18 19 **NORTH CAROLINA VIRTUAL PUBLIC SCHOOL FUNDING**

20 **SECTION 7.8.** Of the funds appropriated in this act to the Department of Public  
21 Instruction, the State Board of Education shall use the sum of three million dollars (\$3,000,000)  
22 in the 2024-2025 fiscal year to offset the costs for local school administrative units and charter  
23 schools to participate in North Carolina Virtual Public School (NCVPS).

## 24 25 **TEACHER ASSISTANTS**

26 **SECTION 7.9.** It is the intent of the General Assembly to incrementally increase  
27 funding for the Teacher Assistants allotment and to simplify the formula for allotting funding in  
28 order to provide funding for one teacher assistant for every 27 kindergarten year through third  
29 grade students by fiscal year 2029-30. Teacher Assistant funding shall be allotted to a local school  
30 administrative unit based on a teacher assistant-to-kindergarten through third grade student ratio  
31 of 1:34 in fiscal year 2024-25.

## 32 33 **SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES**

34 **SECTION 7.10.** G.S. 115C-472.17 reads as rewritten:

### 35 **"§ 115C-472.17. Supplemental funding in low-wealth counties.**

36 (a) Use of Funds for Supplemental Funding. – To the extent funds are made available for  
37 this purpose, all funds received pursuant to this section shall be used only (i) to provide  
38 instructional positions, instructional support positions, teacher assistant positions, clerical  
39 positions, school computer technicians, instructional supplies and equipment, staff development,  
40 and textbooks and digital resources and (ii) for salary supplements for instructional personnel  
41 and instructional support personnel. Local boards of education are encouraged to use at least  
42 twenty-five percent (25%) of the funds received pursuant to this section to improve the academic  
43 performance of children who are performing at Level I or II on either reading or mathematics  
44 end-of-grade tests in grades three through eight.

45 (b) Definitions. – As used in this section, the following definitions apply:

- 46 (1) Anticipated county property tax revenue availability. – The county-adjusted  
47 property tax base multiplied by the effective State average tax rate.
- 48 (2) Anticipated State average revenue availability per student. – The sum of all  
49 anticipated total county revenue availability divided by the average daily  
50 membership for the State.

- 1 (3) Anticipated total county revenue availability. – The sum of the following:  
2 a. Anticipated county property tax revenue availability.  
3 b. Local sales and use taxes received by the county that are levied under  
4 Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of  
5 Chapter 105 of the General Statutes.  
6 c. Fines and forfeitures deposited in the county school fund for the most  
7 recent year for which data are available.
- 8 (4) Anticipated total county revenue availability per student. – The anticipated  
9 total county revenue availability for the county divided by the average daily  
10 membership of the county.
- 11 (5) Average daily membership. – Average daily membership as defined in the  
12 North Carolina Public Schools Allotment Policy Manual adopted by the State  
13 Board of Education. If a county contains only part of a local school  
14 administrative unit, the average daily membership of that county includes all  
15 students who reside within the county and attend that local school  
16 administrative unit.
- 17 (6) County-adjusted property tax base. – Computed as follows:  
18 a. Subtract the present-use value of agricultural land, horticultural land,  
19 and forestland in the county, as defined in G.S. 105-277.2, from the  
20 total assessed real property valuation of the county.  
21 b. Adjust the resulting amount by multiplying by a weighted average of  
22 the three most recent annual sales assessment ratio studies.  
23 c. Add to the resulting amount the following:  
24 1. Present-use value of agricultural land, horticultural land, and  
25 forestland, as defined in G.S. 105-277.2.  
26 2. Value of property of public service companies, determined in  
27 accordance with Article 23 of Chapter 105 of the General  
28 Statutes.  
29 3. Personal property value for the county.
- 30 (7) County-adjusted property tax base per square mile. – The county-adjusted  
31 property tax base divided by the number of square miles of land area in the  
32 county.
- 33 (8) County wealth as a percentage of State average wealth. – Computed as  
34 follows:  
35 a. Compute the percentage that the county per capita income is of the  
36 State per capita income and weight the resulting percentage by a factor  
37 of five-tenths.  
38 b. Compute the percentage that the anticipated total county revenue  
39 availability per student is of the anticipated State average revenue  
40 availability per student and weight the resulting percentage by a factor  
41 of four-tenths.  
42 c. Compute the percentage that the county-adjusted property tax base per  
43 square mile is of the State-adjusted property tax base per square mile  
44 and weight the resulting percentage by a factor of one-tenth.  
45 d. Add the three weighted percentages to derive the county wealth as a  
46 percentage of the State average wealth.
- 47 (9) Effective county tax rate. – The actual county tax rate multiplied by a weighted  
48 average of the three most recent annual sales assessment ratio studies.
- 49 (10) Effective State average tax rate. – The average of effective county tax rates  
50 for all counties.

- 1 (11) Local current expense funds. – The most recent county current expense  
2 appropriations to public schools, as reported by local boards of education in  
3 the audit report filed with the Secretary of the Local Government Commission  
4 pursuant to G.S. 115C-447.
- 5 (12) Per capita income. – The average for the most recent three years for which  
6 data are available of the per capita income according to the most recent report  
7 of the United States Department of Commerce, Bureau of Economic Analysis,  
8 including any reported modifications for prior years as outlined in the most  
9 recent report.
- 10 (13) Sales assessment ratio studies. – Sales assessment ratio studies performed by  
11 the Department of Revenue under G.S. 105-289(h).
- 12 (14) State average adjusted property tax base per square mile. – The sum of the  
13 county-adjusted property tax bases for all counties divided by the number of  
14 square miles of land area in the State.
- 15 (15) State average current expense appropriations per student. – The most recent  
16 State total of county current expense appropriations to public schools, as  
17 reported by local boards of education in the audit report filed with the  
18 Secretary of the Local Government Commission pursuant to G.S. 115C-447.
- 19 (16) Supplant. – To decrease local per student current expense appropriations from  
20 one fiscal year to the next fiscal year.
- 21 (17) Weighted average of the three most recent annual sales assessment ratio  
22 studies. – The weighted average of the three most recent annual sales  
23 assessment ratio studies in the most recent years for which county current  
24 expense appropriations and adjusted property tax valuations are available. If  
25 real property in a county has been revalued one year prior to the most recent  
26 sales assessment ratio study, a weighted average of the two most recent sales  
27 assessment ratios shall be used. If property has been revalued the year of the  
28 most recent sales assessment ratio study, the sales assessment ratio for the year  
29 of revaluation shall be used.

30 (c) Eligibility for Funds. – Except as provided in subsection (g) of this section, the State  
31 Board of Education shall allocate these funds to local school administrative units located in whole  
32 or in part in counties in which the county wealth as a percentage of the State average wealth is  
33 less than one hundred percent (100%).

34 (d) Allocation of Funds. – Except as provided in subsection (f) of this section, the amount  
35 received per average daily membership for a county shall be the difference between the State  
36 average current expense appropriations per student and the current expense appropriations per  
37 student that the county could provide given the county's wealth and an average effort to fund  
38 public schools. To derive the current expense appropriations per student that the county could be  
39 able to provide given the county's wealth and an average effort to fund public schools, multiply  
40 the county's wealth as a percentage of State average wealth by the State average current expense  
41 appropriations per student. The funds for the local school administrative units located in whole  
42 or in part in the county shall be allocated to each local school administrative unit located in whole  
43 or in part in the county based on the average daily membership of the county's students in the  
44 school units. If the funds appropriated for supplemental funding are not adequate to fund the  
45 formula fully, each local school administrative unit shall receive a pro rata share of the funds  
46 appropriated for supplemental funding.

47 (e) Formula for Distribution of Supplemental Funding Pursuant to this Section Only. –  
48 The formula in this section is solely a basis for distribution of supplemental funding for  
49 low-wealth counties and is not intended to reflect any measure of the adequacy of the educational  
50 program or funding for public schools. ~~The formula is also not intended to reflect any~~

~~commitment by the General Assembly to appropriate any additional supplemental funds for low-wealth counties. It is the intent of the General Assembly to incrementally increase appropriations for the low-wealth allotment to provide eligible counties supplemental funding equal to one hundred ten percent (110%) of the statewide local revenue per student by fiscal year 2029-30. The State Board of Education shall adjust the formula to ensure each local school administrative unit receives a pro rata share of the additional funds appropriated for the low-wealth allotment in this act for supplemental funding.~~

(f) Minimum Effort Required. – A county shall receive full funding under this section if the county (i) maintains an effective county tax rate that is at least one hundred percent (100%) of the effective State average tax rate in the most recent year for which data are available or (ii) maintains a county appropriation per student to the school local current expense fund of at least one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools. A county that maintains a county appropriation per student to the school local current expense fund of less than one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools shall receive funding under this section at the same percentage that the county's appropriation per student to the school local current expense fund is of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools.

(g) Nonsupplant Requirement. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. The State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if all of the following criteria apply:

- (1) The current expense appropriations per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriations per student for the three prior fiscal years.
- (2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement the requirements of this subsection.

(h) Counties Containing a Base of the Armed Forces. – Notwithstanding any other provision of this section, for the 2024-2025 and 2025-2026 fiscal years, counties containing a base of the Armed Forces of the United States that have an average daily membership of more than 17,000 students shall receive whichever is the higher amount in each fiscal year as follows: either the amount of supplemental funding the county received as a low-wealth county in the 2012-2013 fiscal year or the amount of supplemental funding the county is eligible to receive as a low-wealth county pursuant to the formula for distribution of supplemental funding under the other provisions of this section.

(i) Funds for EVAAS Data. – Notwithstanding the requirements of subsection (a) of this section, local school administrative units may utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

(j) Reports. – The State Board of Education shall report to the Fiscal Research Division prior to May 15 of each year if it determines that counties have supplanted funds.

1 (k) Department of Revenue Reports. – The Department of Revenue shall provide to the  
2 Department of Public Instruction a preliminary report for the current fiscal year of the assessed  
3 value of the property tax base for each county prior to March 1 of each year and a final report  
4 prior to May 1 of each year. The reports shall include for each county the annual sales assessment  
5 ratio and the taxable values of (i) total real property, (ii) the portion of total real property  
6 represented by the present use value of agricultural land, horticultural land, and forestland, as  
7 defined in G.S. 105-277.2, (iii) property of public service companies determined in accordance  
8 with Article 23 of Chapter 105 of the General Statutes, and (iv) personal property."  
9

## 10 **TEACHER PREPARATION RESIDENCY FOR HIGH-NEED DISTRICTS**

11 **SECTION 7.11.(a)** Purpose. – The State Board of Education shall establish a grant  
12 program to assist local school administrative units in the development of teacher preparation  
13 residency pilot programs. Teacher preparation residency programs provide the necessary  
14 preparation and induction supports to teacher preparation candidates pursuing a continuing  
15 professional license. Teacher preparation residency programs eligible to receive grant funding  
16 through this program shall include, at a minimum, the following components:

- 17 1. Coursework in the candidate’s area of licensure;
- 18 2. Tuition and stipends;
- 19 3. Faculty advising;
- 20 4. Clinical training experiences; and
- 21 5. Ongoing induction support

22 Residency programs eligible for this grant program may include partnerships between  
23 local school administrative units, educator preparation programs, local community college or  
24 universities, and other community organizations. Grant funds awarded to local school  
25 administrative units under this program shall be matched by the local school administrative unit  
26 on the basis of one dollar (\$1.00) in non-grant funds for every one dollar (\$1.00) in grant funds.

27 Resident teachers shall be placed in schools identified as low-performing, as defined  
28 in GS 115C-105.37, schools identified as continually low-performing as defined in GS 115C-  
29 105.37A, or schools where seventy-five percent (75%) or greater of students qualify for free or  
30 reduced-price lunch under the National School Lunch Program.

31 **SECTION 7.11.(b)** Request for Proposal. – By October 1, 2024, the State Board of  
32 Education shall issue a Request for Proposal (RFP) for the grant program. Local boards of  
33 education shall submit their proposals by January 15, 2025. The RFP shall require that proposals  
34 include the following information at a minimum:

- 35 1. Description of the proposal, including the number of teacher preparation  
36 candidates to be served;
- 37 2. Evidence-based research that supports the proposal;
- 38 3. Implementation plan; and
- 39 4. Plans for financial sustainability once grant money is no longer available.

40 **SECTION 7.11.(c)** Grant Awards. – By April 15, 2025, the State Board of Education  
41 shall review the proposals submitted by local boards of education and shall select up to 10 local  
42 school administrative units for grant awards. The State Board of Education may make grant  
43 awards for up to three years. A local school administrative unit may not receive more than five  
44 hundred thousand dollars (\$500,000) in a single fiscal year from this grant program.

45 **SECTION 7.11.(d)** Evaluation and Reporting. – Of the funds appropriated by this  
46 act, the State Board of Education may use up to three hundred thousand dollars (\$300,000) to  
47 contract with an independent research organization to evaluate the impact of this grant program.  
48 The independent research organization shall report the results of this evaluation to the Joint  
49 Legislative Education Oversight Committee, the Fiscal Research Division of the General  
50 Assembly, and the Office of State Budget and Management by September 1, 2027. The

1 Department of Public Instruction shall report annually on the implementation of this grant  
2 program beginning on March 1, 2026.

3 **SECTION 7.11.(e)** Carryforward. – Funds unspent in the 2024-25 fiscal year shall  
4 not revert and shall be carried forward to implement this section.

5  
6 **RESIDENTIAL SCHOOLS**

7 **SECTION 7.12.(a)** Section 1 of S.L. 2023-10 reads as rewritten:

8 "...

9 **§ 115C-150.11. State Board of Education as governing agency.**~~General supervision over~~  
10 ~~schools for the deaf and blind.~~

11 ~~(a) — State Board of Education Supervision. — The State Board of Education shall be the~~  
12 ~~sole governing agency for the Governor Morehead School for the Blind, the Eastern North~~  
13 ~~Carolina School for the Deaf, and the North Carolina School for the Deaf. The Superintendent~~  
14 ~~of Public Instruction through the Department of Public Instruction shall be responsible for the~~  
15 ~~administration and oversight of a school governed by this Article. Notwithstanding G.S. 143C-~~  
16 ~~6-4, the Department of Public Instruction may reorganize, if necessary, staffing to enhance~~  
17 ~~administrative support for the Governor Morehead School, the North Carolina School for the~~  
18 ~~Deaf, and the Eastern North Carolina School for the Deaf to meet needed functions.~~have general  
19 ~~supervision over the schools for the deaf and blind in accordance with G.S. 115C-12 and shall~~  
20 ~~establish approximately equivalent service areas for each school for the deaf that cover the entire~~  
21 ~~State. In establishing the service area for each school for the deaf, the State Board shall consider~~  
22 ~~both the geographic proximity to the school for the deaf and the population of the service area.~~  
23 ~~The State Board shall evaluate the effectiveness of the schools for the deaf and blind and shall,~~  
24 ~~through the application of the accountability system developed under G.S. 115C-83.15 and~~  
25 ~~G.S. 115C-105.35, measure the educational performance and growth of students placed in each~~  
26 ~~school. If appropriate, the Board may modify this system to adapt to the specific characteristics~~  
27 ~~of these schools. The boards of trustees for the schools for the deaf and blind shall be subject to~~  
28 ~~rules adopted by the State Board of Education in accordance with Chapter 150B of the General~~  
29 ~~Statutes.~~

30 ~~(b) — Independent Operation. — Except as otherwise provided for in this Article, the schools~~  
31 ~~for the deaf and blind shall be housed administratively within the Department of Public~~  
32 ~~Instruction for purposes of distribution of State funds, but each school for the deaf and blind shall~~  
33 ~~operate independently with a board of trustees as the governing body. The Department of Public~~  
34 ~~Instruction shall include employees of the schools for the deaf and blind in coverage for~~  
35 ~~professional liability policies purchased by the Department for its employees and shall facilitate~~  
36 ~~the purchase of other insurance policies for those schools. In all other matters, the Department of~~  
37 ~~Public Instruction shall provide services, support, and assistance to schools for the deaf and blind~~  
38 ~~in the same manner and degree as for a local school administrative unit."~~

39 **SECTION 7.12.(b)** G.S. 115C-150.12A, 12B, and 12C are repealed.

40 **SECTION 7.12.(c)** G.S. 115C-150 is amended by adding a new section to read:

41 **"§ 115C-150.12D. Applicability of Chapter.**

42 Except as otherwise provided, the requirements of this Chapter shall apply to the schools  
43 governed by this Article."

44 **SECTION 7.12.(d)** G.S. 115C-150.13A reads as rewritten:

45 **§ 115C-150.13A. Admissions.**

46 (a) Rules. – Schools for the deaf and blind shall admit students in accordance with  
47 eligibility criteria, standards, and procedures established through rules by the ~~board of~~  
48 ~~trustees~~State Board of Education in accordance with the requirements of this Article.

49 "..."

50 **SECTION 7.12.(e)** G.S. 115C-150.14A reads as rewritten:

1 **"§ 115C-150.14A. Nonresident students.**

2 (a) For the purposes of this section, the following definitions shall apply:

- 3 (1) Foreign exchange student. – A student who is domiciled in a foreign country  
4 and has come to the United States on a valid, eligible student visa.  
5 (2) Nonresident student. – An out-of-state student or foreign exchange student.  
6 (3) Out-of-state student. – A student who is domiciled in a state other than North  
7 Carolina.

8 (b) Schools for the deaf and blind may enroll nonresident students in the educational  
9 program who otherwise meet admissions criteria established for all students. A school shall  
10 charge the full, unsubsidized per capita cost of providing education at the school for the period  
11 of the nonresident student's attendance, including the cost of tuition, and the cost of room and  
12 board for any student whose parent elects for the student to board at the school in order to access  
13 the educational program.

14 (c) Schools for the deaf and blind that seek to enroll nonresident students under this  
15 section shall submit a plan prior to enrolling any of those students to the ~~board of trustees~~State  
16 Board of Education for approval, including the proposed costs to be charged to the nonresident  
17 students for tuition and room and board and information on compliance with federal law  
18 requirements."

19 **SECTION 7.12.(f)** G.S. 115C-150.16 is repealed.

20 **SECTION 7.12.(g)** G.S. 115C-5 reads as rewritten:

21 **"§ 115C-5. Definitions.**

22 As used in this Chapter unless the context requires otherwise:

23 ...

24 (3a) The governing body of a public school unit is the following:

- 25 a. For a local school administrative unit, the local board of education.  
26 b. For a charter school, the nonprofit corporation board of directors.  
27 c. For a regional school, the regional school board of directors.  
28 d. For a school operated under Article 9C of this Chapter, the State Board  
29 of Education.~~board of trustees.~~  
30 e. For a school operated under Article 29A of Chapter 116 of the General  
31 Statutes, the chancellor of the constituent institution.

32 ...."

33 **SECTION 7.12.(h)** G.S. 115C.51(g) reads as rewritten:

34 "(g) For the purposes of this section, a "public secondary school" is any of the following  
35 types of public school serving grades six or higher:

- 36 (1) A school under the control of a local school administrative unit.  
37 (2) A school under the control of the State Board of Education, including schools  
38 for the deaf or blind operated under Article 9C of this Chapter.  
39 (3) A school under the control of The University of North Carolina.  
40 (4) A charter school.  
41 (5) A regional school."

42 **SECTION 7.12.(i)** G.S. 115C.51(c1) reads as rewritten:

43 "(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this  
44 Chapter shall not apply to:

45 ...

46 (8a) Employees of a regional school established pursuant to Part 10 of Article 16  
47 of Chapter 115C of the General Statutes.

48 ~~(8b) Employees of a school for the deaf or blind governed by Article 9C of Chapter~~  
49 ~~115C of the General Statutes hired on or after July 1, 2024.~~

50 ...."

1           **SECTION 7.12.(j)** G.S. 138-5(a) reads as rewritten:

2           "(a) Except as provided in subsections (c) and (f) of this section, members of State boards,  
3 commissions, committees and councils which operate from funds deposited with the State  
4 Treasurer shall be compensated for their services at the following rates:

- 5           (1) Except as otherwise provided by this subdivision, compensation at the rate of  
6 fifteen dollars (\$15.00) per diem for each day of service. Members of the  
7 North Carolina Vocational Rehabilitation Council, the Statewide Independent  
8 Living Council, and the Commission for the Blind who are unemployed or  
9 who shall forfeit wages from other employment to attend Council or  
10 Commission meetings or to perform related duties, may receive compensation  
11 not to exceed fifty dollars (\$50.00) per diem for attending these meetings or  
12 performing related duties, as authorized by sections 105 and 705 of the  
13 Rehabilitation Act of 1973, P.L. 102-569, 42 U.S.C. § 701, et seq., as  
14 amended. ~~Members of the Board of Trustees of the Eastern North Carolina  
15 School for the Deaf, the Board of Trustees of the North Carolina School for  
16 the Deaf, and the Board of Trustees of the Governor Morehead School for the  
17 Blind may receive compensation not to exceed fifty dollars (\$50.00) per diem  
18 for attending trustee meetings or performing related duties.~~  
19           (2) Reimbursement of subsistence expenses at the rates allowed to State officers  
20 and employees by subdivision (3) of G.S. 138-6(a).  
21           (3) Reimbursement of travel expenses at the rates allowed to State officers and  
22 employees by subdivisions (1) and (2) of G.S. 138-6(a).  
23           (4) For convention registration fees, the actual amount expended, as shown by  
24 receipt."

25           **SECTION 7.12.(k)**. G.S. 150B-1(d) reads as rewritten:

26           ...  
27           "(32) The Alcoholic Beverage Control Commission with respect to approval of  
28 alcoholic beverages to be sold in local ABC stores through the State  
29 warehouse and by special order pursuant to Article 8 of Chapter 18B of the  
30 General Statutes.

31           ~~(33) — The Eastern North Carolina School for the Deaf, the North Carolina School  
32 for the Deaf, and the Governor Morehead School for the Blind."~~

33           **SECTION 7.12.(l)** Section 4.(a) of S.L. 2023-10 reads as rewritten:

34           "~~For the 2023-2024 school year only, the~~ The State Board of Education shall adopt rules by  
35 August 4, ~~2023~~2024, for eligibility criteria, standards, and procedures for admission to the  
36 schools for the deaf and blind in accordance with this section following consultation with the  
37 Superintendent of Public Instruction and directors of the schools for the deaf and blind. These  
38 rules shall be exempt from the requirements of Article 2A of Chapter 150B of the General  
39 Statutes."

40           **SECTION 7.12.(m)** Section 5, Section 6, Section 7, Section 8, and Section 9 of S.L.  
41 2023-10 are repealed.

42           **SECTION 7.12.(n)** This act is effective July 1, 2024.

## 43 44 **TRANSPORTATION EMERGENCY RESERVE**

45  
46           **SECTION 7.13.** G.S. 115C-240(e) reads as rewritten:

47           "(e) The State Board of Education shall allocate to the respective local boards of education  
48 funds appropriated from time to time by the General Assembly for the purpose of providing  
49 transportation to the pupils enrolled in the public schools within this State. Such funds shall be  
50 allocated by the State Board of Education based on the efficiency of the local school

1 administrative units in transporting pupils. The efficiency of the units shall be calculated using  
 2 the number of pupils to be transported, the length of bus routes, road conditions and all other  
 3 circumstances affecting the cost of the transportation of pupils by school bus to the end that the  
 4 funds so appropriated may be allocated on a fair and equitable basis, according to the needs of  
 5 the respective local school administrative units. Such allocation shall be made by the State Board  
 6 of Education at the beginning of each fiscal year, based on the most recently available data from  
 7 a prior school year. ~~The State Board may reserve for future allocation a reasonable amount not  
 8 to exceed five percent (5%) of the total funds available for transportation in such fiscal year from  
 9 such appropriation. Prior to April 1 of the fiscal year in which the funds are reserved, the reserved  
 10 funds shall be allocated only in the event of an emergency need of a local school administrative  
 11 unit. In the event reserved funds remain by April 1 of that fiscal year, the State Board shall  
 12 allocate the remaining funds to all local school administrative units based on the efficiency of the  
 13 units in transporting pupils. If there is evidence of inequitable or inefficient use of funds, the  
 14 State Board of Education shall be empowered to review school bus routes established by local  
 15 boards pursuant to G.S. 115C-246 as well as other factors affecting the cost of the transportation  
 16 of pupils by school bus.~~

17 ...

- 18 (e) There is established the Transportation Emergency Reserve. The reserved funds shall be  
 19 allocated only in the event of an emergency need of a local school administrative unit.  
 20 Funds remaining in this reserve at the end of each state fiscal year shall revert to the  
 21 General Fund."

22  
 23 **PART VII-A. COMPENSATION OF PUBLIC SCHOOL EMPLOYEES**

24  
 25 **TEACHER SALARY SCHEDULE**

26 **SECTION 7A.1.(a)** The following monthly teacher salary schedule shall apply for  
 27 the 2024-25 fiscal year to licensed personnel of the public schools who are classified as teachers.  
 28 The salary schedule is based on years of teaching experience.

29 **2024-25 Teacher Monthly Salary Schedule**

30 <b>Years of Experience</b>	<b>"A" Teachers</b>
31 0	4,600
32 1	4,660
33 2	4,720
34 3	4,780
35 4	4,840
36 5	4,900
37 6	4,960
38 7	5,020
39 8	5,080
40 9	5,140
41 10	5,200
42 11	5,260
43 12	5,320
44 13	5,380
45 14	5,440
46 15-17	5,500
47 18-20	5,575
48 21-23	5,650
49 24-26	5,725
50 27-29	5,800

30+

5,875

**SECTION 7A.1.(b)** Salary Supplements for Teachers Paid on This Salary Schedule.

- (1) Licensed teachers who have NBPTS certification shall receive a salary supplement each month of twelve percent (12%) of their monthly salary on the "A" salary schedule.
- (2) Licensed teachers who are classified as "M" teachers shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.
- (3) Licensed teachers with licensure based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the supplement provided to them as "M" teachers.
- (4) Licensed teachers with licensure based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the supplement provided to them as "M" teachers.
- (5) Certified school nurses shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.
- (6) School counselors who are licensed as counselors at the master's degree level or higher shall receive a salary supplement each month of one hundred dollars (\$100.00).

**SECTION 7A.1.(c)** For school psychologists, school speech pathologists who are licensed as speech pathologists at the master's degree level or higher, and school audiologists who are licensed as audiologists at the master's degree level or higher, the following shall apply:

- (1) The first step of the salary schedule shall be equivalent to the sixth step of the "A" salary schedule.
- (2) These employees shall receive the following salary supplements each month:
  - a. Ten percent (10%) of their monthly salary, excluding the supplement provided pursuant to sub-subdivision b. of this subdivision.
  - b. Three hundred fifty dollars (\$350.00).
- (3) These employees are eligible to receive salary supplements equivalent to those of teachers for academic preparation at the six-year degree level or the doctoral degree level.
- (4) The twenty-sixth step of the salary schedule shall be seven and one-half percent (7.5%) higher than the salary received by these same employees on the twenty-fifth step of the salary schedule.

**SECTION 7A.1.(d)** Beginning with the 2014-15 fiscal year, in lieu of providing annual longevity payments to teachers paid on the teacher salary schedule, the amounts of those longevity payments are included in the monthly amounts under the teacher salary schedule.

**SECTION 7A.1.(e)** A teacher compensated in accordance with this salary schedule for the 2024-25 school year shall receive an amount equal to the greater of the following:

- (1) The applicable amount on the salary schedule for the applicable school year.
- (2) For teachers who were eligible for longevity for the 2013-14 school year, the sum of the following:
  - a. The salary the teacher received in the 2013-14 school year pursuant to Section 35.11 of S.L. 2013-360.
  - b. The longevity that the teacher would have received under the longevity system in effect for the 2013-14 school year provided in Section 35.11 of S.L. 2013-360 based on the teacher's current years of service.
  - c. The annual bonus provided in Section 9.1(e) of S.L. 2014-100.

- 1 (3) For teachers who were not eligible for longevity for the 2013-14 school year,  
2 the sum of the salary and annual bonus the teacher received in the 2014-15  
3 school year pursuant to Section 9.1 of S.L. 2014-100.

4 **SECTION 7A.1.(f)** As used in this section, the term "teacher" shall also include  
5 instructional support personnel.  
6

#### 7 **RESTORE MASTER'S PAY**

8 **SECTION 7A.2.(a)** The following session laws are repealed:

9 (1) Section 8.22 of S.L. 2013-360.

10 (2) Section 8.3 of S.L. 2014-100.

11 **SECTION 7A.2.(b)** G.S. 115C-302.10 reads as rewritten:

#### 12 **"§ 115C-302.10. Qualifications for certain education-based salary supplements.**

13 (a) Notwithstanding any other provision of law, only the following teachers and instructional  
14 support personnel shall be paid on the "M" salary schedule or receive a salary supplement for  
15 academic preparation at the six-year degree level or at the doctoral degree level:

16 (1) Certified school nurses and instructional support personnel in positions for  
17 which a master's degree is required for licensure.

18 (2) Teachers and instructional support personnel who were paid on the "M" salary  
19 schedule or received that salary supplement prior to the 2014-15 school year.

20 (3) Teachers and instructional support personnel who (i) complete a degree at the  
21 master's, six-year, or doctoral degree level for which they completed at least  
22 one course prior to August 1, 2013, and (ii) would have qualified for the salary  
23 supplement pursuant to State Board of Education policy, TCPA006, as it was  
24 in effect on June 30, 2013.

25 (4) Teachers who do not qualify under subdivisions (1), (2), and (3) of this section  
26 but who spend at least seventy percent (70%) of their time as follows:

27 a. For teachers, in classroom instruction related to their graduate  
28 academic preparation in their field or subject area within their area of  
29 licensure. Most of the teachers' remaining time shall be spent in one or  
30 more of the following:

31 1. Mentoring teachers.

32 2. Performing demonstration lessons for teachers.

33 3. Writing curricula.

34 4. Developing and leading staff development programs for  
35 teachers

36 b. For instructional support personnel, performing work within the  
37 employee's area of graduate academic preparation.

38 (b) Beginning with the 2024-25 fiscal year and in subsequent fiscal years, for teachers who  
39 are paid on the "M" salary schedule under subdivision (4) of subsection (a) of this act,  
40 determination of whether teachers shall be paid on the "M" salary schedule or receive a salary  
41 supplement for academic preparation shall take place on an annual basis. Teachers may be moved  
42 off the "M" salary schedule or discontinue receiving salary supplements if they are not meeting  
43 the requirements of subdivision (4) of subsection (a) of this act in that year.

44 (c) Unless an individual otherwise qualifies under subdivision (2) or (3) of subsection (a) of  
45 this section, teachers and instructional support personnel who earn an advanced degree in school  
46 administration shall not be paid on the "M" salary schedule or receive a salary supplement for  
47 academic preparation."

#### 48 **PRINCIPAL SALARY SCHEDULE**

49

1           **SECTION 7A.3.(a)** The following annual salary schedule for principals shall apply  
2 for the 2024-25 fiscal year, beginning July 1, 2024.

3                           **2024-25 Principal Annual Salary Schedule**

<b>Avg. Daily Membership</b>	<b>Base</b>	<b>Met Growth</b>	<b>Exceeded Growth</b>
0-200	\$82,460	\$90,704	\$98,951
201-400	\$86,582	\$95,240	\$103,898
401-700	\$90,704	\$99,776	\$108,846
701-1,000	\$94,829	\$104,310	\$113,794
1,001-1,600	\$98,951	\$108,846	\$118,741
1,601+	\$103,073	\$113,381	\$123,688

11           **SECTION 7A.3.(c)** A principal's placement on the salary schedule shall be  
12 determined according to the average daily membership of the school supervised by the principal,  
13 as described in subsection (b) of this section, and the school growth scores, calculated pursuant  
14 to G.S. 115C-83.15(c), for each school the principal supervised in at least two of the prior three  
15 school years, as described in subsection (c) of this section, regardless of a break in service, and  
16 provided the principal supervised each school as a principal for at least a majority of the school  
17 year, as follows:

- 18           (1) A principal shall be paid according to the Exceeded Growth column of the  
19 schedule if the school growth scores show the school or schools exceeded  
20 expected growth in at least one of the prior two school years.
- 21           (2) A principal shall be paid according to the Met Growth column of the schedule  
22 if any of the following apply:
  - 23           a. The higher school growth score in one of the two prior school years  
24 shows that the school met expected growth.
  - 25           b. The principal supervised a school in the two prior school years that  
26 was not eligible to receive a school growth score.
- 27           (3) A principal shall be paid according to the Base column if either of the  
28 following apply:
  - 29           a. The school growth scores show the school or schools did not meet  
30 expected growth in either of the two prior years.
  - 31           b. The principal has not supervised any school as a principal for a  
32 majority of the school year in at least the two prior school years.

33           **SECTION 7A.3.(d)** For purposes of determining the average daily membership of a  
34 principal's school in the 2024-25 school year, placement on the schedule related to average daily  
35 membership shall be based on the average daily membership for the school from the 2023-2024  
36 school year. If the school did not have an average daily membership in the 2023-24 school year,  
37 the projected average daily membership for the school for the 2024-25 school year shall be used  
38 between July 1, 2024 and December 31, 2024, and the average daily membership for the school  
39 shall be used between January 1, 2025 and June 30, 2025.

40           **SECTION 7A.3.(e)** For purposes of determining the school growth scores for each  
41 principal in the 2024-25 school year, placement on the schedule related to school growth scores  
42 shall be based on the placement of the principal in the 2023-24 school year.

43           **SECTION 7A.3.(f)** Beginning with the 2017-18 fiscal year, in lieu of providing  
44 annual **longevity** payments to principals paid on the principal salary schedule, the amounts of  
45 those longevity payments are included in the annual amounts under the principal salary schedule.

46           **SECTION 7A.3.(g)** A principal compensated in accordance with this section for the  
47 2023-2024 fiscal year shall receive an amount equal to the greater of the following:

- 48           (1) The applicable amount determined pursuant to subsections (a) through (d) of  
49 this section.

- 1 (2) For principals who were eligible for longevity in the 2016-17 fiscal year, the  
2 sum of the following:  
3 a. The salary the principal received in the 2016-17 fiscal year pursuant  
4 to Section 9.1 or Section 9.2 of S.L. 2016-94.  
5 b. The longevity that the principal would have received as provided for  
6 State employees under the North Carolina Human Resources Act for  
7 the 2016-17 fiscal year based on the principal's current years of  
8 service.  
9 (3) For principals who were not eligible for longevity in the 2016-17 fiscal year,  
10 the salary the principal received in the 2016-17 fiscal year pursuant to Section  
11 9.1 or Section 9.2 of S.L. 2016-94  
12

### 13 ASSISTANT PRINCIPAL SALARIES

14 **SECTION 7A.4.(a)** For the 2024-25 fiscal year, assistant principals shall receive a  
15 monthly salary based on the relevant salary schedule for teachers shown in Section 7A.1(a) who  
16 are classified as "A" teachers plus nineteen percent (19%). An assistant principal shall be placed  
17 on the step on the salary schedule that reflects the total number of years of experience as a  
18 certified employee of the public schools. For purposes of this section, an administrator with a  
19 one-year provisional assistant principal's certificate shall be considered equivalent to an assistant  
20 principal.

21 **SECTION 7A.4.(b)** Assistant principals with certification based on academic  
22 preparation at the six-year degree level shall be paid a salary supplement of one hundred twenty-  
23 six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary supplement  
24 of two hundred fifty-three dollars (\$253.00) per month.

25 **SECTION 7A.4.(c)** Participants in an approved full-time master's in-school  
26 administration program shall receive up to a 10-month stipend at the beginning salary of an  
27 assistant principal during the internship period of the master's program. The stipend shall not  
28 exceed the difference between the beginning salary of an assistant principal plus the cost of  
29 tuition, fees, and books and any fellowship funds received by the intern as a fulltime student,  
30 including awards of the Principal Fellows Program. The Principal Fellows Program or the school  
31 of education where the intern participates in a fulltime master's in-school administration program  
32 shall supply the Department of Public Instruction with certification of eligible fulltime interns.

33 **SECTION 7A.4.(d)** Beginning with the 2017-18 fiscal year, in lieu of providing  
34 annual longevity payments to assistant principals on the assistant principal salary schedule, the  
35 amounts of those longevity payments are included in the monthly amounts provided to assistant  
36 principals pursuant to subsection (a) of this section.

37 **SECTION 7A.4.(e)** An assistant principal compensated in accordance with this  
38 section for the 2023-25 fiscal biennium shall receive an amount equal to the greater of the  
39 following:

- 40 (1) The applicable amount determined pursuant to subsections (a) through (d) of  
41 this section.  
42 (2) For assistant principals who were eligible for longevity in the 2016-17 fiscal  
43 year, the sum of the following:  
44 a. The salary the assistant principal received in the 2016-17 fiscal year  
45 pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.  
46 b. The longevity that the assistant principal would have received as  
47 provided for State employees under the North Carolina Human  
48 Resources Act for the 2016-17 fiscal year based on the assistant  
49 principal's current years of service.

(3) For assistant principals who were not eligible for longevity in the 2016-17 fiscal year, the salary the assistant principal received in the 2016-17 fiscal year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.

## CENTRAL OFFICE SALARIES

**SECTION 7A.5.(a)** For the 2024-25 fiscal year, beginning July 1, 2024, the annual salary for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers, whose salaries are supported from State funds, shall be increased by three percent (3%).

