

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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**HOUSE BILL 10
Second Edition Engrossed 3/28/23
Senate Judiciary Committee Substitute Adopted 4/30/24
Fourth Edition Engrossed 5/2/24
Proposed Conference Committee Substitute H10-PCCS10589-MQ-5**

Short Title: Require ICE Cooperation & Budget Adjustments.

(Public)

Sponsors:

Referred to:

January 26, 2023

A BILL TO BE ENTITLED
AN ACT TO REQUIRE COMPLIANCE WITH IMMIGRATION DETAINERS AND
ADMINISTRATIVE WARRANTS; TO REQUIRE CERTAIN REPORTS FROM LOCAL
LAW ENFORCEMENT; AND TO MAKE VARIOUS CHANGES IN THE BUDGET
OPERATIONS OF THE STATE.

The General Assembly of North Carolina enacts:

PART I. INTRODUCTION

INTRODUCTION

SECTION 1.1. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget in accordance with the State Budget Act. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes, and the savings shall revert to the appropriate fund at the end of the fiscal year, except as otherwise provided by law.

PART II. CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

GENERAL FUND AVAILABILITY

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2.2.(a) The General Fund availability for the 2024-2025 fiscal year set out in Section 2.2(a) of S.L. 2023-134 is repealed.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

	FY 2024-2025
Unappropriated Balance Remaining FY 2023-24	1,564,437,931
Actual Reversions	571,165,447
Actual Under Collections	(31,867,737)
Total, Prior Year-End Fund Balance	2,103,735,641
Revised Consensus Revenue Forecast	
Tax Revenue	32,574,000,000
Non-Tax Revenue	1,590,300,000



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(4) Department of Transportation
 (Highway Fund Budget Code: 84210) 0 150,000,000"

SECTION 2.2.(d) Notwithstanding G.S. 143C-4-2(i), no transfer shall be made to the Unfunded Liability Solvency Reserve for the 2024-2025 fiscal year.

PART III. [RESERVED]

PART IV. OTHER AVAILABILITY AND APPROPRIATIONS [RESERVED]

PART V. GENERAL PROVISIONS

ELIMINATE EDUCATION ENROLLMENT RESERVE FUNDS

SECTION 5.1. Notwithstanding any provision of law or the Committee Report described in Section 43.2 of S.L. 2023-134 to the contrary, the sum of sixty million dollars (\$60,000,000) in recurring funds for the 2024-2025 fiscal year for the Education Enrollment Reserve is hereby eliminated. These funds are used to support budget requirements associated with enrollment changes provided in Section 6.1 of this act for the Community College System and in Section 6.3 of this act for public school enrollment.

PART VI. EDUCATION

COMMUNITY COLLEGE ENROLLMENT ADJUSTMENT

SECTION 6.1. To account for an increase in enrollment, there is appropriated from the General Fund to the Community College System (i) the recurring sum of sixty-four million forty-three thousand four hundred eleven dollars (\$64,043,411), resulting in an increase in General Fund net appropriations, and (ii) the recurring sum of twelve million seven hundred twenty-three thousand four hundred forty-two dollars (\$12,723,442) in receipts.

STATUTORY CHANGES FOR DPI FUNDING IN ARREARS

SECTION 6.2.(a) G.S. 115C-47(1a) reads as rewritten:

"(1a) To Establish and Maintain Kindergartens. – All of the following shall apply to the powers and duties of establishing and maintaining kindergartens:

- a. Local boards of education shall provide for their respective local school administrative unit kindergartens as a part of the public school system for all children living in the local school administrative unit who are eligible for admission pursuant to sub-subdivision c. of this subdivision provided that funds are available from State, local, federal, or other sources to operate a kindergarten program as provided in this subdivision.
- b. All kindergarten programs so established shall be subject to the supervision of the Department of Public Instruction and shall be operated in accordance with the standards adopted by the State Board of Education, upon recommendation of the Superintendent of Public Instruction. ~~Among the standards to be adopted by the State Board of Education shall be a provision that the Board will allocate funds for the purpose of operating and administering kindergartens to each school administrative unit in the State based on the average daily membership for the best continuous three out of the first four school months of pupils in the kindergarten program during the last school year in that respective school administrative unit. Such allocations are~~

1 to be made from funds appropriated to the State Board of Education
 2 for the kindergarten program.

3 c. Any child who meets the requirements of G.S. 115C-364 shall be
 4 eligible for enrollment in kindergarten. Any child who is enrolled in
 5 kindergarten and not withdrawn by the child's parent or legal guardian
 6 shall attend kindergarten.

7 d. Notwithstanding any other provision of law to the contrary, subject to
 8 the approval of the State Board of Education, any local board of
 9 education may elect not to establish and maintain a kindergarten
 10 program. Any funds allocated to a local board of education which does
 11 not operate a kindergarten program may be reallocated by the State
 12 Board of Education, within the discretion of the Board, to a county or
 13 city board of education which will operate such a program."

14 **SECTION 6.2.(b)** G.S. 115C-111.05 reads as rewritten:

15 **"§ 115C-111.05. Funding for children with disabilities.**

16 To the extent funds are made available for this purpose, the State Board shall allocate funds
 17 for children with disabilities to each local school administrative unit on a per child basis. Each
 18 local school administrative unit shall receive funds for the lesser of (i) all children who are
 19 identified as children with disabilities or (ii) thirteen percent (13%) of its ~~allocated~~allotted
 20 average daily membership in the local school administrative unit for the current school year."

21 **SECTION 6.2.(c)** G.S. 115C-150.9 reads as rewritten:

22 **"§ 115C-150.9. Funding for academically or intellectually gifted students.**

23 To the extent funds are made available for this purpose, the State Board shall allocate funds
 24 for academically or intellectually gifted students on a per child basis. A local school
 25 administrative unit shall receive funds for a maximum of four percent (4%) of its ~~allocated~~
 26 allotted average daily membership for the current school year, regardless of the number of
 27 students identified as academically or intellectually gifted in the unit."

28 **SECTION 6.2.(d)** G.S. 115C-472.18(b) reads as rewritten:

29 "(b) Phase-Out Provision. – If a local school administrative unit becomes ineligible for
 30 funding under the schedule in subsection (a) of this section, funding for that unit shall be phased
 31 out over a five-year period. Funding for such local school administrative units shall be reduced
 32 in equal increments in each of the five years after the unit becomes ineligible. Funding shall be
 33 eliminated in the fifth fiscal year after the school administrative unit becomes ineligible.
 34 Allotments for eligible local school administrative units under this subsection shall not be
 35 reduced in any fiscal year by more than twenty percent (20%) of the amount received during the
 36 fiscal year when the local school administrative unit became ineligible to receive funds under
 37 this section. ~~A local school administrative unit shall not become ineligible for funding if either~~
 38 ~~the highest of the first two months' total projected average daily membership for the current year~~
 39 ~~or the higher of the first two months' total prior year average daily membership would otherwise~~
 40 ~~have made the unit eligible for funds under the schedule in subsection (a) of this~~
 41 ~~section.~~Eligibility for funding is based on the allotted average daily membership of the unit. The
 42 initial allocation is based on the allotted average daily membership of the unit and shall not be
 43 adjusted for current year actual average daily membership."