**SECTION 7A.5.(b)** The monthly salary maximums that follow apply to assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 2024-25 fiscal year, beginning July 1, 2024:

	<b>2024-25 Fiscal Year</b>
	Maximum
School Administrator I	\$7,800
School Administrator II	\$8,265
School Administrator III	\$8,757
School Administrator IV	\$9,099
School Administrator V	\$9,463
School Administrator VI	\$10,023
School Administrator VII	\$10,424

The local board of education shall determine the appropriate category and placement for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or finance officer within the maximums and within funds appropriated by the General Assembly for central office administrators and superintendents. The category in which an employee is placed shall be included in the contract of any employee.

**SECTION 7A.5.(c)** The monthly salary maximums that follow apply to public school superintendents for the 2024-25 fiscal year, beginning July 1, 2024:

	<b>2024-25 Fiscal Year</b>
	Maximum
Superintendent I	\$11,049
Superintendent II	\$11,707
Superintendent III	\$12,410
Superintendent IV	\$13,156
Superintendent V	\$13,947

The local board of education shall determine the appropriate category and placement for the superintendent based on the average daily membership of the local school administrative unit and within funds appropriated by the General Assembly for central office administrators and superintendents.

**SECTION 7A.5.(d)** Longevity pay for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers shall be as provided for State employees under the North Carolina Human Resources Act.

**SECTION 7A.5.(e)** Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided pursuant to this section. Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the compensation provided for under this section.

1           **SECTION 7A.5.(f)** The State Board of Education shall not permit local school  
2 administrative units to transfer State funds from other funding categories for salaries for public  
3 school central office administrators.  
4

#### 5 **NON-CERTIFIED PERSONNEL SALARIES**

6           **SECTION 7A.6.(a)** For the 2024-25 fiscal year, beginning July 1, 2024, the annual  
7 salary for noncertified public school employees whose salaries are supported from State funds  
8 shall be increased as follows:

- 9           (1) For permanent, full-time employees on a 12-month contract, by three percent  
10           (3%).
  - 11           (2) For the following employees, by a prorated and equitable amount based on the  
12           amount specified in subdivision (1) of this subsection:
    - 13           a. Permanent, full-time employees on a contract for fewer than 12  
14           months.
    - 15           b. Permanent, part-time employees.
    - 16           c. Temporary and permanent hourly employees.
- 17

### 18 **PART VIII. UNIVERSITY OF NORTH CAROLINA SYSTEM**

#### 19 **GROWING THE HEALTHCARE WORKFORCE**

20           **SECTION 8.1.(a)** Establishment of the Fund. – Of the funds appropriated to the  
21 Board of Governors of the University of North Carolina by this act for the 2024-25 fiscal year,  
22 the Board shall use ten million (\$10,000,000) to establish the Fund for Growing the Health Care  
23 Workforce (Fund). Any unexpended funds remaining in the Fund at the end of the fiscal year  
24 shall not revert to the General Fund but shall remain available for the purposes set forth in this  
25 section through June 30, 2025. The Fund shall be used to assist independent college and  
26 universities who participate in the State Need Based Grant in starting or expanding programs that  
27 will grow the health care workforce, including through providing greater facility capacity for  
28 trainees; increasing the numbers of health faculty and staff; and providing student support,  
29 equipment and lab space.  
30

31           **SECTION 8.1.(b)** Report. – The Board shall submit an initial report to the Joint  
32 Legislative Education Oversight Committee by December 1, 2025, and an annual report  
33 thereafter for each year the Board provides funds, on the programs receiving the funds, which  
34 shall include at least the following information:

- 35           (1) The institutions that received funds, the amount of funds, and the types of programs  
36           started.
  - 37           (2) The use of funds by each institution receiving awards, including costs associated with  
38           student instruction, faculty salaries, instructional supplies, related instructional equipment, and  
39           accreditation costs.
  - 40           (3) Evaluation of the success of the new programs receiving funds.
- 41

#### 42 **COLLEGE ADVISING CORPS**

43           **SECTION 8.2.(a)** Purpose of the College Advising Corps Program. – From the funds  
44 appropriated by this act for the 2023-25 fiscal biennium to the Board of Governors of The  
45 University of North Carolina for the College Advising Corps program, the Board of Governors  
46 shall provide a directed grant to the National College Advising Corps, Inc. (CAC) to support an  
47 expansion of the placement of college advisers in North Carolina public schools through their  
48 program. CAC is a college access nonprofit organization with the mission to increase the number  
49 of underrepresented, low-income, or first-generation postsecondary degree or certificate students  
50 entering and completing their postsecondary education at community colleges and universities.

1 In furthering this mission, CAC operates an innovative model of partnering with schools,  
2 communities, families, and postsecondary institutions, including providing for a two-year service  
3 opportunity to recent college graduates as near-peer college advisers working fulltime in the  
4 public schools, with an emphasis on engaging college advisers who have similar backgrounds to  
5 the students the program seeks to serve. Near-peer college advisers perform various services for  
6 those students that are key components to the proven success of the program, including (i)  
7 attending postsecondary campus visits, fairs, and workshops with students, (ii) assisting with  
8 registering for college entrance exams, (iii) assisting with Free Application for Federal Student  
9 Aid (FAFSA) registrations and completions, (iv) identifying available scholarships, (v) assisting  
10 with postsecondary applications, and (vi) engaging with families.

11 **SECTION 8.2.(b) Matching Funds.** – Funds made available to CAC pursuant to this  
12 section shall be matched by CAC on the basis of two dollars (\$2.00) in non-State funds for every  
13 one dollar (\$1.00) in State funds. Availability of these matching funds shall not revert, but shall  
14 continue to be available for the purposes set forth in this section.

15 **SECTION 8.2.(c) Use of Funds.** – CAC shall focus expansion of its program using  
16 the funds provided to it under this section to achieve placement of college advisers in all 100  
17 counties of the State. In addition, CAC shall select at least three additional postsecondary  
18 institutions to partner with in order to increase the number of recent graduates working as near-  
19 peer college advisers to meet the needs of the program expansion. Once CAC has reached the  
20 goal of placement of college advisers in 100 counties, the funds provided to it for the program  
21 shall be used to continue the mission of the program to increase access for North Carolina public  
22 school students to postsecondary degree or certificate attainment at community colleges and  
23 universities.

24 **SECTION 8.2.(d) Reporting Requirements.** – CAC shall submit a report by June 1  
25 of each year in which CAC spends State funds made available to it pursuant to this section to the  
26 Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office  
27 of State Budget and Management on the progress of expanding the placement of college advisers,  
28 data on the effectiveness of the program in increasing access for students to postsecondary  
29 education, and the use of State funds.

## 30 **SPORTS BETTING – USE OF PROCEEDS / REVERSION**

31 **SECTION 8.3.(a)** G.S. 116.30.3 reads as rewritten:

### 32 **"§ 116-30.3. Reversions.**

33  
34 Of the General Fund current operations appropriations credit balance remaining at the end of  
35 each fiscal year in each of the budget codes listed in this subsection, any amount of the General  
36 Fund appropriation for that budget code for that fiscal year (i) may be carried forward to the next  
37 fiscal year in that budget code, (ii) is appropriated in that budget code, and (iii) may be used for  
38 the purposes set out in subsection (f) of this section. However, the amount carried forward in  
39 each budget code under this subsection shall not exceed two and one-half percent (2.5%) of the  
40 General Fund appropriation in that budget code. The Director of the Budget, under the authority  
41 set forth in G.S. 143C-6-2, shall establish the General Fund current operations credit balance  
42 remaining in each budget code.

43 ...

44 (g) Funds appropriated pursuant to G.S. 105-113.128 may be carried forward to the next fiscal  
45 year and shall not revert until the end of that fiscal year."

## 46 **PART VIII-A. UNIVERSITY/STATE EDUCATION ASSISTANCE AUTHORITY**

### 47 **OPPORTUNITY SCHOLARSHIPS ACCOUNTABILITY**

48  
49 **SECTION 8A.1.(a)** G.S. 115C-562.1 reads as rewritten:  
50

1 **"§ 115C-562.1. Definitions.**

2 The following definitions apply in this Part:

3 ...

4 (3a) Eligible student. – A student residing in North Carolina who has not yet  
5 received a high school diploma and who meets all of the following  
6 requirements:

7 a. Is eligible to attend a North Carolina public school pursuant to Article 25 of  
8 this Chapter. A child who is the age of 4 on or before April 16 is eligible to  
9 attend the following school year if the principal, or equivalent, of the school  
10 in which the child seeks to enroll finds that the student meets the requirements  
11 established by the Authority pursuant to G.S. 115C562.2(d) and those  
12 findings are submitted to the Authority.

13 b. Has not been enrolled in a postsecondary institution as a full-time student  
14 taking at least 12 hours of academic credit.

15 c. Has not been placed in a nonpublic school or facility by a public agency at  
16 public expense.

17 d. Received a scholarship grant during the previous school year."

18 **SECTION 8A.1.(b)** G.S. 115C-562.2 reads as rewritten:

19 **"§ 115C-562.2. Scholarship grants.**

20 (a) The Authority shall make available no later than February 1 annually applications to  
21 eligible students for the award of scholarship grants to attend any nonpublic school on a full or  
22 part-time basis. Information about scholarship grants and the application process shall be made  
23 available on the Authority's Web site. Beginning March 15, the Authority shall begin awarding  
24 scholarship ~~grants to students who have applied by March 1 in the following order: according to~~  
25 the following criteria: grants.

26 ~~(1) Eligible students who received a scholarship grant for the school year prior to~~  
27 ~~the school year for which the students are applying.~~

28 ~~(2) Eligible students qualifying for a scholarship grant in the amount provided~~  
29 ~~under subdivision (1) of subsection (b2) of this section.~~

30 ~~(3) Eligible students qualifying for a scholarship grant in the amount provided~~  
31 ~~under subdivision (2) of subsection (b2) of this section.~~

32 ~~(4) Eligible students qualifying for a scholarship grant in the amount provided~~  
33 ~~under subdivision (3) of subsection (b2) of this section.~~

34 ~~(5) All other students.~~

35 (b1) Repealed by Session Laws 2021-180, s. 8A.3(e), effective July 1, 2021.

36 (b2) ~~Scholarship grants shall be awarded to eligible students as follows:~~

37 ~~(1) For students residing in households with an income level not in excess of the~~  
38 ~~amount required for the student to qualify for the federal free or reduced-price~~  
39 ~~lunch program, per year per eligible student, an amount of up to one hundred~~  
40 ~~percent (100%) of the average State per pupil allocation for average daily~~  
41 ~~membership in the prior fiscal year.~~

42 ~~(2) For students residing in households with an income level between the amount~~  
43 ~~required for the student to qualify for the federal free or reduced-price lunch~~  
44 ~~program and not in excess of two hundred percent (200%) of that amount, per~~  
45 ~~year per eligible student, an amount of up to ninety percent (90%) of the~~  
46 ~~average State per pupil allocation for average daily membership in the prior~~  
47 ~~fiscal year.~~

48 ~~(3) For students residing in households with an income level of between two~~  
49 ~~hundred percent (200%) of the amount required for the student to qualify for~~  
50 ~~the federal free or reduced-price lunch program and not in excess of four~~

1 hundred fifty percent (450%) of that amount, per year per eligible student, an  
2 amount of up to sixty percent (60%) of the average State per pupil allocation  
3 for average daily membership in the prior fiscal year.

4 ~~(4) For all students, per year per eligible student, an amount of up to forty-five~~  
5 ~~percent (45%) of the average State per pupil allocation for average daily~~  
6 ~~membership in the prior fiscal year, unless the student qualifies for a higher~~  
7 ~~amount under this subsection.~~

8 (b3) Tuition and fees for a nonpublic school may include tuition and fees for books,  
9 transportation, equipment, or other items required by the nonpublic school.

10 (b4) No scholarship grant shall exceed, per year per eligible student, an amount equal to  
11 ~~one hundred percent (100%) of the average State per pupil allocation for average daily~~  
12 ~~membership in the prior fiscal year, ninety percent (90%) for a full-time student or forty-five~~  
13 ~~percent (45%) for a part-time student of the average State per pupil allocation for average daily~~  
14 ~~membership in the prior fiscal year,~~ and no scholarship grant shall exceed the required tuition  
15 and fees for the nonpublic school the eligible student will attend.

16 (b5) In addition to the amount of the scholarship grant, for any student receiving a  
17 scholarship grant in grades three, eight, or 11, the Authority shall provide to the nonpublic school  
18 an amount equal to the cost of the nationally standardized test required to be administered as  
19 provided in G.S. 115C562.5.

20 ~~(b6) Scholarship grants awarded to eligible students residing in households with an income~~  
21 ~~level not in excess of the amount required for the student to qualify for the federal free or reduced-~~  
22 ~~price lunch program shall be, per year per eligible student, in an amount of up to ninety percent~~  
23 ~~(90%) as a full-time student or up to forty-five percent (45%) as a part-time student of the average~~  
24 ~~State per pupil allocation for average daily membership in the prior fiscal year, unless this amount~~  
25 ~~exceeds required tuition in fees, in which case the amount shall be the full tuition and fees.~~  
26 ~~Scholarship grants awarded to eligible students residing in households with an income level in~~  
27 ~~excess of the amount required for the student to qualify for the federal free or reduced-price lunch~~  
28 ~~program for full-time student shall be for amounts of not more than ninety percent (90%) of the~~  
29 ~~required tuition and fees as a full-time student or up to ninety-percent (90%) of the average State~~  
30 ~~per pupil allocation for average daily membership in the prior fiscal year, whichever is lower.~~  
31 ~~For part time students, this shall be up to forty-five percent (45%) of the required tuition and~~  
32 ~~fees as a part-time student for the nonpublic school the eligible child will attend or up to forty-~~  
33 ~~five percent (45%) as a part-time student of the average State per pupil allocation for average~~  
34 ~~daily membership in the prior fiscal year, whichever is lower."~~

35 SECTION 8A.1.(c) G.S. 115C-562.8(b) reads as rewritten:

36 "§ 115C562.8. The Opportunity Scholarship Grant Fund Reserve.

37 (b) The General Assembly finds that, due to the critical need in this State to provide  
38 opportunity for school choice for North Carolina students, it is imperative that the State provide  
39 ~~an increase of funds for 15 years funding~~ to the Opportunity Scholarship Grant Fund Reserve.  
40 Therefore, there is appropriated from the General Fund to the Reserve the following amounts for  
41 each fiscal year to be used for the purposes set forth in this section:

Fiscal Year	Appropriation
2017-2018	\$44,840,000
2018-2019	\$54,840,000
2019-2020	\$64,840,000
2020-2021	\$74,840,000
2021-2022	\$84,840,000
2022-2023	\$94,840,000
2023-2024	\$176,540,000
2024-2025	\$191,540,000

1	2025-2026	\$415,540,000	\$174,236,499
2	2026-2027	\$430,540,000	\$166,919,213
3	2027-2028	\$445,540,000	\$158,337,000
4	2028-2029	\$460,540,000	\$147,151,195
5	2029-2030	\$475,540,000	\$134,275,040
6	2030-2031	\$490,540,000	\$119,413,575
7	2031-2032	\$505,540,000	\$105,039,929
8	<u>2032-2033</u>		\$89,344,633
9	<u>2033-2034</u>		\$71,034,400
10	<u>2034-2035</u>		\$48,759,219
11	<u>2035-2036</u>		\$24,022,254

12  
13 For the ~~2032-2033~~2036-2037 fiscal year and each fiscal year thereafter, there is appropriated  
14 from the General Fund to the Reserve the sum of ~~five hundred twenty million five hundred forty~~  
15 ~~thousand zero~~ dollars ~~(\$0)~~(\$520,540,000) to be used for the purposes set forth in this section.  
16 When developing the base budget, as defined by G.S. 143C-11, for each fiscal year specified in  
17 this subsection, the Director of the Budget shall include the appropriated amount specified in this  
18 subsection for that fiscal year."

19 **SECTION 8A.1.(d)** The State Education Assistance Authority shall not award  
20 scholarship funds to new recipients pursuant to Part 2A of Article 39 of Subchapter X of Chapter  
21 115C of the General Statutes after the 2023-2024 academic year.

22 **SECTION 8A.1.(e)** G.S. 115C-562.2 is amended by adding a new subsection to  
23 read:

24 "(c1) An eligible student awarded a scholarship grant shall participate in administration of  
25 examinations required by G.S. 115C-562.5 to maintain eligibility for receipt of the scholarship  
26 grant."

27 **SECTION 8A.1.(f)** G.S. 115C-562.5 reads as rewritten:

28 "**§ 115C-562.5. Obligations of nonpublic schools accepting eligible students receiving**  
29 **scholarship grants.**

30 (a) A nonpublic school that accepts eligible students receiving scholarship grants shall  
31 comply with the following:

- 32 (1) Provide to the Authority annually documentation for required tuition and fees  
33 charged to the student by the nonpublic school. A nonpublic school that  
34 accepts eligible students receiving scholarship grants shall not increase tuition  
35 each year by more than the Consumer Price Index as calculated by the United  
36 States Bureau of Labor Statistics and reported on January 1 of the year in  
37 which the school is increasing tuition.
- 38 (2) Provide to the Authority a criminal background check conducted for the staff  
39 member with the highest decision-making authority, as defined by the bylaws,  
40 articles of incorporation, or other governing document, to ensure that person  
41 has not been convicted of any crime listed in G.S. 115C332.
- 42 (3) Provide to the parent or guardian of an eligible student, whose tuition and fees  
43 are paid in whole or in part with a scholarship grant, an annual written  
44 explanation of the student's progress, including the student's scores on  
45 standardized achievement tests.
- 46 (4) Administer, at least once in each school year (or more as required by State or  
47 Federal Requirements) the assessments and tests required by the State Board  
48 of Education for public schools to comply with federal law according to grade  
49 level pursuant to G.S. 115C-174.11(c)(1).; tests as provided in this  
50 subdivision. Student-level testTest performance data shall be submitted to the

1 Authority by July 15 of each year and retained by the nonpublic school for a  
2 five-year period and shall be subject to audit by the Authority to ensure  
3 compliance with this subdivision and for the purpose of the evaluation  
4 required by G.S. 115C-562.7A.~~year.~~ Test Personally identifiable individual  
5 test performance data reported to the Authority or audited or collected for  
6 evaluation purposes by the Authority under this subdivision is not a public  
7 record under Chapter 132 of the General Statutes. Nothing in this subdivision  
8 shall be deemed to prohibit a nonpublic school from administering other  
9 standardized tests or tests at other grade levels for its own purposes. Tests  
10 shall be administered to all eligible students ~~enrolled in grades three and~~  
11 ~~higher~~ whose tuition and fees are paid in whole or in part with a scholarship  
12 ~~grant grant~~ as follows:

- 13 a. ~~The nationally standardized test designated by the Authority in grades three~~  
14 ~~and eight.~~
- 15 b. ~~The ACT in grade 11.~~
- 16 c. ~~A nationally standardized test or other nationally standardized equivalent~~  
17 ~~measurement selected by the chief administrative officer of the nonpublic~~  
18 ~~school in all other grades four and higher. For grades four through seven, the~~  
19 ~~nationally standardized test or other equivalent measurement selected must~~  
20 ~~measure achievement in the areas of English grammar, reading, spelling, and~~  
21 ~~mathematics. For grades nine, 10, and 12, the nationally standardized test or~~  
22 ~~other equivalent measurement selected must measure either (i) achievement~~  
23 ~~in the areas of English grammar, reading, spelling, and mathematics or (ii)~~  
24 ~~competencies in the verbal and quantitative areas.~~
- 25 (4b) Pursuant to G.S. 115C-107.6, educate each child with a disability awarded  
26 scholarship funds in accordance with that child's Individualized Education  
27 Plan (IEP) and in compliance with the Individuals with Disabilities Act  
28 (IDEA) and State Board of Education policies.
- 29 (5) Provide to the Authority four-year cohort graduation rates of the students  
30 receiving scholarship grants in a manner consistent with the requirements of  
31 Title I, Part A of ESEA and 34 C.F.R. §200.19. ~~nationally recognized~~  
32 ~~standards.~~
- 33 (5b) Provide to the Authority by August 1 of each year attendance records of  
34 students receiving scholarship grants during the previous school year.
- 35 (6) Contract with a certified public accountant to perform a financial ~~review~~ audit,  
36 consistent with generally accepted methods of accounting or any other  
37 comprehensive basis of accounting recognized by the American Institute of  
38 Certified Public Accountants (AICPA) for each school year in which the  
39 school enrolls ~~70 or more students receiving scholarship grants or scholarship~~  
40 ~~funds awarded by the Authority.~~ students who collectively receive more than  
41 one hundred thousand dollars (\$100,000) in scholarship grants awarded under  
42 this Part. If a nonpublic school accepts students receiving less than one  
43 hundred thousand dollars (\$100,000) in scholarship grants, the school shall  
44 contract with a certified public accountant to perform a financial audit once  
45 every three years. The nonpublic school shall submit the audit report to the  
46 Authority by December 31 of each year an audit is conducted.
- 47 (7) Maintain a school facility within the State where in-person instruction is  
48 provided. This subdivision does not prohibit a school from offering remote-  
49 only courses of instruction in addition to in-person instruction.
- 50 (8) Provide the following information annually to the Division:

- a. Name and address of the school, including physical location address. A school with more than one physical location shall establish a separate notice of intent for each physical location and shall provide all information required by this subdivision for each physical location.
- b. The name of the owners and chief administrator, as well as their contact information.
- c. Number of students in attendance at the school as of October 1.
- d. Documentation of a completed fire inspection within the previous 365 days.

(10) In coordination with local law enforcement agencies, adopt a School Risk Management Plan (SRMP) relating to incidents of school violence as detailed in G.S. 115C-47 (40). In constructing and maintaining these plans, the school shall utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans are not considered a public record as the term “public record” is defined under G.S. 132-1.

(11) Pursuant to G.S. 115C-105.53, provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies. These diagrams are not considered a public record as the term “public record” is defined under G.S. 132-1.

(12) Pursuant to G.S. 115C-105.49, at least once a year, hold a full school-wide lockdown exercise with local law enforcement and emergency management agencies that are part of the qualified nonpublic school’s SRMP.

(13) Provide the following: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Department of Public Safety, Division of Emergency Management for the SRMP. These diagrams and emergency response information are not considered a public record as the term “public record” is defined under G.S. 132-1.

(b) A nonpublic school that accepts students receiving scholarship grants shall not require any additional fees based on the status of the student as a scholarship grant recipient.

(c) A nonpublic school enrolling more than 25 students in any grade whose tuition and fees are paid in whole or in part with a scholarship grant shall provide and retain information on student test performance in each grade with more than 25 students, as follows:

- (1) Report to the Authority on the aggregate standardized test performance of the individual student standardized test performance of eligible students in grades three, eight, and 11 under subsection (4) of this section. Aggregate test performance data reported to the Authority which does not contain personally identifiable student data shall be a public record under Chapter 132 of the General Statutes. The Authority shall make these reports of aggregate student standardized test performance publicly available. Test performance data may be shared with public or private institutions of higher education located in North Carolina and shall be provided to an independent research organization selected by the Authority for research purposes as permitted by the Federal Education Rights and Privacy Act, 20 U.S.C. § 1232g.
- (2) Retain standardized test performance data for eligible students in all other grades and annually certify to the Authority compliance with the requirements of subdivision (4) of subsection (a) of this section.

(c1) A nonpublic school shall not discriminate with respect to the categories listed in 42

1 U.S.C. § 2000d, as that statute read on January 1, 2014, and with respect to the definitions of an  
2 individual with a disability as defined in the Americans With Disabilities Act of 1990, 42 U.S.C.  
3 § 12101 as that statute read on January 1, 2024."

4 **SECTION 8A.1.(g)** G.S. 115C-562.7(b) is amended by adding a new sub-subsection  
5 to read:

6 "(6) Information on the compliance with the academic assessment requirement pursuant to  
7 G.S. 115C-562.5(a)(4)."

8 **SECTION 8A.1.(h)** G.S. 115C-112.7 is amended by adding a new subsection to read:

9 "(d) The State Education Assistance Authority, in coordination with the Department of Public  
10 Instruction, shall make publicly available by September 30 of each year school achievement,  
11 growth, and performance scores and associated performance grades pursuant to G.S. 115C-83.15  
12 for nonpublic schools that enroll more than more than 25 students whose tuition and fees are paid  
13 in whole or in part with a scholarship grant. This section is effective with the 2024-25 school  
14 year. The first school achievement, growth, and performance scores and associated performance  
15 grades shall be made publicly available by September 30, 2025."

16 **SECTION 8A.1.(i)** Section 8A.6(i) and Section 8A.6(j) of Session Law 2023-134 are  
17 repealed.

18 **SECTION 8A.1.(j)** Article 41 of Chapter 115C of the General Statutes is amended by  
19 adding a new section to read:

20 "§ 115C-593.5. Academic Assessments. - A nonpublic school that accepts eligible students  
21 receiving scholarship funds shall academically assess students on an annual basis for each school  
22 year at the same grade levels as required by the State Board of Education for students in the  
23 public schools pursuant to G.S. 115C-174.11(c)(1). An eligible student awarded scholarship  
24 funds who is enrolled in a nonpublic school shall participate in the academic assessments to  
25 maintain eligibility for receipt of the scholarship funds.

26 Assessment data shall be retained by the nonpublic school for a five-year period and shall be  
27 subject to audit by the Authority to ensure compliance with this subsection. Assessment data  
28 shall be provided to the parent or guardian of an eligible student, whose tuition and fees are paid  
29 in whole or in part with scholarship funds, with an annual written explanation of the student's  
30 progress, including the results of the student's academic assessment. If an eligible student  
31 received an academic assessment pursuant to G.S. 115C-112.6 for a school year, the academic  
32 assessment may be used to meet the requirements of this subsection. Nothing in this subsection  
33 shall be deemed to prohibit a nonpublic school from administering assessments at other grade  
34 levels for its own purposes."

35 **SECTION 8A.1.(k)** G.S. 115C-598 is amended by adding a new subdivision to read:

36 "(6) Information on the compliance with the academic assessment requirement  
37 pursuant to G.S. 115C-593.5."

38 **SECTION 8A.1.(l)** This provision is effective when it becomes law and applies beginning  
39 with the 2024-25 school year.

## 41 **TEACHING FELLOWS EXPANSION**

42 **SECTION 8A.2.(a)** Part 3 of Article 23 of Chapter 116 of the General Statutes reads  
43 as rewritten:

44 "Part 3. North Carolina Teaching Fellows Program.

### 45 **§ 116-209.60. Definitions.**

46 The following definitions apply in this Part:

- 47 (1) Commission. – The North Carolina Teaching Fellows Commission.
- 48 (2) Director. – The Director of the North Carolina Teaching Fellows Program.
- 49 (3) Forgivable loan. – A forgivable loan made under the Program.
- 50 (4) Program. – The North Carolina Teaching Fellows Program.

1 (5) Public school. – An elementary or secondary school located in North Carolina  
2 that is governed by a local board of education, charter school board of  
3 directors, regional school board of directors, or University of North Carolina  
4 laboratory school board of trustees.

5 ~~(5a) Qualifying licensure area. – A teacher licensure area in one of the following~~  
6 ~~subjects:~~

7 ~~a. – Either of the following, as identified pursuant to G.S. 116-209.62(h):~~

8 ~~1. – Special education.~~

9 ~~2. – STEM.~~

10 ~~b. – Elementary education (K-6).~~

11 (5b) Qualifying teacher. – A teacher in a North Carolina public school who meets  
12 the following criteria:

13 a. Received a forgivable loan under the Program.

14 b. Graduated within 10 years from an educator preparation program  
15 leading to teacher licensure, excluding any authorized deferment for  
16 extenuating circumstances.

17 ~~(6) – STEM. – Science, technology, engineering, and mathematics.~~

18 (7) Trust Fund. – The North Carolina Teaching Fellows Program Trust Fund.

19 ...

20 **"§ 116-209.62. North Carolina Teaching Fellows Program established; administration.**

21 (a) Program. – There is established the North Carolina Teaching Fellows Program to be  
22 administered by the System Office of The University of North Carolina, in conjunction with the  
23 Authority and the Commission. The purpose of the Program is to recruit, prepare, and support  
24 students residing in or attending institutions of higher education located in North Carolina for  
25 preparation as highly effective teachers ~~in qualifying licensure areas~~ in the State's public schools.  
26 The Program shall be used to provide a forgivable loan to individuals interested in preparing to  
27 teach in the public schools of the ~~State in qualifying licensure areas.~~ State.

28 (b) Trust Fund. – There is established the North Carolina Teaching Fellows Program  
29 Trust Fund to be administered by the Authority, in conjunction with the System Office of The  
30 University of North Carolina. All funds (i) appropriated to, or otherwise received by, the Program  
31 for forgivable loans and other Program purposes, (ii) received as repayment of forgivable loans,  
32 and (iii) earned as interest on these funds shall be placed in the Trust Fund. The purpose of the  
33 Trust Fund is to provide financial assistance to qualified students for completion of teacher  
34 education and licensure programs to fill ~~qualifying licensure areas~~ teaching positions in the public  
35 schools of the State.

36 (c) Uses of Monies in the Trust Fund. – The monies in the Trust Fund may be used only  
37 for (i) forgivable loans granted under the Program, (ii) administrative costs associated with the  
38 Program, including recruitment and recovery of funds advanced under the Program, (iii)  
39 mentoring and coaching support to forgivable loan recipients, and (iv) extracurricular  
40 enhancement activities of the Program in accordance with the following:

41 (1) The Authority shall transfer the greater of six hundred thousand dollars  
42 (\$600,000) or ten percent (10%) of the available funds from the Trust Fund to  
43 The University of North Carolina System Office at the beginning of each  
44 fiscal year for the Program's administrative costs, the salary of the Director of  
45 the Program and other Program staff, expenses of the Commission, and to  
46 provide the Commission with funds to use for the extracurricular enhancement  
47 activities of the Program.

48 ...

49 (d) Director of the Program. – The Board of Governors of The University of North  
50 Carolina shall appoint a Director of the Program. The Director shall appoint staff to the

1 Commission and shall be responsible for recruitment and coordination of the Program, including  
2 proactive, aggressive, and strategic recruitment of potential recipients. The Commission shall  
3 make an effort to identify and encourage students of color and students who may not otherwise  
4 consider a career in teaching to enter the program. Recruitment activities shall include a broad-  
5 based effort (i) targeting regions of the State with the highest teacher attrition rates and teacher  
6 recruitment ~~challenges, challenges and~~ (ii) actively engaging with educators, business leaders,  
7 experts in human resources, elected officials, and other community leaders throughout the ~~State,~~  
8 ~~and~~ (iii) ~~attracting candidates in qualifying licensure areas to the Program.~~ State to attract a  
9 diverse pool of applicants. The Director shall report to the President of The University of North  
10 Carolina. The Authority shall provide office space and clerical support staff, as necessary, to the  
11 Director for the Program.

12 (e) Student Selection Criteria for Forgivable Loans. – The Commission shall adopt  
13 stringent standards for awarding forgivable loans based on multiple measures to ensure that only  
14 the strongest applicants receive them, including the following:

- 15 (1) Grade point averages.
- 16 (2) Performance on relevant career and college readiness assessments.
- 17 (3) Experience, accomplishments, and other criteria demonstrating qualities  
18 positively correlated with highly effective teachers, including excellent verbal  
19 and communication skills.
- 20 (4) Demonstrated commitment to serve in ~~a qualifying licensure area in~~ North  
21 Carolina public schools.

22 (f) Program Selection Criteria. – The Authority shall administer the Program in  
23 cooperation with ~~up to 10 institutions~~ any institution of higher education with ~~approved~~ a State  
24 Board of Education approved educator preparation program. For an educator preparation  
25 program enrolling loan recipients in a program of study leading to licensure in elementary  
26 education (K 6), provides training that is aligned with the Science of Reading in accordance with  
27 G.S. 115C 269.20. The Commission shall contract with a third party entity to biennially evaluate  
28 whether a program identified in this subdivision is providing training that is aligned with the  
29 Science of Reading. ~~programs selected by the Commission that represent a diverse selection of~~  
30 ~~both postsecondary constituent institutions of The University of North Carolina and private~~  
31 ~~postsecondary institutions operating in the State. The Commission shall adopt stringent standards~~  
32 ~~for selection of the most effective educator preparation programs, including the following:~~

33 (1) ~~Demonstrates high rates of educator effectiveness on value-added models and teacher~~  
34 ~~evaluations, including using performance-based, subject-specific assessment and support~~  
35 ~~systems, such as edTPA or other metrics of evaluating candidate effectiveness that have~~  
36 ~~predictive validity.~~

37 (2) ~~Demonstrates measurable impact of prior graduates on student learning, including~~  
38 ~~impact of graduates teaching in qualifying licensure areas.~~

39 (3) ~~Demonstrates high rates of graduates passing exams required for teacher licensure.~~

40 (4) ~~Provides curricular and co-curricular enhancements in leadership, facilitates learning~~  
41 ~~for diverse learners, and promotes community engagement, classroom management, and~~  
42 ~~reflection and assessment.~~

43 (5) ~~Requires at least a minor concentration of study in the subject area that the candidate~~  
44 ~~may teach.~~

45 (6) ~~Provides early and frequent internship or practical experiences, including the~~  
46 ~~opportunity for participants to perform practicums in diverse school environments.~~

47 (7) ~~Is approved by the State Board of Education as an educator preparation program.~~

48 (8) ~~For an educator preparation program enrolling loan recipients in a program of study~~  
49 ~~leading to licensure in elementary education (K 6), provides training that is aligned with the~~  
50 ~~Science of Reading in accordance with G.S. 115C 269.20. The Commission shall contract with~~

1 ~~a third-party entity to biennially evaluate whether a program identified in this subdivision is~~  
2 ~~providing training that is aligned with the Science of Reading.~~

3 (g) Awards of Forgivable Loans. – The Program shall provide forgivable loans to selected  
4 students to be used at up ~~up to 10 selected~~ the participating institutions for completion of a  
5 program leading to initial teacher licensure as follows:

- 6 (1) North Carolina high school seniors. – Forgivable loans of up to five thousand  
7 dollars (\$5,000) per semester for up to eight semesters.
- 8 (2) Students applying for transfer to a selected educator preparation program at  
9 an institution of higher education. – Forgivable loans of up to five thousand  
10 dollars (\$5,000) per semester for up to six semesters.
- 11 (3) Individuals currently holding a bachelor's degree seeking preparation for  
12 teacher licensure. – Forgivable loans of up to five thousand dollars (\$5,000)  
13 per semester for up to four semesters.
- 14 (4) Students matriculating at institutions of higher education who are changing to  
15 an approved program of study at a selected educator preparation program. –  
16 Forgivable loans of up to five thousand dollars (\$5,000) per semester for up  
17 to four semesters.

18 Forgivable loans may be used for tuition, fees, the cost of books, and expenses related to  
19 obtaining licensure.

20 ~~(h) Identification of STEM and Special Education Licensure Areas. The Superintendent~~  
21 ~~of Public Instruction shall identify and provide to the Commission and the Authority a list of~~  
22 ~~STEM and special education licensure areas and shall annually provide to the Commission the~~  
23 ~~number of available positions in each qualifying licensure area relative to the number of current~~  
24 ~~and anticipated teachers in that area of licensure. The Commission shall make the list of STEM~~  
25 ~~and special education licensure areas readily available to applicants.~~

26 ...

27 (j) Annual Report. – The Commission, in coordination with the Authority, the  
28 Department of Public Instruction, and the ~~selected-participating~~ educator education programs  
29 participating in the Program shall report no later than January 1, 2019, and annually thereafter,  
30 to the Joint Legislative Education Oversight Committee regarding the following:

- 31 (1) Forgivable loans awarded from the Trust Fund, including the following:
  - 32 a. Demographic information regarding recipients.
  - 33 b. Number of recipients by institution of higher education and program.
  - 34 c. Information on number of recipients by anticipated qualifying  
35 licensure area.
- 36 (2) Placement and repayment rates, including the following:
  - 37 a. Number of graduates who have been employed in a qualifying-North  
38 Carolina public school by licensure area within two years of program  
39 completion.
  - 40 b. Number of graduates who accepted employment at a low-performing  
41 school identified under G.S. 115C-105.37 as part of their years of  
42 service.
  - 43 c. Number of graduates who have elected to do loan repayment and their  
44 years of service, if any, prior to beginning loan repayment.
  - 45 d. Number of graduates employed in a qualifying-North Carolina public  
46 school by licensure area who have received an overall rating of at least  
47 accomplished and have met expected growth on applicable standards  
48 of the teacher evaluation instrument.

- 1 e. Aggregate information on student growth and proficiency in courses  
2 taught by graduates who have fulfilled service ~~requirements through~~  
3 ~~employment in a qualifying licensure area requirements.~~"  
4

5 **PART IX-A. AGING AND ADULT SERVICES [RESERVED]**

6  
7 **PART IX-B. CENTRAL MANAGEMENT AND SUPPORT**

8  
9 **REPLACEMENT FOR CRITICAL IT SYSTEMS THAT SUPPORT SUBSTANCE USE**  
10 **DISORDER PREVENTION AND TREATMENT**

11 **SECTION 9B.1.** The Department of Health and Human Services shall develop and  
12 implement a replacement for outdated data systems supporting substance use prevention and  
13 treatment goals, specifically concerning the Driving While Impaired Services (DWI), the Drug  
14 Education School (DES), and the Drug Control Unit (DCU) programs designed to prevent  
15 progression of misuse of substances through education and regulatory supports. The project shall  
16 not proceed until the business case has been approved by the Office of State Budget and  
17 Management and the State Chief Information Officer in the Enterprise Project Management  
18 Office's Touchdown System. Upon approval, Mixed Use Beverage tax receipts available in  
19 Budget Code 14460, Budget Fund 134603, may be budgeted for transfer to Budget Code 24410  
20 for information technology projects in an amount not to exceed two million dollars  
21 (\$2,000,000). Following project completion, the Division of Mental Health may use Mixed Use  
22 Beverage Tax receipts to cover operations and maintenance costs for the new IT system.  
23  
24

25 **PART IX-C. CHILD AND FAMILY WELL-BEING [RESERVED]**

26  
27 **PART IX-D. CHILD DEVELOPMENT AND EARLY EDUCATION**

28  
29 **CHILD CARE STABILIZATION GRANTS**

30 **SECTION 9D.1.** The Division of Child Development and Early Education shall  
31 reinstate Child Care Stabilization Grants for compensation to prevent child care closures and  
32 encourage program capacity growth and maintain the critical compensation support for a  
33 qualified workforce.  
34

35 **CHILD CARE SUBSIDY RATE FLOOR**

36 **SECTION 9D.2.(a)** Section 9D.3(c) of S.L. 2023-134 reads as rewritten:

37 **"CHILD CARE SUBSIDY RATES**

38 ...