44 **SECTION 6.2.(e)** The appropriation for the State Public School Fund, as reflected
 45 in Section 2.1(a) of S.L. 2023-134, is reduced by the sum of thirty-six million two hundred
 46 twenty-four thousand four hundred twenty-two dollars (\$36,224,422) in recurring funds for the
 47 2024-2025 fiscal year to accommodate the transition to an arrears-based funding model as well
 48 as changes in average salaries, special population headcounts, and other technical adjustments.

49 **FUNDS FOR ADM CONTINGENCY RESERVE**

1 **SECTION 6.3.** There is appropriated from the General Fund to the Department of
 2 Public Instruction the sum of ninety-five million dollars (\$95,000,000) in recurring funds for the
 3 2024-2025 fiscal year to be allocated to the ADM Contingency Reserve to fund growing public
 4 school units.

5
 6 **ADDITIONAL FUNDS FOR OPPORTUNITY SCHOLARSHIPS**

7 **SECTION 6.4.(a)** Of the nonrecurring funds appropriated in this act to the Board of
 8 Governors of The University of North Carolina for the 2024-2025 fiscal year from the Education
 9 Reserve (Reserve) for related education programs, the sum of two hundred forty-eight million
 10 dollars (\$248,000,000) shall be allocated to the State Education Assistance Authority to provide
 11 additional funds for applicants for the award of opportunity scholarships pursuant to Part 2A of
 12 Article 39 of Chapter 115C of the General Statutes. These funds shall not be allocated to the
 13 Opportunity Scholarship Grant Fund Reserve and shall instead be made available for scholarship
 14 awards in the 2024-2025 school year.

15 **SECTION 6.4.(b)** There is appropriated from the General Fund to the Opportunity
 16 Scholarship Grant Fund Reserve the sum of two hundred fifteen million four hundred sixty
 17 thousand dollars (\$215,460,000) in additional recurring funds for the 2024-2025 fiscal year to be
 18 used for the purposes set forth in G.S. 115C-562.8.

19 **SECTION 6.4.(c)** G.S. 115C-562.8(b), as amended by Section 8A.6(g) of S.L.
 20 2023-134, reads as rewritten:

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

Fiscal Year	Appropriation
26 2017-2018	\$44,840,000
27 2018-2019	\$54,840,000
28 2019-2020	\$64,840,000
29 2020-2021	\$74,840,000
30 2021-2022	\$84,840,000
31 2022-2023	\$94,840,000
32 2023-2024	\$176,540,000
33 2024-2025	\$191,540,000
34 2025-2026	\$415,540,000 \$625,000,000
35 2026-2027	\$430,540,000 \$675,000,000
36 2027-2028	\$445,540,000 \$700,000,000
37 2028-2029	\$460,540,000 \$725,000,000
38 2029-2030	\$475,540,000 \$750,000,000
39 2030-2031	\$490,540,000 \$775,000,000
40 2031-2032	\$505,540,000 \$800,000,000

41
 42 For the 2032-2033 fiscal year and each fiscal year thereafter, there is appropriated from the
 43 General Fund to the Reserve the sum of ~~five hundred twenty million five hundred forty thousand~~
 44 ~~dollars (\$520,540,000)~~ eight hundred twenty-five million dollars (\$825,000,000) to be used for
 45 the purposes set forth in this section. When developing the base budget, as defined by
 46 G.S. 143C-1-1, for each fiscal year specified in this subsection, the Director of the Budget shall
 47 include the appropriated amount specified in this subsection for that fiscal year."

48
 49 **ADDITIONAL FUNDS FOR NORTH CAROLINA PERSONAL EDUCATION**
 50 **STUDENT ACCOUNTS FOR CHILDREN WITH DISABILITIES PROGRAM**

1 **SECTION 6.5.(a)** There is appropriated from the General Fund to the Board of
 2 Governors of The University of North Carolina the sum of twenty-four million seven hundred
 3 thousand dollars (\$24,700,000) in recurring funds for the 2024-2025 fiscal year to be allocated
 4 to the State Education Assistance Authority for the North Carolina Personal Education Student
 5 Accounts for Children with Disabilities Program in accordance with Article 41 of Chapter 115C
 6 of the General Statutes.

7 **SECTION 6.5.(b)** G.S. 115C-600(a), as amended by Section 8A.13(a) of S.L.
 8 2023-134, reads as rewritten:

9 "(a) The General Assembly finds that due to the continued growth and ongoing need in
 10 this State to provide opportunity for school choice for children with disabilities, it is imperative
 11 that the State provide an increase in funds of at least one million dollars (\$1,000,000) each fiscal
 12 year for 10 years for the Personal Education Student Accounts for Children with Disabilities
 13 Program. To that end, there is appropriated from the General Fund to the Board of Governors of
 14 The University of North Carolina the following amounts each fiscal year to be allocated to the
 15 Authority for the Program in accordance with this Article:

Fiscal Year	Appropriation
2023-2024	\$48,943,166
2024-2025	\$49,943,166
2025-2026	\$50,943,166 \$75,643,166
2026-2027	\$51,943,166 \$76,643,166
2027-2028	\$52,943,166 \$77,643,166
2028-2029	\$53,943,166 \$78,643,166
2029-2030	\$54,943,166 \$79,643,166
2030-2031	\$55,943,166 \$80,643,166
2031-2032	\$56,943,166 \$81,643,166
2032-2033 and each subsequent fiscal year thereafter	\$57,943,166 \$82,643,166

26 When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified
 27 in this section, the Director of the Budget shall include the appropriated amount specified in this
 28 section for that fiscal year."
 29
 30

31 **RETROACTIVE PAYMENTS FOR SCHOLARSHIP FUNDS**

32 **SECTION 6.5A.(a)** Definitions. – The following definitions shall apply in this
 33 section:

- 34 (1) Authority. – The State Education Assistance Authority.
- 35 (2) Eligible student. – A student who meets all of the following criteria:
 - 36 a. Submitted an application for the award of scholarship funds for the
 - 37 2024-2025 school year by March 1, 2024, in accordance with
 - 38 G.S. 115C-562.2(a).
 - 39 b. Is otherwise eligible to receive available scholarship funds following
 - 40 the lottery process established by the Authority for the 2024-2025
 - 41 school year pursuant to G.S. 115C-562.2(d).
 - 42 c. Prior to the date this act becomes law, did not receive an award of at
 - 43 least one of the following for the 2024-2025 school year:
 - 44 1. An opportunity scholarship.
 - 45 2. A PESA award.
- 46 (3) Opportunity scholarship. – Funds awarded to a student pursuant to Part 2A of
- 47 Article 39 of Chapter 115C of the General Statutes.
- 48 (4) PESA award. – Funds awarded to a student pursuant to Article 41 of Chapter
- 49 115C of the General Statutes.
- 50 (5) Scholarship funds. – An opportunity scholarship or PESA award.