39 **SECTION 9D.3.(c)** Payments for the purchase of child care services for low-income  
40 children shall be in accordance with the following requirements:

- 41 (1) Religious sponsored child care facilities operating pursuant to G.S. 110-106  
42 and licensed child care centers and homes that meet the minimum licensing  
43 standards that are participating in the subsidized child care program shall be  
44 paid the one-star county market rate or the rate they charge privately paying  
45 parents unless prohibited by subsection (f) of this section.  
46 (2) Licensed child care centers and homes with two or more stars shall receive the  
47 market rate for that rated license level for that age group or the statewide floor  
48 rate, whichever is higher, unless prohibited by subsection (g) of this section.  
49 (3) No payments shall be made for transportation services charged by child care  
50 facilities.

- (4) Payments for subsidized child care services for postsecondary education shall be limited to a maximum of 20 months of enrollment. This shall not be determined before a family's annual recertification period.
- (5) The Department of Health and Human Services shall implement necessary rule changes to restructure services, including, but not limited to, targeting benefits to employment.
- (6) Certified Developmental Day Centers shall receive the statewide average or county market rate, whichever is higher, plus a multiplier of 0.75 for children with special needs and multiplier of 0.5 for typically developing children.

..."

## **GRANTS FOR CHILD CARE FACILITIES AND NC PRE-K CLASSROOMS**

**SECTION 9D.3.(a)** Of the funds appropriated in this act to the Department of Health and Human Services, Division of Child Development and Early Education (Division), the sum of fifty million dollars (\$50,000,000) in nonrecurring funds shall be used to provide grants for child care facilities and North Carolina prekindergarten (NC Pre-K) classrooms, particularly those located in areas with limited access to child care, and low-performing and high-poverty districts. The Division may administer the program or subcontract administration using up to one percent (1%) of the funds for administration and shall award grants under this section pursuant to criteria established by the Division in accordance with federal law and guidance.

**SECTION 9D.3.(b)** These grants shall be one-time awards to assist with new or expanded high-quality child care initiatives as follows:

- (1) Start-up costs associated with establishing a new NC Pre-K classroom or child care facility.
- (2) Quality improvements for existing NC Pre-K classrooms or child care facilities that increase the classroom or facility's capacity or upgrade its star rating
- (3) Capital improvements or renovations, including adding or upgrading outdoor play and learning environments, or increasing a facility's total capacity.

**SECTION 9D.3.(c)** Of the funds appropriated in this act to the Division of Child Development and Early Education for NC Pre-K and Child Care Enhancement Grants, the Division shall use up to one hundred thousand dollars (\$100,000) to evaluate the effectiveness of the NC Pre-K and Child Care Enhancement Grants and up to one hundred thousand dollars (\$100,000) to evaluate the effectiveness of the Child Care Stabilization Grants funded in this act. The Division may choose to contract a third party to conduct one or both of these evaluations. The Division may consult with the Office of State Budget and Management (OSBM) for assistance on how to develop an evaluation, including how to register and use a pre-analysis plan. The Division shall report annually to OSBM and the Fiscal Research Division of the General Assembly on the progress of the evaluation and, when completed, make publicly available the pre-analysis plan, the final evaluation report, and (to the extent possible) an anonymized version of the dataset(s) that is sufficient for others to replicate the reported analytics.

## **EARLY EDUCATION PROVIDER GRANT PILOT PROGRAM**

**SECTION 9D.4.(a)** Of the funds appropriated in this act to the Department of Health and Human Services, Division of Child Development and Early Education, the sum of twenty-five million dollars (\$25,000,000) in nonrecurring funds for fiscal year 2024-25 shall be used to provide funding for the Early Education Provider Grant Pilot program established by this section. Funds provided under this section shall be distributed to provide free or reduced cost, quality child care for employees working at child care centers or providing home-based care, regardless

1 of their qualification status for the state’s Child Care Subsidy program. Upon completion of the  
2 pilot program, any unexpended funds shall revert to the General Fund.

3 **SECTION 9D.4.(b)** There is established the Early Education Provider Grant Pilot  
4 Program, a program that:

- 5 (1) Helps child care teachers continue working by helping them access affordable,  
6 quality care for their own children.
- 7 (2) Helps child care employers retain and attract qualified employees.
- 8 (3) Help stabilize child care businesses across the State.

9 **SECTION 9D.4.(c)** The Division shall set eligibility, application, award, and fund  
10 distribution standards for the program. At a minimum, child care teachers and employees  
11 receiving this benefit must work at programs currently achieving a three star rating or higher.  
12 Awards shall be provided at the local subsidized child care rate.

13 **SECTION 9D.4.(d)** Of the funds appropriated in this act to the Division for the Early  
14 Education Provider Grant Pilot Program, the Division may use up to three percent (3%) for  
15 administrative costs.

16 **SECTION 9D.4.(e)** Of the funds appropriated in this act to the Division of Child  
17 Development and Early Education for the Early Education Provider Grant Pilot Program, the  
18 Division shall use up to one hundred thousand dollars (\$100,000) to conduct an evaluation of the  
19 program or contract a third party to evaluate the program. Within six months after completion of  
20 the pilot program, the Division shall submit the evaluation to the Joint Legislative Oversight  
21 Committee on Health and Human Services, the Office of State Budget and Management, and the  
22 Fiscal Research Division. The evaluation shall include, at a minimum, each of the following:

- 23 (1) The number of teachers served, by county.
- 24 (2) Total pilot program costs, including any administrative costs.
- 25 (3) How many participants were hired or retained in teacher roles because of grant.
- 26 (4) How many participating teachers already met the requirements to qualify for the  
27 Child Care Subsidy program in North Carolina and were already participating  
28 or were not participating, and why.
- 29 (5) Any other relevant information deemed appropriate.

### 30 31 **TRI-SHARE CHILD CARE PILOT PROGRAM EXPANSION**

32 **SECTION 9D.5** Section 9D.9 of S.L. 2023-134 reads as rewritten:

#### 33 **"TRI-SHARE CHILD CARE PILOT PROGRAM**

34 **SECTION 9D.9.(a)** Of the funds appropriated in this act to the Department of Health  
35 and Human Services, Division of Child Development and Early Education, to be allocated to the  
36 North Carolina Partnership for Children, Inc., the sum of ~~nine hundred thousand dollars~~  
37 million three hundred thousand dollars (\$900,000)(\$1,300,000.00) in nonrecurring funds for ~~each~~  
38 year of the 20234-2025 fiscal bienniumfiscal year shall be used to provide the State portion of  
39 funding for the Tri-Share Child Care pilot program established by this section. Funds provided  
40 under this section shall be divided evenly in each fiscal year among the regional facilitator hubs,  
41 as described in subsection (c) of this section, selected to participate in the pilot program. Upon  
42 completion of the pilot program, any unexpended funds shall revert to the General Fund.

43 **SECTION 9D.9.(b)** The Division of Child Development and Early Education  
44 (Division), in collaboration with the North Carolina Partnership for Children, Inc. (NCPC), shall  
45 establish a two-year pilot program to implement the Tri-Share Child Care program, a program  
46 that creates a public/private partnership to share the cost of child care equally between employers,  
47 eligible employees, and the State to:

- 48 (1) Make high-quality child care affordable and accessible for working families.
- 49 (2) Help employers retain and attract employees.
- 50 (3) Help stabilize child care businesses across the State.

1           **SECTION 9D.9.(c)** The Division and NCPC shall select up to ~~four~~<sup>three</sup> local  
2 partnerships to serve as regional facilitator hubs to implement and administer the pilot program  
3 and act as regional intermediaries between employers, families, child care providers, and the  
4 State. The Division and NCPC shall select local partnerships to participate in the pilot program  
5 from geographically diverse areas across the State, with one selected from a tier one county and  
6 one selected from a tier three county. For purposes of this section, a tier one and tier three county  
7 shall have the same designation as that established by the North Carolina Department of  
8 Commerce's 2023 County Tier Designations.

9           **SECTION 9D.9.(d)** The local partnerships selected to serve as regional facilitator  
10 hubs shall establish and determine program eligibility. For purposes of this pilot program, an  
11 employee is eligible to participate in the program if the employee (i) is employed by a Page 222  
12 Session Law 2023-134 House Bill 259 participating employer, (ii) has a household income  
13 between one hundred eighty-five percent (185%) and three hundred percent (300%) of the federal  
14 poverty level, and (iii) is not otherwise eligible for subsidized child care in this State. An eligible  
15 employee may reside outside of the designated region for the respective facilitator hub.  
16 Additionally, the regional facilitator hubs shall develop and implement other criteria for the child  
17 care program, including, but not limited to, each of the following:

- 18           (1) Ensuring payment for the cost of child care is divided equally between an  
19 employer, an eligible employee, and the State.
- 20           (2) Soliciting participating employers.
- 21           (3) Ensuring participating employers agree to (i) identify and recruit eligible  
22 employees, (ii) provide the employer portion of each participating employee's  
23 child care costs, and (iii) maintain communication with the regional facilitator  
24 hub regarding each eligible employee's continued employment and eligibility.
- 25           (4) Verifying that child care providers seeking to participate in the program are  
26 licensed in this State.
- 27           (5) Upon determining an employee's eligibility, ensuring payment by the  
28 employee of the employee's portion of the cost of child care.
- 29           (6) Coordinating payments between employers and licensed child care providers.

30           **SECTION 9D.9.(e)** For purposes of this section, child care includes part-time and  
31 full-time care, before and after school care, and summer day camps.

32           **SECTION 9D.9.(f)** A regional facilitator hub may use up to nine percent (9%) of its  
33 allocation for administrative costs.

34           **SECTION 9D.9.(g)** Of the funds appropriated in this act to the Division of Child  
35 Development and Early Education for the Tri-Share Child Care Pilot Program Expansion, the  
36 Division shall use up to one hundred thousand dollars (\$100,000) to conduct an evaluation of the  
37 program or contract a third party to evaluate the program. Within six months after completion of  
38 the pilot program, the Division shall submit ~~a report~~the evaluation to the Joint Legislative  
39 Oversight Committee on Health and Human Services, the Office of State Budget and  
40 Management, and the Fiscal Research Division. The ~~report~~evaluation shall include, at a  
41 minimum, each of the following:

- 42           (1) The number of children served, by age and county.
- 43           (2) Total pilot program costs, including any administrative costs.
- 44           (3) The amount of funds needed to expand the program statewide.
- 45           (4) The list of employers participating in the pilot program.
- 46           (5) Any other relevant information deemed appropriate.
- 47           (6) Statistics that describe the uptake and use of the program, such as the number  
48 of applications received, amount of funds requested, number of applications  
49 approved, total amount of funds awarded, and the types of child care used by  
50 students with pilot funds.

- (7) An estimate of the number of families who would not otherwise access child care services but do so as a result of this program.
- (8) An assessment of obstacles to receiving these funds or participating in the program by families and businesses.
- (9) Recommendations on whether to continue the program and, if so, what program improvements might be made."

## **PART IX-E. HEALTH BENEFITS**

**SECTION 9E.1.** Section 9.E.5.(b) of S.L. 2023-134 reads as rewritten:

### **" ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE**

**SECTION 9E.1.** Section 9E.5.(b) of S.L. 2023-134 reads as rewritten:

"SECTION 9E.5.(b) For the 2023-2024 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred sixty-four million five hundred thousand dollars (\$164,500,000) with the Department of State Treasurer to be accounted for as nontax revenue. For the 20242025 fiscal year, the Department of Health and Human Services shall deposit from its revenues ~~eighty-eight million four hundred thousand dollars (\$88,400,000)~~ one hundred fifty-nine million five hundred thousand (\$159,500,000) with the Department of State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return of advanced General Fund appropriations, nonfederal revenue, fund balances, or other resources from State owned and State operated hospitals that are used to provide indigent and nonindigent care services. The return from State owned and State operated hospitals to the Department of Health and Human Services shall be made from nonfederal resources in the following manner:

- (1) The University of North Carolina Hospitals at Chapel Hill shall make the following deposits:
  - a. For the 2023-2024 fiscal year, the amount of thirty-one million three hundred sixty five thousand three hundred five dollars (\$31,365,305).
  - b. For the 2024-2025 fiscal year, the amount of thirty-one million three hundred sixty five thousand three hundred five dollars (\$31,365,305).
- (2) All State owned and State operated hospitals, other than the University of North Carolina Hospitals at Chapel Hill, that specialize in psychiatric care shall annually deposit an amount equal to the amount of the payments from DHB for uncompensated care. "

## **PART IX-F. HEALTH SERVICES REGULATION**

### **RADIATION PROTECTION SECTION X-RAY FEE CAPS**

**SECTION 9F.1.** G.S. 104E-19. reads as rewritten:

#### **"§104E-19. Fees.**

(a) An annual fee in the amount set by the Department is imposed on a person who is required to be registered or licensed under this Chapter. The Department must set the fees at amounts that provide revenue to offset its costs in performing its duties under this Chapter.

(b) Repealed by Session Laws 1987, c. 850, s. 13.

(c) The annual fees under subsection (a) of this section shall not exceed the maximum amounts as follows:

- (1) For tanning facilities: two hundred dollars (\$200.00) for the first piece of tanning equipment and thirty dollars (\$30.00) for each additional piece of tanning equipment.
- (2) For the following categories of facilities registered to use X-ray tubes or X-ray equipment: clinics, chiropractors, dentists, educational, government,

1 podiatrists, industrial, physicians, veterinarians, and other; ~~two~~four hundred  
2 dollars ~~(\$200.00)~~ (\$400) for the first X-ray tube or piece of X-ray equipment  
3 and ~~thirtysixty~~ dollars ~~(\$30.00)~~ (\$60.00) for each additional X-ray tube or  
4 piece of X-ray equipment.

5 (3) For the following categories of facilities registered to use X-ray tubes or X-ray  
6 equipment: industrial medical, health departments, and service; ~~threesix~~  
7 hundred dollars ~~(\$300.00)~~ (\$600.00) for the first X-ray tube or piece of X-ray  
8 equipment and forty dollars ~~(\$40.00)~~ (\$80.00) for each additional X-ray tube or  
9 piece of X-ray equipment.

10 (4) For the following categories of facilities registered to use X-ray tubes or X-ray  
11 equipment: hospitals and industrial radiography; ~~four~~eight hundred dollars  
12 ~~(\$400.00)~~ (\$800.00) for the first X-ray tube or piece of X-ray equipment and  
13 ~~fiftyone hundred~~ dollars ~~(\$50.00)~~ (\$100.00) for each additional X-ray tube or  
14 piece of X-ray equipment. (1975, c. 718, s. 1; 1981, c. 704, s. 13; 1987, c. 633,  
15 s. 9; c. 850, s. 13; 1987 (Reg. Sess., 1988), c. 993, s. 26; 2001474, s. 5;  
16 2009451, s. 13.3(a).)

17 (d) The Division shall increase the X-ray fees to align with G.S. 104E.19 subsection (c)  
18 according to the following schedule; X-ray fees shall increase at 1.2 times the FY 2023-24 rates  
19 beginning in FY 2025-26; 1.4 times the FY 2023-24 rates beginning in FY 2027-28; 1.6 times  
20 the FY 2023-24 rates in FY 2029-30; 1.8 times the FY 2023-24 rates beginning in FY 2031-32;  
21 and 2.0 times the FY 2023-24 rates in FY 2033-34."  
22

23 **PART IX-G. MENTAL HEALTH/DEVELOPMENTAL DISABILITIES/SUBSTANCE**  
24 **ABUSE SERVICES [RESERVED]**

25 **PART IX-H. DIVISION OF PUBLIC HEALTH**

26 **LOCAL HEALTH DEPARTMENTS/COMPETITIVE GRANT PROCESS TO**  
27 **IMPROVE MATERNAL AND CHILD HEALTH**

28 **SECTION 9H.1** SECTION 9H.1.(b) of S.L. 2023-134 reads as rewritten:

29 "SECTION 9H.1.(b) The plan for administering the competitive grant process shall include  
30 at least all of the following components:

- 31 (1) A request for application (RFA) process to allow local health departments to  
32 apply for and receive State funds on a competitive basis. The Department shall  
33 require local health departments to include in the application a plan to evaluate  
34 the effectiveness, including measurable impact or outcomes, of the activities,  
35 services, and programs for which the funds are being requested.
- 36 (2) A requirement that the Secretary prioritize grant awards to those local health  
37 departments that are able to leverage nonState funds in addition to the grant  
38 award.
- 39 (3) Ensures that funds received by the Department to implement the plan  
40 supplement and do not supplant existing funds for maternal and child health  
41 initiatives.
- 42 (4) Allows grants to be awarded to local health departments for up to ~~two~~three  
43 years."  
44

45 **LOCAL MEDICAL EXAMINER INVESTIGATIONS FEE INCREASE**

46 **SECTION 9H.2.** G.S. 130A-387. reads as rewritten:

1       "§ 130A-387. Fees. For each investigation and prompt filing of the required report, the  
 2 medical examiner shall receive a fee paid by the State. However, if the deceased is a resident of  
 3 the county in which the death or fatal injury occurred, that county shall pay the fee. The fee shall  
 4 be ~~two hundred dollars (\$200.00)~~ four hundred dollars (\$400.00). (1983, c. 891, s. 2; 1991, c.  
 5 463, s. 1; 2005-368, s. 1; 2015-241, s. 12E.6(a).)"

6 **PART IX-I. SERVICES FOR THE BLIND/DEAF/HARD OF HEARING [RESERVED]**

7  
 8 **PART IX-J. SOCIAL SERVICES [RESERVED]**

9  
 10 **PART IX-K. DIVISION OF EMPLOYMENT AND INDEPDENCE FOR PEOPLE**  
 11 **WITH DISABILITIES [RESERVED]**

12  
 13 **PART IX-L. DHHS BLOCK GRANTS**

14  
 15 **DHHS BLOCK GRANTS**

16       **SECTION 9L.1.(a)** Except as otherwise provided, appropriations from federal Block  
 17 Grant funds are made for each year of the fiscal biennium ending June 30, 2025, according to the  
 18 following schedule:

19		<b>FY 2023-24</b>	<b>FY 2024-25</b>
20	<b>TEMPORARY ASSISTANCE FOR NEEDY</b>		
21	<b>FAMILIES (TANF) FUNDS</b>		
22			
23	<b>Local Program Expenditures</b>		
24			
25	<b>Division of Social Services</b>		
26			
27	01. Work First Family Assistance	\$31,328,255	<u>\$31,259,794</u>
28			<u>\$37,762,726</u>
29			
30	02. Work First County Block Grants	80,093,566	80,093,566
31			
32	03. Work First Electing Counties	2,378,213	2,378,213
33			
34	04. Adoption Services – Special Children		
35	Adoption Fund	4,001,676	4,001,676
36			
37	05. Child Protective Services – Child Welfare		
38	Workers for Local DSS	11,387,190	11,387,190
39			
40	06. Child Welfare Program Improvement Plan	775,176	775,176
41			
42	07. Child Welfare Collaborative	400,000	400,000
43			
44	08. Child Welfare Initiatives	1,400,000	1,400,000
45			
46	<b>Division of Child Development and Early Education</b>		
47			
48	09. Subsidized Child Care Program	45,813,694	45,813,694
49			
50	10. Swap-Child Care Subsidy-	12,600,000	12,600,000

1			
2	11. NC PreK Services-	68,300,000	68,300,000
3			
4	<b>Division of Public Health</b>		
5			
6	12. Teen Pregnancy Prevention Initiatives	3,538,541	3,538,541
7			
8	<b>DHHS Administration</b>		
9			
10	13. Division of Social Services	2,478,284	2,478,284
11			
12	14. Division of Child and Family Well-Being	3,976	3,976
13	15. Office of the Secretary	34,042	34,042
14			
15	16. Eligibility Systems – Operations and		
16	Maintenance	431,733	431,733
17			
18	17. NC FAST Implementation	428,239	428,239
19			
20	18. Division of Social Services – Workforce		
21	Innovation & Opportunity Act (WIOA)	93,216	93,216
22			
23	19. Division of Social Services TANF Modernization	1,667,571	1,667,571
24			
25	<b>Transfers to Other Block Grants</b>		
26			
27	<b>Division of Child Development and Early Education</b>		
28			
29	20. Transfer to the Child Care and		
30	Development Fund	21,773,001	21,773,001
31			
32	<b>Division of Social Services</b>		
33			
34	21. Transfer to Social Services Block		
35	Grant for Child Protective Services –		
36	Training	285,612	285,612
37			
38	22. Transfer to Social Services Block		
39	Grant for Child Protective Services	5,040,000	5,040,000
40			
41	23. Transfer to Social Services Block		
42	Grant for County Departments of		
43	Social Services for Children's Services	13,097,783	13,166,244
44			
45	24. Transfer to Social Services Block		
46	Grant – Foster Care Services	3,422,219	3,422,219
47			
48	25. Transfer to Social Services Block		
49	Grant – Child Advocacy Centers	1,582,000	1,582,000
50			

1	<b>TOTAL TEMPORARY ASSISTANCE FOR</b>		
2	<b>NEEDY FAMILIES (TANF) FUNDS</b>	<b>\$312,353,987</b>	<b><u>\$312,353,987</u></b>
3			<b><u>\$318,856,919</u></b>
4			
5	<b>TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)</b>		
6	<b>EMERGENCY CONTINGENCY FUNDS</b>		
7			
8	<b>Local Program Expenditures</b>		
9			
10	<b>Division of Child Development and Early Education</b>		
11			
12	01. Subsidized Child Care	\$34,440,000	\$35,440,000
13			
14	<b>TOTAL TEMPORARY ASSISTANCE FOR</b>		
15	<b>NEEDY FAMILIES (TANF) EMERGENCY</b>		
16	<b>CONTINGENCY FUNDS</b>	<b>\$34,440,000</b>	<b>\$35,440,000</b>
17			
18	<b>SOCIAL SERVICES BLOCK GRANT</b>		
19			
20	<b>Local Program Expenditures</b>		
21			
22	<b>Divisions of Social Services and Aging and Adult Services</b>		
23			
24	01. County Departments of Social Services	\$19,905,849	\$19,837,388
25			
26	02. County Departments of Social Services		
27	(Transfer From TANF)	3,097,783	13,166,244
28			
29	03. EBCI Tribal Public Health and Human Services	244,740	244,740
30			
31	04. Child Protective Services		
32	(Transfer From TANF)	5,040,000	5,040,000
33			
34	05. State InHome Services Fund-	1,943,950	1,943,950
35			
36	06. Adult Protective Services	2,138,404	<del>2,138,404</del>
37			<u>5,203,978</u>
38			
39	07. State Adult Day Care Fund	1,994,084	1,994,084
40			
41	08. Child Protective Services/CPS		
42	Investigative Services – Child Medical		
43	Evaluation Program	901,868	901,868
44			
45	09. Special Children Adoption Incentive Fund	462,600	462,600
46			
47	10. Child Protective Services – Child		
48	Welfare Training for Counties		
49	(Transfer From TANF)	285,612	285,612
50			

1	11. Home and Community Care Block		
2	Grant (HCCBG)	2,696,888	2,696,888
3			
4	12. Child Advocacy Centers		
5	(Transfer From TANF)	1,582,000	1,582,000
6			
7	13. Guardianship – Division of Social Services	1,802,671	1,802,671
8			
9	14. Foster Care Services		
10	(Transfer From TANF)	3,422,219	3,422,219
11	14A. Big Brothers Big Sisters of the Triangle, Inc.	350,000	350,000
12			
13	<b>Division of Mental Health, Developmental Disabilities, and Substance Use Services</b>		
14			
15	15. Mental Health Services – Adult and		
16	Child/Developmental Disabilities Program/		
17	Substance Use Services – Adult	4,149,595	4,149,595
18			
19	15A. Autism Society of North Carolina, Inc.	2,541,392	2,541,392
20			
21	15B. The Arc of North Carolina, Inc.	271,074	271,074
22			
23	15C. Easterseals UCP North Carolina & Virginia, Inc.	1,612,059	1,612,059
24			
25	<b>DHHS Program Expenditures</b>		
26			
27	<b>Division of Services for the Blind</b>		
28			
29	16. Independent Living Program & Program		
30	Oversight	3,880,429	3,880,429
31			
32	<b>Division of Health Service Regulation</b>		
33			
34	17. Adult Care Licensure Program	557,598	557,598
35			
36	18. Mental Health Licensure and		
37	Certification Program	266,158	266,158
38			
39	<b>Division of Aging and Adult Services</b>		
40			
41	19. Guardianship	3,825,443	3,825,443
42			
43	<b>DHHS Administration</b>		
44			
45	20. Division of Aging and Adult Services	743,284	743,284
46			
47	21. Division of Social Services	1,042,894	1,042,894
48			
49	22. Office of the Secretary/Controller's Office	639,167	639,167
50			

1	23. Legislative Increases/Fringe Benefits	293,655	587,310
2			
3	24. Division of Child Development and		
4	Early Education	13,878	13,878
5			
6	25. Division of Mental Health, Developmental		
7	Disabilities, and Substance Use Services	28,325	28,325
8			
9	26. Division of Health Service Regulation	258,960	258,960
10			
11	<b>TOTAL SOCIAL SERVICES BLOCK GRANT</b>	<b>\$75,992,579</b>	<b><u>\$76,286,234</u></b>
12			<b><u>\$79,351,808</u></b>
13			
14	<b>LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT</b>		
15			
16	<b>Local Program Expenditures</b>		
17			
18	<b>Division of Social Services</b>		
19			
20	01. Low-Income Energy Assistance		
21	Program (LIEAP)	\$67,836,069	<u>\$67,836,069</u>
22			<u>\$50,316,347</u>
23			
24	02. Crisis Intervention Program (CIP)	45,214,330	<u>45,214,330</u>
25			<u>38,699,719</u>
26			
27	<b>Local Administration</b>		
28			
29	<b>Division of Social Services</b>		
30			
31	03. County DSS Administration	8,789,246	<u>8,789,246</u>
32			<u>6,989,469</u>
33			
34	<b>DHHS Administration</b>		
35			
36	<b>Division of Social Services</b>		
37			
38	04. Administration	10,000	<u>10,000</u>
39			<u>6,500</u>
40			
41	05. Energy Portal (FIS Transaction Fees)	25,000	25,000
42			
43	<b>Division of Central Management and Support</b>		
44			
45	06. Office of the Secretary/Division of Information Resource		
46	Management (DIRM) (Accountable Results for		
47	Community Action (AR4CA) Replacement System)	166,750	166,750
48			
49	07. Office of the Secretary/DIRM	278,954	278,954
50			

1	08. Office of the Secretary/Controller's Office	18,378	18,378
2			
3	09. NC FAST Development	627,869	627,869
4			
5	10. NC FAST Operations and Maintenance	1,330,323	<del>1,330,323</del>
6			<u>1,830,000</u>
7			
8	<b>Transfers to Other State Agencies</b>		
9			
10	<b>Department of Environmental Quality</b>		
11			
12	11. Weatherization Program	13,220,309	<del>13,220,309</del>
13			<u>5,527,117</u>
14			
15	12. Heating Air Repair and Replacement Program (HARRP)	8,075,029	8,075,029
16			<u>3,375,990</u>
17			
18			
19	13. Local Residential Energy Efficiency Service Providers – Weatherization	787,097	<del>787,097</del>
20			<u>329,068</u>
21			
22			
23	14. Local Residential Energy Efficiency Service Providers – HARRP	437,276	<del>437,276</del>
24			<u>182,815</u>
25			
26			
27	15. DEQ – Weatherization Administration	859,976	<del>859,976</del>
28			<u>359,537</u>
29			
30	16. DEQ – HARRP Administration	539,307	<del>539,307</del>
31			<u>225,472</u>
32			
33	<b>Department of Administration</b>		
34			
35	17. N.C. Commission on Indian Affairs	87,736	87,736
36			
37	<b>TOTAL LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT</b>	<b>\$148,303,649</b>	<del><b>\$148,303,649</b></del> <u><b>\$109,046,721</b></u>
38			
39			
40			
41	<b>CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT</b>		
42			
43	<b>Local Program Expenditures</b>		
44			
45	<b>Division of Child Development and Early Education</b>		
46			
47	01. Child Care Services	\$289,070,072	<del>\$289,070,072</del>
48			<u>\$298,502,541</u>
49			
50	02. Smart Start Subsidy	7,392,654	7,392,654

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03. Transfer from TANF Block Grant for Child Care Subsidies	21,773,001	21,773,001
04. Quality and Availability Initiatives (TEACH Program \$3,800,000)	61,980,526	<del>61,980,526</del> <u>71,544,047</u>
<b>DHHS Administration</b>		
<b>Division of Child Development and Early Education</b>		
05. DCDEE Administrative Expenses	9,710,886	9,710,886
06. Indirect Cost	7,346	7,346
<b>Division of Social Services</b>		
07. Direct Deposit for Child Care Payments	5,000	5,000
08. Local Subsidized Child Care Services Support	18,780,355	18,780,355
<b>Division of Central Management and Support</b>		
09. NC FAST Operations and Maintenance	1,450,316	1,450,316
10. DHHS Central Administration – DIRM Technical Services	979,762	<del>979,762</del> <u>1,006,100</u>
11. DHHS Central Administration	68,000	68,000
<b>Division of Child and Family Well-Being</b>		
12. Child Care Health Consultation Contracts	62,205	62,205
<b>TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT</b>	<b>\$411,280,123</b>	<del><b>\$411,280,123</b></del> <u><b>\$430,302,451</b></u>
<b>COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT</b>		
<b>Local Program Expenditures</b>		
01. Mental Health Services – Child	\$2,477,666	\$2,477,666
02. Mental Health Services – Adult/Child	19,690,452	<del>19,690,452</del> <u>21,545,678</u>

1	03. Mental Health Services – First		
2	Psychotic Symptom Treatment	5,416,756	5,416,756
3			
4	04. Child Behavioral Health (Division of Child		
5	and Family Well-Being)	5,246,350	5,246,350
6			
7	<b>DHHS Administration</b>		
8			
9	<b>Division of Child and Family Well-Being</b>		
10			
11	05. Administration	140,000	140,000
12			
13	<b>Division of Mental Health, Developmental Disabilities, and Substance Use Services</b>		
14			
15	06. Crisis Services	2,877,047	2,877,047
16			
17	07. Administration	332,351	332,351
18			
19	08. Adult/Child Mental Health Services	350,150	350,150
20			
21	<b>Division of Public Health</b>		
22			
23	09. NC Detect – Behavioral Health ER	35,000	35,000
24			
25	<b>TOTAL COMMUNITY MENTAL HEALTH SERVICES</b>		
26	<b>BLOCK GRANT</b>	<b>\$36,565,772</b>	<b><u>\$36,565,772</u></b>
27			<b><u>\$38,420,226</u></b>
28			
29	<b>SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY SERVICES</b>		
30	<b>BLOCK GRANT</b>		
31			
32	<b>Local Program Expenditures</b>		
33			
34	<b>Division of Mental Health, Developmental Disabilities, and Substance Use Services</b>		
35			
36	01. Substance Abuse – IV Drug	\$2,000,000	<u>\$2,000,000</u>
37			<u>\$2,315,700</u>
38			
39	02. Substance Abuse Prevention	20,245,927	<u>20,245,927</u>
40			<u>20,746,854</u>
41			
42	03. Substance Use Services – Treatment for		
43	Children/Adults		
44	(Healing Transitions, Inc. \$200,000;		
45	Triangle Residential Options for Substance		
46	Abusers, Inc., (TROSAs) \$3,225,000;		
47	First Step Farm of WNC, Inc. \$100,000;		
48	Addiction Recovery Care Association, Inc.,		
49	(ARCA) \$2,000,000)	45,176,849	<u>45,176,848</u>
50			<u>46,738,974</u>

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**DHHS Program Expenditures**

**Division of Mental Health, Developmental Disabilities, and Substance Use Services**

04. Crisis Solutions Initiatives – Collegiate Wellness/Addiction Recovery	1,545,205	1,545,205
05. Veterans Initiatives	250,000	250,000

**DHHS Administration**

**Division of Mental Health, Developmental Disabilities, and Substance Use Services**

07. Administration	2,297,852	<del>2,297,852</del> <u>275,252</u>
08. Controlled Substance Reporting System	675,000	675,000

**TOTAL SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY SERVICES BLOCK GRANT**

<b>\$72,190,833</b>	<b><del>\$72,190,832</del></b> <b><u>\$75,546,985</u></b>
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**MATERNAL AND CHILD HEALTH BLOCK GRANT**

**Local Program Expenditures**

**Division of Child and Family Well-Being**

01. Children's Health Services (Prevent Blindness \$575,000; Nurse-Family Partnership \$1,102,308)	\$11,321,889	<del>\$11,321,889</del> <u>11,438,221</u>
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**Division of Public Health**

02. Women's and Children's Health Services (March of Dimes \$350,000; Sickle Cell Centers \$100,000; Teen Pregnancy Prevention Initiatives \$650,000; Perinatal & Neonatal Outreach Coordinator Contracts \$440,000; Mountain Area Pregnancy Services \$50,000)	3,609,392	<del>3,609,392</del> <u>4,538,805</u>
03. Oral Health	51,119	<del>51,119</del> <u>53,009</u>
04. Evidence-Based Programs in Counties With the Highest Infant Mortality Rates	1,727,307	1,727,307

1	<b>DHHS Program Expenditures</b>		
2			
3	05. Children's Health Services	1,344,492	<del>1,344,492</del>
4			<u>1,304,025</u>
5			
6	06. Women's Health – Maternal Health	252,695	<del>252,695</del>
7			<u>383,162</u>
8			
9	07. Women's and Children's Health – Perinatal Strategic Plan Support Position	80,669	<del>80,669</del>
10			<u>83,413</u>
11			
12			
13	08. State Center for Health Statistics	158,583	158,583
14			
15	09. Health Promotion – Injury and Violence Prevention	87,271	87,271
16			
17			
18	<b>DHHS Administration</b>		
19			
20	10. Division of Public Health Administration	340,646	340,646
21			
22	11. Division of Child and Family Well-Being Administration	211,925	211,925
23			
24			
25	<b>TOTAL MATERNAL AND CHILD HEALTH BLOCK GRANT</b>	<b>\$19,185,988</b>	<b><del>\$19,185,988</del></b>
26			<b><u>\$20,326,367</u></b>
27			
28			
29	<b>PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT</b>		
30			
31	<b>Local Program Expenditures</b>		
32			
33	01. Physical Activity and Prevention	\$3,081,442	<del>\$3,081,442</del>
34			<u>\$3,398,934</u>
35			
36	<b>DHHS Program Expenditures</b>		
37			
38	<b>Division of Public Health</b>		
39			
40	02. HIV/STD Prevention and Community Planning	135,063	135,063
41			
42			
43	03. Oral Health Preventive Services	150,000	150,000
44			
45	04. Injury and Violence Prevention (Services to Rape Victims – Set-Aside)	217,935	217,935
46			
47			
48	05. Performance Improvement and Accountability	560,182	560,182
49			
50			

1	06. State Center for Health Statistics	48,000	48,000
2			
3	<b>DHHS Administration</b>		
4			
5	<b>Division of Public Health</b>		
6			
7	07. Division of Public Health	65,000	65,000
8			
9	<b>TOTAL PREVENTIVE HEALTH AND HEALTH</b>		
10	<b>SERVICES BLOCK GRANT</b>	<b>\$4,257,622</b>	<b><u>\$4,257,622</u></b>
11			<b><u>\$4,575,114</u></b>
12			
13	<b>COMMUNITY SERVICES BLOCK GRANT</b>		
14			
15	01. Community Action Agencies	\$22,862,029	<b><u>\$20,244,923</u></b>
16			<b><u>\$23,744,923</u></b>
17			
18	02. Limited Purpose Agencies/Discretionary Funding	457,553	504,718
19			
20	03. Office of Economic Opportunity	1,077,552	1,124,718
21			
22	04. Office of the Secretary/DIRM (Accountable Results for		
23	Community Action (AR4CA) Replacement System)	560,000	560,000
24			
25	05. Office of Economic Opportunity – Workforce		
26	Investment Opportunities Act (WIOA)	60,000	60,000
27			
28	<b>TOTAL COMMUNITY SERVICES</b>		
29	<b>BLOCK GRANT</b>	<b>\$25,017,134</b>	<b><u>\$22,494,359</u></b>
30			<b><u>\$25,994,359</u></b>
31			
32	<b>SOCIAL SERVICES BLOCK GRANT</b>		
33	<b>SECTION 9L.1.(b)</b> Section 9M.1.(s) of S.L. 2023-134 reads as rewritten:		
34	" <b>SECTION 9M.1.(s)</b> Of the two million one hundred thirty eight thousand four hundred		
35	four dollars (\$2,138,404) appropriated in this act in the Social Services Block Grant to the		
36	Division of Aging and Adult Services for Adult Protective Services for <del>each year of the 20232025</del>		
37	<del>fiscal biennium 2023-2024 fiscal year</del> , the sum of eight hundred ninety three thousand forty-one		
38	dollars (\$893,041) for <del>each year of the 20232025 fiscal biennium</del> <u>the 2023-2024 fiscal year shall</u>		
39	<u>be used to increase the number of Adult Protective Services workers where these funds can be</u>		
40	<u>the most effective. Of the five million two hundred three thousand nine hundred seventy-eight</u>		
41	<u>dollars (\$5,203,978) appropriated in this act for Adult Protective Services for state fiscal year</u>		
42	<u>2024-2025, the sum of eight hundred ninety-three thousand forty-one dollars (\$893,041)</u> shall be		
43	used to increase the number of Adult Protective Services workers where these funds can be the		
44	most effective. These funds shall be used to pay for salaries and related expenses and shall not		
45	be used to supplant any other source of funding for staff. These funds are also exempt from 10A		
46	NCAC 71R .0201(3) requiring a local match of twenty-five percent (25%)."		
47			
48	<b>LOW INCOME ENERGY ASSISTANCE BLOCK GRANT</b>		
49	<b>SECTION 9L.1.(c)</b> Section 9M.1.(u) of S.L. 2023-134 reads as rewritten:		
50	...		