1 **SECTION 6.5A.(b)** Administration of Funds. – As soon as practicable, the State
2 Education Assistance Authority shall disburse the additional scholarship funds allocated pursuant
3 to Sections 6.4 and 6.5 of this act for the 2024-2025 school year for eligible students. To the
4 extent feasible and notwithstanding any other provision of law to the contrary, the Authority shall
5 award these funds for the fall semester of the 2024-2025 school year for all eligible students who
6 are enrolled by October 1, 2024, in an eligible nonpublic school and remain continuously enrolled
7 in that same school for the spring semester. Notwithstanding G.S. 115C-592(c), a student who
8 receives a PESA award for the fall semester of the 2024-2025 school year and is also eligible for
9 an opportunity scholarship pursuant to this section shall receive the award of the opportunity
10 scholarship in the spring semester of the 2024-2025 school year only. In order to administer the
11 award of scholarship funds for the fall semester of the 2024-2025 school year pursuant to this
12 section, the Authority may establish any procedures that it deems necessary and that are not
13 otherwise inconsistent with this section.

14 **SECTION 6.5A.(c)** Reimbursement of Funds. – Notwithstanding any provision of
15 law to the contrary, after a nonpublic school receives scholarship funds from the Authority on
16 behalf of an eligible student pursuant to subsection (b) of this section, if the parent or guardian
17 of the eligible student has already paid for the tuition and fees of that student for all or a portion
18 of the fall semester of the 2024-2025 school year, the nonpublic school is responsible for the
19 following:

- 20 (1) Directly reimbursing any funds paid by the parent or guardian, up to the
21 amount disbursed to the nonpublic school for that student by the Authority,
22 within 60 days of receipt of those funds from the Authority.
- 23 (2) Arranging the method of reimbursement with the parent or guardian.

24 **SECTION 6.5A.(d)** Delay Priority Applications Period. – Notwithstanding
25 G.S. 115C-562.2 and G.S. 115C-592, for the award of scholarship funds in the 2025-2026 school
26 year only, the Authority shall make applications to eligible students available no later than April
27 1, 2025, and extend any other deadlines for the receipt of applications and notifications of awards
28 accordingly.

29 **SECTION 6.5A.(e)** Delay Certain Reporting Requirements. – Notwithstanding
30 G.S. 115C-562.7, for the 2024-2025 fiscal year only, the following shall occur:

- 31 (1) The Authority shall report on the information required by G.S. 115C-562.7(e)
32 to the Department of Public Instruction by April 1, 2025.
- 33 (2) The Department of Public Instruction shall report on the information required
34 by G.S. 115C-562.7(f) to the Joint Legislative Education Oversight
35 Committee by June 1, 2025.

36 **SECTION 6.5A.(f)** Report. – No later than April 1, 2025, the Authority shall report
37 the following to the Joint Legislative Education Oversight Committee:

- 38 (1) Any reasons eligible students did not receive an award of scholarship funds
39 for the fall semester of the 2024-2025 school year.
- 40 (2) The number of students impacted by each reason identified in subdivision (1)
41 of this subsection.

42 43 **PART VII. HEALTH AND HUMAN SERVICES**

44 45 **MEDICAID REBASE**

46 **SECTION 7.1.** There is appropriated from the General Fund for the 2024-2025 fiscal
47 year to the Department of Health and Human Services, Division of Health Benefits (DHB), (i)
48 the sum of two hundred seventy-seven million dollars (\$277,000,000) in recurring funds and
49 associated receipts to be used to adjust Medicaid funding to account for projected changes in
50 enrollment, enrollment mix, service and capitation costs, and federal match rates, as well as the
51 ongoing transition to managed care and (ii) the sum of one hundred million dollars

1 (\$100,000,000) in nonrecurring funds and associated receipts to be used to support nonrecurring
2 Medicaid costs.

4 **MODIFY MEDICAID RECEIVABLES ACCOUNTED FOR AS NONTAX REVENUE**

5 **SECTION 7.2.** Section 9E.5(b) of S.L. 2023-134 reads as rewritten:

6 "SECTION 9E.5.(b) For the 2023-2024 fiscal year, the Department of Health and Human
7 Services shall deposit from its revenues one hundred sixty-four million five hundred thousand
8 dollars (\$164,500,000) with the Department of State Treasurer to be accounted for as nontax
9 revenue. For the 2024-2025 fiscal year, the Department of Health and Human Services shall
10 deposit from its revenues ~~eighty-eight million four hundred thousand~~ one hundred fifty-nine
11 million five hundred thousand dollars ~~(\$88,400,000)~~ (\$159,500,000) with the Department of
12 State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return
13 of advanced General Fund appropriations, nonfederal revenue, fund balances, or other resources
14 from State-owned and State-operated hospitals that are used to provide indigent and nonindigent
15 care services. The return from State-owned and State-operated hospitals to the Department of
16 Health and Human Services shall be made from nonfederal resources in the following manner:

17"

19 **PART VIII. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES**

21 **FUNDING FOR WATER AND SEWER PROJECTS IN CHATHAM COUNTY**

22 **SECTION 8.1.** The sum of fifty-five million one hundred thousand dollars
23 (\$55,100,000) in nonrecurring funds for the 2024-2025 fiscal year is appropriated from the
24 General Fund to the Department of Commerce to be allocated to the City of Sanford for water
25 and sewer expenditures in Chatham County. Funds appropriated under this section shall not
26 revert but shall remain available for purposes consistent with this section until the project is
27 complete. Upon completion, any remaining funds shall be returned to the Department of
28 Commerce and shall revert to the General Fund.

30 **PART IX. JUSTICE AND PUBLIC SAFETY**

32 **REQUIRE SHERIFFS TO COOPERATE WITH ICE**

33 **SECTION 9.1.(a)** G.S. 162-62 reads as rewritten:

34 "**§ 162-62. Legal status of prisoners.**

35 (a) When any person ~~charged with a felony or an impaired driving offense~~ is confined
36 for any period in a county jail, local confinement facility, district confinement facility, ~~or satellite~~
37 ~~jail/work release unit, satellite jail, or work release unit,~~ the administrator or other person in
38 charge of the facility shall attempt to determine if the prisoner is a legal resident of the United
39 States by an inquiry of the prisoner, or by examination of any relevant documents, or ~~both~~ both,
40 if the person is charged with any of the following offenses:

41 (1) A felony under G.S. 90-95.

42 (2) A felony under Article 6, Article 7B, Article 10, Article 10A, or Article 13A
43 of Chapter 14 of the General Statutes.

44 (3) A Class A1 misdemeanor or felony under Article 8 of Chapter 14 of the
45 General Statutes.

46 (4) Any violation of G.S. 50B-4.1.

47 (b) If the administrator or other person in charge of the facility is unable to determine if
48 that prisoner is a legal resident or citizen of the United States or its territories, the administrator
49 or other person in charge of the facility holding the ~~prisoner, where possible, prisoner~~ shall make
50 a query of Immigration and Customs Enforcement of the United States Department of Homeland
51 Security. If the prisoner has not been lawfully admitted to the United States, the United States

1 Department of Homeland Security will have been notified of the prisoner's status and
2 confinement at the facility by its receipt of the query from the facility.

3 (b1) When any person charged with a criminal offense is confined for any period in a
4 county jail, local confinement facility, district confinement facility, satellite jail, or work release
5 unit, and the administrator or other person in charge of the facility has been notified that
6 Immigration and Customs Enforcement of the United States Department of Homeland Security
7 has issued a detainer and administrative warrant that reasonably appears to be for the person in
8 custody, the following shall apply:

9 (1) Prior to the prisoner's release, and after receipt of the detainer and
10 administrative warrant, or a copy thereof, by the administrator or other person
11 in charge of the facility, the prisoner shall be taken without unnecessary delay
12 before a State judicial official who shall be provided with the detainer and
13 administrative warrant, or a copy thereof.

14 (2) The judicial official shall issue an order directing the prisoner be held in
15 custody if the prisoner appearing before the judicial official is the same person
16 subject to the detainer and administrative warrant.

17 (3) Unless continued custody of the prisoner is required by other legal process, a
18 prisoner held pursuant to an order issued under this subsection shall be
19 released upon the first of the following conditions:

20 a. The passage of 48 hours from receipt of the detainer and administrative
21 warrant.

22 b. Immigration and Customs Enforcement of the United States
23 Department of Homeland Security takes custody of the prisoner.

24 c. The detainer is rescinded by Immigration and Customs Enforcement
25 of the United States Department of Homeland Security.

26 (b2) No State or local law enforcement officer or agency shall have criminal or civil
27 liability for action taken pursuant to an order issued under subsection (b1) of this section.

28 (c) ~~Nothing~~ Except as provided in subsection (b1) of this section, nothing in this section
29 shall be construed to deny bond to a prisoner or to prevent a prisoner from being released from
30 confinement when that prisoner is otherwise eligible for release.

31"

32 **SECTION 9.1.(b)** There is appropriated from the General Fund to the Department
33 of Health and Human Services, Division of Health Services Regulation, Construction Section,
34 the sum of two hundred seventy-eight thousand nine hundred ninety-four dollars (\$278,994) in
35 recurring funds for the 2024-2025 fiscal year to be used to hire two full-time Jail Inspectors.

36 **SECTION 9.1.(c)** Subsection (a) of this section becomes effective December 1,
37 2024, and applies to offenses committed on or after that date.

38 **PART X. INFORMATION TECHNOLOGY**

39 **COMPLETING ACCESS TO BROADBAND PROGRAM CHANGES**

40 **SECTION 10.1.(a)** Notwithstanding the county project cost responsibility in
41 G.S. 143B-1373.1(d) and (e), of the funds appropriated to the Department of Information
42 Technology (Department) from the State Fiscal Recovery Fund and the Coronavirus Capital
43 Projects Fund for projects under the Completing Access to Broadband grant program (Program)
44 in G.S. 143B-1373.1, the Department shall utilize up to one hundred ninety million dollars
45 (\$190,000,000) to provide the county project cost responsibility required in G.S. 143B-1373.1(e)
46 and the State project cost responsibility for the 37 counties that have committed to the
47 Department to participate in the Program and provide the county match as of May 1, 2024. A
48 county may decline to accept any portion of the county project cost responsibility funding from
49
50

1 the Department described in this subsection by notifying the Department within 30 days of the
2 date this act becomes law.

3 **SECTION 10.1.(b)** G.S. 143B-1373.1 reads as rewritten:

4 "**§ 143B-1373.1. Completing Access to Broadband program.**

5 ...

6 (d) A broadband service provider selected for a project under this section ~~may~~ shall
7 provide ~~up to~~ at least thirty percent (30%) of the total estimated project cost. ~~The Office may~~
8 ~~commit up to thirty five percent (35%) of the total estimated project cost from monies in the~~
9 ~~CAB Fund. The county requesting the project shall be responsible for at least thirty five percent~~
10 ~~(35%) of the total estimated project cost and shall utilize federal American Rescue Plan Act (P.L.~~
11 ~~117-2) funds or nonrestricted general funds for that purpose. In the event CAB Fund monies are~~
12 ~~insufficient to fund a project, a county may increase its share of the total estimated project cost,~~
13 ~~or the Office may adjust the scope of the project to meet the level of available funding. No county~~
14 ~~may receive more than eight million dollars (\$8,000,000) in aggregate funding from the CAB~~
15 ~~Fund in any single fiscal year.~~

16 (e) ~~Notwithstanding the project cost responsibility allocations in subsection (d) of this~~
17 ~~section, for a county receiving from the federal government less than an aggregate of eight~~
18 ~~million dollars (\$8,000,000) in federal American Rescue Plan Act (P.L. 117-2) funds, a~~
19 ~~broadband service provider selected for a project shall provide not less than fifteen percent (15%)~~
20 ~~of the total estimated project cost. If a broadband service provider provides more than fifteen~~
21 ~~percent (15%) of the total estimated project cost, the State and county cost responsibilities shall~~
22 ~~be equally apportioned. The following cost responsibility allocations for counties meeting the~~
23 ~~requirements of this subsection and the State apply:~~

24 Direct Federal Funds Received	County Responsibility	State Responsibility
25 \$250,000, up to \$4,000,000	5%, minimum	Up to 80%
26 \$4,000,000, up to \$8,000,000	10%, minimum	Up to 75%

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

38 **SECTION 10.1.(c)** Subsection (b) of this section is effective July 1, 2024, and
39 applies to grant funding requests submitted on or after that date.

40 **BEAD DEPLOYMENT**

41 **SECTION 10.2.(a)** Definitions. – As used in this section, the following definitions
42 apply:

- 43 (1) BEAD. – Broadband Equity, Access, and Deployment.
- 44 (2) Broadband service. – For the purposes of this section, a terrestrially deployed
- 45 mass-market retail service by wire or radio that provides the capability to
- 46 transmit data to and receive data from all or substantially all internet
- 47 endpoints, including any capabilities that are incidental to and enable the
- 48 operation of the communications service, but excluding dial-up internet access
- 49 service.
- 50