1 "SECTION 9M.1.(u) The sum of sixty seven million eight hundred thirty six thousand  
2 sixty nine dollars (\$67,836,069) for ~~each year of the 20232025 fiscal biennium~~ the 2023-2024  
3 fiscal year and fifty three million four hundred twenty six thousand one hundred seventy-seven  
4 dollars (\$53,426,177) for the 2024-2025 fiscal year appropriated in this act in the Low Income  
5 Energy Assistance Block Grant to the Department of Health and Human Services, Division of  
6 Social Services, shall be used for Energy Assistance Payments for the households of (i) elderly  
7 persons age 60 and above with income up to one hundred fifty percent (150%) of the federal  
8 poverty level and (ii) disabled persons eligible for services funded through the Division of Aging  
9 and Adult Services.

10 County departments of social services shall submit to the Division of Social Services  
11 an outreach plan for targeting households with 60-year-old household members no later than  
12 August 1 of each year. The outreach plan shall comply with the following:

- 13 (1) Ensure that eligible households are made aware of the available assistance,  
14 with particular attention paid to the elderly population age 60 and above and  
15 disabled persons receiving services through the Division of Aging and Adult  
16 Services.
- 17 (2) Include efforts by the county department of social services to contact other  
18 State and local governmental entities and community-based organizations to  
19 (i) offer the opportunity to provide outreach and (ii) receive applications for  
20 energy assistance.
- 21 (3) Be approved by the local board of social services or human services board  
22 prior to submission."  
23

#### 24 CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

25 SECTION 9L.1.(d) Section 9M.1.(x) of S.L. 2023-134 reads as rewritten:

26 ...

27 "SECTION 9M.1.(x) Of the sixty one million nine hundred eighty thousand five hundred  
28 twenty six dollars (\$61,980,526) appropriated in this act in the Child Care and Development  
29 Block Grant for ~~each year of the 20232025 fiscal biennium~~ 2023-2024 fiscal year and seventy  
30 one million five hundred forty-four thousand and forty-seven dollars (\$71,544,047) for 2024-  
31 2025 fiscal year to the Department of Health and Human Services, Division of Child  
32 Development and Early Education, the sum of one million three hundred fifty thousand dollars  
33 (\$1,350,000) for each year of the 2023-2025 fiscal biennium shall be used to establish 18 new  
34 positions."  
35

#### 36 SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY SERVICES 37 BLOCK GRANT

38 SECTION 9L.1.(e) Section 9M.1(aa) of S.L. 2023-134 reads as rewritten:

39 ...

40  
41 "SECTION 9M.1.(aa) Of the two million two hundred ninety seven thousand eight hundred  
42 fifty two dollars (\$2,297,852) provided in this section in the Substance Use Prevention,  
43 Treatment, and Recovery Services Block Grant for ~~each year of the 20232025 fiscal biennium~~  
44 the 2023-2024 fiscal year and three million two hundred seventy five thousand two hundred and  
45 fifty two dollars (\$3,275,252) for the 2024-2025 fiscal year to the Department of Health and  
46 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use  
47 Services, for administration, the sum of nine hundred fifty nine thousand four hundred dollars  
48 (\$959,400) shall be used to support nine new positions."  
49

#### 50 MATERNAL AND CHILD HEALTH BLOCK GRANT

1           **SECTION 9L.1.(f)** Section 9M.1.(ee) of S.L. 2023-134 reads as rewritten:

2           ...

3           **"SECTION 9L.1.(ee)** The sum of eighty thousand six hundred sixty nine dollars  
4           (\$80,669) for the 2023-2024 fiscal year and eighty three thousand four hundred and thirteen  
5           dollars (\$83,413) for the 2024-2025 fiscal year allocated in this section in the Maternal and Child  
6           Health Block Grant to the Department of Health and Human Services, Division of Public Health,  
7           Women and Children's Health Section, ~~for each fiscal year of the 2023-2025 fiscal biennium~~ shall  
8           not be used to supplant existing State or federal funds. This allocation shall be used for a Public  
9           Health Program Consultant position assigned fulltime to manage the North Carolina Perinatal  
10          Health Strategic Plan and provide staff support for the stakeholder work group."

11

12           **NATURAL AND ECONOMIC RESOURCES**

13

14           **PART X. AGRICULTURE AND CONSUMER SERVICES**

15

16           **LIVESTOCK FARMER SUPPORT IN FRENCH BROAD RIVER BASIN**

17           **SECTION 10.1.** Section 10.7.(a) of S.L. 2023-134 reads as rewritten:

18           **"SECTION 10.7.(a)** Funds appropriated in this act for the Agriculture Cost Share  
19           Program for Nonpoint Source Pollution Control from the State Capital and Infrastructure Fund  
20           shall be used to provide cost share assistance to farmers engaged in farming in the watershed of  
21           the Upper French Broad River in Transylvania, Henderson, Buncombe, Haywood, and Madison  
22           Counties for the installation of fences, alternative livestock watering systems, pasture  
23           management, and other measures deemed appropriate by the local Soil and Water Conservation  
24           District to keep livestock out of existing streams and watercourses that constitute or drain into  
25           the Upper French Broad River."

26

27           **TOBACCO TRUST FUND ADMINISTRATIVE CAP INCREASE**

28           **SECTION 10.2.** G.S. 143-717(i) reads as rewritten:

29           **"§ 143-717. Commission.**

30           ...

31           (i)     Limit on Operating and Administrative Expenses. – All administrative expenses of  
32           the Commission shall be paid from the Fund. No more than ~~three hundred seventy five thousand~~  
33           ~~dollars (\$375,000)~~four hundred thousand dollars (\$400,000) may be used each fiscal year for  
34           administrative and operating expenses of the Commission and its staff, ~~provided that the~~  
35           ~~Commission may annually adjust the administrative expense cap imposed by this subsection, so~~  
36           ~~long as that any cap increase does not exceed the amount necessary to provide for statewide~~  
37           ~~salary and benefit adjustments enacted by the General Assembly. The amount allowed to the~~  
38           Department for costs under this section shall be increased (i) each fiscal year by a percentage  
39           equal to any legislative salary increase awarded to State-funded employees and (ii) by any  
40           adjustment in salary reserve funds that impact employees within the Tobacco Trust Fund."

41

42           **PART XI. COMMERCE**

43

44           **NORTH CAROLINA DEFENSE INNOVATION NETWORK**

45           **SECTION 11.1.(a)** Overview – The North Carolina Defense Innovation Network  
46           (Network) is established as a special revenue fund (Fund) in the Department of Commerce  
47           (Department). The Board of Science, Technology & Innovation (Board) within the Department,  
48           in consultation with the North Carolina Military Business Center (NCMBC) Defense Technology  
49           Transition Office (DEFTECH), shall be responsible for directing Network efforts. The Network

1 shall be composed of private, public, and nonprofit stakeholders in the state's defense innovation  
2 ecosystem.

3 **SECTION 11.1.(b)** Purposes – The Network shall lead and support efforts to  
4 significantly grow the defense innovation economy in North Carolina and increase national  
5 security by providing enhanced state leadership, targeted strategic priorities, coordinated tactical  
6 operations, and sustained funding. The Network shall identify opportunities to advance defense  
7 innovation in North Carolina; conduct activities to grow the defense innovation economy in  
8 North Carolina; and advise and make recommendations to the Governor, the General Assembly,  
9 the Secretary of Commerce, the Board, and any North Carolina nonprofit corporation with which  
10 the Department of Commerce contracts pursuant to G.S. 143B-431.01 on the defense innovation  
11 economy in North Carolina.

12 **SECTION 11.1.(c)** Definitions – The following definitions apply in this section:

- 13 (1) Defense Innovation Economy: Activities related to the development,  
14 production, consumption, and trade of goods and services of use to the U.S.  
15 defense sector.
- 16 (2) Eligible Grantees: For-profit organizations, non-profit organizations, state  
17 agencies, public and private universities, and community colleges.
- 18 (3) Innovation Ecosystem: A regionally based network of private sector,  
19 academic, and government institutions in a network of formal and informal  
20 institutional relationships that contribute to technological and economic  
21 development in a defined technology sector or sectors.

22 **SECTION 11.1.(d)** Programmatic Responsibilities – The Network shall oversee  
23 activities to grow the defense innovation economy in North Carolina through Network units,  
24 including but not limited to the following:

- 25 (1) North Carolina Defense Strategic Review Council: A strategic partnership to  
26 develop and oversee a coordinated, ongoing set of research, planning,  
27 outreach, and relationship-building activities at the operational level to  
28 marshal North Carolina academic, industry, and military assets for  
29 opportunities best suited to North Carolina academic and industry strengths.
- 30 (2) North Carolina Defense Innovation Accelerator: A virtual, tactical,  
31 interorganizational Defense Innovation Accelerator to perform capacity and  
32 demand analysis, opportunity distribution, education/training/mentoring,  
33 technical assistance, events, documentation, partner funding, collaboration,  
34 and other activities supporting defense innovation work.
- 35 (3) North Carolina Defense Technology Advocacy Campaign: An ongoing,  
36 multilevel campaign to market North Carolina as a leader in defense and  
37 national security innovation, building directly on the strategic work of the  
38 Strategic Review Council and the tactical work of the Defense Innovation  
39 Accelerator.

40 **SECTION 11.1.(e)** Use of Funds – Funding appropriated to the Network shall be  
41 overseen by the Board and the Department. Funding shall be distributed from the Department, as  
42 determined by the Board and DEFTECH, and based on strategic and tactical programmatic needs,  
43 to:

- 44 (1) Strengthen networks among entrepreneurs, entrepreneurship or innovation  
45 support organizations, the defense industry, and the U.S. Department of  
46 Defense.
- 47 (2) Attract more capital investment into the North Carolina defense innovation  
48 ecosystem.
- 49 (3) Start and grow the number of locally owned businesses in the defense  
50 innovation economy.

- 1 (4) Increase employment opportunities in the defense innovation economy.
- 2 (5) Foster more defense-innovation enterprises led and owned by rural
- 3 entrepreneurs and minority entrepreneurs.
- 4 (6) Provide funds, specifically through the One North Carolina Small Business
- 5 Program, for defense-innovation-focused companies applying for or receiving
- 6 Small Business Innovation Research (SBIR) and/or Small Business
- 7 Technology Transfer (STTR) awards from the U.S. Department of Defense.
- 8 (7) Provide funds through other programs developed by the Board and
- 9 NCMBC/DEFTECH.
- 10 (8) Increase media visibility for these efforts locally, statewide and, ultimately,
- 11 nationally.

12 **SECTION 11.1.(f)** Agreements Required – Funds may be disbursed from the Fund  
 13 only in accordance with agreements entered into between the Department and an eligible grantee.

14 **SECTION 11.1.(g)** Program Guidelines – The Board shall develop guidelines related  
 15 to the administration of the Network. At least 20 days before the effective date of any guidelines  
 16 or nontechnical amendments to the guidelines, the Department shall publish the proposed  
 17 guidelines on the Department's Web site and provide notice to persons who have requested notice  
 18 of proposed guidelines. In addition, the Department must accept oral and written comments on  
 19 the proposed guidelines, and shall in its discretion consider such comments before finalizing the  
 20 guidelines, during the 15 business days beginning on the first day that the Department has  
 21 completed these notifications. Guidelines adopted under this section shall not be subject to the  
 22 requirements of Article 2A of Chapter 150B of the North Carolina General Statutes.

23  
 24 **NORTH CAROLINA MAJOR EVENTS, GAMES, AND ATTRACTIONS FUND**

25 **SECTION 11.2.(a)** G.S. 143B-437.111 reads as rewritten:

26 "§ 143B-437.111. Definitions.

27 ...

28 (7) Events facility. – A hosting venue with an in-person spectator capacity of  
 29 10,000 or more."

30 **SECTION 11.2.(b)** G.S. 143B-437.112 reads as rewritten:

31 "§ 143B-437.112. North Carolina Major Events, Games, and Attractions Fund.

32 ...

33 (4) The site selection organization has selected a site within this State as either  
 34 the sole location for the event the sole site for the event in a region composed  
 35 of this state and all adjoining states.

36 ...

37 (a1) The Department may use up to four hundred thousand dollars (\$400,000) in each  
 38 fiscal year to administer the Major Events, Games, and Attraction Fund. The amount allowed to  
 39 the Department for costs under this section shall be increased (i) each fiscal year by a percentage  
 40 equal to any legislative salary increase awarded to State-funded employees and (ii) by any  
 41 adjustment in salary reserve funds that impact employees within the Major Events, Games, and  
 42 Attractions Fund.

43 (b) Effective July 1 of each calendar year, the funds remitted to the Fund by the Secretary  
 44 of Revenue from the tax on sports wagering pursuant to G.S. 105-113.128 are appropriated for  
 45 this purpose. In addition to the amounts remitted to the Fund pursuant to G.S. 105-113.128, the  
 46 General Assembly shall determine any additional amount appropriated to the Fund. Agreements  
 47 entered under this section are subject to appropriations. (2023-42, s. 2.)"

48  
 49 **EMPLOYEE AND FAMILY FRIENDLY BENEFITS STUDY**

1       **SECTION 11.3.** No later than December 1, 2024, the Department of Commerce shall study  
2 and report to the Joint Legislative Economic Development and Global Engagement Committee,  
3 the chairs of the House and Senate Agriculture, Natural, and Economic Resources  
4 Appropriations Committees, and the Fiscal Research Division on benefits currently provided by  
5 employers in North Carolina and the viability of requiring economic development incentive  
6 grant recipients to provide certain employee and family-friendly benefits, including, but not  
7 limited to: child care, parental leave, access to a dependent care flexible spending account, and  
8 paid leave, in addition to health insurance. At a minimum, the report shall include the following  
9 information:

- 10           (1) An inventory of employee and family-friendly benefits and their expected cost,  
11           or range of cost, per employee annually.
- 12           (2) A summary of benefits typically provided by North Carolina employers.
- 13           (3) A summary of benefits typically provided by economic development incentive  
14           grant recipients.
- 15           (4) The expected cost per employee of providing employee and family-friendly  
16           benefits on applicants to economic development incentive grants.
- 17           (5) The expected impact of requiring employee and family-friendly benefits on  
18           applications for economic development incentive grants.
- 19           (6) The viability of adding an enhancement to economic development incentive  
20           grants for applicants who provide certain employee and family-friendly benefits.

#### 21 22 **EMPLOYER CHILD CARE MATCH GRANT PROGRAM**

23       **SECTION 11.4.(a)** Of the funds appropriated in this act to the Department of  
24 Commerce, the sum of twenty-four million one hundred and fifty thousand dollars (\$24,150,000)  
25 in recurring funds for the 2024-2025 fiscal year shall be used to establish an employer child care  
26 match grant pilot program.

27       **SECTION 11.4.(b)** The Department shall partner with the business community to  
28 increase child care access by matching business contributions to eligible employees' Dependent  
29 Care Flexible Spending Accounts (DCFSA). The program will contribute a state match of up to  
30 \$2,500 to each eligible participant's DCFSA.

31       **SECTION 11.4.(c)** The Department shall establish and determine program  
32 eligibility. At a minimum, eligibility requirements shall include the following:

- 33           (1) An employer must have five (5) or more employees participating in a DCFSA to  
34           be eligible to participate in the matching program.
- 35           (2) An employer must contribute at least five hundred dollars (\$500) per participating  
36           employee.
- 37           (3) An employee of a participating employer is eligible for the state match if the  
38           employee
  - 39               a. Has a household income between one hundred eighty-five percent  
40               (185%) and three hundred percent (300%) of the federal poverty level,  
41               and
  - 42               b. Is not otherwise eligible for subsidized child care in this State.

43       The Department shall develop and implement other criteria for the employer child  
44 care match program, including, but not limited to, each of the following:

- 45           (1) Verifying employer contributions before contributing state funds.
- 46           (2) Matching employer contributions depending on the employee's income based  
47           on a percentage of the federal poverty level as follows:

48 <b>INCOME PERCENTAGE LEVEL</b>	<b>STATE MATCH PERCENTAGE</b>
49           185-200%	100%
50           200%-225%	85%

1 225%-250% 65%  
2 250%-300% 50%

- 3 (3) Ensure all participating employees are residents of North Carolina.
- 4 (4) Soliciting participating employers.
- 5 (5) Ensuring participating employers agree to (i) identify and recruit eligible
- 6 employees, (ii) contribute the employer portion into the DCFSA for each
- 7 participating employee, and (iii) maintain communication.

8 **SECTION 11.4.(d)** Of the funds appropriated for this program, the Department may  
9 use up to one million dollars (\$1,000,000) to administer the program. Of these funds, two hundred  
10 thousand dollars (\$200,000) shall be set aside for the Department to promote the Employer Child  
11 Care Match Pilot Program and provide general support of business and child care strategies for  
12 the Grants for Child Care Facilities and Pre-K Classrooms funded in this bill. In addition, the  
13 department shall reserve and transfer to a special fund \$100,000 per year for the first three years  
14 of the program to fund a rigorous evaluation of program implementation and impacts in FY 2027-  
15 28. The Department shall use a portion of these evaluation funds to develop and publicly register  
16 a pre-evaluation plan by September 1, 2025.

17 **SECTION 11.4.(e)** Beginning February 1, 2025, and annually thereafter, the  
18 Department shall submit an annual report to the Joint Legislative Oversight Committee on Health  
19 and Human Services, the Joint Legislative Oversight Committee on Agriculture, Natural, and  
20 Economic Resource and the Fiscal Research Division. The report shall include, at a minimum,  
21 each of the following:

- 22 (1) The numbers employers participating in the program, by county, industry, and
- 23 employer size.
- 24 (2) The number of employees participating in the program, by county, industry,
- 25 and employer size.
- 26 (3) Total program costs, including any administrative costs.
- 27 (4) The size of the waitlist for the program and amount of funds needed to
- 28 continue the program in the next fiscal year.
- 29 (5) Any other relevant information deemed appropriate.

30  
31 **NCINNOVATION**

32 **SECTION 11.5.** G.S. 143B-728 reads as rewritten:

33 **"§ 143-728. NCInnovation.**

34 ...

35 (c) Endowment. – NCInnovation is approved to receive funds from the State for the  
36 purposes and on the terms and conditions set forth in this Article.

37 (c1) Failure to comply with agreement — If NCInnovation fails to meet or comply with  
38 any condition or requirement of this Section then the Department of Commerce may reduce or  
39 terminate funding for NCInnovation. Upon approval to suspend funding, the Department shall  
40 immediately notify NCInnovation of the reduction to its funding, as well as the Office of State  
41 Budget and Management, the North Carolina Board of Science, Technology & Innovation, the  
42 Joint Legislative Commission on Economic Development.

43 (d) Requirements. – In order to receive the endowment and retain State funds, all of the  
44 following requirements must be met:

- 45 (1) NCInnovation shall adhere to the following governance provisions related to
- 46 its governing board:
  - 47 a. The board shall be composed of ~~13-16~~ voting members as follows: ~~four~~
  - 48 ~~members appointed by the General Assembly upon recommendation~~
  - 49 ~~of the Speaker of the House of Representatives, four members~~
  - 50 ~~appointed by the General Assembly upon recommendation of the~~

1 ~~President Pro Tempore of the Senate, and the remaining members~~  
2 ~~elected as provided in the bylaws of NCInnovation.~~

3 1. The Secretary of Commerce, or their designee.

4 2. The President of the University of North Carolina System, or their  
5 designee.

6 3. The Chair of the North Carolina Board of Science, Technology &  
7 Innovation, or their designee.

8 4. Four Chancellors from public applied research institutions, or their  
9 designee, at least one of whom must represent a historically  
10 minority serving institution.

11 5. Five members appointed by the Governor, at least two of whom  
12 shall have experience in research, development, and product  
13 commercialization.

14 6. Two members appointed by the Speaker of the House of  
15 Representatives at least one of whom shall have experience in  
16 research, development, and product commercialization.

17 7. Two members appointed by the President Pro Temp of the Senate  
18 at least one of whom shall have experience in research,  
19 development, and product commercialization.

20  
21 Members of the General Assembly shall not be appointed to serve on the board  
22 of directors while serving in the General Assembly. No board member  
23 may be a registered lobbyist as defined by G.S. 120C-100(a)(19). The  
24 directors shall hold staggered four-year terms and shall elect their own  
25 chair from among their number. Appointing and electing authorities  
26 shall ensure that appointed and elected members have expertise and  
27 experience in one or more of the following areas: research,  
28 development, product commercialization, entrepreneurial business  
29 development, and capital formation.

30 b. NCInnovation shall comply with the limitations on lobbying set forth  
31 in section 501(c)(3) of the Internal Revenue Code.

32 c. No ~~State employee or~~ elected official or registered lobbyists may serve  
33 on the board.

34 (2) NCInnovation shall amend its articles of incorporation to enable  
35 NCInnovation to carry out the purposes and requirements of this Article. The  
36 articles of incorporation, as amended, shall provide for the following:

37 ...

38 7. A detailed explanation of how annual salaries are determined,  
39 including base pay schedules and any additional salary  
40 amounts or bonuses that may be earned as a result of job  
41 performance. The explanation shall include the means used by  
42 NCInnovation to foster employee efforts in rural and  
43 low-income areas in the State.

44 NCInnovation shall also provide to the Department of Commerce,  
45 Joint Legislative Commission on Governmental Operations, the Joint  
46 Legislative Economic Development and Global Engagement  
47 Oversight Committee, and the Fiscal Research Division (i) a copy of  
48 its annual audited financial statement for the previous fiscal year  
49 within 30 days of having received an audit report from an independent  
50 auditor and (ii) a copy of its annual federal income tax return for the

1 previous fiscal year within 30 days of filing. The Department of  
2 Commerce shall not disburse funds to NCInnovation without having  
3 received the most recent audited financial statements. In addition, the  
4 State Auditor may perform audits of NCInnovation pursuant to Article  
5 5A of Chapter 147 of the General Statutes to ensure that funds are  
6 being managed in accordance with the provisions of this Article.

7 ...

8 (3a) Contract. – The Department of Commerce shall enter into a contract with  
9 NCInnovation that outlines the requirements of this Article and shall make  
10 this contract publicly available.

11 ...

12 (5) NCInnovation may draw from, distribute, and otherwise expend investment  
13 income, including, without limitation, to make funding awards and establish  
14 or support a network of regional innovation hubs, in accordance with this  
15 Article, and such activities are subject to the reporting requirements of this  
16 Article. NCInnovation shall develop criteria for and notify the Joint  
17 Legislative Commission on Governmental Operations and the Department of  
18 Commerce regarding each program NCInnovation will use to advance the  
19 purposes of this Article prior to using investment income for the program.  
20 NCInnovation shall provide a copy of materials describing each program to  
21 the Fiscal Research Division and the Department of Commerce within 15 days  
22 of finalizing the program.

23 ...

24 (9) NCInnovation shall maintain separate accounting records for and separate  
25 accounts for State funds and excluded amounts and shall not commingle State  
26 funds and excluded amounts. NCInnovation shall maintain records and  
27 accounts according to generally accepted accounting principles. Board  
28 members shall have full access to all accounting records and financial  
29 documents.

30 ...

31 (g) Applicable Laws. – NCInnovation is subject to the requirements of (i) Chapter 132 of  
32 the General Statutes and (ii) Article 33C of Chapter 143 of the General Statutes. ~~Notwithstanding~~  
33 ~~the provisions of this subsection, public records relating to programs, recipients, and projects~~  
34 ~~funded by NCInnovation may be withheld so long as their inspection, examination, or copying~~  
35 ~~would, as determined in the sole discretion of NCInnovation, frustrate the purpose for which such~~  
36 ~~public records were created or would result in the harmful dissemination of confidential~~  
37 ~~intellectual property of a recipient; however, the provisions of this subsection allowing public~~  
38 ~~records to be withheld no longer apply as soon as that frustration or harmful dissemination ceases,~~  
39 ~~and NCInnovation shall disclose as soon as practicable, and within 25 business days, public~~  
40 ~~records from that time.~~

41 ..."

## 42 43 **STRATEGIC WORKFORCE TRUST AND SMALL BUSINESS TAX CUT**

44 **SECTION 11.6.(a)** Article 2 of Chapter 96 of the General Statutes is amended by  
45 adding a new section to read:

### 46 "§96-6.3. Strategic Workforce Trust.

47 (a) Strategic Workforce Trust. – There is established in the Department of Commerce a  
48 Strategic Workforce Trust for the purposes of providing job training, employment-related  
49 services, and economic development services to North Carolina job seekers and employers in  
50 order to increase or improve labor supply, connect employers with employees, and enhance the

1 employer experience with the Division. The Trust consists of the revenues derived from the  
2 Strategic Workforce Trust Assessment imposed under G.S. 96-9.9."

3 **SECTION 11.6.(b)** G.S. 96-9.2 is amended by adding a new subsection to read:

4 "(f) Strategic Workforce Contribution Rate Reduction and Small Business Tax Cut. –  
5 Except when the surtax imposed under G.S. 96-9.7 is in effect, each employer's contribution rate  
6 under this section shall be reduced by a percentage equal to the percentage for the Strategic  
7 Workforce Trust Assessment calculated pursuant to G.S. 96-9.9 plus an applicable percentage  
8 computed based on the number of employees for which the employer makes contributions as of  
9 the most recently filed "Employer's Quarterly Tax and Wage Report" as of the computation date.  
10 The applicable percentage is computed as follows:

<u>Number of Employees</u>	<u>Applicable Percentage</u>
<u>1 to 50</u>	<u>15%</u>
<u>51-250</u>	<u>10%</u>
<u>251-500</u>	<u>5%</u>
<u>501 or more</u>	<u>0%</u>

16 This reduced contribution rate should then be rounded to the nearest one-hundredth percent  
17 (0.01%). This reduction shall be applied after application of the maximum and minimum  
18 contribution rates. The Division may suspend the Strategic Workforce Contribution Rate  
19 Reduction for any employer with contributions more than 90 days past due."

20 **SECTION 11.6.(c)** Article 2 of Chapter 96 of the General Statutes is amended by  
21 adding a new section to read:

22 **"§96-9.9. Assessment for the Strategic Workforce Trust.**

23 (a) Assessment Imposed. – An assessment is imposed on an employer who is required to  
24 make a contribution to the Unemployment Insurance equal to a percentage of the required  
25 contribution calculated in accordance with G.S. 96-9.2. prior to the application of the reduction  
26 in G.S. 96-9.2(f). The Division shall calculate the assessment percentage, rounded up to the  
27 nearest half percent (0.5%), as the ratio of the Strategic Workforce Trust Annual Target Amount  
28 divided by the total required contributions estimated using the most recently available Experience  
29 Rating Report (ETA 204) prepared for the Employment and Training Administration within the  
30 U.S. Department of Labor. The Annual Target Amount shall be one hundred million dollars  
31 (\$100,000,000) for taxable years beginning on or after January 1, 2025, and before January 1,  
32 2026, and shall increase by three and one-half percent (3.5%) in each subsequent taxable year,  
33 rounded to the nearest one hundred thousand dollars (\$100,000). Except as provided in this  
34 section, the assessment is collected and administered in the same manner as contributions as  
35 described in Article 2A of this Chapter. Assessments collected under this section must be credited  
36 to the Strategic Workforce Trust established under G.S. 96-6.3. Interest and penalties collected  
37 on unpaid assessments imposed by this section must be credited to the Supplemental  
38 Employment Security Administration. Penalties collected on unpaid assessments imposed by this  
39 section must be transferred to the Civil Penalty and Forfeiture established in G.S. 115C-457.1.

40 (b) Suspension of Assessment. – The assessment does not apply in a taxable year if, as  
41 of September 1 of the preceding calendar year, the amount in the State's account in the  
42 Unemployment Trust is less than one billion dollars (\$1,000,000,000)."

43  
44 **ENHANCE UNEMPLOYMENT INSURANCE BENEFITS**

45 **SECTION 11.7.(a)** G.S. 96-1 reads as rewritten:

46 **"§ 96-1. Title and Definitions.**

47 (a) Title. – This Chapter shall be known and may be cited as the "Employment Security  
48 Law."

49 (b) Definitions. – The following definitions apply in this Chapter:

50 ...

1           (23a) State Recession Indicator. – A state-level indicator based on a historically  
2           reliable recession indicator that signals an ongoing or imminent U.S. recession  
3           when the three-month moving average of the national unemployment rate  
4           risers by 0.5 percentage points or more relative to its low during the previous  
5           12 months. The State Recession Indicator signals a recession in North  
6           Carolina when the average of the three most recently published monthly  
7           seasonally adjusted unemployment rates for the state, as published by the  
8           Bureau of Labor Statistics, is more than 0.5 percentage points higher than the  
9           lowest level of the prior 12 months and is higher than four and one-half percent  
10           (4.5%)

11           ...."

12           SECTION 11.7.(b) G.S. 96-14.1 reads as rewritten:

13       "**§ 96-14.1. Unemployment benefits.**

14           ...

15           (b) Valid Claim. – To obtain benefits, an individual must file a valid claim for  
16           unemployment benefits, register for work, and have a weekly benefit amount calculated pursuant  
17           to G.S. 96-14.2(a) that equals or exceeds ~~fifteen dollars (\$15.00)~~fifty dollars (\$50.00). An  
18           individual must serve a one-week waiting period for each claim filed, except no waiting period  
19           applies under this subsection to a claim for unemployment due directly to a disaster covered by  
20           a federal disaster declaration. A valid claim is one that meets the employment and wage standards  
21           in this subsection for the individual's base period. A valid claim for a second benefit year is one  
22           that meets the employment and wage standards in this subsection since the beginning date of the  
23           prior benefit year and before the date the new benefit claim is filed:

- 24           (1) Employment. – The individual has been paid wages in at least two quarters of  
25           the individual's base period.  
26           (2) Wages. – The individual has been paid wages totaling at least six times the  
27           average weekly insured wage during the individual's base period. If an  
28           individual lacks sufficient base period wages, then the wage standard for that  
29           individual is determined using the last four completed calendar quarters  
30           immediately preceding the first day of the individual's benefit year. This  
31           alternative base period may not be used by an individual in making a claim  
32           for benefits in the next benefit year.

33           ...."

34           SECTION 11.7.(c) G.S. 96-14.2 reads as rewritten:

35       "**§ 96-14.2. Weekly benefit amount.**

36           (a) Weekly Benefit Amount. – The weekly benefit amount for an individual who is totally  
37           unemployed is an amount equal to the wages paid to the individual in the ~~last two completed~~  
38           ~~quarters of the quarter with the highest total wages paid in an~~ individual's base period divided by  
39           ~~5226~~ and rounded to the next lower whole dollar. If this amount is less than ~~fifteen dollars~~  
40           ~~(\$15.00)~~fifty dollars (\$50.00), the individual is not eligible for benefits. All eligible individuals  
41           will receive a weekly benefit amount of at least one hundred dollars (\$100.00). The weekly  
42           benefit amount may not exceed ~~three hundred fifty dollars (\$350.00)~~four hundred fifty dollars  
43           (\$450.00), adjusted annually for inflation. Beginning July 1, 2025, and on each July 1 thereafter,  
44           the Division shall adjust the maximum weekly benefit for claims filed on or after that date by the  
45           percentage change in the annual average Consumer Price Index for All Items for All Urban  
46           Consumers published by the Bureau of Labor Statistics for the preceding calendar year, rounded  
47           to the nearest five dollars (\$5.00).

48           ...."

49           SECTION 11.7.(d) G.S. 96-14.3 reads as rewritten:

50       "**§ 96-14.3. Duration of benefits.**

(a) Duration. – ~~Except as provided in subsection (a1),~~ the number of weeks an individual is allowed to receive unemployment benefits depends on the seasonal adjusted statewide unemployment rate that applies to the six-month base period in which the claim is filed. One six-month base period begins on January 1 and one six-month base period begins on July 1. For the base period that begins January 1, the average of the seasonal adjusted unemployment rates for the State for the preceding months of July, August, and September applies. For the base period that begins July 1, the average of the seasonal adjusted unemployment rates for the State for the preceding months of January, February, and March applies. The Division must use the most recent seasonal adjusted unemployment rate determined by the U.S. Department of Labor, Bureau of Labor Statistics, and not the rate as revised in the annual benchmark.

Seasonal Adjusted Unemployment Rate	Number of Weeks
Less than or equal to <del>5.5%</del> <u>4.5%</u>	12
Greater than <del>5.5%</del> <u>4.5%</u> up to <del>6%</del> <u>5%</u>	<del>13</del> <u>14</u>
Greater than <del>6%</del> <u>5%</u> up to <del>6.5%</del> <u>5.5%</u>	<del>14</del> <u>16</u>
Greater than <del>6.5%</del> <u>5.5%</u> up to <del>7%</del> <u>6%</u>	<del>15</del> <u>18</u>
<del>Greater than 7% up to 7.5%</del>	<del>16</del>
<del>Greater than 7.5% up to 8%</del>	<del>17</del>
<del>Greater than 8% up to 8.5%</del>	<del>18</del>
<del>Greater than 8.5% up to 9%</del>	<del>19</del>
Greater than <del>9%</del> <u>6%</u>	20

(a1) State Recession Circuit Breaker. – Notwithstanding subsection (a) of this section, the number of weeks an individual is allowed to receive unemployment benefits shall be 20 weeks when the State Recession Indicator is signaling a North Carolina recession as defined by G.S. 96-1(b)(23a). The number of weeks specified in this subsection shall apply to all new claims for unemployment insurance filed on or after the first day of the month following a month the State Recession Indicator switches to being in effect, and the Division shall redetermine the number of weeks an individual is allowed to receive unemployment benefits for individuals who filed an initial claim in the month the State Recession Indicator switches to being in effect and the prior month. The Division shall not change the duration of benefits pursuant to subsection (a) until the beginning of the first base period occurring six months after the State Recession Indicator is no longer in effect.

(b) Total Benefits. – The total benefits paid to an individual equals the individual's weekly benefit amount allowed under G.S. 96-14.2 multiplied by the number of weeks allowed under subsection (a) or, if applicable, subsection (a1) of this section."

**PART XII. ENVIRONMENTAL QUALITY**

**DAQ NON-TITLE V FEE**

**SECTION 12.1.(a)** Article 7 Part 2 of Chapter 143 of the General Statutes reads as rewritten:

**"§ ~~143B-279.18.143B-279.19~~ Quadrennial adjustment of certain fees and rates.**

(a) Adjustment for Legislatively Mandated Salaries and Benefits. – Beginning July 1, 2025, and every four years thereafter, the Department shall adjust the fees and rates imposed pursuant to the statutes listed in this subsection in accordance with the Consumer Price Index computed by the Bureau of Labor Statistics during the prior two bienniums. The adjustment for per transaction rates shall be rounded to the nearest dollar (\$1.00):

...