- 1 (3) Broadband serviceable location or BSL. – A location where broadband service
2 is or could be installed, as identified by the Federal Communications
3 Commission for purposes of its Broadband DATA Maps.
- 4 (4) Community anchor institution or CAI. – A school, library, health clinic, health
5 center, hospital or other medical provider, public safety entity, institution of
6 higher education, public housing organization, or community support
7 organization that facilitates greater use of broadband service by vulnerable
8 populations, including, but not limited to, low-income individuals,
9 unemployed individuals, and aged individuals.
- 10 (5) Department. – The Department of Information Technology.
- 11 (6) Eligible location. – An unserved or underserved BSL not located in a protected
12 area or a CAI where qualifying broadband service is not available.
- 13 (7) Eligible project. – A discrete and specific project intended to construct and
14 deploy qualifying broadband service to an eligible location or to a
15 combination of eligible locations. A "project" may constitute a single
16 unserved or underserved BSL, or a grouping of BSLs in which not less than
17 eighty percent (80%) of BSLs served by the project are unserved or
18 underserved locations, provided that the Office may not award funding under
19 this section to construct and deploy infrastructure for the provision of
20 qualifying broadband service to any served BSL.
- 21 (8) Extremely high cost per location threshold. – A BEAD subsidy cost per
22 location above which the Office may decline to select a proposal if use of an
23 alternative technology meeting the BEAD Program's technical requirements
24 is necessitated by the fact that selection of an eligible project proposing to
25 provision service via end-to-end fiber-optic facilities to each end-user
26 premises would be cost prohibitive. The Office will develop a methodology
27 for calculating this threshold in a manner that maximizes use of the best
28 available technology while ensuring that the program can, at a minimum, meet
29 the prioritization requirements. The Office will post the methodology for
30 public comment before implementation. The Office shall not, unless it is
31 determined that it does not have sufficient funding to select each
32 highest-scoring application in the initial round described in this section, utilize
33 the extremely high cost per location threshold in the initial round.
- 34 (9) FCC. – The Federal Communications Commission.
- 35 (10) High-cost outlier. – Any unserved or underserved location that an applicant
36 identifies as a risk to disproportionately affect the cost of an applicant's project
37 budget.
- 38 (11) IJA. – Infrastructure Investment and Jobs Act (P.L. 117-58).
- 39 (12) Infrastructure. – Facilities, equipment, materials, and structures that an entity
40 installs either for its core business or public enterprise purposes. Examples
41 include, but are not limited to, copper wire, coaxial cable, optical cable, loose
42 tube cable, communication huts, conduits, vaults, patch panels, mounting
43 hardware, poles, generators, battery and cabinet, network nodes, network
44 routers, network switches, microwave relay, microwave receivers, site
45 routers, outdoor cabinets, towers, easements, rights-of-way, and buildings or
46 structures owned by the entity that are made available for location or
47 collocation purposes.
- 48 (13) Infrastructure costs. – Costs related to the construction of broadband
49 infrastructure for the extension of broadband service for an eligible project,
50 including installation, acquiring or updating easements, backhaul
51 infrastructure, and testing costs. The term also includes engineering and any

- 1 other costs associated with securing a lease to locate or collocate infrastructure
2 on public or private property or structures, but not including the actual
3 monthly lease payment. The term does not include overhead or administrative
4 costs.
- 5 (14) Low-cost broadband service option. – A broadband service offered to
6 low-income households that meets the eligibility requirements for the federal
7 Affordable Connectivity Program, or similar replacement program, in the
8 project area for at least the length of time defined by federal requirements. A
9 low-cost broadband service option must be made available and include the
10 following elements:
- 11 a. Provide typical download speeds of at least 100 Mbps and typical
12 upload speeds of at least 20 Mbps.
- 13 b. Provide typical latency measurements of no more than 100
14 milliseconds.
- 15 c. Not be subject to nongovernmental imposed surcharges and be subject
16 only to the same acceptable use policies to which subscribers to all
17 other broadband internet access service plans offered to home
18 subscribers by the participating subgrantee must adhere.
- 19 d. Shall be offered at a price that does not exceed the highest price listed
20 in the FCC's 2024 Urban Rate Survey data for Fixed Broadband
21 Service for a service offering in North Carolina that provides a
22 download speed of 100 Mbps, upload speed of 20 Mbps, and an
23 unlimited capacity allowance. The price may be adjusted by the
24 subgrantee based on the Consumer Price Index, as defined by the
25 United States Bureau of Labor Statistics, beginning with an adjustment
26 in the first new calendar year after the date of enactment of this section.
- 27 e. In the event the provider later increases the speeds of one of its
28 low-cost plans, it will permit eligible subscribers that are subscribed
29 to that plan to upgrade to those new speeds at no more than a
30 commensurate change in cost.
- 31 (15) Multi-dwelling units (MDUs). – Multiple separate residential units within a
32 single or several buildings.
- 33 (16) NTIA. – The National Telecommunications and Information Administration
34 of the United States Department of Commerce.
- 35 (17) Office. – The Broadband Infrastructure Office in the Department of
36 Information Technology.
- 37 (18) Protected areas. – BSLs subject to an enforceable commitment as defined in
38 the NTIA Notice of Funding Opportunity or where a broadband service
39 provider has been designated to receive funds through other State- or federally
40 funded programs designed specifically for the deployment of qualifying
41 broadband service if such funding is intended to result in construction of
42 broadband to the location within 18 months or for the duration of the federal
43 funding program, or if the broadband service provider is otherwise in good
44 standing with the funding agency's regulations governing the funding
45 program. Any CAI where a private provider submits documentation
46 satisfactory to the Department that such provider currently offers broadband
47 service that will be scalable to a qualifying broadband service after the
48 conclusion of the challenge process shall be also considered protected. Upon
49 submission of documentation satisfactory to the Office, a protected area shall
50 remain protected until project completion.

- 1 (19) Qualifying broadband service. – A reliable broadband service meeting the
2 following criteria:
3 a. To a location that is not a CAI with a speed of not less than 100 Mbps
4 for downloads and not less than 20 Mbps for uploads.
5 b. To a CAI with a speed of not less than 1 Gbps for downloads and
6 uploads.
- 7 (20) Reliable broadband service. – Terrestrial-based broadband service (i) with
8 ninety-five percent (95%) of latency measurements during testing windows
9 falling at or below 100 milliseconds round-trip time and (ii) which is designed
10 to ensure that network outages should not exceed, on average, 48 hours over
11 any 365-day period except in the case of natural disasters or other force
12 majeure occurrences. Locations served exclusively by satellite, terrestrial
13 fixed wireless services utilizing entirely licensed spectrum, using a hybrid of
14 licensed and unlicensed spectrum, or a technology not specified by the FCC
15 for purposes of its Broadband DATA Maps do not meet the definition of
16 "reliable broadband service" and will be considered "unserved" for the
17 purposes of determining eligible locations.
- 18 (21) Secretary. – The Secretary of Information Technology.
- 19 (22) Subgrantee. – An eligible recipient who receives BEAD funds for an eligible
20 project.
- 21 (23) Underserved. – A BSL that has access to reliable broadband service equal to
22 or greater than 25 Mbps download and 3 Mbps upload but less than 100 Mbps
23 download and 20 Mbps upload. Unless otherwise determined by the
24 Department based on competent findings of fact, locations that the FCC's
25 Broadband DATA Maps show to have available qualifying broadband service
26 delivered via (i) DSL or (ii) terrestrial fixed wireless services utilizing entirely
27 licensed spectrum, or using a hybrid of licensed and unlicensed spectrum,
28 shall be considered "underserved" for the purpose of determining eligible
29 locations.
- 30 (24) Unserved. – A BSL that does not have access to reliable broadband service
31 with transmission speeds of at least 25 Mbps download and at least 3 Mbps
32 upload.

33 **SECTION 10.2.(b)** Consistency With Federal Law. – Except as defined in this
34 section, terms in this section shall have the meaning prescribed to them in the IIJA and in the
35 Notice of Funding Opportunity for the BEAD Program (BEAD NOFO) published by NTIA on
36 May 13, 2022, including any subsequent guidance issued by NTIA with respect to the program
37 after the issuance of the BEAD NOFO. In the event of any actual conflict between this section
38 and legal requirements contained in the IIJA, the provisions of the IIJA shall take precedence.
39 Should any instances of actual conflict arise, the Department shall report to the Joint Legislative
40 Oversight Committee on Information Technology and the Fiscal Research Division any actions
41 taken to conform with federal law.

42 **SECTION 10.2.(c)** Consistency With State Policy. – Consistent with the policy of
43 the State, the Office shall not prescribe the rates of service which applicants may deliver, nor
44 shall the Office indirectly regulate the rates of service which applicants may deliver by affording
45 any preference or differentiated scoring weight based on the specific rate of service which an
46 applicant may deliver. The Office shall not make mandatory any optional conditions contained
47 in Section IV.C.1.e. of the BEAD NOFO.

48 **SECTION 10.2.(d)** GREAT 3.0 Fund. – The Growing Rural Economies with Access
49 to Technology for Broadband Equity, Access, and Deployment Fund (GREAT 3.0 Fund) is
50 established as a special revenue fund in the Department of Information Technology. The
51 Secretary may award subgrants from the GREAT 3.0 Fund to eligible recipients for eligible

1 projects. The State shall not be obligated for funds committed for project costs from the GREAT
2 3.0 Fund in excess of those sums appropriated by the General Assembly to the GREAT 3.0 Fund.
3 The funds shall be used by the eligible recipient to pay for infrastructure costs associated with an
4 eligible project. State and federal funds appropriated to this Fund shall be considered an
5 information technology project within the meaning of G.S. 143C-1-2. The grants shall be
6 considered fixed amount subawards for purposes of the federal requirements within the meaning
7 of the Policy Notice on Tailoring the Application of the Uniform Guidance to the BEAD Program
8 issued by the NTIA. The Office shall further make available to awardees all options available
9 under the BEAD Letter of Credit Waiver issued by NTIA.

10 **SECTION 10.2.(e)** Priority. – The Office shall prioritize projects proposed to
11 address the following in order:

- 12 (1) Unserved BSLs.
- 13 (2) Underserved BSLs.
- 14 (3) Community anchor institutions.

15 **SECTION 10.2.(f)** Project Proposals; Use of Funds. – The Office may seek
16 proposals to serve unserved BSLs, underserved BSLs, and community anchor institutions
17 collectively or separately, provided that it prioritizes awarding projects that address, at minimum,
18 all unserved BSLs. Once the Office reports that projects will address all unserved BSLs, it shall
19 prioritize projects that address, at minimum, all underserved BSLs. If (i) the Department has
20 entered into subgrant agreements for deployment of service to all unserved and underserved
21 locations in the State, (ii) the General Assembly appropriates funds in a future enactment for
22 purposes consistent with nondeployment activities described in the BEAD NOFO, and (iii) there
23 are funds remaining in the GREAT 3.0 Fund, then the Department may use those funds for those
24 purposes.

25 **SECTION 10.2.(g)** Challenge Process. – The Office shall develop and implement a
26 formal challenge process that conforms with the published regulations and guidelines of the
27 BEAD Program, including the requirement that challenges based upon speed tests must be
28 conducted and submitted in conformance with the specifications of the NTIA's speed test
29 guidance and may not be submitted by an individual subscriber. In developing the challenge
30 process, the Office shall solicit input from stakeholders and consider the adaptability of the
31 challenge process to fit existing State broadband grant programs and all applicable federal
32 requirements. The challenge process shall be open to submissions from internet providers, county
33 and municipal government entities, and community anchor institutions, and shall establish
34 procedures that allow a period of at least 30 calendar days of the opening of the challenge window
35 to submit challenges, and a period of at least 30 calendar days from notification of any challenge
36 to the classification of a location determined to be valid by the Office during the challenge phase
37 for the submission of rebuttal evidence. Prior to selecting subgrantees, the Office shall publish a
38 statewide map indicating eligible locations that may be included in an eligible project.

39 **SECTION 10.2.(h)** Prequalification. – The Office shall develop a prequalification
40 process to identify potential subgrantees with the financial, managerial, operational, and
41 technical capacity to complete an eligible project. The Office shall prequalify broadband service
42 providers based on the minimum eligibility criteria in the GREAT 3.0 program. Information
43 submitted by a broadband service provider as part of the prequalification process may be
44 considered during the subgrantee selection process. Information contained in an application that
45 is identified as proprietary by an applicant for a subgrant pursuant to the prequalification process
46 shall not be considered a public record.

47 **SECTION 10.2.(i)** Applications. – The Office shall develop a subgrantee selection
48 process that shall be administered in multiple rounds. Applications for subgrants will be
49 submitted at times designated by the Office and will include, at a minimum, the following
50 information:

- 1 (1) The identity of the applicant and its qualifications and experience with
2 broadband deployment and administration of federal subgrants.
- 3 (2) The total cost and duration of the proposed project.
- 4 (3) The amount to be funded by the applicant. The applicant shall fund a
5 minimum of twenty-five percent (25%) of the cost of the project unless the
6 project is in an NTIA-defined high-cost area or a waiver is granted pursuant
7 to the BEAD Program guidelines as set forth by NTIA.
- 8 (4) A list of the eligible locations that will have access to qualifying broadband
9 service as a result of the project.
- 10 (5) The proposed construction time line not to exceed four years, unless the
11 Department extends the four-year deadline if (i) the subgrantee has a specific
12 plan for use of the grant funds, with project completion expected by a specific
13 date not more than one year after the four-year deadline; (ii) the construction
14 project is underway; or (iii) extenuating circumstances require an extension of
15 time to allow the project to be completed.
- 16 (6) A description of the services to be provided, including the proposed upload
17 and download broadband speeds to be delivered.
- 18 (7) A description of proposed cost tiers available to customers upon completion
19 of the proposed project.
- 20 (8) A description of the applicant's proposed low-cost broadband service option
21 applicable to eligible subscribers in BEAD-funded areas. The Office may not
22 impose additional requirements on qualifying low-cost service options as a
23 condition of grant eligibility.
- 24 (9) Technology type of the proposed service.
- 25 (10) Any other information or supplementary documentation requested by the
26 Office. The Office shall ensure that subgrant applications contain sufficient
27 information to allow the Office to reasonably evaluate subgrantees' ability to
28 comply with all program requirements, including all subgrantee qualifications
29 and conditions required under federal law.

30 **SECTION 10.2.(j)** Competitive Subgrantee Selection Process. – The Office shall
31 implement a competitive subgrantee selection process that conforms with published regulations
32 and guidelines under the BEAD Program under the IIJA. Applications receiving the highest score
33 shall receive priority status for the awarding of subgrants pursuant to this section. As a means of
34 breaking a tie for applications receiving the same score, the Office shall give priority to the
35 application proposing to serve the highest number of new unserved and underserved locations.
36 Applications shall be scored on an objective 100-point scale that is published prior to the
37 submission of applications for subgrants. The Office shall determine whether or not a subgrantee
38 has the capacity to perform multiple projects and shall not be required to award multiple projects
39 to a prequalified subgrantee that has failed to demonstrate its ability to perform.