(21) G.S. 143-215.108 and G.S. 143-215.109

(22) G.S. 143-215.3(1b)"

1 ...  
2 SECTION 12.1.(b) G.S. 143-215.3 reads as rewritten:  
3 "§ 143-215.3. General powers of Commission and Department; auxiliary powers.  
4 ...  
5

- 6 (1b) ~~The fee to be charged pursuant to G.S. 143-215.3(a)(1a) for processing an~~  
7 ~~application for a permit under G.S. 143-215.108 and G.S. 143-215.109 of~~  
8 ~~Article 21B of this Chapter may not exceed five hundred dollars (\$500.00).~~  
9 ~~The Department shall charge permit fees pursuant to G.S. 143-215.3(a)(1a) to~~  
10 ~~non-Title V facilities subject to permitting under G.S. 143-215.108 and G.S.~~  
11 ~~143-215.109 of Article 21B according to the following schedule:~~  
12 ~~a. For facilities seeking federally enforceable limits to avoid Title V~~  
13 ~~permitting, application fees of four hundred dollars (\$400.00), and~~  
14 ~~annual fees of one thousand five hundred dollars (\$1,500.00).~~  
15 ~~b. For facilities with a potential to emit below Title V thresholds, except for~~  
16 ~~general permits, application fees of fifty (\$50.00), and annual fees of~~  
17 ~~two hundred fifty dollars (\$250.00).~~  
18 ~~c. The fee for an ownership change shall be fifty dollars (\$50).~~  
19 ~~d. The Department may provide a discount of up to twenty-five percent on~~  
20 ~~annual fees authorized subparagraphs (a) and (b) of this~~  
21 ~~subsection.~~

22  
23 The fee to be charged pursuant to G.S. 143-215.3(a)(1a) for processing a registration  
24 under Part 2A of this Article or Article 38 of this Chapter may not exceed fifty dollars (\$50.00)  
25 for any single registration. An additional fee of twenty percent (20%) of the registration  
26 processing fee may be assessed for a late registration under Article 38 of this Chapter. The fee  
27 for administering and compliance monitoring under Article 21, other than Parts 1 and 1A, ~~and~~  
28 ~~G.S. 143-215.108 and G.S. 143-215.109 of Article 21B~~ shall be charged on an annual basis for  
29 each year of the permit term and may not exceed one thousand five hundred dollars (\$1,500) per  
30 year. Fees for processing all permits under Article 21A ~~and all other sections of Article 21B~~ shall  
31 not exceed one hundred dollars (\$100.00) for any single permit. The total payment for fees that  
32 are set by the Commission under this subsection for all permits for any single facility shall not  
33 exceed seven thousand five hundred dollars (\$7,500) per year, which amount shall include all  
34 application fees and fees for administration and compliance monitoring. A single facility is  
35 defined to be any contiguous area under one ownership and in which permitted activities occur.  
36 For all permits issued under these Articles where a fee schedule is not specified in the statutes,  
37 the Commission, or other commission specified by statute shall adopt a fee schedule in a rule  
38 following the procedures established by the Administrative Procedure Act. Fee schedules shall  
39 be established to reflect the size of the emission or discharge, the potential impact on the  
40 environment, the staff costs involved, relative costs of the issuance of new permits and the  
41 reissuance of existing permits, and shall include adequate safeguards to prevent unusual fee  
42 assessments which would result in serious economic burden on an individual applicant. A system  
43 shall be considered to allow consolidated annual payments for persons with multiple permits. In  
44 its rulemaking to establish fee schedules, the Commission is also directed to consider a method  
45 of rewarding facilities which achieve full compliance with administrative and self-monitoring  
46 reporting requirements, and to consider, in those cases where the cost of renewal or amendment  
47 of a permit is less than for the original permit, a lower fee for the renewal or amendment.

48 ..."

49  
50 DAM SAFETY LOAN PROGRAM

1 SECTION 12.2 G.S. 143-215.32 is amended by adding a new section to read:

2 **"§ 143-215.32B. Dam Safety Revolving Fund**

3 (a) There is established within the Department a Dam Safety Revolving Fund. This Fund  
4 shall be a nonreverting revolving fund and shall consist of any monies that may be  
5 appropriated for use through the fund by the General Assembly or that may be made  
6 available to it from any other source of public funding.

7 (b) To the extent that funds are available the purposes defined in this section, the Department,  
8 through the Division of Energy, Mineral, and Land Resources, shall have the authority to  
9 issue loans and grants from the Fund to eligible dam owners for the purpose of dam repair,  
10 modification, or removal.

11 (c) The Department shall assign priority for loans and grants from the Fund to eligible  
12 projects based on the Risk-Based Prioritization Method established under the Federal  
13 Emergency Management Agency (FEMA) High Hazard Potential Dams (HHPD)  
14 Rehabilitation Grant Program.

15 (d) Notwithstanding subsection (c), if the Department seeks to expand or alter these criteria,  
16 the Department may initiate rulemaking to adopt new criteria.

17 (e) The Department shall, when funding is available, administer loans and grants from the  
18 Fund in a manner consistent with applicable federal and state law and regulations."

19  
20 **ELECTRONIC PAYMENT OPTION FOR PERMITS**

21 SECTION 12.3 Article 7 Part 1 of Chapter 143 of the General Statutes is amended  
22 by adding a new section to read:

23 **"§ 143-279.20 Electronic Payment Option**

24 Notwithstanding any other law or rule to the contrary, the Department of Environmental  
25 Quality may, in lieu of payment by cash or check, accept payment by electronic payment as  
26 defined in G.S. 147-86.20, for any financial transactions, including but not limited to accepting  
27 penalties, fees, contributions, gifts or donations."

28  
29 **HARVEST REPORTING SYSTEM FUND USE CORRECTION**

30 SECTION 12.4. Notwithstanding any other provision of law or provision of the  
31 Committee Report described in Section 43.2 of S.L. 2023-134 to the contrary, the sum of five  
32 million dollars (\$5,000,000) in nonrecurring funds appropriated to the Department of  
33 Environmental Quality in S.L. 2023-134 for the 2023-2024 fiscal year for a harvest reporting  
34 system may also be used for the implementation as well as development of a harvest reporting  
35 system.

36  
37 **SHALLOW DRAFT FUND ADMINISTRATIVE COST ADJUSTMENT**

38 SECTION 12.5. G.S. 143 215.73F reads as rewritten:

39 **"§ 143-215.73F. Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund.**

40 ...  
41 (b) Uses of Fund. – Revenue in the Fund may only be used for the following purposes:

42 ...  
43 (3) For administrative support of activities related to beach and inlet management in  
44 the State, limited to ~~one hundred thousand dollars (\$100,000)~~ one hundred and  
45 twenty thousand dollars (\$150,000) in each fiscal year.

46 ..."

47  
48 **ESTABLISH DEADLINE FOR ACTION ON WATER INFRASTRUCTURE DIRECTED**  
49 **GRANTS**

1           **SECTION 12.6.** Section 12.2 of S.L. 2023-134 is amended by adding a new subsection  
2 to read:

3 **"SECTION 12.2.(m)**

4 (a) Definition. – The following definitions apply to this section:

- 5           (1) Directed infrastructure grant recipient. – An entity receiving a direct allocation of  
6 funds under subsection 12.2.(e) of S.L. 2023-134.  
7           (2) Applicable reversion provision. – Section 12.2.(c) of S.L. 2023-134 for directed  
8 water and sewer allocations under subsections (e) of that section.

9 (b) Project Timeline Requirements:

- 10           (1) Directed infrastructure grant recipients must provide a complete Request for  
11 Funding form with a project budget describing a project that is eligible for funding  
12 under applicable federal and State law no later than December 31, 2026.  
13           (2) Directed infrastructure grant recipients must enter into a construction contract for  
14 the project by December 31, 2028.  
15           (3) Directed infrastructure grant recipients must expend the funds allocated under  
16 subsection (e) of S.L. 2023-134 by June 30, 2031.  
17           (4) If the Department finds good cause for a directed infrastructure grant recipient’s  
18 failure to meet any of the timeline requirements established in this subsection, the  
19 Department must set a date by which the directed infrastructure grant recipient  
20 must take action to avoid reversion of funds.

21 (c) Full and Partial Reversions:

- 22           (1) Directed allocations shall fully revert on January 1, 2027, or the day after the date  
23 established by the Department under subsection (b)(4) of this section, and be  
24 reallocated as set forth in the applicable reversion provision if the directed  
25 infrastructure grant recipient (i) fails to provide a form by the deadline set forth  
26 in subsection (b)(1) of this section or (ii) provides a form describing a project  
27 ineligible for funding.  
28           (2) If a directed infrastructure grant recipient submits a project budget by the deadline  
29 specified in subsection (b)(1) of this section, or the date established by the  
30 Department in subsection (b)(4) of this section, but the budget is less than the  
31 direct allocation provided to them by S.L. 2023-134, then the portion of the  
32 directed allocation not required for the project shall revert on the day after the  
33 deadline and be reallocated as set forth in the applicable reversion provision.  
34           (3) If a directed infrastructure grant recipient fails to enter into a construction contract  
35 accounting for the full amount of the funds appropriated for the project under  
36 subsection (e) of S.L. 2023-134 by the deadline established in subsections (b)(2)  
37 or (b)(4) of this section, then the portion of the directed allocation not included in  
38 the executed construction contract shall revert on the day after the deadline and  
39 be reallocated as set forth in the applicable reversion provision.  
40           (4) If the directed allocation is not fully expended on eligible uses by the deadline  
41 established in subsections (b)(3) or (b)(4) of this section, then the unused funds  
42 shall revert on the day after the deadline and be reallocated as set forth in the  
43 applicable reversion provision."

44  
45 **CONSERVATION GRANT FUND CHANGES**

46           **SECTION 12.7.(a)** Article 16 of Chapter 113A of the General Statutes is amended by  
47 adding a new section to read:

48 **"§ 113A-236. Contributions**

- 49           (a) A donor or assignor of conservation property interests donated or assigned to the State  
50 and managed by the Department under this Article shall make a contribution to cover

1 costs related to the long-term management of the property. The donor or assignor  
2 shall make the donation at the time the property interest is transferred to the State and  
3 shall meet or exceed the minimum amount determined by the Department to be  
4 sufficient for managing and stewarding the property in perpetuity.

5 (b) The minimum long-term management contribution under subsection (a) shall be  
6 calculated as follows:

7 (1) For parties that desire to assign a conservation property interest to the State,  
8 including, but not limited to, conservation easements, the minimum  
9 contribution shall be twenty-five thousand dollars (\$25,000) plus one  
10 thousand dollars (\$1,000) per acre.

11 (2) For parties that desire to donate a conservation property in fee to the  
12 Department, the minimum contribution shall be twenty-five thousand dollars  
13 (\$25,000) plus twenty percent (20%) of the current tax value of the parcel.

14 (3) Where an amendment or modification under subsection (c) of this section  
15 results in additional land being added to the conservation property, the  
16 minimum contribution required under subsection (a) of this section shall be  
17 one thousand dollars (\$1,000) per acre for the net acreage increase over the  
18 original conservation property acreage in addition to the stewardship fee for  
19 amending or modifying the conservation property. For net acreage increases  
20 that are less than one acre in size, the minimum contribution shall be one  
21 thousand dollars (\$1,000).

22 (c) The stewardship fee for amendments or modifications to conservation property  
23 interests managed by the Department under this Article shall be five thousand dollars  
24 (\$5,000). This stewardship fee shall be in addition to any long-term management  
25 contribution required under subsection (a).

26 (d) Nothing in this section is intended to require the State to accept an offer to donate or  
27 assign a conservation property interest under this Article, nor is this section intended  
28 to require the Department to agree to amend or modify a conservation property  
29 interest.

30 (a)(e) This section shall only apply to requests by non-State agencies for the assignment,  
31 donation, amendment or modification of conservation property interests managed by  
32 the Department under this Article."

33 **SECTION 12.7.(b)** Article 7 Part 2 of Chapter 143 of the General Statutes reads as

34 rewritten:

35 **"§ ~~143B-279.18.143B-279.19~~ 143B-279.19 Quadrennial adjustment of certain fees and rates.**

36 ...

37 (23) 113A-236

38 ..."

39 **SECTION 12.7.(c)** G.S. 143-214.15 reads as rewritten:

40 "...

41 ~~(e) If private individuals, corporations, or other nongovernmental entities wish to purchase~~  
42 ~~any of the inventory of land suitable for wildlife habitat, then the Stewardship Program of the~~  
43 ~~Department of Environmental Quality shall issue a request for proposal to all interested~~  
44 ~~respondents for the purchase of the land. The State shall accept a proposal and proceed to dispose~~  
45 ~~of the land only if the Department determines that the proposal meets both of the following~~  
46 ~~requirements:~~  
47 ~~requirements:~~

48 ~~(1) The proposal provides for the maintenance in perpetuity of management measures~~  
49 ~~listed in the original mitigation instrument or otherwise needed on an ongoing~~  
50 ~~or periodic basis to maintain the functions of the mitigation site.~~

1           ~~(2) Where the functions of the mitigation site include provision of recreation or~~  
2           ~~hunting opportunities to members of the general public, the proposal includes~~  
3           ~~measures needed to continue that level of access.~~

4     ~~The instrument conveying a property interest in a mitigation site shall be executed in the manner~~  
5     ~~required by Article 16 of Chapter 146 of the General Statutes, and shall reflect the requirements~~  
6     ~~of this subsection.~~

7           ~~..."~~

8  
9     **REPEAL PROHIBITION ON STATE OR REGIONAL EMISSIONS STANDARDS**  
10    **FOR NEW MOTOR VEHICLES**

11           **SECTION 12.8.** Section 12.6 of S.L. 2023-134 is repealed.

12           ~~"SECTION 12.6.(a) Article 21B of Chapter 143 of the General Statutes is amended by~~  
13           ~~adding a new section to read:~~

14           ~~"§ 143-215.107F. Prohibit requirements for control of emissions from new motor vehicles.~~  
15           ~~Notwithstanding any authorization granted under 42 U.S.C. § 7507, no agency of the State,~~  
16           ~~including the Department of Environmental Quality, the Environmental Management~~  
17           ~~Commission, the Department of Transportation, or the Department of Administration,~~  
18           ~~may adopt and enforce standards relating to control of emissions from new motor~~  
19           ~~vehicles or new motor vehicle engines, including requirements that mandate the sale~~  
20           ~~or purchase of "zero emission vehicles," or electric vehicles as defined in~~  
21           ~~G.S. 20-4.01. The prohibitions of this section shall not be construed to effect~~  
22           ~~requirements for the vehicle emissions testing and maintenance program established~~  
23           ~~pursuant to G.S. 143-215.107A."~~

24           ~~SECTION 12.6.(b) This section is effective when it becomes law."~~

25  
26    **PART XIII. LABOR**

27  
28    **TRANSFER OF UNEXPENDED FEES**

29           **Section 13.1.(a) 13.1.(a)** G.S. 95-108 reads as rewritten:

30           **"§95-108. Disposition of fees.**

31           All fees collected by the Department of Labor pursuant to G.S. 95-69.11, 95-110.5, 95-  
32           111.4 and 95-120 shall be deposited with the State Treasurer and shall be used exclusively for  
33           inspection and certification purposes. All fees collected pursuant to this section that have not yet  
34           been expended shall not revert at the end of each state fiscal year but shall remain available for  
35           expenditure in the subsequent state fiscal year."

36  
37    **PART XIV. NATURAL AND CULTURAL RESOURCES**

38  
39    **INCREASE THE TRANSFER AMOUNT FOR AQUARIUMS SPECIAL FUND**

40           **SECTION 14.1.** G.S. 143B-135.188 reads as rewritten:

41           **"§ 143B-135.188. North Carolina Aquariums; fees; fund.**

42           ~~...~~

43           (c) Disposition of Receipts. – All receipts derived from the collection of admissions  
44           charges and other fees and the lease or rental of property or facilities shall be credited to the  
45           aquariums' General Fund operating budget. At the end of each fiscal year, the Secretary may  
46           transfer from the North Carolina aquariums' General Fund operating budget to the North Carolina  
47           Aquariums Fund an amount not to exceed the sum of the following:

48           (1)     ~~One million five hundred thousand dollars (\$1,500,000).~~ Three million dollars  
49                    (\$3,000,000).

- 1 (2) The amount needed to cover the expenses described by subdivision (2) of  
2 subsection (b) this section.  
3 (3) Any donations, gifts, and devises received by the North Carolina aquariums."  
4

5 **PART XV. WILDLIFE RESOURCES COMMISSION [RESERVED]**

6  
7 **PART XVI. ADMINISTRATIVE OFFICE OF THE COURTS [RESERVED]**

8  
9 **PART XVII. INDIGENT DEFENSE SERVICES [RESERVED]**

10  
11 **PART XVIII. JUSTICE**

12  
13 **FLEXIBILITY TO RESTORE MANAGEMENT FLEX CUT IN BASE BUDGET**

14 **SECTION 18.1.** When developing the base budget, as defined by G.S. 143C-1-1,  
15 beginning in the 2025-27 fiscal biennium, the Director of the Budget shall include the full  
16 requirements specified in the committee report for this item, one million five hundred thousand  
17 dollars (\$1,500,000), and an additional one million five hundred forty-two thousand one hundred  
18 twenty-six dollars (\$1,542,126) to restore the management flex cut from S.L. 2017-57.  
19

20 **PART XIX. ADULT CORRECTION**

21  
22 **PART XIXA. DEPARTMENT OF ADULT CORRECTION ADMINISTRATION**

23  
24 **INMATE MEDICAL REPORTING**

25 **SECTION 19A.1.** G.S. 143B-1470 reads as rewritten:

26 **"§ 143B-1470. Medical costs for inmates.**

27 (c) The Department of Adult Correction shall report ~~quarterly~~annually by September 1  
28 of each year to the Joint Legislative Oversight Committee on Justice and Public Safety and the  
29 chairs of the Justice and Public Safety Appropriations Committees on:

30 (1) The percentage of the total inmates requiring hospitalization or hospital  
31 services who receive that treatment at each hospital.

32 ...

33 (10) The reimbursement rate for contracted providers. The Department shall  
34 randomly audit high-volume contracted providers to ensure adherence to  
35 billing at the contracted rate.

36 Reports ~~submitted on August 1~~ shall include totals for the previous fiscal year for all the  
37 information requested."  
38

39 **PART XIXB. PRISONS [RESERVED]**

40  
41 **PART XIXC. COMMUNITY SUPERVISION [RESERVED]**

42  
43 **PART XIXD. REHABILITATION AND REENTRY [RESERVED]**

44  
45 **PART XIXE. PUBLIC SAFETY**

46  
47 **PART XIXF. DEPARTMENT OF PUBLIC SAFETY ADMINISTRATION**

48  
49 **OFFICE OF VIOLENCE PREVENTION**

1           **SECTION 19F.1.** Chapter 143B, Article 13 of the General Statutes is amended by  
2 adding a new section to read:

3 **"§ 143B-1130. Office of Violence Prevention**

4       a) Office of Violence Prevention Established. – There is established the Office of  
5 Violence Prevention. The Office of Violence Prevention shall be located in the Department of  
6 Public Safety under the direction and control of the Secretary of the Department of Public Safety.  
7 The Office of Violence Prevention shall consist of an Executive Director appointed by the  
8 Secretary of the Department of Public Safety and such other professional, administrative,  
9 technical, and clerical personnel as the Secretary deems necessary to assist the Office of Violence  
10 Prevention in carrying out its powers and duties.

11       b) Executive Director. – The Executive Director shall report to and serve at the pleasure  
12 of the Secretary of the Department of Public Safety at a salary established by the Secretary within  
13 the funds appropriated for this purpose.

14       c) Powers and Duties. – The Office of Violence Prevention shall have the following  
15 duties, and all other powers and duties provided in this Article:

16           (1) Facilitate the reduction of violence, harm from violence, and firearm misuse  
17 in North Carolina by coordinating efforts across state agencies, including the  
18 Department of Health and Human Services, and partnering with local  
19 governments and communities to:

20               a. Ensure a whole-of-government approach;

21               b. Incorporate a public health approach to reducing violence; and

22               c. Support and deploy evidence-based and promising programs and  
23 strategies, such as safe firearm storage campaigns, community- and  
24 hospital-based violence intervention programs, and other evidence-  
25 based and promising programs and strategies.

26           (2) The Office may engage in activities that align with its mission, including but  
27 not limited to:

28               a. Enhancing data awareness, collection, and sharing;

29               b. Offering best practice guidance, advice, and support for local  
30 programs;

31               c. Facilitating cross-jurisdictional collaboration and information sharing;

32               d. Conducting public awareness campaigns;

33               e. Sharing data and collaborating with research institutions; and

34               f. Identifying and applying for funding from federal, state, and  
35 philanthropic sources.

36       d) Report. – The Office shall publish and deliver to the Office of the Governor and the  
37 Joint Legislative Oversight Committee for Justice and Public Safety a public report describing  
38 the Office's activities and recommendations from the prior fiscal year annually by September 1."

39  
40 **PART XIXG. LAW ENFORCEMENT [RESERVED]**

41  
42 **PART XIXH. JUVENILE JUSTICE [RESERVED]**

43  
44 **PART XIXI. EMERGENCY MANAGEMENT AND NATIONAL GUARD**  
45 **[RESERVED]**

46  
47 **PART XIX-M. STATE BUREAU OF INVESTIGATION [RESERVED]**

48  
49 **PART XX. ADMINISTRATION [RESERVED]**

1 **PART XXI. ADMINISTRATIVE HEARINGS [RESERVED]**

2  
3 **PART XXII. AUDITOR [RESERVED]**

4  
5 **PART XXIII BUDGET AND MANAGEMENT**

6  
7 **COUNCIL OF INTERNAL AUDITING**

8 **SECTION 23.1.** G.S. 143-747 reads as rewritten:

9 **"§ 143-747. Council of Internal Auditing.**

10 ...

11 (c) The Council shall:

12 ...

13 (11a) Gather and assess the extent to which State agencies have met the minimum  
14 key performance indicators and criteria required under subdivision (3a) of this  
15 subsection. The Council shall report findings in the report required in s.143-  
16 747.(c)(12).to the Joint Legislative Commission on Governmental Operations  
17 on or before December 31, 2022, and annually thereafter.

18 (12) No later than ~~November 1~~ December 31 of each year, issue a report that shall  
19 include, but not be limited to, service efforts and accomplishments of State  
20 agency internal auditors and proposed legislation for consideration by the  
21 Governor and General Assembly. The annual report shall be prepared by the  
22 Office of State Budget and Management and shall be submitted to the Joint  
23 Legislative Oversight Committee on General Government and the Joint  
24 Legislative Commission on Governmental Operations."

25  
26 **STATEWIDE FEDERAL MATCHING AND TECHNICAL ASSISTANCE FUNDING**

27 **SECTION 23.2.(a)** Of the funds appropriated in this act to the Office of State Budget  
28 and Management (OSBM) from the Federal Infrastructure Match Reserve, the sum of twenty-  
29 five million dollars (\$25,000,000) in nonrecurring funds for the 2024-2025 fiscal year shall be  
30 used by OSBM as follows:

31 (1) Five million dollars (\$5,000,000) to aid State agencies in hiring time-limited  
32 positions or third-party contractors to assist the agencies in applying for  
33 federal grants available under the Infrastructure Investment and Jobs Act  
34 (IIJA) (P.L. 117-58), the Chips and Science Act of 2022 (CHIPS) (P.L. 117-  
35 167), and the Inflation Reduction Act of 2022 (IRA) (P.L. 117-169).

36 (2) Twenty million dollars (\$20,000,000) to provide funds to State agencies that  
37 must meet a state match requirement in order to procure federal funds from  
38 the IIJA, CHIPS, or IRA. The funds allocated in this subdivision may not be  
39 provided to a State agency for any federal grant (i) for which the agency is  
40 allocated funds from the Federal Infrastructure Match Reserve in this act or  
41 (ii) for which state matching funds are included in the agency's base budget.

42 **SECTION 23.2.(b)** Funds appropriated for the purposes authorized in subsection (a)  
43 of this section that are unencumbered on June 30, 2025, shall not revert to the Federal  
44 Infrastructure Match Reserve but shall remain available for the purposes authorized in subsection  
45 (a) of this section until the funds are expended.

46  
47 **LOCAL GOVERNMENTS FEDERAL MATCHING ASSISTANCE**

48 **SECTION 23.3.(a)** Of the funds appropriated in this act to the Office of State Budget  
49 and Management (OSBM) from the Federal Infrastructure Match Reserve, the sum of twenty  
50 million dollars (\$20,000,000) in nonrecurring funds for the 2024-2025 fiscal year shall be used

1 by OSBM to provide funds to local governments, local governmental authorities, or public  
2 authorities (recipients) to increase application competitiveness and make minimum project  
3 investments, exclusive of technical assistance, needed to ensure application viability for IJA,  
4 CHIPS, or IRA funding opportunities. The funds allocated in this subdivision may not be  
5 provided to a recipient for any federal grant for which the recipient is allocated funds from the  
6 Federal Infrastructure Match Reserve in this act.

7 **SECTION 23.3.(b)** Funds appropriated for the purposes authorized in subsection (a)  
8 of this section that are unencumbered on June 30, 2025, shall not revert to the Federal  
9 Infrastructure Match Reserve but shall remain available for the purposes authorized in subsection  
10 (a) of this section until the funds are expended.

11 **SECTION 23.3.(c)** Not later than February 1, 2025, and February 1 of each year  
12 thereafter until the funds are expended, OSBM shall submit a written report to the Senate  
13 Appropriations Committee on General Government and Information Technology, the House of  
14 Representatives Appropriations Committee on General Government, the Joint Legislative  
15 Oversight Committee on General Government, the Joint Legislative Commission on  
16 Governmental Operations, and the Fiscal Research Division which shall include all of the  
17 following:

- 18 (1) For each recipient of funds from OSBM to enhance competitiveness for IJA,  
19 CHIPS, or IRA funding opportunities:
- 20 a. The number of grant applications submitted to federal agencies and  
21 the number of grants awarded to the recipient as a result of the  
22 applications.
  - 23 b. The name of each federal agency to which the recipient submitted a  
24 grant application, the name of each federal grant applied for, the type  
25 of federal grant (formula, competitive, or other), and a brief  
26 description of the purpose of the federal funding opportunity. If the  
27 type of funding was identified as "other," the type of funding must be  
28 clearly identified.
  - 29 c. The amount of federal funds the recipient applied for and the amount  
30 of the funding assistance required for each federal grant application.
  - 31 d. The amount of federal funds awarded and the amount of funds  
32 allocated by OSBM.

33  
34 **PART XXIV BUDGET AND MANAGEMENT – SPECIAL APPROPRIATIONS**  
35 **[RESERVED]**

36  
37 **PART XXV. OFFICE OF STATE CONTROLLER [RESERVED]**

38  
39 **PART XXVI. ELECTIONS [RESERVED]**

40  
41 **PART XXVII. GENERAL ASSEMBLY [RESERVED]**

42  
43 **PART XXVIII GOVERNOR**

44  
45 **OFFICE OF THE GOVERNOR – FLEX CUT RESTORATION**

46 **SECTION 28.1.** When developing the base budget, as defined by G.S. 143C-1-1,  
47 beginning in the 2025-27 fiscal biennium, the Director of the Budget shall include the full  
48 requirements specified in the committee report for this item, four hundred ninety thousand dollars  
49 (\$490,000), and an additional four hundred eighty-nine thousand two hundred and five dollars  
50 (\$489,205) to restore the management flex cut from S.L. 2017-57.

1  
2 **PART XXIX. HOUSING FINANCE AGENCY [RESERVED]**

3  
4 **PART XXIXA. OFFICE OF STATE HUMAN RESOURCES [RESERVED]**

5  
6 **PART XXX. INSURANCE [RESERVED]**

7  
8 **PART XXXI. INSURANCE – INDUSTRIAL COMMISSION [RESERVED]**

9  
10 **PART XXXII. LIEUTENANT GOVERNOR [RESERVED]**

11  
12 **PART XXXIII. MILITARY AND VETERANS AFFAIRS**

13  
14 **CLARIFICATION OF VETERANS DEFINITIONS**

15 **SECTION 33.1. G.S. 143B-14 reads as rewritten:**

16 **"§ 143B-1213. Definitions.**

17 ...

18 b. For entitlement to the services of the Department of Military and  
19 Veterans Affairs, a person who may be entitled to any benefits or rights  
20 under the laws of the United States by reason of service in the Armed  
21 Forces of the United ~~States.~~States under the U.S. Department of  
22 Defense (Army, Marine Corps, Navy, Air Force, Space Force,  
23 National Guard) and the U.S. Department of Homeland Security  
24 (Coast Guard), and the reserve components thereof.

25 c. For this Chapter, unless otherwise stated "Armed Forces of the United  
26 States" means the Armed Forces of the United States under the United  
27 States Department of Defense (Army, Marine Corps, Navy, Air Force,  
28 Space Force, National Guard) and the United States Department of  
29 Homeland Security (Coast Guard), the reserve components thereof.

30 ..."

31  
32 **DMVA FILL VETERAN SERVICES OFFICER POSITIONS**

33 **SECTION 33.2.** Section 33.8 of S.L. 2023-143 is repealed.

34  
35 **DMVA FILL INTERNAL AUDITOR AND PROGRAM ANALYST POSITIONS**

36 **SECTION 33.3.** Section 33.9 of S.L. 2023-143 is repealed.

37  
38 **CEMETARY TRUST FUND**

39 **SECTION 33.4** Article 14 of Chapter 14B of the General Statute is amended by  
40 adding a new Section to read:

41 **"§ 143B-1218. North Carolina Veterans Cemeteries Trust Fund**

42 (a) There is established the North Carolina Veterans Cemetery Trust Fund (hereinafter  
43 "Fund"), a special fund within the Department of Military and Veterans Affairs. The Fund shall  
44 be maintained as a special fund and shall be administered by the Department to carry out the  
45 provisions of this section for the operations and Maintenance of State veterans' cemeteries. Interest  
46 accruing from the monies in the Fund shall be credited to the Fund.

47 (1) All interest and investment earnings received on monies in the Fund.

48 (1a) Funds or monies received by the Department, the receipt of which does not  
49 exclude any other source of revenue, from the United States, any federal

1 agency or institution, or individual reimbursement, for the support of veterans  
2 cemeteries.

3 (2) Any other funds, as directed by the General Assembly.

4 (b) The Department is authorized to use up to four hundred thousand dollars (\$400,000) of  
5 the interest earned on the Fund to create up to six positions to maintain and operate the existing  
6 state veteran cemeteries. The amount allowed to the Department for costs under this section may  
7 be increased in each fiscal year by the percentage of any legislatively mandated salary or benefit  
8 increase provided that interest income is sufficient for the increase.

9 ... "

## 10 11 **DMVA/GRANT PROGRAM FOR COUNTY VETERANS OFFICES**

12 **SECTION 33.5** Section 33.13 of S.L. 2023-143 reads as rewritten:

### 13 **"SECTION 33.13**

14 (a) The funds appropriated in this act to the Department of Military and Veterans  
15 Affairs (DMVA), the sum of one million five hundred thousand dollars (\$1,500,000) in  
16 nonrecurring funds in each fiscal year of the 2023-2025 fiscal biennium shall be used to  
17 establish a grant program for existing county veterans (hereinafter "CVOs") to provide  
18 services to veterans. The following shall apply to the grant program:

19 (1) The CVO must be located in a county in which there are ~~eight or less~~ certified  
20 veteran service officers (VSOs). The VSO may be an employee of or volunteer  
21 with the federal government, State of North Carolina, county, or entity in the  
22 county, including a nonprofit organization. ~~DMVA shall verify the presence~~  
23 ~~of eight or less certified VSOs in the county through the United States~~  
24 ~~Department of Veterans Affairs prior to awarding the grant.~~

25 ~~(2) A grant may be up to twenty thousand dollars (\$20,000).~~

26 ~~(3) Only one grant may be awarded to a CVO in each fiscal year of the 2023-2025~~  
27 ~~fiscal biennium.~~

28 ... "

## 29 30 **CHILDREN OF WARTIME VETERANS SCHOLARSHIP**

31 **SECTION 33.6.** G.S. 143B-1226 reads as rewritten:

32 **"143B-1226. Classes or categories of eligibility under which scholarships may be awarded.**

33 (b)(2) Class 1-B: Under this class, a ~~limited~~ scholarship ~~providing only those benefits set~~  
34 ~~forth in G.S. 143B-1225(a)(1)a., d., and e., and G.S. 143B-1225(a)(2)~~ shall be awarded to any  
35 child whose veteran parent, at the time the benefits pursuant to this Part are sought to be availed  
36 of is, ~~or was at the time of his death~~ receiving compensation for a wartime service-connected  
37 disability or one hundred percent (100%) as rated by the United States Department of Veterans  
38 Affairs. Provided, that if the veteran parent of a recipient under this class shall have utilized all  
39 of his scholarship eligibility time, then the North Carolina Department of Military and Veterans  
40 Affairs, shall amend the recipient's award form Class I-B to Class I-A for the remainder of the  
41 recipient's eligibility time. The effective date of such an amended award shall be determined by  
42 the Department of Military and Veterans Affairs but, in no event shall it predate the date of the  
43 veteran parent's death.

44 ... "

## 45 46 **PART XXXIV. REVENUE**

### 47 48 **SCRAP TIRE DISPOSAL TAX**

49 **SECTION 34.1.** G.S. 105-187.19(a) reads as rewritten:

50 **"§ 105-187.19. Use of tax proceeds.**

1 (a) The Secretary shall distribute the taxes collected under this Article, less the  
2 allowance to the Department of Revenue for administrative expenses, in accordance with this  
3 section. The Secretary may retain the cost of collection by the Department, not to exceed ~~four~~  
4 ~~hundred twenty-five thousand dollars (\$425,000)~~ six hundred seventy-five thousand dollars  
5 (\$675,000) a year as reimbursed to the Department.

6 ..."

## 7 8 **WHITE GOODS DISPOSAL TAX**

9 **Section 34.2.** G.S. 105-187.24 reads as rewritten:

### 10 **"§ 105-187.24. Use of tax proceeds.**

11 The Secretary shall distribute the taxes collected under this Article, less the Department of  
12 Revenue's allowance for administrative expenses, in accordance with this section. The Secretary  
13 may retain the Department's cost of collection, not to exceed ~~four hundred twenty-five thousand~~  
14 ~~dollars (\$425,000)~~ six hundred seventy-five thousand dollars (\$675,000) a year, as reimbursement  
15 to the Department.

16 ..."

## 17 18 **PART XXXV. SECRETARY OF STATE [RESERVED]**

## 19 20 **PART XXXVI. TREASURER**

### 21 22 **STATE HEALTH PLAN RESERVE FLEXIBILITY**

23 **SECTION 36.1.** On and after July 1, 2024, if the State Health Plan for Teachers and  
24 State Employees projects a cash reserve of less than the estimated amount needed to pay  
25 healthcare providers in the following month, the Department of State Treasurer shall report to  
26 the Director of the Budget. The Office of State Budget and Management may, at the discretion  
27 of the Director of the Budget, allocate up to two-hundred-fifty million dollars (\$250,000,000) of  
28 funds available to the state to the Health Benefit Reserve Fund as needed to meet current  
29 liabilities. The allocation shall be no more than the anticipated shortfall. The Department of State  
30 Treasurer will work with the Director of the Budget to create a plan for repayment to the state of  
31 the amount loaned to the Health Benefits Reserve. For purposes of this section, the term "cash  
32 reserve" means the total balance in the Public Employee Health Benefit Fund and the Health  
33 Benefit Reserve Fund established in G.S. 135-48.5 plus the Plan's administrative account.

## 34 35 **PART XXXVII. GENERAL GOVERNMENT [RESERVED]**

## 36 37 **PART XXXVIII. INFORMATION TECHNOLOGY**

### 38 39 **STATEWIDE PRIVACY AND SECURITY POSITIONS**

40 **SECTION 38.1.** Section 38.1A. of S.L. 2023-134 reads as rewritten:

41 **"SECTION 38.1A.** ~~The Department of Information Technology shall include in the rates~~  
42 ~~submitted pursuant to G.S. 143B-1333 an additional amount not exceeding three million to be~~  
43 ~~charged to agencies for the Security Operations Center and Privacy Office Support.~~ The rates  
44 shall not include, and agencies shall not be charged the one million one hundred twenty-six  
45 thousand dollars (\$1,126,000) requested for other positions within the Department."  
46

## 47 48 **PART XXXIX. SALARIES AND BENEFITS**

### 49 **ELIGIBLE STATE-FUNDED EMPLOYEES AWARDED COST OF LIVING** 50 **ADJUSTMENT/ LEGISLATIVE SALARY INCREASES**

1                   **Section 39.1.** Section 39.1 of S.L. 2023-134 reads as rewritten:  
2                   "**SECTION 39.1.(a1)** Effective July 1, 2024, except as provided by subsection (b)  
3 of this section, a person (i) whose salary is set by this Part, pursuant to the North Carolina Human  
4 Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded  
5 position on June 30, 2024, is awarded:

- 6                   (1) A legislative salary increase in the amount of ~~three percent (3%)~~ five percent  
7                   (5%) of annual salary in the 2024-2025 fiscal year.
- 8                   (2) Any salary adjustment otherwise allowed or provided by law.

9                   ...  
10                   **SECTION 39.1.(b)** For the 2023-2025 fiscal biennium, the following persons are  
11 not eligible to receive the legislative salary increases provided by subsections (a) and (a1) of this  
12 section:

- 13                   (1) Employees of local boards of education.
- 14                   (2) Local community college employees.
- 15                   (3) Employees of The University of North Carolina.
- 16                   (4) Clerks of superior court compensated under G.S. 7A-101.
- 17                   (5) Officers and employees to which Section 39.15 or Section 39.18 of this Part  
18 apply.
- 19                   (6) Employees of the State Bureau of Investigation and Alcohol Law  
20 Enforcement compensated under Section 39.16 of this Part.
- 21                   (7) Employees of the State Highway Patrol compensated under Section 39.17 of  
22 this Part.
- 23                   (8) Employees of schools operated by the Department of Health and Human  
24 Services, the Department of Public Safety, the Department of Adult  
25 Correction, and the State Board of Education who are paid based on the  
26 Teacher Salary Schedule."

## 27 28 **POSITION FUNDSHIFT RESERVE**

29                   **SECTION 39.2.(a)** State Agencies are authorized to use the funding provided in the  
30 Position Fundshift Reserve to fundshift receipt-supported positions in the General Fund, in whole  
31 or in part, to net appropriation support.