40 **SECTION 10.2.(k)** Subgrant Award Agreements. – Applicants awarded subgrants
41 pursuant to this section shall enter into an agreement with the Office. Selections are contingent
42 until an agreement is executed. The agreement shall contain all of the elements outlined in
43 subsection (i) of this section and any other provisions the Office may require, provided, however,
44 the Department may not impose requirements or contract conditions requiring that broadband
45 service be offered at a specific price or that otherwise constitutes rate regulation. The agreement
46 shall contain a provision governing the time line, milestones, and minimum requirements and
47 thresholds for disbursement of grant funds measured by the progress of the project or disbursed
48 on any other basis that may be necessary to effectuate every option made available in the BEAD
49 Letter of Credit Waiver issued by NTIA on November 1, 2023. If applicable, the agreement shall
50 identify the amount of matching funds the subgrantee must contribute to the project. The Office
51 shall monitor the project to ensure (i) that the subgrantee is making adequate progress toward

1 project completion by the required deadline; (ii) compliance with all relevant and applicable
2 federal, State, and local laws, rules, and regulations; and (iii) compliance with all NTIA
3 guidelines for the BEAD Program and any guidelines developed by the Office.

4 **SECTION 10.2.(l)** Letter of Credit. – The Office shall require a letter of credit or an
5 alternative form of satisfactory performance security, such as a performance bond, from the
6 subgrantee to secure the subgrantee's performance of its obligations under the grant contract
7 consistent with the federal requirements. The Office shall give full effect to the NTIA BEAD
8 Letter of Credit Waiver as a means of enabling a subgrantee to satisfy the requirements of this
9 subsection. Subject to further waiver from NTIA to the extent the same may be required, the
10 Office shall permit an alternative means of satisfying the requirement of this subsection for a
11 subgrantee that demonstrates that it has more than one hundred million dollars (\$100,000,000)
12 in telecommunications or electric plant in production in the State.

13 **SECTION 10.2.(m)** Annual Report. – The Department of Information Technology
14 shall submit an annual report to the Joint Legislative Oversight Committee on Information
15 Technology and the Fiscal Research Division upon completion of each funding round. The report
16 shall contain at least all of the following:

- 17 (1) The number of subgrant projects applied for and the number of grant
18 agreements entered into.
- 19 (2) A time line for each subgrant agreement and the number of households and
20 businesses expected to benefit from each agreement.
- 21 (3) The amount of matching funds required for each agreement and the total
22 amount of investment.
- 23 (4) A summary of areas receiving subgrants that are now being provided
24 broadband service and the advertised broadband speeds for those areas.
- 25 (5) Any breaches of agreements, grant fund forfeitures, or subsequent reductions
26 or refunds of matching funds.
- 27 (6) Any recommendations for the GREAT 3.0 program, including better sources
28 and methods for improving outcomes and accountability.

29 **SECTION 10.2.(n)** Progress Report. – Upon completion of two rounds of subgrantee
30 selection, the Department shall report to the Joint Legislative Oversight Committee on
31 Information Technology and the Fiscal Research Division the following:

- 32 (1) The number of remaining unserved and underserved locations in the State.
- 33 (2) The amount of remaining funding for the GREAT 3.0 program.
- 34 (3) The estimated amount of subgrant funding needed to award projects serving
35 all remaining unserved and underserved locations in the State.
- 36 (4) The amount of funding available for nondeployment activities.

37 **SECTION 10.2.(o)** Limitation of Administrative Funds. – In utilizing grant funds
38 allocated under the IJA for the BEAD Program (BEAD grant funds) for planning and
39 administrative purposes, the Department may not expend more than any of the following:

- 40 (1) The lesser of twenty-two million five hundred thousand dollars (\$22,500,000)
41 or one and one-half percent (1.5%) of allocated BEAD grant funds over the
42 term provided for network deployment in the BEAD NOFO.
- 43 (2) Twenty-five percent (25%) of the applicable amount determined under
44 subdivision (1) of this subsection by the end of the 2024-2025 fiscal year; fifty
45 percent (50%) of the applicable amount by the end of the 2025-2026 fiscal
46 year; and seventy-five percent (75%) of the applicable amount by the end of
47 the 2026-2027 fiscal year.

48 **SECTION 10.2.(p)** The State Controller shall establish a BEAD Reserve (Reserve)
49 in the General Fund to maintain federal funds received from the IJA for the BEAD Program.
50 The State Controller shall transfer funds to the GREAT 3.0 Fund established in subsection (d) of
51 this section only as needed to meet the appropriations set out in subsequent legislation. Funds

reserved in the Reserve do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 10.2.(q) Of funds received for digital literacy from the State Digital Equity Capacity Grant Program under section 60304 in Division F, Title III of the federal Digital Equity Act of 2021 of the IJA in accordance with the North Carolina Digital Equity Plan approved by the NTIA, the Department may utilize up to twenty-three million dollars (\$23,000,000) for, and those funds are hereby appropriated for, that purpose.

SECTION 10.2.(r) Section 38.4 of S.L. 2022-74 is repealed.

SECTION 10.2.(s) Section 38.10(p) of S.L. 2021-180 reads as rewritten:

"SECTION 38.10.(p) This section is effective when it becomes law. ~~Subsections (b) through (k) of this section expire December 31, 2024."~~

PART XI. GENERAL GOVERNMENT

HFA/EMERGENCY RENTAL ASSISTANCE FUNDS

SECTION 11.1. Notwithstanding any provision of law to the contrary, the Office of State Budget and Management shall transfer to the Housing Trust Fund in the Housing Finance Agency all remaining Emergency Rental Assistance 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, as amended, and any interest earned on those funds, Budget Code 23021, Budget Funds 214050 and 214051, for the 2024-2025 fiscal year to be used for eligible programs administered by the Housing Finance Agency. Projects under this section shall comply with the United States Department of the Treasury's Emergency Rental Assistance guidelines, and these funds are hereby appropriated for that purpose.

PART XII. SALARIES AND BENEFITS

UPDATED SALARY-RELATED CONTRIBUTIONS/ADDRESS FUNDING REQUIREMENTS FOR THE NC NATIONAL GUARD PENSION FUND

SECTION 12.1.(a) Section 39.26(c) of S.L. 2023-134 reads as rewritten:

"SECTION 39.26.(c) Effective July 1, 2024, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2024-2025 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth below:

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
Retirement	16.79%	16.79%	6.84%	37.00% 35.96%	22.00% 19.32%
Disability	0.13%	0.13%	0.13%	0.00%	0.00%
Death	0.13%	0.13%	0.00%	0.00%	0.00%
Retiree Health	6.99%	6.99%	6.99%	6.99%	6.99%
NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%
Total Contribution Rate	24.04%	29.04%	13.96%	43.99% 42.95%	28.99% 26.31%

The rate for teachers and State employees and State law enforcement officers includes one one-hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement."

SECTION 12.1.(b) Part XXXIX of S.L. 2023-134 is amended by adding a new section to read:

"ADDRESS INCREASED FUNDING REQUIREMENTS/NORTH CAROLINA NATIONAL GUARD PENSION FUND

"SECTION 39.26A.(a) Notwithstanding any provision of law or the Committee Report described in Section 43.2 of this act to the contrary, funds appropriated in this act to the Department of State Treasurer are increased by the recurring sum of one million one hundred twenty thousand nine hundred forty-nine dollars (\$1,120,949) for the 2024-2025 fiscal year and are to be used for the State's contribution to the North Carolina National Guard Pension Fund (Budget Code 13412, Budget Fund 100903) to match the actuarially determined contribution amount.

"SECTION 39.26A.(b) Notwithstanding any provision of law or the Committee Report described in Section 43.2 of this act to the contrary, funds appropriated in this act to the Administrative Office of the Courts in Budget Code 12000 for the State's contribution for members of the Consolidated Judicial Retirement System are reduced by the recurring sum of nine hundred sixty-two thousand six hundred eighty-seven dollars (\$962,687) for the 2024-2025 fiscal year.

"SECTION 39.26A.(c) Notwithstanding any provision of law or the Committee Report described in Section 43.2 of this act to the contrary, funds appropriated in this act to the Office of Indigent Defense Services in the Administrative Office of the Courts in Budget Code 12001 for the State's contribution for members of the Consolidated Judicial Retirement System are reduced by the recurring sum of sixty-one thousand two hundred forty-six dollars (\$61,246) for the 2024-2025 fiscal year.

"SECTION 39.26A.(d) Notwithstanding any provision of law or the Committee Report described in Section 43.2 of this act to the contrary, funds appropriated in this act to the General Assembly in Budget Code 11000 for the State's contribution for members of the Legislative Retirement System are reduced by a recurring sum of ninety-seven thousand sixteen dollars (\$97,016) for the 2024-2025 fiscal year."

PART XIII. CAPITAL

NON-GENERAL FUND/NON-SCIF CAPITAL PROJECT AUTHORIZATIONS

SECTION 13.1. Section 40.4(a) of S.L. 2023-134 reads as rewritten:

"SECTION 40.4.(a) The General Assembly authorizes the following capital projects to be funded with receipts or from other non-General Fund and non-State Capital and Infrastructure Fund sources available to the appropriate department:

Name of Project	Amount of Non-General Fund/Non-SCIF Funding Authorized	
	FY 2023-2024	FY 2024-2025
Department of Natural and Cultural Resources		
Electric Vehicle Fast Chargers	\$2,000,000	\$0
Brunswick Town State Historic Site– Historical Restorations	150,000	0
<u>Mary Ann Brittain Education Center</u>	<u>0</u>	<u>2,200,000</u>
<u>Fort Fisher Aquarium Energy Efficiency System</u>	<u>0</u>	<u>2,000,000</u>
<u>Jennette's Pier Weather Station Upgrades</u>	<u>0</u>	<u>100,000</u>
<u>NCMA West Building Kitchen Storage Upfit</u>	<u>0</u>	<u>250,000</u>
Department of Agriculture and Consumer Services		
Arena and Barn Replacement	1,900,000	0
ASC Lab Renovation	400,000	0
Grain Storage and Drying Improvements	370,000	0
Equipment Shelters Replacement	0	300,000

1	NCFS Facility and Infrastructure Improvements	1,000,000	0
2	PTFM Facility and Infrastructure Improvements	1,000,000	0
3	Raleigh FM Facility and Infrastructure Improvements	1,000,000	0
4	RS Infrastructure Repairs and Renovations	1,250,000	0
5	State Fair Gate 8 Restroom Renovation	1,500,000	0
6	State Fair Infrastructure Improvements	20,000,000	0
7	State Fair Lunch Facility Renovation	25,500,000	0
8	Vet Infrastructure Repairs and Renovations	250,000	0
9	WNCAGCTR Facility and Infrastructure Improvements	1,250,000	0
10	<u>State Fair Flower Show Building</u>	<u>0</u>	<u>2,250,000</u>
11	<u>Piedmont Aviary</u>	<u>0</u>	<u>2,000,000</u>
12	<u>Raleigh State Farmers Market Improvements</u>	<u>0</u>	<u>5,000,000</u>
13	Department of Public Safety		
14	Alcoholic Beverage Control–		
15	Warehouse Precast Repair	275,000	0
16	ABC New Campus–Advanced Planning	4,700,000	0
17	Department of Adult Correction		
18	Old Craggy Laundry Wastewater/Stormwater Repl.	742,000	0
19	Wildlife Resources Commission		
20	Land Acquisition	5,000,000	5,000,000
21	Game Land Improvements	2,000,000	0
22	Caswell Depot Expansion	2,460,000	0
23	Mills River Equipment Storage	355,000	0
24	Morganton Depot Equipment Storage	340,000	0
25	Rhems Depot Equipment Storage	415,000	0
26	Troy Depot Office/Shop & Storage	1,900,000	0
27	Shooting Range Office & Classroom Constr.	3,100,000	0
28	Mount Holly Depot	0	2,400,000
29	Marion Aquaculture Building	0	600,000
30	<u>Sykes Depot Greenhouse</u>	<u>0</u>	<u>60,000</u>
31	<u>D7 Storage Building</u>	<u>0</u>	<u>400,000</u>
32	<u>Caswell Shooting Range Expansion</u>	<u>0</u>	<u>3,850,000</u>
33	<u>Coastal Restoration & Resiliency</u>	<u>0</u>	<u>500,000</u>
34	<u>Washington Baum Bridge Public Fishing Access</u>	<u>0</u>	<u>875,000</u>
35	<u>Department of Military and Veterans Affairs</u>		
36	<u>Sandhills State Veterans Cemetery</u>	<u>0</u>	<u>2,307,236</u>
37	<u>Eastern Carolina State Veterans Cemetery</u>	<u>0</u>	<u>507,150</u>
38	<u>Coastal Carolina State Veterans Cemetery</u>	<u>0</u>	<u>771,750</u>
39	<u>Salisbury State Veterans Home</u>	<u>0</u>	<u>11,438,910</u>
40			
41	TOTAL AMOUNT OF NON-GENERAL		
42	FUND/NON-SCIF CAPITAL PROJECTS		
43	AUTHORIZED	\$78,857,000	\$8,300,000
44			<u>\$42,810,046"</u>

PART XIV. TRANSPORTATION

RANDOLPH COUNTY MEGASITE TRANSPORTATION IMPROVEMENT FUNDS

SECTION 14.1. The funds transferred from the Economic Development Project Reserve to the Department of Transportation for the 2024-2025 fiscal year pursuant to Section 2.2(c) of this act shall be used to expand highway infrastructure and complete work on roads serving the megasite industrial park in Randolph County.

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PART XV. FINANCE [RESERVED]

PART XVI. MISCELLANEOUS

STATE BUDGET ACT APPLIES

SECTION 16.1. The provisions of the State Budget Act, Chapter 143C of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY

SECTION 16.2. Except where expressly repealed or amended by this act, the provisions of any legislation enacted during the 2023 Regular Session of the General Assembly affecting the State budget shall remain in effect.

MOST TEXT APPLIES ONLY TO THE 2024-2025 FISCAL YEAR

SECTION 16.3. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2024-2025 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 2024-2025 fiscal year.

EFFECT OF HEADINGS

SECTION 16.4. The headings to the Parts, Subparts, and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act, except for effective dates referring to a Part or Subpart.

SEVERABILITY CLAUSE

SECTION 16.5. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

EFFECTIVE DATE

SECTION 16.6. Except as otherwise provided, this act is effective July 1, 2024.