## 32 33 **ADDITIONAL VACATION DAYS FOR STATE EMPLOYEES**

34                   **SECTION 39.3.(a)** The number of annual vacation leave credits provided to  
35 employees subject to the State Human Resources Act who are full-time or over half-time and  
36 have a permanent, trainee, time-limited or probationary appointment and who are in pay status  
37 for one-half of the regularly scheduled workdays and holidays in a pay period shall be increased  
38 to the following amounts:

39 <u>Years of Total Service</u>	<u>Days Granted Each Year</u>
40                   Less than 1 year	15
41                   1 but less than 5 years	17
42                   5 but less than 10 years	20
43                   10 but less than 15 years	22
44                   15 but less than 20 years	24
45                   20 or more years	26

## 46 47 **ENHANCED LABOR MARKET ADJUSTMENT RESERVE**

48                   **SECTION 39.4.(a)** Of the Enhanced Labor Market Adjustment Salary Reserve funds  
49 appropriated in this Act, agencies shall award salary adjustments to identified employees  
50 pursuant to the following requirements:

- 1 (1) Any increase provided to an employee shall not exceed the greater of fifteen  
2 thousand dollars (\$15,000) or fifteen percent (15%) of their current base salary.
- 3 (2) Any increase provided to an employee may not result in the employee's salary  
4 exceeding the maximum salary of the salary range associated with the position.
- 5 (3) If an agency has 500 or more employees, no more than twenty-five percent (25%)  
6 of the agency's permanent employees may receive a salary increase from the funds  
7 appropriated for this purpose. If an agency has fewer than 500 employees, 50%  
8 of the agency's permanent employees may receive a salary increase.
- 9 (4) Funds may not be awarded to employees in positions with salaries set in law or  
10 paid based on an experience-based salary schedule that is eligible to receive  
11 funding from the Pay Plan Reserve.

12 **SECTION 39.4.(b)** Notwithstanding G.S. 143C-6-6(b), agencies may use Enhanced  
13 Labor Market Adjustment Reserve funds to award salary adjustments to any General Fund  
14 employee regardless of the proportionate part of the employee's current salary supported from  
15 net appropriations or receipts.

16 **SECTION 39.4.(c)** The Director of the Budget may adjust a State agency's budgeted  
17 receipts to provide an equivalent one and one-half percent (1.5%) Labor Market Adjustment  
18 Salary Reserve for the 2023-2025 fiscal biennium subject to the requirements in subsection (a)  
19 of this section, provided that sufficient receipts are available. Agency receipts needed to  
20 implement this section are appropriated for the 2023-2024 fiscal year and the 2024-2025 fiscal  
21 year.

22 **SECTION 39.4.(d)** The Office of State Human Resources (OSHR) shall compile a  
23 single report detailing how these funds were distributed by each agency. The OSHR shall develop  
24 a uniform reporting mechanism for agencies that displays the salary increases made for each  
25 position classification, the average increase provided to employees in each position classification,  
26 and the market-based justification for the awarded salary increases. Agencies receiving Labor  
27 Market Adjustment Salary Reserve appropriations shall report to the OSHR on their use by  
28 December 15, 2024. By January 15, 2025, the OSHR shall submit the report containing the  
29 agency responses to the Fiscal Research Division.  
30

## 31 **RETENTION BONUS AWARDED FOR FISCAL YEAR**

32 **SECTION 39.5.(a)** Any person (i) whose salary is set by this act in Part 7A or this  
33 Part, pursuant to the North Carolina Human Resources Act, or as otherwise authorized in this act  
34 and (ii) who is continuously employed by the State or a public school unit from July 1, 2024 to  
35 September 30, 2024 shall be awarded a retention bonus for the 2024-25 fiscal year in the amount  
36 of five hundred dollars (\$500.00), payable during the month of October 2024. For otherwise  
37 eligible local education employees, eligibility for the bonus shall be measured beginning not on  
38 July 1, 2024, but on the first day when staff report for the 2024-2025 school year.

39 **SECTION 39.5.(b)** Any person (i) whose salary is set by this act in Part 7A or this  
40 Part, pursuant to the North Carolina Human Resources Act, or as otherwise authorized in this act  
41 and (ii) who is continuously employed by the State or a public school unit from October 1, 2024,  
42 to March 31, 2025, shall be awarded an additional retention bonus for the 2024-25 fiscal year in  
43 the amount of five hundred dollars (\$500.00), payable during the month of April 2025.

44 **SECTION 39.5.(c)** Employers of State employees and local education employees  
45 shall provide an additional retention bonus of two hundred and fifty dollars (\$250.00), payable  
46 during the month of October 2024, to all permanent full-time State employees and local education  
47 employees who are continuously employed by the State or a public school unit from July 1, 2024,  
48 to September 30, 2024, and who earns an annual salary that does not exceed seventy-five  
49 thousand dollars (\$75,000).

1           **SECTION 39.5.(d)** Employers of State employees and local education employees  
2 shall provide an additional retention bonus of two hundred and fifty dollars (\$250.00), payable  
3 during the month of April 2025, to all permanent full-time State employees and local education  
4 employees who are employed by the State or a public school unit from October 1, 2024, to March  
5 31, 2025, and who earn an annual salary that does not exceed seventy-five thousand dollars  
6 (\$75,000).

7           **SECTION 39.5.(e)** Notwithstanding Section 39.25 of S.L. 2023-134, any funds  
8 appropriated for retention bonuses in excess of the amounts required to implement the bonuses  
9 shall revert and not be credited to the Pay Plan Reserve.

10           **SECTION 39.5.(f)** Notwithstanding G.S. 135-1(7a), the compensation bonuses  
11 awarded by this section are not compensation as defined by Article 1 of Chapter 135 of the  
12 General Statutes, the Teachers' and State Employees' Retirement System (TSERS).

13           **SECTION 39.5.(g)** The compensation bonuses awarded by this section are not part  
14 of annual salary and shall be paid out separately. The compensation bonus shall be awarded to  
15 eligible permanent employees without regard to an employee's placement within the salary range,  
16 including employees at the top of the salary range. The compensation bonus shall be adjusted pro  
17 rata for permanent part-time employees.

18  
19 **GOVERNOR AND COUNCIL OF STATE**

20           **SECTION 39.6** Section 39.4(b1) of S.L. 2023-134 reads as rewritten:

21           **"SECTION 39.4.(b1)** Effective July 1, 2024, the annual salaries for members of the  
22 Council of State, payable monthly, are set as follows:

<u>Council of State</u>	<b>Annual Salary</b>
Lieutenant Governor	<del>\$168,384</del> <u>\$173,436</u>
Attorney General	<del>168,384</del> <u>173,436</u>
Secretary of State	<del>168,384</del> <u>173,436</u>
State Treasurer	<del>168,384</del> <u>173,436</u>
State Auditor	<del>168,384</del> <u>173,436</u>
Superintendent of Public Instruction	<del>168,384</del> <u>173,436</u>
Agriculture Commissioner	<del>168,384</del> <u>173,436</u>
Insurance Commissioner	<del>168,384</del> <u>173,436</u>
Labor Commissioner	<del>168,384</del> <u>173,436</u> "

34  
35 **CERTAIN EXECUTIVE BRANCH OFFICIALS**

36           **SECTION 39.7** Section 39.5.(b) of S.L. 2023-134 reads as rewritten:

37           **"SECTION 39.5.(b)** Effective July 1, 2024, the annual salaries, payable monthly,  
38 for the following executive branch officials for the 2024-2025 fiscal year are as follows:

<u>Executive Branch Officials</u>	<b>Annual Salary</b>
Chairman, Alcoholic Beverage Control Commission	<del>\$140,844</del> <u>\$145,069</u>
State Controller	<del>196,119</del> <u>202,003</u>
Commissioner of Banks	<del>158,076</del> <u>162,818</u>
Chair, Board of Review, Division of Employment Security	<del>155,055</del> <u>159,707</u>
Members, Board of Review, Division of Employment Security	<del>153,160</del> <u>157,755</u>
Chairman, Parole Commission	<del>155,055</del> <u>159,707</u>
Full-Time Members of the Parole Commission	<del>143,364</del> <u>147,665</u>

1	Chairman, Utilities Commission	<del>175,765</del> <u>181,038</u>
2	Members of the Utilities Commission	<del>158,076</del> <u>162,818</u>
3	Executive Director, North Carolina	
4	Agricultural Finance Authority	<del>137,161</del> <u>141,276</u>
5	State Fire Marshall	<del>139,050</del> <u>143,222"</u>

6  
7 **JUDICIAL BRANCH**

8           **SECTION 39.8.(a)** Section 39.6.(a1) of S.L. 2023-134 reads as rewritten:  
9           **"SECTION 39.6.(a1)** Effective July 1, 2024, the annual salaries, payable monthly,  
10 for the following judicial branch officials for the 2024-2025 fiscal year are as follows:

11	<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
12	Chief Justice, Supreme Court	<del>\$203,073</del> <u>\$209,165</u>
13	Associate Justice, Supreme Court	<del>197,802</del> <u>203,736</u>
14	Chief Judge, Court of Appeals	<del>194,674</del> <u>200,514</u>
15	Judge, Court of Appeals	<del>189,621</del> <u>195,310</u>
16	Judge, Senior Regular Resident Superior Court	<del>174,250</del> <u>179,478</u>
17	Judge, Superior Court	<del>169,125</del> <u>174,199</u>
18	Chief Judge, District Court	<del>167,548</del> <u>172,574</u>
19	Judge, District Court	<del>162,620</del> <u>167,499</u>
20	Chief Administrative Law Judge	<del>144,736</del> <u>149,078</u>
21	District Attorney	<del>167,337</del> <u>172,357</u>
22	Assistant Administrative Officer of the Courts	<del>151,815</del> <u>156,369</u>
23	Public Defender	<del>167,337</del> <u>172,357</u>
24	Director of Indigent Defense Services	<del>162,484</del> <u>167,359"</u>

25           **SECTION 39.8.(b)** Section 39.6.(b1) of S.L. 2023-134 reads as rewritten:  
26           **"SECTION 39.6.(b1)** The district attorney of a judicial district, with the approval of  
27 the Administrative Officer of the Courts, and the public defender of a judicial district, with  
28 approval of the Commission on Indigent Defense Services, shall set the salaries of assistant  
29 district attorneys and assistant public defenders in that district such that the average salaries of  
30 those assistants in that district, for the 2024-25 fiscal year, do not exceed ~~one hundred one~~  
31 ~~thousand two hundred ninety nine dollars (\$101,299)~~ one hundred four thousand three hundred  
32 thirty eight dollars (\$104,338) and the minimum salary of any assistant is at least ~~fifty four~~  
33 ~~thousand three hundred sixty nine dollars (\$54,369)~~ fifty six thousand twenty one dollars  
34 (\$56,021), effective July 1, 2024."  
35

36  
37 **CLERKS OF SUPERIOR COURT**

38           **SECTION 39.9.** Effective July 1, 2024, G.S. 7A-101(a) reads as rewritten:  
39           "(a) The clerk of superior court is a full-time employee of the State and shall receive an  
40 annual salary, payable in equal monthly installments, based on the number of State-funded  
41 assistant and deputy clerks of court as determined by the Administrative Office of Court's  
42 workload formula, according to the following schedule:

43	<u>Assistants and Deputies</u>	<u>Annual Salary</u>
44	0-19	<del>\$108,472</del> <u>111,726</u> <del>\$115,078</del>
45	20-29	<del>119,891</del> <u>123,488</u> <del>127,193</del>
46	30-49	<del>131,309</del> <u>135,248</u> <del>139,305</del>
47	50-99	<del>142,728</del> <u>147,010</u> <del>151,420</del>
48	100+	<del>145,582</del> <u>149,949</u> <del>154,447</del>

49           If the number of State-funded assistant and deputy clerks of court as determined by the  
50 Administrative Office of the Court's workload formula changes, the salary of the clerk shall be

1 changed, on July 1 of the fiscal year for which the change is reported, to the salary appropriate  
2 for that new number, except that the salary of an incumbent clerk shall not be decreased by any  
3 change in that number during the clerk's continuation in office."  
4

5 **ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT**

6 **SECTION 39.10.** Effective July 1, 2024, G.S. 7A-102(c1) reads as rewritten:

7 "(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time deputy  
8 clerk serving as head bookkeeper per county, shall be paid an annual salary subject to the  
9 following minimum and maximum rates:

10	Assistant Clerks and	Annual Salary
11	Head Bookkeeper	
12	Minimum	<del>\$40,482</del> <u>\$41,696</u>
13	Maximum	<del>74,792</del> <u>77,036</u>
14		
15	Deputy Clerks	Annual Salary
16	Minimum	<del>\$36,315</del> <u>\$37,404</u>
17	Maximum	<del>58,740</del> <u>60,502.</u> "

18  
19 **MAGISTRATES**

20 **SECTION 39.11.** Effective July 1, 2024, G.S. 7A-171.1(a)(1) reads as rewritten:

21 "**§ 7A-171.1. Duty hours, salary, and travel expenses within county.**

22 (a) The Administrative Officer of the Courts, after consultation with the chief district  
23 judge and pursuant to the following provisions, shall set an annual salary for each magistrate:

24 (1) A full-time magistrate shall be paid the annual salary indicated in the table set  
25 out in this subdivision. A full-time magistrate is a magistrate who is assigned  
26 to work an average of not less than 40 hours a week during the term of office.  
27 The Administrative Officer of the Courts shall designate whether a magistrate  
28 is full-time. Initial appointment shall be at the entry rate. A magistrate's salary  
29 shall increase to the next step every two years on the anniversary of the date  
30 the magistrate was originally appointed for increases to Steps 1 through 3, and  
31 every four years on the anniversary of the date the magistrate was originally  
32 appointed for increases to Steps 4 through 6.

33 Table of Salaries of Full-Time Magistrates

34	<u>Step Level</u>	<u>Annual Salary</u>
35	Entry Rate	<del>\$47,228</del> <u>\$48,645</u>
36	Step 1	<del>50,714</del> <u>52,235</u>
37	Step 2	<del>54,475</del> <u>56,109</u>
38	Step 3	<del>58,475</del> <u>60,211</u>
39	Step 4	<del>63,228</del> <u>65,125</u>
40	Step 5	<del>68,973</del> <u>71,042</u>
41	Step 6	<del>75,415</del> <u>77,677.</u> "

42  
43 **LEGISLATIVE EMPLOYEES**

44 **SECTION 39.12.** Section 39.10.(a1) of S.L. 2023-134 reads as rewritten:

45 **SECTION 39.10.(a1)** Effective July 1, 2024, the annual salaries of the Legislative  
46 Services Officer and of nonelected employees of the General Assembly in effect on June 30,  
47 2020, shall be legislatively increased by ~~three percent (3%)~~five percent (5%).

48  
49 **GENERAL ASSEMBLY PRINCIPAL CLERKS**

50 **SECTION 39.13.** Effective July 1, 2024, G.S. 120-37(c) reads as rewritten:

1 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled  
2 to other benefits available to permanent legislative employees and shall be paid an annual salary  
3 of ~~one hundred thirty-three thousand nine hundred thirty-six dollars (\$133,936)~~ one hundred  
4 thirty seven thousand nine hundred fifty four dollars (\$137,954) payable monthly. Each principal  
5 clerk shall also receive such additional compensation as approved by the Speaker of the House  
6 of Representatives or the President Pro Tempore of the Senate, respectively, for additional  
7 employment duties beyond those provided by the rules of their House. The Legislative Services  
8 Commission shall review the salary of the principal clerks prior to submission of the proposed  
9 operating budget of the General Assembly to the Governor and shall make appropriate  
10 recommendations for changes in those salaries. Any changes enacted by the General Assembly  
11 shall be by amendment to this paragraph."  
12

### 13 SERGEANTS-AT-ARMS AND READING CLERKS

14 SECTION 39.14. Effective July 1, 2024, G.S. 120-37(b) reads as rewritten:

15 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~five~~  
16 ~~hundred twenty-eight dollars (\$528.00)~~ five hundred forty-four dollars (\$544.00) per week plus  
17 subsistence at the same daily rate provided for members of the General Assembly, plus mileage  
18 at the rate provided for members of the General Assembly for one round trip only from their  
19 homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General  
20 Assembly and at such time prior to the convening of, and subsequent to adjournment or recess  
21 of, sessions as may be authorized by the Legislative Services Commission. The reading clerks  
22 shall serve during sessions only."  
23

### 24 COMMUNITY COLLEGES

25 SECTION 39.15. Section 39.13. of S.L. 2023-134 reads as rewritten:

26 "SECTION 39.13.(a) Community college personnel shall receive the following  
27 legislative salary increases:  
28 ...

29 (2) Effective July 1, 2024, the State Board of Community Colleges shall provide community  
30 college faculty and non-faculty personnel with an across-the-board salary increase in the amount  
31 of ~~three percent (3%)~~ five percent (5%).  
32 ...

33 "SECTION 39.13.(b1) Effective July 1, 2024, the minimum salaries for nine-month, full-  
34 time curriculum community college faculty for the 2024-2025 fiscal year are as follows:

35	Minimum Salary
36 Education Level	2024-2025
37 Vocational Diploma/Certificate or Less	<u>\$43,12044,414</u>
38 Associate Degree or Equivalent	<u>43,72045,032</u>
39 Bachelor's Degree	<u>46,32147,711</u>
40 Master's Degree or Education Specialist	<u>48,62950,088</u>
41 Doctoral Degree	<u>51,95653,515</u>
42 ..."	

### 44 UNIVERSITY OF NORTH CAROLINA SYSTEM

45 SECTION 39.16. Section 39.14.(2) of S.L. 2023-134 reads as rewritten:

46 "(2) Effective July 1, 2024, the Board of Governors of The University of North  
47 Carolina shall provide SHRA employees, EHRA employees, and teachers  
48 employed by the North Carolina School of Science and Mathematics with an  
49 across-the-board salary increase in the amount of ~~three percent (3%)~~ five  
50 percent (5%)."

1  
2  
3 **CORRECTIONAL OFFICER SALARY SCHEDULE**

4 **SECTION 39.17.** Section 39.15.(b) of S.L. 2023-134 is rewritten to read:

5 **"SECTION 39.15.(b)** The following annual salary schedule applies under subsections  
6 (a) and (a1) of this section for the 2023-2025 fiscal biennium, effective for each year on July 1,  
7 2023, and July 1, 2024, respectively:  
8

9

Experience	FY 2023-24			FY 2024-25		
	COI	COII	COIII	COI	COII	COIII
10 0	\$36,525	\$37,727	\$40,348	\$38,750	\$40,025	\$42,805
11 1	\$39,081	\$40,367	\$43,173	\$41,461	\$42,825	\$45,802
12 2	\$41,427	\$42,832	\$45,764	\$43,950	\$45,440	\$48,551
13 3	\$43,498	\$44,929	\$48,052	\$46,147	\$47,665	\$50,979
14 4	\$45,237	\$46,726	\$49,974	\$47,992	\$49,572	\$53,017
15 5	\$46,595	\$48,127	\$51,473	\$49,433	\$51,058	\$54,608
16 6+	\$47,527	\$49,090	\$52,503	\$50,422	\$52,080	\$55,700"

17  
18

19 **STATE LAW ENFORCEMENT OFFICER SALARY SCHEDULE**

20 **SECTION 39.18.** Section 39.16.(b) of S.L. 2023-134 reads as rewritten:

21 **"SECTION 39.16.(b)** The following annual salary schedule applies under subsection (a)  
22 of this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1, 2024, for  
23 each respective fiscal year:  
24

25

Years of Experience	FY 2023-24	FY 2024-25
26 0	53,477	<u>53,47756,151</u>
27 1	56,954	<u>56,95459,802</u>
28 2	60,656	<u>60,65663,689</u>
29 3	64,599	<u>64,59967,829</u>
30 4	68,798	<u>68,79872,238</u>
31 5	73,270	<u>73,27076,934</u>
32 6+	78,033	<u>78,03381,935"</u>

33

34 **STATE HIGHWAY PATROL/SALARY SCHEDULE/INCREASE**

35 **SECTION 39.19.** Section 39.17.(b) of S.L. 2023-134 reads as rewritten:

36 **"SECTION 39.17.(b)** The following annual salary schedule applies under subsection (a)  
37 of this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1, 2024, for  
38 each respective fiscal year:  
39

40

Years of Experience	FY 2023-24	FY 2024-25
41 0	55,000	<u>55,00057,750</u>
42 1	58,575	<u>58,57561,504</u>
43 2	62,382	<u>62,38265,501</u>
44 3	66,437	<u>66,43769,759</u>
45 4	70,755	<u>70,75574,293</u>
46 5	75,354	<u>75,35479,122</u>
47 6+	80,252	<u>80,25284,265"</u>

48

49 **PROBATION AND PAROLE OFFICER SALARY SCHEDULE**

50 **SECTION 39.20.** Section 39.18.(b) of S.L. 2023-134 reads as rewritten:

1 "SECTION 39.18.(b) The following annual salary schedule applies under subsections (a)  
 2 and (a1) of this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1,  
 3 2024, for each respective fiscal year:  
 4

5	Years of Experience	FY 2023-24	FY 2024-25
6	0	44,099	<u>45,42246,785</u>
7	1	46,965	<u>48,37449,825</u>
8	2	50,019	<u>51,52053,066</u>
9	3	53,270	<u>54,86856,514</u>
10	4	56,733	<u>58,43560,188</u>
11	5	60,420	<u>62,23364,100</u>
12	6+	64,348	<u>66,27868,266"</u>

13  
 14 **USE OF FUNDS APPROPRIATED FOR LEGISLATIVELY MANDATED INCREASES**

15 **SECTION 39.21.** Section 39.25.(c) of S.L. 2023-134 reads as rewritten:

16 "**SECTION 39.25.(c)** Funds appropriated for legislatively mandated salary and  
 17 employee benefit increases may not be used to adjust the budgeted salaries of vacant positions,  
 18 except for vacant positions with a budget salary below the salary grade midpoint, to provide  
 19 salary increases in excess of those required by the General Assembly, or to increase the budgeted  
 20 salary of filled positions to the minimum of the position's respective salary range."  
 21

22 **SALARY-RELATED CONTRIBUTIONS**

23 **SECTION 39.22.** Section 39.26.(c) of S.L. 2023-134 reads as rewritten:

24 "**SECTION 39.26.(c)** Effective July 1, 2024, the State's employer contribution rates  
 25 budgeted for retirement and related benefits as a percentage of covered salaries for the 2024-2025  
 26 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the  
 27 University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated  
 28 Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth  
 29 below:  
 30

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
33 Retirement	<u>16.79%17.69%</u>	<u>16.79%17.69%</u>	6.84%	<u>37.00%38.83%</u>	<u>22.00%23.53%</u>
34 Disability	0.13%	0.13%	0.13%	0.00%	0.00%
35 Death	0.13%	0.13%	0.00%	0.00%	0.00%
36 Retiree Health	6.99%	6.99%	6.99%	6.99%	6.99%
37 NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%"

38  
 39 **Total Contribution**

40 <b>Rate</b>	<u>24.04%24.94%</u>	<u>29.04%29.94%</u>	13.96%	<u>43.99%45.82%</u>	<u>28.99%30.52%</u>
----------------	---------------------	---------------------	--------	---------------------	---------------------

41 The rate for teachers and State employees and State law enforcement officers includes  
 42 one one-hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement."  
 43

44 **PROVIDE COST-OF-LIVING ADJUSTMENT FOR RETIREES OF THE TEACHERS'  
 45 AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED  
 46 JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT  
 47 SYSTEM**

48 **SECTION 39.23.(a)** G.S. 135-5 is amended by adding a new subsection to read:

49 "(aaaa) On or before November 30, 2024, a one-time cost-of-living supplement payment shall  
 50 be made to or on account of beneficiaries who are living as of October 1, 2024, and whose

1 retirement commenced on or before October 1, 2024. The payment shall be three percent (3%)  
2 of the beneficiary's annual retirement allowance payable as of October 1, 2023, and shall not be  
3 prorated for date of retirement commencement. If the beneficiary dies before the payment is  
4 made, then the payment shall be payable to the member's legal representative. No beneficiary  
5 shall be deemed to have acquired a vested right to any future supplemental payments."

6 **SECTION 39.23.(b)** G.S. 135-65 is amended by adding a new subsection to read:

7 "(ll) On or before November 30, 2024, a one-time cost-of-living supplement payment shall  
8 be made to or on account of beneficiaries who are living as of October 1, 2024, and whose  
9 retirement commenced on or before October 1, 2024. The payment shall be three percent (3%)  
10 of the beneficiary's annual retirement allowance payable as of October 1, 2024, and shall not be  
11 prorated for date of retirement commencement. If the beneficiary dies before the payment is  
12 made, then the payment shall be payable to the member's legal representative. No beneficiary  
13 shall be deemed to have acquired a vested right to any future supplemental payments."

14 **SECTION 39.23.(c)** G.S. 120-4.22A is amended by adding a new subsection to read:

15 "(ff) In accordance with subsection (a) of this section, on or before November 30, 2024, a  
16 one-time cost-of-living supplement payment shall be made to or on account of beneficiaries who  
17 are living as of October 1, 2024, and whose retirement commenced on or before October 1, 2024.  
18 The payment shall be three percent (3%) of the beneficiary's annual retirement allowance payable  
19 as of October 1, 2024, and shall not be prorated for date of retirement commencement. If the  
20 beneficiary dies before the payment is made, then the payment shall be payable to the member's  
21 legal representative. No beneficiary shall be deemed to have acquired a vested right to any future  
22 supplemental payments."

## 23 **PART XL. CAPITAL**

### 24 **GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION**

25 **SECTION 40.1** The appropriations made by the 2023 General Assembly for capital  
26 improvements are for constructing, repairing, or renovating State buildings, utilities, and other  
27 capital facilities, for acquiring sites for them where necessary, and for acquiring buildings and  
28 land for State government purposes.  
29

### 30 **CAPITAL APPROPRIATIONS/STATE CAPITAL AND INFRASTRUCTURE FUND**

31 **SECTION 40.2** This subsection authorizes the capital projects listed in the  
32 Committee Report, and appropriates funding from the State Capital and Infrastructure Fund to  
33 the Office of State Budget and Management for the 2024-25 fiscal year based upon projected  
34 cash flow needs for the authorized projects. The amounts authorized in this subsection represent  
35 the maximum amounts of funding from the State Capital and Infrastructure Fund that may be  
36 expended on each project. An additional action by the General Assembly is required to increase  
37 the maximum authorization for any of the projects listed.  
38

### 39 **CAPITAL IMPROVEMENT & REPAIRS AND RENOVATIONS APPROPRIATIONS**

40 **SECTION 40.3** Section 40.1 of S.L. 2023-134 reads as rewritten:

41 **"SECTION 40.1.(a)** The following agency capital improvement projects have been assigned  
42 a project code for reference to allocations in this Part, past allocations, and for intended project  
43 support by the General Assembly for future fiscal years:

44 <b>Agency Capital Improvement Project</b>	45 <b>Project Code</b>
46 Department of Agriculture and Consumer Services	
47 Tidewater Research Station–Swine Unit Replacements	DACS21-2
48 NCFS–Region 1 Headquarters	DACS21-4
49 Troxler Science Building–Overflow Parking	DACS23-1

1	Western NC Farmers Market	DACS23-2
2	Raleigh State Farmers Market–Improvements	DACS23-3
3	Pesticide Storage, Loading, & Cleaning Facilities	DACS23-4
4	Cherry Research Station–Administrative Office	DACS23-5
5	Griffith Forest Center–Central Warehouse & Office	DACS23-6
6	D-6 HQ (Cumberland Co.)–Maintenance Shop Replacement	DACS23-7
7	Research Stations–New Maintenance Shop Facilities	DACS23-8
8	Piedmont Research Station–Bridge	DACS23-9
9	Research Stations–Multipurpose Facilities	DACS23-10
10	NCFS–New County Offices, Region 3	DACS23-11
11	Tuttle Educational State Forest–Office & Education Center	DACS23-12
12	D-12–New Headquarters & Shop	DACS23-13
13	NCFS–Property Purchase	DACS23-14
14		
15	Department of Environmental Quality	
16	Reedy Creek Laboratory	DEQ21-1
17		
18	Department of Health and Human Services	
19	Walter B. Jones–New Medical Office Bldg.	DHHS23-1
20	Broughton Hospital–New Maintenance & Warehouse Facility	DHHS23-2
21	Cherry Hospital–New Maintenance Bldg.	DHHS23-3
22	South Piedmont Medical Examiner	DHHS23-4
23		
24	Department of Natural and Cultural Resources	
25	Fort Fisher Aquarium–Aquarium Expansion	DNCR21-5
26	NC Museum of History–Expansion	DNCR21-13
27	Zoo–New Aviary	DNCR23-1
28	NC Museum of Art at Winston-Salem/SECCA	DNCR23-2
29	Stone Mountain State Park–Parking Lot	DNCR23-4
30	North Carolina Maritime Museum at Beaufort	DNCR23-5
31	Town Creek Indian Mound State Historic Site–	
32	Visitor Center & Exhibit Improvements	DNCR23-6
33	State Historic Sites–Three New Visitor Centers	DNCR23-7
34	Thomas Day House–Site Development	DNCR23-8
35	Lake Waccamaw State Park–New Campground	DNCR23-12
36	Lumber River State Park–Wire Pasture Access Development	DNCR23-13
37	NC Maritime Museum at Southport	DNCR23-14
38	NC Transportation Museum	DNCR23-15
39	Fort Fisher Historic Site	DNCR23-16
40		
41	Department of Administration	
42	State Government Executive Headquarters	DOA22-1
43	Department of Instruction Building Renovation	DOA22-3
44	Service Campus	DOA23-1
45	State Agency Lease	DOA23-2
46	Archdale Building Demolition	DOA23-3
47	Caswell Square Demolition	DOA23-4
48	Parking Deck–Wilmington Street	DOA23-5
49	Albemarle Building Facility Improvements	DOA23-6
50	<u>Secure Records and Technology Center</u>	<u>DOA24-7</u>

1		
2	Department of Commerce	
3	Wanchese Marine Industrial Park–Covered Workspace	COMM23-1
4		
5	Department of Adult Correction	
6	Stun Fencing	DAC23-1
7	DARTCenter–Exterior Envelope Repairs	DAC23-2
8	Sampson CC–Gatehouse	DAC23-3
9	Gaston CC–Modular Medical Office	DAC23-4
10	Storage Buildings	DAC23-6
11		
12	Department of Public Safety	
13	State Highway Patrol–	
14	Viper Building	DPS21-6
15	Auditorium	DPS23-3
16	Training Academy Facilities Enhancement–Phases 3-6	DPS23-4
17	Training Center Cadet Dorm & Training Bldg.	DPS23-7
18	State Bureau of Investigation–	
19	Headquarters & Building 12 Renovation	DPS21-9
20	Logistics Building–Phase 1	DPS23-11
21	Juvenile Justice–	
22	Richmond YDC	DPS21-1
23	New Youth Detention Center	DPS23-1
24	Cabarrus YDC–Perimeter Fence Modifications	DPS23-5
25	Cabarrus–New Modular Office	DPS23-6
26	Emergency Management–	
27	Badin Logistics Support Center Shed	DPS23-8
28	Badin Warehouse Expansion	DPS23-9
29	Badin Lot Acquisition	DPS23-10
30	National Guard–	
31	NCNG Matching Fund	NG23-1
32	Ballentine Building/NCNG Museum	NG23-2
33	Constable Building	NG23-3
34	Rocky Mount Complex/MILCON	NG23-4
35	Special Forces Complex	NG23-5
36	Winston Salem Storage Buildings	NG23-6
37	Louisburg Readiness Center	NG23-9
38		
39	Department of Public Instruction	
40	Center for the Advancement of Teaching	DPI21-1
41		
42	Department of Insurance	
43	Office of State Fire Marshal–	
44	Land Development & Training Center	DOI21-1
45		
46	Department of Transportation	
47	North Carolina Global TransPark Authority–	
48	Aircraft Maintenance Repair & Overhaul Facility	TRAN23-1
49	DOT– New County Buildings	TRAN23-2
50	Maintenance Yard Facilities	TRAN24-3

1		
2	General Assembly	
3	Education Campus Project	NCGA21-3
4	Education Campus Parking Deck	NCGA23-1
5	Education Campus Demolition	NCGA23-2
6		
7	The University of North Carolina	
8	Appalachian State University–	
9	Peacock Hall/Business	UNC/ASU21-1
10	Hickory Campus	UNC/ASU22-1
11	Walker Hall–Interior Renovation	UNC/ASU23-1
12	University of North Carolina at Charlotte–	
13	Smith Hall–Comprehensive Renovation	UNC/CLT23-1
14	Colvard Hall–Comprehensive Renovation	UNC/CLT23-2
15	Esports	UNC/CLT23-3
16	Stadium Upgrades	UNC/CLT23-4
17	University of North Carolina at Chapel Hill–	
18	Business School	UNC/CH20-1
19	Nursing School Renovation	UNC/CH20-2
20	Gardner Hall–Comprehensive Renovation	UNC/CH23-1
21	Elizabeth City State University–	
22	Flight School	UNC/ECS21-4
23	Infrastructure Repairs–Phase 3	UNC/ECS23-1
24	Jenkins Hall/Dixon Hall–Labs/Classroom/Bldg. Renovation	UNC/ECS23-2
25	East Carolina University–	
26	Brody School of Medicine	UNC/ECU21-1
27	Howell Science Building North–Comprehensive Renovation	UNC/ECU23-1
28	Leo Jenkins Building/Health Sciences–Comprehensive Renovation	UNC/ECU23-2
29	Medical Examiner Office	UNC/ECU23-3
30	Regional Children's Behavioral Health Facility	UNC/ECU23-4
31	Dental School Planning	UNC/ECU23-5
32	Fayetteville State University–	
33	College of Education	UNC/FSU21-2
34	Butler Targeted Renovation	UNC/FSU23-1
35	H.L. Cook Building–Renovation & Addition	UNC/FSU23-2
36	North Carolina Agricultural & Technical State University–	
37	Marteena Hall–Renovation, Phase 2	UNC/A&T23-1
38	Health and Human Sciences Bldg.	UNC/A&T23-2
39	North Carolina Central University–	
40	Dent Building–Comprehensive Renovation	UNC/NCC23-1
41	Edmonds Classroom Building–Comprehensive Renovation	UNC/NCC23-2
42	University Theater Renovation	UNC/NCC23-3
43	North Carolina State University–	
44	S.T.E.M. Building	UNC/NCS20-1
45	Mann Hall–Renovation, Phase 2	UNC/NCS23-1
46	Dabney Hall–Renovation, Phase 2	UNC/NCS23-2
47	Polk Hall–Renovation, Phase 2	UNC/NCS23-3
48	Veterinary School–Large Animal Hospital	UNC/NCS23-4
49	Engineering Classroom Building	UNC/NCS23-5
50	Nuclear Study	UNC/NCS23-6

1	Business School	UNC/NCS23-7
2	North Carolina School of Science and Math–	
3	Morganton Campus	
4	Wellness Center	UNC/SSM23-1
5	Durham Campus	
6	Renovation of Residence Halls	UNC/SSM23-2
7	Academic Commons Addition	UNC/SSM23-4
8	University of North Carolina at Asheville–	
9	Lipinsky Hall–Comp. Modernization/Addition	UNC/AVL23-1
10	Sherrill Center	UNC/AVL23-2
11	Gateway Signage	UNC/AVL23-3
12	Repairs & Renovations	UNC/AVL23-4
13	University of North Carolina at Greensboro–	
14	Moore Building–Renovation	UNC/GBO23-1
15	University of North Carolina at Pembroke–	
16	Health Sciences Center	UNC/PEM21-1
17	Givens Performing Arts Center–Renovation	UNC/PEM23-1
18	University of North Carolina School of the Arts–	
19	Stevens Center–Renovation, Phase 2	UNC/SA23-1
20	New High School Residence Hall	UNC/SA23-2
21	University of North Carolina at Wilmington–	
22	Cameron Hall–Comprehensive Renovation/Expansion	UNC/WIL23-1
23	Kenan Auditorium–Comprehensive Renovation/Expansion	UNC/WIL23-2
24	DeLoach Hall–Modernization	UNC/WIL23-3
25	Health Education Bldg.	UNC/WIL23-4
26	Western Carolina University–	
27	Replacement Engineering Building	UNC/WCU23-1
28	Winston-Salem State University–	
29	K.R. Williams Auditorium	UNC/WSS21-1
30	Eller Hall–Renovation & Elevator Addition	UNC/WSS23-1
31	Pegram Hall–Renovation & Elevator Addition	UNC/WSS23-2
32	Campus Police Improvements	UNC/WSS23-3
33	UNC Board of Governors–	
34	UNC Lease Funds	UNC/BOG21-1
35	NC Care Health Clinics	UNC/BOG23-1
36	NC Care Hospital Investment	UNC/BOG23-2
37	Children's Hospital	UNC/BOG23-3
38	PBS North Carolina	UNC/PBS23-1
39		
40	Repairs and Renovations–The University of North Carolina	UNC/R&R21
41	Repairs and Renovations–State Agencies (non-UNC)	R&R21
42	SCIF-Related Personnel	PERS21
43	OSBM Flexibility Funds	FLEX21
44	Debt Payoff	DST23-1
45	Wildlife Resources Commission–Setzer Hatchery Revision	WRC23-1
46	<b>SECTION 40.1.(b)</b> This subsection authorizes the following capital projects in the	
47	2023-2025 fiscal biennium based upon projected cash flow needs for the authorized projects. The	
48	authorizations provided in this subsection represent the maximum amount of funding from the	
49	State Capital and Infrastructure Fund that may be expended on each project and do not reflect	
50	authorizations from other non-State Capital and Infrastructure Fund sources. An additional action	

1 by the General Assembly is required to increase the maximum authorization for any of the  
 2 projects listed:

3 **Capital Improvements–**  
 4 **State Capital and**  
 5 **Infrastructure Fund**

**Previous**  
**Project Authorization**

**New/Updated**  
**Project Authorization**

6	DACS21-2	\$3,518,000	\$7,018,000
7	DACS21-4	4,000,000	8,100,000
8	DACS23-1	N/A	2,500,000
9	DACS23-2	N/A	200,000
10	DACS23-3	N/A	13,000,000
11	DACS23-4	N/A	1,750,000
12	DACS23-5	N/A	749,000
13	DACS23-6	N/A	750,000
14	DACS23-7	N/A	4,000,000
15	DACS23-8	N/A	5,000,000
16	DACS23-9	N/A	750,000
17	DACS23-10	N/A	6,200,000
18	DACS23-11	N/A	3,000,000
19	DACS23-12	N/A	4,000,000
20	DACS23-13	N/A	5,000,000
21	DACS23-14	N/A	12,000,000
22	DEQ21-1	55,000,000	68,300,000
23	DHHS23-1	N/A	1,352,000
24	DHHS23-2	N/A	5,983,000
25	DHHS23-3	N/A	5,405,000
26	DHHS23-4	N/A	20,000,000
27	DNCR21-5	15,000,000	45,000,000
28	DNCR21-13	60,000,000	180,000,000
29	DNCR23-1	N/A	60,000,000
30	DNCR23-2	N/A	15,000,000
31	DNCR23-4	N/A	620,000
32	DNCR23-5	N/A	10,000,000
33	DNCR23-6	N/A	5,500,000
34	DNCR23-7	N/A	16,721,240
35	DNCR23-8	N/A	4,000,000
36	DNCR23-12	N/A	3,000,000
37	DNCR23-13	N/A	2,500,000
38	DNCR23-14	N/A	2,000,000
39	DNCR23-15	N/A	5,000,000
40	DNCR23-16	N/A	2,800,000
41	DOA22-1	88,000,000	88,000,000
42	DOA22-3	15,000,000	60,000,000
43	DOA23-1	N/A	33,744,000
44	DOA23-2	N/A	4,500,000
45	DOA23-3	N/A	11,000,000
46	DOA23-4	N/A	15,000,000
47	DOA23-5	N/A	45,000,000
48	DOA23-6	N/A	5,000,000
49	<b>DOA24-7</b>	<b>N/A</b>	<b>102,172,000</b>
50	COMM23-1	N/A	250,000

1	DAC23-1	N/A	23,992,000
2	DAC23-2	N/A	2,960,212
3	DAC23-3	N/A	1,521,000
4	DAC23-4	N/A	1,078,000
5	DAC23-6	N/A	3,488,000
6	DPS21-1	10,702,952	14,702,952
7	DPS21-6	7,139,374	10,634,998
8	DPS23-1	N/A	40,450,000
9	DPS23-3	N/A	35,000,000
10	DPS23-4	N/A	194,000,000
11	DPS23-5	N/A	886,000
12	DPS23-6	N/A	690,000
13	DPS23-7	N/A	43,336,785
14	DPS23-8	N/A	527,000
15	DPS23-9	N/A	5,048,828
16	DPS23-10	N/A	4,198,414
17	DPS23-11	N/A	13,883,000
18	NG23-2	N/A	12,500,000
19	NG23-3	N/A	16,428,582
20	NG23-4	N/A	8,500,000
21	NG23-5	N/A	8,000,000
22	NG23-6	N/A	550,000
23	NG23-9	N/A	3,666,667
24	DPI21-1	23,416,952	30,416,952
25	DOI21-1	3,500,000	58,500,000
26	TRAN23-1	N/A	350,000,000
27	TRAN23-2	N/A	3,400,000
28	<u>TRAN24-3</u>	<u>N/A</u>	<u>40,000,000</u>
29	NCGA21-3	269,000,000	320,000,000
30	NCGA23-1	N/A	65,000,000
31	NCGA23-2	N/A	10,000,000
32	UNC/ASU21-1	25,000,000	40,000,000
33	UNC/ASU22-1	9,000,000	50,000,000
34	UNC/ASU23-1	N/A	18,000,000
35	UNC/CLT23-1	N/A	36,000,000
36	UNC/CLT23-2	N/A	45,000,000
37	UNC/CLT23-3	N/A	1,500,000
38	UNC/CLE23-4	N/A	25,000,000
39	UNC/CH20-1	75,000,000	89,250,000
40	UNC/CH20-2	65,200,000	87,900,000
41	UNC/CH23-1	N/A	25,000,000
42	UNC/ECS21-4	34,000,000	54,000,000
43	UNC/ECS23-1	N/A	20,000,000
44	UNC/ECS23-2	N/A	12,500,000
45	UNC/ECU21-1	215,000,000	265,000,000
46	UNC/ECU23-1	N/A	46,000,000
47	UNC/ECU23-2	N/A	18,900,000
48	UNC/ECU23-3	N/A	35,000,000
49	UNC/ECU23-4	N/A	50,000,000
50	UNC/ECU23-5	N/A	1,000,000

1	UNC/FSU23-1	N/A	20,750,000
2	UNC/FSU23-2	N/A	10,000,000
3	UNC/A&T23-1	N/A	9,700,000
4	UNC/A&T23-2	N/A	125,500,000
5	UNC/NCC23-1	N/A	12,073,798
6	UNC/NCC23-2	N/A	12,999,424
7	UNC/NCC23-3	N/A	8,500,000
8	UNC/NCS23-1	N/A	30,000,000
9	UNC/NCS23-2	N/A	80,000,000
10	UNC/NCS23-3	N/A	63,000,000
11	UNC/NCS23-4	N/A	120,000,000
12	UNC/NCS23-5	N/A	200,000,000
13	UNC/NCS23-6	N/A	3,000,000
14	UNC/NCS23-7	N/A	4,500,000
15	UNC/SSM23-1	N/A	12,000,000
16	UNC/SSM23-2	N/A	28,988,042
17	UNC/SSM23-4	N/A	10,000,000
18	UNC/AVL23-1	N/A	26,150,000
19	UNC/AVL23-2	N/A	5,000,000
20	UNC/AVL23-3	N/A	1,000,000
21	UNC/AVL23-4	N/A	4,000,000
22	UNC/GBO23-1	N/A	24,200,000
23	UNC/PEM23-1	N/A	61,000,000
24	UNC/SA23-1	N/A	51,000,000
25	UNC/SA23-2	N/A	24,500,000
26	UNC/WIL23-1	N/A	40,050,000
27	UNC/WIL23-2	N/A	21,600,000
28	UNC/WIL23-3	N/A	12,150,000
29	UNC/WIL23-4	N/A	8,000,000
30	UNC/WCU23-1	N/A	95,300,000
31	UNC/WSS23-1	N/A	10,800,000
32	UNC/WSS23-2	N/A	16,000,000
33	UNC/WSS23-3	N/A	4,000,000
34	UNC/BOG21-1	15,000,000	18,750,000
35	UNC/BOG23-1	N/A	210,000,000
36	UNC/BOG23-2	N/A	150,000,000
37	UNC/BOG23-3	N/A	319,746,392
38	UNC/PBS23-1	N/A	49,500,000
39	FLEX21	100,000,000	175,000,000
40	WRC/23-1	N/A	20,000,000
41	..."		
42			

**SIX-YEAR INTENDED PROJECT ALLOCATION SCHEDULE**

**SECTION 40.4** Section 40.2 of S.L. 2023-134 reads as rewritten:

**"SECTION 40.2.** It is the intent of the General Assembly to fund capital improvement projects on a cash flow basis and to plan for future project funding based upon projected availability in the State Capital and Infrastructure Fund. Nothing in this section shall be construed (i) to appropriate funds or (ii) as an obligation by the General Assembly to appropriate funds for the projects listed in future years. The following schedule lists capital improvement projects that

1 will begin or be completed in fiscal years outside of the 2023-2025 fiscal biennium and estimated  
 2 amounts (in thousands) needed for completion of those projects:

3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18
19	20	21	22	23	24	25	26
27	28	29	30	31	32	33	34
35	36	37	38	39	40	41	42
43	44	45	46	47	48	49	50
Project Code	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	
UNC/R&R21	280,503	250,000	200,000	200,000	200,000	200,000	200,000
R&R21	200,000	200,000	200,000	200,000	200,000	200,000	200,000
DACS21-2	N/A	2,000	1,500	N/A	N/A	N/A	N/A
DACS21-4	750	1,850	1,500	N/A	N/A	N/A	N/A
DACS23-3	N/A	3,000	2,000	4,000	4,000	N/A	N/A
DACS23-7	N/A	N/A	4,000	N/A	N/A	N/A	N/A
DACS23-8	N/A	N/A	2,000	1,000	1,000	1,000	1,000
DACS23-9	N/A	N/A	750	N/A	N/A	N/A	N/A
DACS23-10	N/A	N/A	2,000	2,000	2,200	N/A	N/A
DACS23-11	N/A	N/A	N/A	1,500	1,500	N/A	N/A
DACS23-12	N/A	N/A	N/A	4,000	N/A	N/A	N/A
DACS23-13	N/A	N/A	N/A	5,000	N/A	N/A	N/A
DEQ21-1	3,325	28,650	17,075	N/A	N/A	N/A	N/A
DNCR21-13	15,000	24,250	86,800	30,950	N/A	N/A	N/A
DNCR23-1	3,000	3,000	30,000	24,000	N/A	N/A	N/A
DNCR23-7	2,000	7,721.24	7,000	N/A	N/A	N/A	N/A
DOA22-1	N/A	N/A	8,800	22,000	35,200	22,000	22,000
DOA22-3	N/A	N/A	N/A	N/A	21,000	N/A	N/A
DOA23-1	500	N/A	N/A	N/A	1,000	20,244	20,244
DOA23-2	2,900	800	800	N/A	N/A	N/A	N/A
DOA23-3	N/A	N/A	N/A	N/A	N/A	11,000	11,000
DOA23-4	N/A	N/A	15,000	N/A	N/A	N/A	N/A
DOA23-5	2,000	3,000	40,000	N/A	N/A	N/A	N/A
<b>DOA24-7</b>	<b>N/A</b>	<b>12,000,000</b>	<b>45,086,000</b>	<b>45,086,000</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
DOI21-1	5,500	13,750	22,000	13,750	N/A	N/A	N/A
DAC23-1	4,776.39	9,607.8	9,607.8	N/A	N/A	N/A	N/A
DAC23-6	N/A	449	2,439	600	N/A	N/A	N/A
DPS21-6	N/A	836.88	2,658.75	N/A	N/A	N/A	N/A
DPS21-9	3,268.05	30,000	19,793.24	N/A	N/A	N/A	N/A
DPS23-1	N/A	600	10,000	29,850	N/A	N/A	N/A
DPS23-3	N/A	4,400	8,500	13,600	8,500	N/A	N/A
DPS23-4	N/A	N/A	N/A	N/A	N/A	19,000	19,000
DPS23-7	2,000	4,333.68	10,834.2	17,334.71	8,834.2	N/A	N/A
DPS23-9	1,000	2,024.4	2,024.4	N/A	N/A	N/A	N/A
DPS23-11	2,028.5	5,927.25	5,927.25	N/A	N/A	N/A	N/A
NG23-1	4,000	6,000	6,000	N/A	N/A	N/A	N/A
NG23-2	1,500	6,000	5,000	N/A	N/A	N/A	N/A
NG23-4	N/A	2,000	6,500	N/A	N/A	N/A	N/A
NG23-5	N/A	N/A	800	4,000	3,200	N/A	N/A
NG23-9	N/A	666.7	3,000	N/A	N/A	N/A	N/A
TRAN23-1	50,000	125,000	125,000	50,000	N/A	N/A	N/A
<b>TRAN24-3</b>	<b>N/A</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
NCGA21-3	N/A	N/A	65,250	74,750	N/A	N/A	N/A
NCGA23-1	6,500	16,250	26,000	16,250	N/A	N/A	N/A
WRC23-1	8,000	6,000	6,000	N/A	N/A	N/A	N/A

1	UNC/ASU21-1	N/A	7,500	7,500	N/A	N/A	N/A
2	UNC/ASU22-1	N/A	4,100	12,300	14,350	10,250	N/A
3	UNC/ASU23-1	N/A	1,800	6,300	9,900	N/A	N/A
4	UNC/CLT23-1	N/A	3,600	N/A	12,600	19,800	N/A
5	UNC/CLT23-2	N/A	N/A	N/A	N/A	4,500	N/A
6	UNC/CH20-2	N/A	15,756.95	17,693.05	N/A	N/A	N/A
7	UNC/CH23-1	N/A	N/A	N/A	N/A	2,500	10,000
8	UNC/ECS21-4	N/A	30,827.27	9,172.73	N/A	N/A	N/A
9	UNC/ECS23-1	N/A	2,000	8,000	10,000	N/A	N/A
10	UNC/ECS23-2	N/A	N/A	N/A	N/A	1,250	N/A
11	UNC/ECU21-1	N/A	20,000	84,007.3	85,742.72	N/A	N/A
12	UNC/ECU23-1	N/A	4,600	13,800	16,100	11,500	N/A
13	UNC/ECU23-2	N/A	N/A	N/A	N/A	1,890	N/A
14	UNC/ECU23-3	8,750	17,500	8,750	N/A	N/A	N/A
15	UNC/FSU21-2	N/A	36,376.1	6,573.9	N/A	N/A	N/A
16	UNC/FSU23-1	N/A	N/A	N/A	N/A	2,075	N/A
17	UNC/FSU23-2	1,000	3,500	5,500	N/A	N/A	N/A
18	UNC/A&T23-1	970	3,395	5,335	N/A	N/A	N/A
19	UNC/A&T23-2	N/A	N/A	N/A	N/A	2,000	18,825
20	UNC/NCC23-1	1,207.4	N/A	4,829.5	6,036.9	N/A	N/A
21	UNC/NCC23-2	N/A	1,299.94	N/A	4,549.8	7,149.68	N/A
22	UNC/NCC23-3	N/A	850	N/A	2,975	4,675	N/A
23	UNC/NCS20-1	N/A	6,025.2	22,224.8	N/A	N/A	N/A
24	UNC/NCS23-1	N/A	3,000	27,000	N/A	N/A	N/A
25	UNC/NCS23-2	N/A	8,000	24,000	28,000	20,000	N/A
26	UNC/NCS23-3	N/A	6,300	18,900	22,050	15,750	N/A
27	UNC/NCS23-4	N/A	N/A	35,000	35,000	N/A	N/A
28	UNC/NCS23-5	N/A	N/A	N/A	20,000	60,000	60,000
29	UNC/SSM23-2	N/A	12,750	3,500	N/A	12,738.42	N/A
30	UNC/SSM23-4	N/A	N/A	N/A	N/A	1,000	N/A
31	UNC/AVL23-1	2,615	6,537.5	11,767.5	5,230	N/A	N/A
32	UNC/GBO23-1	N/A	2,420	N/A	8,470	13,310	N/A
33	UNC/PEM21-1	N/A	N/A	N/A	N/A	36,400	22,750
34	UNC/PEM23-1	N/A	6,100	24,400	30,500	N/A	N/A
35	UNC/SA23-1	5,100	12,750	22,950	10,200	N/A	N/A
36	UNC/SA23-2	N/A	N/A	N/A	N/A	2,450	8,575
37	UNC/WIL23-1	N/A	4,005	10,012.5	16,020	10,012.5	N/A
38	UNC/WIL23-2	N/A	2,160	5,400	8,640	5,400	N/A
39	UNC/WIL23-3	N/A	1,215	4,860	6,075	N/A	N/A
40	UNC/WCU23-1	N/A	2,000	N/A	9,530	33,355	50,415
41	UNC/WSS21-1	N/A	N/A	N/A	N/A	22,800	14,250
42	UNC/WSS23-1	N/A	800	1,080	N/A	3,780	5,140
43	UNC/WSS23-2	N/A	800	1,600	N/A	5,600	8,000
44	UNC/BOG21-1	3,750	3,750	3,750	3,750	N/A	N/A
45	UNC/BOG23-1	25,000	80,000	105,000	N/A	N/A	N/A
46	UNC/BOG23-3	143,864.4	72,382	103,500	N/A	N/A	N/A
47	UNC/PBS23-1	N/A	4,950	N/A	17,325	27,225	N/A
48	"						
49							

50 **NON-GENERAL FUND/NON-SCIF CAPITAL PROJECT AUTHORIZATIONS**

1                   **SECTION 40.5** Section 40.4.(a) of S.L. 2023-134 reads as rewritten:

2           **"SECTION 40.4.(a)** The General Assembly authorizes the following capital projects to be  
 3 funded with receipts or from other non-General Fund and non-State Capital and Infrastructure  
 4 Fund sources available to the appropriate department:

		<b>Amount of Non-General Fund/Non-SCIF</b>	
<b>Name of Project</b>		<b>Funding Authorized</b>	
		<b>FY 2023-2024</b>	<b>FY 2024-2025</b>
9 Department of Natural and Cultural Resources			
10	Electric Vehicle Fast Chargers	\$2,000,000	\$0
11	Brunswick Town State Historic Site–		
12	Historical Restorations	150,000	0
13	<u>Mary Ann Britain Education Center</u>	<u>0</u>	<u>2,200,000</u>
14	<u>Fort Fisher Aquarium Energy Efficiency System</u>	<u>0</u>	<u>2,000,000</u>
15	<u>Jennette’s Pier Weather Station Upgrades</u>	<u>0</u>	<u>100,000</u>
16			
17 Department of Agriculture and Consumer Services			
18	Arena and Barn Replacement	1,900,000	0
19	ASC Lab Renovation	400,000	0
20	Grain Storage and Drying Improvements	370,000	0
21	Equipment Shelters Replacement	0	300,000
22	NCFS Facility and Infrastructure Improvements	1,000,000	0
23	PTFM Facility and Infrastructure Improvements	1,000,000	0
24	Raleigh FM Facility and Infrastructure Improvements	1,000,000	0
25	RS Infrastructure Repairs and Renovations	1,250,000	0
26	State Fair Gate 8 Restroom Renovation	1,500,000	0
27	State Fair Infrastructure Improvements	20,000,000	0
28	State Fair Lunch Facility Renovation	25,500,000	0
29	Vet Infrastructure Repairs and Renovations	250,000	0
30	WNCAGCTR Facility and Infrastructure Improvements	1,250,000	0
31	<u>State Fair Flower Show Building</u>	<u>0</u>	<u>2,250,000</u>
32	<u>Piedmont Aviary</u>	<u>0</u>	<u>2,000,000</u>
33	<u>Raleigh State Farmers Market Improvements</u>	<u>0</u>	<u>5,000,000</u>
34 Department of Public Safety			
35	Alcoholic Beverage Control–		
36	Warehouse Precast Repair	275,000	0
37	ABC New Campus–Advanced Planning	4,700,000	0
38 Department of Adult Correction			
39	Old Craggy Laundry Wastewater/Stormwater Repl.	742,000	0
40 Wildlife Resources Commission			
41	Land Acquisition	5,000,000	5,000,000
42	Game Land Improvements	2,000,000	0
43	Caswell Depot Expansion	2,460,000	0
44	Mills River Equipment Storage	355,000	0
45	Morganton Depot Equipment Storage	340,000	0
46	Rhems Depot Equipment Storage	415,000	0
47	Troy Depot Office/Shop & Storage	1,900,000	0
48	Shooting Range Office & Classroom Constr.	3,100,000	0
49	Mount Holly Depot	0	2,400,000
50	Marion Aquaculture Building	0	600,000

1	<u>Sykes Depot Greenhouse</u>	0	60,000
2	<u>D7 Storage Building</u>	0	400,000
3	<u>Caswell Shooting Range Expansion</u>	0	3,850,000
4	<u>Coastal Restoration &amp; Resiliency</u>	0	500,000
5	<u>Washington Baum Bridge Public Fishing Access</u>	0	875,000
6	<u>Department of Military &amp; Veterans Affairs</u>		
7	<u>Sandhills State Veterans Cemetery</u>	0	2,307,236
8	<u>Eastern Carolina State Veterans Cemetery</u>	0	507,150
9	<u>Coastal Carolina State Veterans Cemetery</u>	0	771,750
10	<u>Salisbury State Veterans Home</u>	0	11,438,910

11  
12 **TOTAL AMOUNT OF NON-GENERAL**  
13 **FUND/NON-SCIF CAPITAL PROJECTS**  
14 **AUTHORIZED**

\$78,857,000

~~\$8,300,000~~ \$42,560,046

15  
16 ... "

17  
18 **PUBLIC SCHOOL BOND ACT 2024**

19 **SECTION 40.6. a)** Short Title. – This section may be cited as the "Public School  
20 Bond Act of 2024."

21 **SECTION 40.6.(b)** Purpose. – It is the intent of the General Assembly by this act to  
22 provide, subject to a vote of the qualified voters of the State, for the issuance of two billion five  
23 hundred million (\$2,500,000,000) providing funds, with any other available funds, to invest in  
24 the State's public school facilities, without limitation, for construction, repair, renovation, and  
25 furnishing of new facilities in order to ensure that the people of North Carolina have access to  
26 high quality educational facilities.

27 **SECTION 40.6. (c)** Findings – The General Assembly also finds:

- 28 (1) There is a documented need of \$13 billion for the construction and renovation  
29 of Public School Facilities.
- 30 (2) The State has prudently managed its finances.
- 31 (3) The State has achieved the highest credit rating available by independent  
32 credit rating agencies.
- 33 (4) The debt proposed by this Act is affordable and preferable to address the needs  
34 of the people of the State.
- 35 (5) According to the Debt Affordability Advisory Committee, the State's General  
36 Fund has additional debt capacity of approximately \$8,500,000,000 in Fiscal  
37 Year 2024-25.
- 38 (6) With issuance of this bond, debt service would remain level at \$466,138,169  
39 in Fiscal Year 2024-25 and decline in subsequent years.

40 **SECTION 40.6 (d)** Definitions. – The following definitions apply in this section  
41 unless the context otherwise requires:

- 42 (1) Bonds. – Bonds issued under this section.
- 43 (2) Cost. – The term includes all of the following:  
44 a. The cost of constructing, reconstructing, renovating, repairing, enlarging,  
45 acquiring, and improving State capital facilities, including the  
46 acquisition of land, rights of way, easements, franchises, equipment,  
47 machinery, furnishings, and other interests in real or personal property  
48 acquired or used in connection with a State capital facility.  
49 b. The cost of engineering, architectural, and other consulting services as may  
50 be required.

- 1 c. Administrative expenses and charges.
- 2 d. The cost of providing personnel to ensure effective project management.
- 3 e. The cost of bond insurance, investment contracts, credit enhancement and
- 4 liquidity facilities, interest rate swap agreements or other derivative
- 5 products, financial and legal consultants, and related costs of bond and
- 6 note issuance, to the extent and as determined by the State Treasurer.
- 7 f. Finance charges, reserves for debt service, and other types of reserves
- 8 required pursuant to the terms of any bond or note or related
- 9 documents, interest before and during construction or acquisition of a
- 10 State capital facility and, if considered advisable by the State
- 11 Treasurer, for a period not exceeding two years after the estimated date
- 12 of completion of construction or acquisition.
- 13 g. The cost of bond insurance, investment contracts, credit enhancement
- 14 facilities and liquidity facilities, interest rate swap agreements or other
- 15 derivative products, financial and legal consultants, and related costs
- 16 of the incurrence or issuance of any bond or note.
- 17 h. The cost of reimbursing the State for any payments made for any cost
- 18 described in this subdivision.
- 19 i. Any other costs and expenses necessary or incidental to the purposes of this
- 20 section.
- 21 (3) Credit facility. – An agreement entered into by the State Treasurer on behalf
- 22 of the State with a bank, savings and loan association, or other banking
- 23 institution, an insurance company, reinsurance company, surety company or
- 24 other insurance institution, a corporation, investment banking firm, or other
- 25 investment institution, or any financial institution or other similar provider of
- 26 a credit facility, which provider may be located within or without the United
- 27 States, such agreement providing for prompt payment of all or any part of the
- 28 principal or purchase price (whether at maturity, presentment or tender for
- 29 purchase, redemption, or acceleration), redemption premium, if any, and
- 30 interest on any bonds or notes payable on demand or tender by the owner, in
- 31 consideration of the State agreeing to repay the provider of the credit facility
- 32 in accordance with the terms and provisions of such agreement.
- 33 (4) Notes. – Notes issued under this section.
- 34 (5) Par formula. – A provision or formula adopted by the State to provide for the
- 35 adjustment, from time to time, of the interest rate or rates borne by any bonds
- 36 or notes, including the following:
- 37 a. A provision providing for such adjustment so that the purchase price of such
- 38 bonds or notes in the open market would be as close to par as possible.
- 39 b. A provision providing for such adjustment based upon a percentage or
- 40 percentages of a prime rate or base rate, which percentage or
- 41 percentages may vary or be applied for different periods of time.
- 42 c. Such other provision as the State Treasurer may determine to be consistent
- 43 with this act and will not materially and adversely affect the financial
- 44 position of the State and the marketing of bonds or notes at a
- 45 reasonable interest cost to the State.
- 46 (6) State. – The State of North Carolina, including any State agency.
- 47 (7) State agency. – Any agency, institution, board, commission, bureau, council,
- 48 department, division, officer, or employee of the State. The term does not
- 49 include counties, municipal corporations, political subdivisions, local boards
- 50 of education, or other local public bodies.



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denominator is the total average daily membership for the state for FY 2023.

3. Any county receiving bond proceeds allocated shall provide local matching funds from county funds, other non-State funds, or a combination of these sources for such proceeds, unless they are a county designated as a development tier one area. The amount of matching funds shall be (i) one dollar (\$1.00) of local matching funds for every two dollars (\$2.00) of such proceeds for a local school administrative unit located in a county that is a development tier two area, as defined in G.S. 143B437.08, and (iii) one dollar (\$1.00) of local matching funds for every one dollar (\$1.00) of such proceeds for a local school administrative unit located in a county that is a development tier three area, as defined in G.S. 143B437.08. The match requirement may be satisfied by non-State expenditures for public school facilities made on or after January 1, 2021. If a debt has been incurred since January 1, 2021, for the general purpose of public school facilities, then the face amount of the debt shall be considered as a non-State expenditure for public school facilities for the purpose of the match. No other expenditures made or debts incurred before January 1, 2021, may be used to satisfy the match requirement. As counties satisfy the match requirements of this subsection, they shall document the extent to which they have done so in periodic reports to the State Board of Education. These reports shall include any information and documentation required by the State Board of Education. The State Board of Education shall certify to the State Treasurer from time to time the extent to which the match requirements of this subsection have been met with respect to each county. Bond proceeds shall be distributed for expenditure only as, and to the extent, the matching requirement of this section are satisfied, as certified by the State Board of Education. The State Board of Education shall also require counties to report annually on the impact of funds provided under this act on the property tax rate for that year. These reports shall be public documents and shall be furnished to any citizen upon request. If the State Board of Education determines that a county has not met the matching requirement set forth in this subdivision by January 1, 2031, the State Board of Education shall certify that fact to the State Treasurer by March 1, 2031. The State Board of Education shall reallocate unmatched funds in the following manner:

- (i) Proceeds allocated under subdivision (1) shall be reallocated to local administrative units receiving funds under subdivision (1) for which the State Board of Education has certified matching funds.
- (ii) Proceeds allocated under subdivision (2) shall be reallocated to local administrative units receiving funds under subdivision (2) for which the State Board of Education has certified matching funds.

- 1                   4.     A local school administrative unit that receives proceeds under  
2                   this section shall ensure that such proceeds are used:  
3                   (i)     For acquisition of real property and construction,  
4                   acquisition, reconstruction, enlargement, renovation,  
5                   or replacement of buildings and other structures, and  
6                   (ii)    To supplement local funds for public school capital  
7                   outlay projects and shall not decrease local funds for  
8                   those projects from one fiscal year to the next fiscal  
9                   year, as measured by the most recent five year annual  
10                  average capital outlay expenditure.

11                  **SECTION 40.6. g) Allocation and Tracking of Proceeds. –**

- 12                  (1)     Public improvement bonds. – The proceeds of public improvement bonds and  
13                  notes, including premium thereon, if any, except the proceeds of bonds the  
14                  issuance of which has been anticipated by bond anticipation notes or the  
15                  proceeds of refunding bonds or notes, shall be placed by the State Treasurer  
16                  in a special fund to be designated "Public Improvement Bonds Fund," which  
17                  may include such appropriate special accounts therein as may be determined  
18                  by the State Treasurer and shall be disbursed as provided in this section.  
19                  Monies in the Public Improvement Bonds Fund shall be allocated and  
20                  expended as provided in this section.

21                  Any additional monies that may be received by means of a grant or grants from the  
22                  United States of America or any agency or department thereof or from any  
23                  other source for deposit to the Public Improvement Bonds Fund may be placed  
24                  in the Public Improvement Bonds Fund or in a separate account or fund and  
25                  shall be disbursed, to the extent permitted by the terms of the grant or grants,  
26                  without regard to any limitations imposed by this section.

27                  Monies in the Public Improvement Bonds Fund or any separate account established  
28                  under this section may be invested from time to time by the State Treasurer in  
29                  the same manner permitted for investment of monies belonging to the State or  
30                  held in the State treasury, except with respect to grant money to the extent  
31                  otherwise directed by the terms of the grant. Investment earnings, except  
32                  investment earnings with respect to grant monies to the extent otherwise  
33                  directed or restricted by the terms of the grant, may be (i) credited to the Public  
34                  Improvement Bonds Fund, (ii) used to pay debt service on the bonds  
35                  authorized by this section, (iii) used to satisfy compliance with applicable  
36                  requirements of the federal tax law, or (iv) transferred to the General Fund of  
37                  the State.

38                  The proceeds of public improvement bonds and notes, including premium thereon, if  
39                  any, may be used with any other monies made available by the General  
40                  Assembly for funding the projects authorized by this section, including the  
41                  proceeds of any other State bond issues, whether heretofore made available or  
42                  that may be made available at the session of the General Assembly at which  
43                  this section is ratified or any subsequent sessions. The proceeds of public  
44                  improvement bonds and notes, including premium thereon, if any, shall be  
45                  expended and disbursed under the direction and supervision of the Director of  
46                  the Budget. The funds provided by this section shall be disbursed for the  
47                  purposes provided in this section upon warrants drawn on the State Treasurer  
48                  by the State Controller, which warrants shall not be drawn until requisition  
49                  has been approved by the Director of the Budget and which requisition shall

1 be approved only after full compliance with the State Budget Act, Chapter  
2 143C of the General Statutes.

3 (2) Tracking of bond proceeds. – The State Treasurer or the State Treasurer's  
4 designee is hereby authorized and directed to set up a comprehensive system  
5 of tracking the proceeds of the public improvement bonds and notes, including  
6 premium thereon, if any, to the extent necessary to enable the State Treasurer  
7 or the State Treasurer's designee to properly account for the use of such  
8 proceeds for compliance with applicable requirements of the federal tax law  
9 or otherwise. All recipients of such proceeds shall comply with any tracking  
10 system implemented by the State Treasurer or the State Treasurer's designee  
11 for this purpose. The State Treasurer may withhold such proceeds from any  
12 State agency or department not complying with this subdivision.

13 (3) Costs. – Allocations to the costs of a capital improvement or undertaking in  
14 each case may include allocations to pay the costs set forth in subdivisions c.  
15 through g. of subdivision (2) of subsection (d) of this section in connection  
16 with the issuance of bonds for that capital improvement or undertaking.

17 **SECTION 40.6. (h) Election.** – The question of the issuance of the bonds authorized  
18 by this section shall be submitted to the qualified voters of the State at a Statewide election to be  
19 held November 5, 2024. Any other primary, election, or referendum validly called or scheduled  
20 by law at the time the election on the bond question provided for in this subsection is held may  
21 be held as called or scheduled. Notice of the election shall be given in the manner and at the times  
22 required by G.S. 16333(8). The election and the registration of voters therefore shall be held  
23 under and in accordance with the general laws of the State.

24 Ballots, voting systems authorized by Article 14A of Chapter 163 of the General  
25 Statutes, or both may be used in accordance with rules prescribed by the State Board of Elections.  
26 The bond question to be used in the ballots or voting systems shall be in substantially the  
27 following form:

28 "[ ] FOR [ ] AGAINST

29 Authorize the issuance of two billion five hundred million dollars (\$2,500,000,000)  
30 in public school bonds, plus interest, to pay the cost of constructing and renovating public school  
31 buildings, secured by a pledge of the faith and credit and taxing power of the State." If a majority  
32 of those voting on the bond question in the election vote in favor of the issuance of the bonds  
33 described in the question, those bonds may be issued as provided in this section. If a majority of  
34 those voting on a bond question in the election do not vote in favor of the issuance of the bonds  
35 described in the question, those bonds shall not be issued. The results of the election shall be  
36 canvassed and declared as provided by law for elections for State officers; the results of the  
37 election shall be certified by the State Board of Elections to the Secretary of State in the manner  
38 and at the time provided by the general election laws of the State.

39 **SECTION 40.6. (i) Issuance of Bonds and Notes.** –

40 (1) Terms and conditions. – Bonds or notes may bear a date or dates, may be serial  
41 or term bonds or notes, or any combination thereof, may mature in such  
42 amounts and at such time or times, not exceeding 40 years from their date or  
43 dates, may be payable at such place or places, either within or without the  
44 United States of America, in such coin or currency of the United States of  
45 America as at the time of payment is legal tender for payment of public and  
46 private debts, may bear interest at such rate or rates, which may vary from  
47 time to time, and may be made redeemable before maturity, at the option of  
48 the State or otherwise as may be provided by the State, at such price or prices,  
49 including a price less than or greater than the face amount of the bonds or

1 notes, and under such terms and conditions, all as may be determined by the  
2 State Treasurer, by and with the consent of the Council of State.

3 (2) Signatures; form and denomination; registration. – Bonds or notes may be  
4 issued in certificated or uncertificated form. If issued in certificated form,  
5 bonds or notes shall be signed on behalf of the State by the Governor or shall  
6 bear the Governor's facsimile signature, shall be signed by the State Treasurer  
7 or shall bear the State Treasurer's facsimile signature, and shall bear the Great  
8 Seal of the State, or a facsimile of the Seal shall be impressed or imprinted  
9 thereon. If bonds or notes bear the facsimile signatures of the Governor and  
10 the State Treasurer, the bonds or notes shall also bear a manual signature  
11 which may be that of a bond registrar, trustee, paying agent, or designated  
12 assistant of the State Treasurer. Should any officer whose signature or  
13 facsimile signature appears on bonds or notes cease to be such officer before  
14 the delivery of the bonds or notes, the signature or facsimile signature shall  
15 nevertheless have the same validity for all purposes as if the officer had  
16 remained in office until delivery. Bonds or notes may bear the facsimile  
17 signatures of persons, who at the actual time of the execution of the bonds or  
18 notes shall be the proper officers to sign any bond or note, although at the date  
19 of the bond or note such persons may not have been such officers. The form  
20 and denomination of bonds or notes, including the provisions with respect to  
21 registration of the bonds or notes and any system for their registration, shall  
22 be as the State Treasurer may determine in conformity with this section.

23 (3) Manner of sale; expenses. – Subject to the approval by the Council of State as  
24 to the manner in which bonds or notes shall be offered for sale, whether at  
25 public or private sale, whether within or without the United States, and  
26 whether by publishing notices in certain newspapers and financial journals,  
27 mailing notices, inviting bids by correspondence, negotiating contracts of  
28 purchase, or otherwise, the State Treasurer is authorized to sell bonds or notes  
29 at one time or from time to time at any rates of interest, which may vary from  
30 time to time, and at any prices, including a price less than or greater than the  
31 face amount of the bonds or notes, as the State Treasurer may determine. All  
32 expenses incurred in the preparation, sale, and issuance of bonds or notes shall  
33 be paid by the State Treasurer from the proceeds of bonds or notes or other  
34 available moneys.

35 (4) Notes; repayment. –

36 a. By and with the consent of the Council of State, the State Treasurer is hereby  
37 authorized to borrow money and to execute and issue notes of the State  
38 for the same, but only in the following circumstances and under the  
39 following conditions:

- 40 1. For anticipating the sale of bonds, the issuance of which the  
41 Council of State has approved, if the State Treasurer considers  
42 it advisable to postpone the issuance of the bonds;
- 43 2. For the payment of interest on or any installment of principal  
44 of any bonds then outstanding, if there are not sufficient funds  
45 in the State treasury with which to pay the interest or  
46 installment of principal as they respectively become due;
- 47 3. For the renewal of any loan evidenced by notes authorized in  
48 this section;
- 49 4. For the purposes authorized in this section; and
- 50 5. For refunding bonds or notes as authorized in this section.

1 b. Funds derived from the sale of bonds or notes may be used in the payment  
2 of any bond anticipation notes issued under this section. Funds  
3 provided by the General Assembly for the payment of interest on or  
4 principal of bonds shall be used in paying the interest on or principal  
5 of any notes and any renewals thereof, the proceeds of which shall  
6 have been used in paying interest on or principal of the bonds.

7 (5) Refunding bonds and notes. – By and with the consent of the Council of State,  
8 the State Treasurer is authorized to issue and sell refunding bonds and notes  
9 pursuant to the provisions of the State Refunding Bond Act for the purpose of  
10 refunding bonds or notes issued pursuant to this section. The refunding bonds  
11 and notes may be combined with any other issues of State bonds and notes  
12 similarly secured. Refunding bonds or notes may be issued at any time prior  
13 to the final maturity of the debt obligation to be refunded. The proceeds from  
14 the sale of any refunding bonds or notes shall be applied to the immediate  
15 payment and retirement of the bonds or notes being refunded or, if not required  
16 for the immediate payment of the bonds or notes being refunded, the proceeds  
17 shall be deposited in trust to provide for the payment and retirement of the  
18 bonds or notes being refunded and to pay any expenses incurred in connection  
19 with the refunding. Money in a trust fund may be invested in (i) direct  
20 obligations of the United States government, (ii) obligations the principal of  
21 and interest on which are guaranteed by the United States government, (iii)  
22 obligations of any agency or instrumentality of the United States government  
23 if the timely payment of principal and interest on the obligations is  
24 unconditionally guaranteed by the United States government, or (iv)  
25 certificates of deposit issued by a bank or trust company located in the State  
26 if the certificates are secured by a pledge of any of the obligations described  
27 in (i), (ii), or (iii) above having an aggregate market value, exclusive of  
28 accrued interest, equal at least to the principal amount of the certificates so  
29 secured. This section does not limit the duration of any deposit in trust for the  
30 retirement of bonds or notes being refunded but that have not matured and are  
31 not presently redeemable, or if presently redeemable, have not been called for  
32 redemption.

33 (6) Tax exemption. – Bonds and notes shall at all times be free from taxation by  
34 the State or any political subdivision or any of their agencies, excepting estate,  
35 inheritance, or gift taxes, income taxes on the gain from the transfer of bonds  
36 or notes, and franchise taxes. The interest on bonds or notes is not subject to  
37 taxation as income.

38 (7) Investment eligibility. – Bonds and notes are securities in which all of the  
39 following may invest, including capital in their control or belonging to them:  
40 public officers, agencies, and public bodies of the State and its political  
41 subdivisions, all insurance companies, trust companies, investment  
42 companies, banks, savings banks, savings and loan associations, credit unions,  
43 pension or retirement funds, other financial institutions engaged in business  
44 in the State, executors, administrators, trustees, and other fiduciaries. Bonds  
45 and notes are hereby made securities which may properly and legally be  
46 deposited with and received by any officer or agency of the State or political  
47 subdivision of the State for any purpose for which the deposit of bonds, notes,  
48 or obligations of the State or any political subdivision is now or may hereafter  
49 be authorized by law.

1 (8) Faith and credit. – The faith and credit and taxing power of the State are hereby  
2 pledged for the payment of the principal of and the interest on bonds and notes.  
3 The State expressly reserves the right to amend any provision of this section  
4 to the extent it does not impair any contractual right of a bond owner.

5 (9) Other agreements. – The State Treasurer may authorize, execute, obtain, or  
6 otherwise provide for bond insurance, investment contracts, credit and  
7 liquidity facilities, interstate swap agreements and other derivative products,  
8 and any other related instruments and matters the State Treasurer determines  
9 are desirable in connection with issuance, incurrence, carrying, or securing of  
10 bonds or notes. The State Treasurer is authorized to employ and designate any  
11 financial consultants, underwriters, and bond attorneys to be associated with  
12 any bond or note issue under this section as the State Treasurer considers  
13 necessary.

14 **SECTION 40.6. (j) Variable Rate Demand Bonds and Notes.** – In fixing the details  
15 of bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

16 (1) Be made payable from time to time on demand or tender for purchase by the  
17 owner, if a credit facility supports the bonds or notes, unless the State  
18 Treasurer specifically determines that a credit facility is not required upon a  
19 finding and determination by the State Treasurer that the absence of a credit  
20 facility will not materially and adversely affect the financial position of the  
21 State and the marketing of the bonds or notes at a reasonable interest cost to  
22 the State;

23 (2) Be additionally supported by a credit facility;

24 (3) Be made subject to redemption or a mandatory tender for purchase prior to  
25 maturity;

26 (4) Bear interest at a rate or rates that may vary for any period of time, as may be  
27 provided in the proceedings providing for the issuance of the bonds or notes,  
28 including, without limitation, such variations as may be permitted pursuant to  
29 a par formula; and

30 (5) Be made the subject of a remarketing agreement whereby an attempt is made  
31 to remarket bonds or notes to new purchasers prior to their presentment for  
32 payment to the provider of the credit facility or to the State.

33 If the aggregate principal amount payable by the State under a credit facility is in  
34 excess of the aggregate principal amount of bonds or notes secured by the credit facility, whether  
35 as a result of the inclusion in the credit facility of a provision for the payment of interest for a  
36 limited period of time or the payment of a redemption premium or for any other reason, then the  
37 amount of authorized but unissued bonds or notes during the term of such credit facility shall not  
38 be less than the amount of such excess, unless the payment of such excess is otherwise provided  
39 for by agreement of the State executed by the State Treasurer.

40 **SECTION 40.6. k) Interpretation of Section.** –

41 (1) Additional method. – The foregoing subsections of this section shall be  
42 deemed to provide an additional and alternative method for the doing of the  
43 things authorized under it and shall be regarded as supplemental and  
44 additional to powers conferred by other laws and shall not be regarded as in  
45 derogation of any powers now existing.

46 (2) Statutory references. – References in this section to specific sections or  
47 Chapters of the General Statutes or to specific acts are intended to be  
48 references to such sections, Chapters, or acts as they may be amended from  
49 time to time by the General Assembly.

- 1 (3) Broad construction. – This section, being necessary for the health and welfare  
2 of the people of the State, shall be broadly construed to effect the purposes  
3 thereof.  
4 (4) Inconsistent provisions. – Insofar as the provisions of this section are  
5 inconsistent with the provisions of any general, special, or local laws, or parts  
6 thereof, the provisions of this section shall be controlling.  
7 (5) Severability. – If any provision of this section or the application thereof to any  
8 person or circumstance is held invalid, such invalidity shall not affect other  
9 provisions or applications of the section which can be given effect without the  
10 invalid provision or application, and to this end the provisions of this section  
11 are declared to be severable.

12 **SECTION 40.6. (I)** This section is effective when it becomes law.  
13

## 14 **CAPITAL PROJECT MANAGEMENT FLEXIBILITY**

15 **SECTION 40.7** G.S. 143C-4-3.1 reads as rewritten:

### 16 **"§ 143C-4-3.1. State Capital and Infrastructure Fund.**

17 (e) Use of Funds. – Monies in the Fund shall first be used to meet the debt service obligations  
18 supported by the General Fund. In addition to meeting the debt service obligations supported by  
19 the General Fund, monies in the Fund may be used for the following purposes:

20 (1) New State and The University of North Carolina capital projects governed  
21 pursuant to Article 8 of Chapter 143C of the General Statutes.

22 (2) Repair and renovation of existing capital assets, as provided in G.S. 143C813.

23 (3) Broadband infrastructure projects funded through appropriations to the Growing  
24 Rural Economies with Access to Technology Fund established in G.S. 143B1373(b).

25 (4) Projects and grants identified in the Current Operations Appropriations Act or that  
26 have been authorized and funded by an act of the General Assembly. With the exception of health  
27 facilities licensed under Chapter 131E or Chapter 122C of the General Statutes, grants intended  
28 for affordable housing or other residential purposes are not an allowable use of monies in the  
29 Fund.

30 (5) Up to 5% of the funds allocated for projects authorized under subsection (1) and  
31 (2) of this section may be used by a State agency to provide time-limited support for construction  
32 management personnel."  
33

## 34 **PART XLI. TRANSPORTATION**

### 35 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS**

36 **SECTION 41.1.(a)** Subsections (b) and (c) of Section 4.1 of S.L. 2023-134 are  
37 repealed.  
38

39 **SECTION 41.1.(b)** The General Assembly authorizes and certifies anticipated  
40 revenues for the Highway Fund as follows:

41 For Fiscal Year 2025-2026 \$3,215 million

42 For Fiscal Year 2026-2027 \$3,229 million

43 For Fiscal Year 2027-2028 \$3,293 million

44 For Fiscal Year 2028-2029 \$3,448 million

45 **SECTION 41.1.(c)** The General Assembly authorizes and certifies anticipated  
46 revenues for the Highway Trust Fund as follows:

47 For Fiscal Year 2025-2026 \$2,315 million

48 For Fiscal Year 2026-2027 \$2,359 million

49 For Fiscal Year 2027-2028 \$2,426 million

50 For Fiscal Year 2028-2029 \$2,486 million

1           **SECTION 41.1.(d)** The Department of Transportation, in collaboration with the  
 2 Office of State Budget and Management, shall develop a ten-year revenue forecast. The first  
 3 fiscal year in the ten-year revenue forecast shall be the 2027-2028 fiscal year. The ten-year  
 4 revenue forecast developed under this subsection shall be used (i) to develop the four-year cash  
 5 flow estimates included in the biennial budgets, (ii) to develop the Strategic Transportation  
 6 Improvement Program, and (iii) by the Department of the State Treasurer to compute  
 7 transportation debt capacity.

8  
 9 **FINANCIAL SUPPORT FOR BICYCLE AND PEDESTRIAN IMPROVEMENT**  
 10 **PROJECTS**

11           **SECTION 41.2** G.S. 136-189.11(d)(3)(c) is repealed.

12  
 13 **FY 2021-2022 AND FY 2022-2023 CORRECTION OF BUDGETING OF CASH**  
 14 **TRANSACTIONS**

15           **SECTION 41.3.(a)** Section 3.2 of S.L. 2021-180 reads as rewritten:

16           "**SECTION 3.2.** The Highway Fund availability used in developing the 2021 2023  
 17 fiscal biennial budget is shown below:

<b>Highway Fund Availability</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>
Actual Over Collections	249,824,965	
<del>Partial Accounting of HTF Cash Advance Repayments</del> <u>General Maintenance Reserve (GMR)</u>		
(176,577,495)		
Transfer of Funds to Emergency Reserve (G.S. 136-44.2E(b) and (d))	(61,000,000)	
Estimated Ferry Overdrafts	(7,971,879)	
Ferry Vessels – Salvo and Avon	(4,275,591)	
Beginning Balance	0	0
Motor Fuels Tax	1,672,500,000	1,641,700,000
Licenses and Fees	872,600,000	875,600,000
Highway Short-Term Lease	10,000,000	10,000,000
Investment Income	1,500,000	1,500,000
Adjustments to Availability		
Additional Highway Short-Term Lease	69,800,000	74,600,000
<b>Total Highway Fund Availability</b>	<b>\$2,626,400,000</b>	<b>\$2,603,400,000"</b>

38           **SECTION 41.3.(b)** Section 3.4 of S.L. 2021-180, as amended by Section 1.3 of S.L.  
 39 2021-189, reads as rewritten:

40           "**SECTION 3.4.** The Highway Trust Fund availability used in developing the 2021  
 41 2023 fiscal biennial budget is shown below:

<b>Highway Trust Fund Availability</b>	<b>FY 20212022</b>	<b>FY 20222023</b>
Actual Over Collections	326,587,369	
<del>Partial Accounting of Cash Advance Repayments</del>	<del>176,577,495</del>	
STI Projects	<del>(503,164,864)</del> <u>(326,587,369)</u>	
Beginning Balance	0	
Highway Use Tax	958,300,000	997,900,000
Motor Fuels Tax	418,000,000	546,300,000
Fees	173,700,000	182,100,000

1	Investment Income	2,000,000	2,000,000
2	<b>Total Highway Trust Fund Availability</b>	<b>\$1,552,000,000</b>	<b>\$1,728,300,000"</b>
3	SECTION 41.3.(c) Section 3.2 of S.L. 2022-74 reads as rewritten:		
4	"SECTION 3.2. The Highway Fund availability for the 2022-2023 fiscal year in		
5	Section 3.2 of S.L. 2021-180 is repealed. The Highway Fund availability used in adjusting the		
6	2022-2023 fiscal year budget is shown below:		
7			
8	<b>Highway Fund Availability</b>		<b>FY 2022-2023</b>
9			
10	Projected Over Collections		\$107,700,000
11	<del>Partial Accounting of HTF Cash Advance Repayments</del> <u>General Maintenance Reserve</u>		
12	<u>(GMR)</u>		(107,700,000)
13	Beginning Balance		0
14	Motor Fuels Tax		1,776,100,000
15	Licenses and Fees		872,200,000
16	Sales Tax Transfer – 2%		193,100,000
17	Highway Short-Term Lease		95,300,000
18	Investment income		1,500,000
19	<b>Total Highway Fund Availability</b>		<b>\$2,938,200,000"</b>
20	SECTION 41.3.(d) Section 3.4 of S.L. 2022-74 reads as rewritten:		
21	"SECTION 3.4. The Highway Trust Fund availability for the 2022-2023 fiscal year		
22	set out in Section 3.4 of S.L. 2021-180 is repealed. The Highway Trust Fund availability used in		
23	adjusting the 2022-2023 fiscal year budget is shown below:		
24			
25	<b>Highway Trust Fund Availability</b>		<b>FY 2022-2023</b>
26			
27	Projected Over Collections		\$74,800,000
28	<del>Partial Accounting of Cash Advance Repayments</del>		<del>107,700,000</del>
29	STI Projects	(182,500,000)	(74,800,000)
30	Beginning Balance		0
31	Highway Use Tax		1,086,000,000
32	Motor Fuels Tax		590,100,000
33	Fees		158,000,000
34	Investment Income		1,400,000
35	<b>Total Highway Trust Fund</b>		<b>\$1,835,500,000"</b>
36			
37	<b>PART XLII. FINANCE PROVISIONS</b>		
38			
39	<b>PERSONAL INCOME TAX RATE REDUCTION FAIRNESS</b>		
40	SECTION 42.1.(a) G.S. 105-153.7(a) reads as rewritten:		
41	"§ 105-153.7. Individual income tax imposed.		
42	(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income		
43	of every individual. The tax shall be levied, collected, and paid annually. <del>Except as otherwise</del>		
44	<del>provided in subsection (a1) of this section, t</del> The tax is a percentage of the taxpayer's North		
45	Carolina taxable income computed as follows:		
46	Taxable Years Beginning	Tax	
47	In 2022	4.99%	
48	In 2023	4.75%	
49	In 2024	<del>4.5%</del> 4.5%.	
50	<del>In 2025</del>	<del>4.25%</del>	

~~After 2025 3.99%."~~

**SECTION 42.1.(b)** Subsection (a) of this section is effective for taxable years beginning on or after January 1, 2024, and before January 1, 2025.

**SECTION 42.1.(c)** G.S. 105-153.7.(a1) is repealed.

**SECTION 42.1.(d)** G.S. 105-153.7(a) reads as rewritten:

**"§ 105-153.7. Individual income tax imposed.**

(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income of every individual. The tax shall be levied, collected, and paid annually. The tax ~~is a~~ percentages shall be computed at the following percentages of the taxpayer's North Carolina taxable ~~income computed as follows:~~ income:

<del>Taxable Years Beginning</del>	<del>Tax</del>
<del>In 2022</del>	<del>4.99%</del>
<del>In 2023</del>	<del>4.75%</del>
<del>In 2024</del>	<del>4.5%</del>

<u>Filing Status</u>	<u>Taxable Income</u>	<u>Tax Rate</u>
<u>Married, filing jointly</u>	<u>Up to \$200,000</u>	<u>4.25%</u>
	<u>Over \$200,000</u>	<u>4.5%</u>
<u>Head of Household</u>	<u>Up to \$150,000</u>	<u>4.25%</u>
	<u>Over \$150,000</u>	<u>4.5%</u>
<u>Single</u>	<u>Up to \$100,000</u>	<u>4.25%</u>
	<u>Over \$100,000</u>	<u>4.5%</u>
<u>Married, filing separately</u>	<u>Up to \$100,000</u>	<u>4.25%</u>
	<u>Over \$100,000</u>	<u>4.5%."</u>

**SECTION 42.1.(e)** Subsection (d) of this section is effective for taxable years beginning on or after January 1, 2025, and before January 1, 2026.

**SECTION 42.1.(f)** G.S. 105-153.7(a) reads as rewritten:

**"§ 105-153.7. Individual income tax imposed.**

(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income of every individual. The tax shall be levied, collected, and paid annually. The tax shall be computed at the following percentages of the taxpayer's North Carolina taxable income:

<u>Filing Status</u>	<u>Taxable Income</u>	<u>Tax Rate</u>
Married, filing jointly	Up to \$200,000	<del>4.25%</del> <u>3.99%</u>
	Over \$200,000	4.5%
Head of Household	Up to \$150,000	<del>4.25%</del> <u>3.99%</u>
	Over \$150,000	4.5%
Single	Up to \$100,000	<del>4.25%</del> <u>3.99%</u>
	Over \$100,000	4.5%
Married, filing separately	Up to \$100,000	<del>4.25%</del> <u>3.99%</u>
	Over \$100,000	4.5%."

**SECTION 42.1.(g)** Subsection (f) of this section is effective for taxable years beginning on or after January 1, 2026.

**SECTION 42.1.(h)** G.S. 105-131A(b) reads as rewritten:

“(b) Taxable Income of Taxed S Corporation. – A tax is imposed for the taxable period on the North Carolina taxable income of a taxed S Corporation. The tax shall be levied, collected, and paid annually. The tax is imposed on the North Carolina taxable income at the ~~rate~~ rates

1 levied in ~~G.S. 105-153.7~~G.S. 105-153.7, as applied to single filers. The North Carolina taxable  
2 income of a taxed S Corporation is determined as follows:

3 (1) The North Carolina taxable income of a taxed S Corporation with respect to such  
4 taxable period shall be equal to the sum of the following:

5 a. Each shareholder's pro rata share of the taxed S Corporation's income or  
6 loss, subject to the adjustments provided in G.S. 105-153.5 and  
7 G.S. 105-153.6, attributable to the State.

8 (2) Separately stated items of deduction are not included when calculating each  
9 shareholder's pro rata share of the taxed S Corporation's taxable income. For  
10 purposes of this subdivision, separately stated items are those items described  
11 in section 1366 of the Code and the regulations under it.

12 (3) The adjustments required by G.S. 105-153.5(c3) are not included in the  
13 calculation of the taxed S Corporation's taxable income.”

14 **SECTION 42.1.(i)** G.S. 105-154.1(b) reads as rewritten:

15 “(b) Taxable Income of Taxed Partnership. – A tax is imposed for the taxable period on the  
16 North Carolina taxable income of a taxed partnership. The tax shall be levied, collected, and paid  
17 annually. The tax is imposed on the North Carolina taxable income at the rate-rates levied in  
18 ~~G.S. 105-153.7~~G.S. 105-153.7, as applied to single filers. The North Carolina taxable income of  
19 a taxed partnership is determined as follows:

20 (1) The North Carolina taxable income of a taxed partnership with respect to such  
21 taxable period shall be equal to the sum of the following for partners defined  
22 under G.S. 105-154.1(a)(1) through G.S. 105-154.1(a)(4):

23 a. Each partner’s distributive share of the taxed partnership’s income or loss,  
24 subject to the adjustments provided in G.S. 105-153.5 and  
25 G.S. 105-153.6, attributable to the State.

26 (2) Separately stated items of deduction are not included when calculating each  
27 partner’s distributive share of the taxed partnership’s taxable income. For  
28 purposes of this subdivision, separately stated items are those items described  
29 in section 702 of the Code and the regulations adopted under it.

30 (3) The adjustments required by G.S. 105-153.5(c3) are not included in the  
31 calculation of the taxed partnership’s taxable income.”

32 **SECTION 42.1.(j)** Subsections (h) and (i) of this section are effective for taxable  
33 years beginning on or after January 1, 2025.

## 34 **REENACT MODIFIED CHILD AND DEPENDENT CARE TAX CREDIT**

35 **SECTION 42.2.(a)** G.S. 105-151.11 is reenacted as it existed immediately before its  
36 expiration, is recodified as G.S. 105-153.11, and reads as rewritten:

### 37 **“§ 105-151.11. Credit for child care and certain employment-related expenses.**

38 (a) Credit. – A person who is allowed a credit against federal income tax for a percentage  
39 of employment-related expenses under section 21 of the Code shall be allowed as a credit against  
40 the tax imposed by this Part an amount equal to ~~the applicable percentage~~50% of the amount of  
41 the credit provided for in Section 21 of the ~~Code-Code, except as reduced by the percentage~~  
42 reduction in subsection (c), which is claimed and allowed pursuant to the Internal Revenue Code.  
43 To claim the credit allowed by this section, the taxpayer must provide with the tax return the  
44 information required by the Secretary of Revenue.

45 ~~(a1) Applicable Percentage. – For employment-related expenses that are incurred only with~~  
46 ~~respect to one or more dependents who are seven years old or older and are not physically or~~  
47 ~~mentally incapable of caring for themselves, the applicable percentage is the appropriate~~  
48 ~~percentage in the column labeled "Percentage A" in the table below, based on the taxpayer's~~  
49  
50

1 adjusted gross income determined under the Code. For employment-related expenses with  
 2 respect to any other qualifying individual, the applicable percentage is the appropriate percentage  
 3 in the column labeled "Percentage B" in the table below, based on the taxpayer's adjusted gross  
 4 income determined under the Code.

5 Filing Status	Adjusted Gross	Percentage A	Percentage B
	6 Income		
7			
8	Head of Household	Up to \$20,000	9% 13%
9		Over \$20,000	
10		up to \$32,000	8% 11.5%
11		Over \$32,000	7% 10%
12			
13	Surviving Spouse or		
14	Joint Return	Up to \$25,000	9% 13%
15		Over \$25,000	
16		up to \$40,000	8% 11.5%
17		Over \$40,000	7% 10%
18			
19	Single	Up to \$15,000	9% 13%
20		Over \$15,000	
21		up to \$24,000	8% 11.5%
22		Over \$24,000	7% 10%
23			
24	Married		
25	Filing Separately	Up to \$12,500	9% 13%
26		Over \$12,500	
27		up to \$20,000	8% 11.5%
28		Over \$20,000	7% 10%
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			

39 (b) Employment Related Expenses. – The amount of employment-related expenses for which  
 40 a credit may be claimed may not exceed three thousand dollars (\$3,000) if the taxpayer's  
 41 household includes one qualifying individual, as defined in section 21(b)(1) of the Code, and  
 42 may not exceed six thousand dollars (\$6,000) if the taxpayer's household includes more than one  
 43 qualifying individual. The amount of employment-related expenses for which a credit may be  
 44 claimed is reduced by the amount of employer-provided dependent care assistance excluded from  
 45 gross income.

46 (c) Phaseout. – The credit allowed by this section shall be reduced by a percentage listed  
 47 below, rounded to the nearest percentage point, based on the taxpayer's adjusted gross income  
 48 as calculated under the Code:

49 Filing Status	For AGI Exceeding	Percentage Reduction
------------------	-------------------	----------------------

1	<u>Married, filing jointly</u>	<u>\$150,000</u>	<u>The lesser of 100% or</u>
2			<u>[(Taxpayer's AGI - \$150,000) /</u>
3			<u>\$50,000]</u>
4	<u>Head of Household</u>	<u>\$112,500</u>	<u>The lesser of 100% or</u>
5			<u>[(Taxpayer's AGI - \$112,500) /</u>
6			<u>\$37,500]</u>
7	<u>Single or Married,</u>		<u>The lesser of 100% or</u>
8	<u>Filing Separately</u>	<u>\$75,000</u>	<u>[(Taxpayer's AGI - \$75,000) /</u>
9			<u>\$25,000]</u>

10 (e)(d) Limitations. – A nonresident or part-year resident who claims the credit allowed by  
11 this section shall reduce the amount of the credit by multiplying it by the fraction calculated under  
12 ~~G.S. 105-134.5(b) or (e)~~, G.S. 105-153.4(b) or (c), as appropriate. No credit shall be allowed  
13 under this section for amounts deducted in calculating North Carolina taxable income. ~~The credit~~  
14 ~~allowed by this section may not exceed the amount of tax imposed by this Part for the taxable~~  
15 ~~year reduced by the sum of all credits allowable, except for payments of tax made by or on behalf~~  
16 ~~of the taxpayer.~~

17 (e) Credit Refundable. – If the credit allowed by this section exceeds the amount of tax  
18 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary  
19 must refund the excess to the taxpayer. The refundable excess is governed by the provisions  
20 governing a refund of an overpayment by the taxpayer of the tax imposed in this Part. In  
21 computing the amount of tax against which multiple credits are allowed, nonrefundable credits  
22 are subtracted before refundable credits."

23 **SECTION 42.2.(b)** Subsection (a) of this section becomes effective for taxable years  
24 beginning on or after January 1, 2024.

25  
26 **MAINTAIN COMPETITIVE CORPORATE INCOME TAX RATE**

27 **SECTION 42.3** Section 42.2 of S.L. 2021-180 is repealed.

28  
29 **USE SALES TAX REVENUES FOR TRANSPORTATION NEEDS**

30 **SECTION 42.4** G.S. 105-164.44M reads as rewritten:

31 "...

32 (b) Transportation Needs. – At the end of each ~~quarter, month~~, the Secretary must transfer  
33 to the Funds listed below a percentage of the net proceeds of the tax collected under this Article  
34 at the State's general rate of tax set in G.S. 105-164.4(a). The percentages that must be transferred  
35 are as follows:

36 Fiscal Year	Percentage to Highway Fund	Percentage to Highway Trust Fund
37 2022-23	2%	0%
38		
39 2023-24 <del>and thereafter</del>	1%	<del>3%</del> 3%."
40 <del>2024-25 and thereafter</del>	<del>1.5%</del>	<del>4.5%</del>

41  
42 **REENACT MODIFIED CONSERVATION TAX CREDIT**

43 **SECTION 42.5.(a)** G.S. 105-130.34 is reenacted as it existed immediately before its  
44 expiration and reads as rewritten:

45 **"§ 105-130.34. Credit for certain real property donations.**

46 (a) Credit. – Any C Corporation that makes a qualified donation of an interest in real  
47 property located in North Carolina during the taxable year that is useful for ~~(i) public beach access~~  
48 ~~or use, (ii) public access to public waters or trails, (iii) fish and wildlife conservation, (iv)~~  
49 ~~forestland or farmland conservation, (v) watershed protection, (vi) conservation of natural areas~~  
50 ~~as that term is defined in G.S. 113A-164.3(3), (vii) conservation of natural or scenic river areas~~

1 ~~as those terms are used in G.S. 113A-34, (viii) conservation of predominantly natural parkland,~~  
2 ~~or (ix) historic landscape conservation (i) for forestland or farmland preservation, (ii) for fish and~~  
3 ~~wildlife conservation, (iii) as a buffer to limit land use activities that would restrict, impede, or~~  
4 ~~interfere with military training, testing, or operations on a military installation or training area or~~  
5 ~~otherwise be incompatible with the mission of the installation, (iv) for floodplain protection in a~~  
6 ~~county that, in the five years preceding the donation, was the subject of a Type II or Type III~~  
7 ~~gubernatorial disaster declaration, as provided in G.S. 166A-19.21, as a result of a natural~~  
8 ~~disaster, (v) for historic landscape conservation, or (vi) for public trails or access to public trails~~  
9 is allowed a credit against the tax imposed by this Part equal to twenty-five percent (25%) of the  
10 fair market value of the donated property interest. To be eligible for this credit, the interest in  
11 real property must be donated in perpetuity for one of the qualifying uses listed in this subsection  
12 and accepted in perpetuity for the qualifying use for which the property is donated. The person  
13 to whom the property is donated must be the State, a local government, or a body that is both  
14 organized to receive and administer lands for conservation purposes and qualified to receive  
15 charitable contributions pursuant to G.S. 105-130.9. Lands required to be dedicated pursuant to  
16 local governmental regulation or ordinance and dedications made to increase building density  
17 levels permitted under a regulation or ordinance are not eligible for this credit.

18 The credit allowed under this section for one or more qualified donations made in a taxable  
19 year may not exceed five hundred thousand dollars (\$500,000). To support the credit allowed by  
20 this section, the taxpayer must file with the income tax return for the taxable year in which the  
21 credit is claimed the following:

22 (1) A certification by the Department of ~~Environment and~~ Natural and Cultural  
23 Resources that the property donated is suitable for one or more of the valid  
24 public benefits set forth in this subsection.

25 (2) A self-contained appraisal report or summary appraisal report as defined in  
26 Standards Rule 2-2 in the latest edition of the Uniform Standards of  
27 Professional Appraisal Practice as promulgated by the Appraisal Foundation  
28 for the property. For fee simple absolute donations of real property, a taxpayer  
29 may submit documentation of the county's appraised value of the donated  
30 property, as adjusted by the sales assessment ratio, in lieu of an appraisal  
31 report.

32 (b) Limitation. – The credit allowed by this section may not exceed the amount of tax  
33 imposed by this Part for the taxable year reduced by the sum of all credits allowed, except  
34 payments of tax made by or on behalf of the taxpayer.

35 (c) Carryforward. – Any unused portion of this credit may be carried forward for the next  
36 succeeding five years.

37 (d) No Double Benefit. – That portion of a qualifying donation that is the basis for a credit  
38 allowed under this section is not eligible for deduction as a charitable contribution under G.S.  
39 105-130.9."

40 **SECTION 42.5.(b)** G.S. 105-151.12 is reenacted as it existed immediately before its  
41 expiration, is recodified as G.S. 105-153.12, and reads as rewritten:

42 "**§ 105-153.12. Credit for certain real property donations.**

43 (a) Credit. – An individual or pass-through entity that makes a qualified donation of an  
44 interest in real property located in North Carolina during the taxable year that is useful for ~~(i)~~  
45 ~~public beach access or use, (ii) public access to public waters or trails, (iii) fish and wildlife~~  
46 ~~conservation, (iv) forestland or farmland conservation, (v) watershed protection, (vi)~~  
47 ~~conservation of natural areas as that term is defined in G.S. 113A-164.3(3), (vii) conservation of~~  
48 ~~natural or scenic river areas as those terms are used in G.S. 113A-34, (viii) conservation of~~  
49 ~~predominantly natural parkland, or (ix) historic landscape conservation (i) for forestland or~~  
50 ~~farmland preservation, (ii) for fish and wildlife conservation, (iii) as a buffer to limit land use~~

1 activities that would restrict, impede, or interfere with military training, testing, or operations on  
2 a military installation or training area or otherwise be incompatible with the mission of the  
3 installation, (iv) for floodplain protection in a county that, in the five years preceding the  
4 donation, was the subject of a Type II or Type III gubernatorial disaster declaration, as provided  
5 in G.S. 166A-19.21, as a result of a natural disaster, (v) for historic landscape conservation, or  
6 (vi) for public trails or access to public trails is allowed a credit against the tax imposed by this  
7 Part equal to twenty-five percent (25%) of the fair market value of the donated property interest.  
8 To be eligible for this credit, the interest in property must be donated in perpetuity for one of the  
9 qualifying uses listed in this subsection and accepted in perpetuity for the qualifying use for  
10 which the property is donated. The person to whom the property is donated must be the State, a  
11 local government, or a body that is both organized to receive and administer lands for  
12 conservation purposes and qualified to receive charitable contributions under the Code. Lands  
13 required to be dedicated pursuant to local governmental regulation or ordinance and dedications  
14 made to increase building density levels permitted under a regulation or ordinance are not eligible  
15 for this credit.

16 To support the credit allowed by this section, the taxpayer must file with the income tax return  
17 for the taxable year in which the credit is claimed the following:

- 18 (1) A certification by the Department of ~~Environment and~~ Natural and Cultural  
19 Resources that the property donated is suitable for one or more of the valid  
20 public benefits set forth in this subsection. The certification for a qualified  
21 donation made by a pass-through entity must be filed by the pass-through  
22 entity.
- 23 (2) A self-contained or summary appraisal report as defined in Standards Rule 2-  
24 2 in the latest edition of the Uniform Standards of Professional Appraisal  
25 Practice as promulgated by the Appraisal Foundation for the property. For fee  
26 simple absolute donations of real property, a taxpayer may submit  
27 documentation of the county's appraised value of the donated property, as  
28 adjusted by the sales assessment ratio, in lieu of an appraisal report.

29 (a1) Individuals. – The aggregate amount of credit allowed to an individual in a taxable  
30 year under this section for one or more qualified donations made during the taxable year, whether  
31 made directly or indirectly as owner of a pass-through entity, may not exceed two hundred fifty  
32 thousand dollars (\$250,000). In the case of property owned by a married couple, if both spouses  
33 are required to file North Carolina income tax returns, the credit allowed by this section may be  
34 claimed only if the spouses file a joint return. The aggregate amount of credit allowed to a  
35 husband and wife filing a joint tax return may not exceed five hundred thousand dollars  
36 (\$500,000). If only one spouse is required to file a North Carolina income tax return, that spouse  
37 may claim the credit allowed by this section on a separate return.

38 (a2) Pass-Through Entities. – The aggregate amount of credit allowed to a pass-through  
39 entity in a taxable year under this section for one or more qualified donations made during the  
40 taxable year, whether made directly or indirectly as owner of another pass-through entity, may  
41 not exceed five hundred thousand dollars (\$500,000). Each individual who is an owner of a pass-  
42 through entity is allowed as a credit an amount equal to the owner's allocated share of the credit  
43 to which the pass-through entity is eligible under this subsection, not to exceed two hundred fifty  
44 thousand dollars (\$250,000). Each corporation that is an owner of a pass-through entity is allowed  
45 as a credit an amount equal to the owner's allocated share of the credit to which the pass-through  
46 entity is eligible under this subsection, not to exceed five hundred thousand dollars (\$500,000).  
47 If an owner's share of the pass-through entity's credit is limited due to the maximum allowable  
48 credit under this section for a taxable year, the pass-through entity and its owners may not  
49 reallocate the unused credit among the other owners.

1 (b) Limitation. – The credit allowed by this section may not exceed the amount of tax  
2 imposed by this Part for the taxable year reduced by the sum of all credits allowed, except  
3 payments of tax made by or on behalf of the taxpayer.

4 (c) Carryforward. – Any unused portion of this credit may be carried forward for the next  
5 succeeding five years.

6 (d) No Double Benefit. – That portion of a qualifying donation that is the basis for a credit  
7 allowed under this section is not eligible for deduction as a charitable contribution under G.S.  
8 105-130.9.

9 ~~(e) In the case of marshland for which a claim has been filed pursuant to G.S. 113-205,~~  
10 ~~the offer of donation must be made before December 31, 2003 to qualify for the credit allowed~~  
11 ~~by this section.~~

12 (f) Repealed by Session Laws 2007-309, s. 2, effective for taxable years beginning on or  
13 after January 1, 2007."

14 **SECTION 42.5.(c)** This section is effective for taxable years beginning on or after  
15 January 1, 2025.

## 16 17 **PART XLIII. MISCELLANEOUS**

### 18 19 **STATE BUDGET ACT APPLIES**

20 **SECTION 43.1.** The provisions of the State Budget Act, Chapter 143C of the  
21 General Statutes, are reenacted and shall remain in full force and effect and are incorporated in  
22 this act by reference.

### 23 24 **COMMITTEE REPORT**

25 **SECTION 43.2.(a)** The Joint Conference Committee Report on the Current  
26 Operations Appropriations Act of 2024, dated June 30, 2024, which was distributed in the House  
27 of Representatives and the Senate and used to explain this act, shall indicate action by the General  
28 Assembly on this act and shall, therefore, be used to construe this act, as provided in the State  
29 Budget Act, Chapter 143C of the General Statutes, as appropriate, and for these purposes shall  
30 be considered a part of this act and, as such, shall be printed as a part of the Session Laws.

31 **SECTION 43.2.(b)** The budget enacted by the General Assembly is for the  
32 maintenance of the various departments, institutions, and other spending agencies of the State  
33 for the 2024-2025 fiscal year budget as provided in G.S. 143C-3-5. This budget includes the  
34 appropriations of State funds as defined in G.S. 143C-1-1(d)(25).

35 **SECTION 43.2.(c)** The budget enacted by the General Assembly shall also be  
36 interpreted in accordance with G.S. 143C-5-5, the special provisions in this act, and other  
37 appropriate legislation. In the event that there is a conflict between the line-item budget certified  
38 by the Director of the Budget and the budget enacted by the General Assembly, the budget  
39 enacted by the General Assembly shall prevail.

40 **SECTION 43.2.(d)** Notwithstanding subsection (a) of this section, the following  
41 portions of the Committee Report are for reference and do not expand, limit, or define the text of  
42 the Committee Report:

43 (1) Summary pages setting forth the enacted budget, the legislative changes, the  
44 revised budget, and the related FTE information for a particular budget code  
45 and containing no other substantive information.

46 (2) Summary pages setting forth the enacted budget, the legislative changes, the  
47 revised budget, and the related FTE information for multiple fund codes  
48 within a single budget code and containing no other substantive information.

## 49 50 **REPORT BY FISCAL RESEARCH DIVISION SECTION**

1           **SECTION 43.3.** The Fiscal Research Division shall issue a report on budget actions  
2 taken by the 2023 Regular Session of the General Assembly in 2025. The report shall be in the  
3 form of a revision of the Committee Report described in Section 43.2 of this act pursuant to G.S.  
4 143C-5-5. The Director of the Fiscal Research Division shall send a copy of the report issued  
5 pursuant to this section to the Director of the Budget. The report shall be published on the General  
6 Assembly's internet website for public access.

7  
8           **APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

9           **SECTION 43.4.** Except where expressly repealed or amended by this act, the  
10 provisions of any legislation enacted during the 2023 Regular Session of the General Assembly  
11 affecting the State budget shall remain in effect.

12  
13           **MOST TEXT APPLIES ONLY TO THE 2024-2025 FISCAL YEAR**

14           **SECTION 43.5.** Except for statutory changes or other provisions that clearly  
15 indicate an intention to have effects beyond the 2024-2025 fiscal year, the textual provisions of  
16 this act apply only to funds appropriated for, and activities occurring during, the 2024-2025 fiscal  
17 biennium.

18  
19           **EFFECT OF HEADINGS**

20           **SECTION 43.6.** The headings to the Parts, Subparts, and sections of this act are a  
21 convenience to the reader and are for reference only. The headings do not expand, limit, or define  
22 the text of this act, except for effective dates referring to a Part or Subpart.

23  
24           **SEVERABILITY CLAUSE**

25           **SECTION 43.7.** If any section or provision of this act is declared unconstitutional  
26 or invalid by the courts, it does not affect the validity of this act as a whole or any part other than  
27 the part so declared to be unconstitutional or invalid.

28  
29           **EFFECTIVE DATE**

30           **SECTION 43.8.** Except as otherwise provided, this act is effective July 1, 2024.