



2017 LONG SESSION LEGISLATIVE REPORT

The NC General Assembly adjourned its 2017 long session in the early morning hours of June 30, but did so with a stated intent to return well before the typical May start of its short session. Counties had a productive session, making great progress in their years-long effort to increase lottery funds dedicated to school capital needs. Multiple other NCACC goals passed in the [2017 budget act](#); many more made partial progress and are eligible for short session movement. Local governments saw fewer attempts by the General Assembly to limit local authority than in recent years, and regulatory reform efforts were much less intrusive.

However, the legislature will return for an early August special session to consider legislation from the just-concluded session that did not quite receive its final vote. While technically the authorization for the special session is written to limit the scope of legislation eligible, in practicality any language could be added to bills in play. Legislators may also address litigation concerning legislative actions, potential veto overrides, impeachments, and a handful of other matters. The General Assembly will convene again in early September, when they may revise various judicial and court districts as well as any local government districts. They may also propose amendments to the state constitution, override vetoes, consider impeachment actions, and address several other matters. A potential fall session will allow for the consideration of redistricting of state House and Senate districts, judicial and court districts, and local government districts.

During the 2017 Long Session, significant progress was made on several NCACC goals. Below is a status report on legislative action that addresses NCACC priorities and affects counties.

LEGISLATION ADDRESSING NCACC GOALS

Lottery Funds for School Construction Grow; Other Revenue Options Still Eligible

NCACC made strong progress on its number one priority goal of the 2017 session – to increase revenue for school capital needs – and there is opportunity for further progress during the rest of the biennium. After years of advocating to restore the original 40 percent of lottery proceeds for school construction, the Association saw an increase from \$100 million to \$130 million in year one and \$175 million in year two of the biennium for school capital. This increase will go toward a newly-created Needs-Based Public School Capital Fund, which will provide targeted grants in tiers one and two counties. Sen. Harry Brown introduced an earlier version of this legislation as a standalone bill, [S234](#), and succeeded in increasing school capital funding as part of the final budget act. Reps. Kevin Corbin (former Macon County Commissioner) and Jamie



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Boles both introduced bills to restore the 40 percent of lottery revenue to school capital. The budget includes related language directing future growth from lottery revenues toward school capital with a goal of getting the total amount for school capital back to 40 percent within the next decade.

Partial progress was made on legislation to expand local revenue options – also NCACC’s top Tax & Finance goal – and direct some of the funds to school capital and other education needs. [H333](#), sponsored by Reps. Susan Martin, Howard Hunter, Sam Watford and Jason Saine, authorizes counties to use the Article 43 local option sales tax for several educational needs, and to increase Article 46 from $\frac{1}{4}$ to $\frac{1}{2}$ cent for general purposes. It passed the House with a strong 103-11 vote, but the Senate did not take any action. Sen. Shirley Randleman sponsored [S166](#), which contained a similar Article 43 change, but the Senate did not consider it. Both bills are eligible for short session.

Legislation to put a \$1.9 billion bond referendum for school capital on the 2018 ballot received active support from Rep. Linda Johnson and Sen. Jerry Tillman, the lead sponsors in each chamber. However, concerns about pursuing another bond this soon after the 2016 Connect NC referendum prevented these bills from moving. Other House sponsors included Reps. Becky Carney, Kevin Corbin and Craig Horn, and Senate sponsors were Sens. Valerie Foushee and Rick Gunn. [H866](#) and [S542](#) are eligible for consideration during the short session.

NCACC thanks all sponsors of the above legislation for their support of addressing the \$8.1 billion school capital need in the state and looks forward to continuing this partnership.

School Board Lawsuit Bill Passes Senate, Held Up in House

Bills addressing NCACC’s Public Education goal to limit school boards’ authority to sue counties over school funding were introduced in both chambers this session. [S531/H305](#) School Boards Can’t Sue Counties, sponsored by Sens. Tommy Tucker and Bill Rabon, and Reps. Debra Conrad, Larry Potts and Carl Ford, amends the statute that establishes the dispute resolution process for boards of county commissioners and boards of education.

Currently, if a board of education determines that the board of county commissioners’ appropriation for education is insufficient, the two groups go through informal and formal mediation. If neither is successful, the board of education may file suit against the board of commissioners in Superior Court.



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S531 retains the informal mediation. However, it provides that if an agreement is not reached at the meeting, the funding decision of the board of commissioners is final and prohibits the board of education from suing over the appropriated amount. S531 passed the Senate with bipartisan support but was not considered by the House. A provision prohibiting school board lawsuits also appeared in the Senate version of the budget, but did not make it through the budget conference process.

The General Assembly's Program Evaluation Division has also completed a study on how school board lawsuits against boards of commissioners affect county budgets and relationships. However, the Program Evaluation Oversight Committee did not meet this session, and the findings of the study are not yet public.

Raise the Age Passes in the Budget

A provision to raise the age of juvenile jurisdiction was part of the final budget. The language was originally found in [H280](#), the Juvenile Justice Reinvestment Act. The legislation raises the age of juvenile jurisdiction from 16 to 18 except in the case of A-E felonies. It also includes a number of provisions aimed at reducing juvenile crimes including school-justice partnerships, juvenile justice training for police officers, and the establishment of the Juvenile Jurisdiction Advisory Committee. The budget appropriated nearly \$1 million for planning to implement these changes.

In addition, the budget included \$13.2 million for the construction of a new youth development center in Rockingham County in anticipation of the need for new juvenile offender housing.

Slow Movement on Broadband Access

NCACC worked with members of the House and Senate to introduce [H390/S208](#) Counties/Internet Infrastructure, which would give counties the authority to invest in digital infrastructure in unserved areas and lease assets to private Internet service providers. Neither bill was considered in committee; however, throughout session legislators expressed support for more tools at the state and local level to expand Internet access. NCACC thanks all the bill sponsors, particularly lead sponsors Rep. Josh Dobson and Sen. Jim Davis, both former county commissioners.



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The 2017-19 state budget bill sets up a special local government industrial site fund and allows funds to go to broadband expansion for economic development. NCACC will continue working throughout the interim and the short session to give counties tools to attract private investment for better Internet access across the state.

County Legal Notices Pilot Program Passes

After several attempts to enact new statewide authority for local governments to publish public notices through electronic means instead of through paid newspaper publication, the legislature passed [H205](#), a bill originally addressing workers compensation to which several other provisions were added. The negotiated language creates a pilot program to allow Guilford County and municipalities within to adopt an ordinance to publish required public notices on the local government's website instead of in a newspaper. It requires links to such notices on the main page of the government's website along with emailed notices to any requesting party. The new law also authorizes Guilford County to contract with other entities to publish legal notices on its website – using 50 percent of the revenue for teacher supplements, and contains certain requirements of newspapers. A Senate bill to grant this authority to all local governments passed the Senate and one House committee in different forms, but did not progress further in the House. NCACC thanks Sen. Trudy Wade and Rep. Chuck McGrady, the lead sponsors of the original bills [S343/H432](#), for their efforts over multiple years on this long-standing Association goal.

Legislation Provides Additional Behavioral Health and Opioid Crisis Resources

The final 2017-19 state budget act helps accomplish a key county Health and Human Services goal through several provisions and funding items targeted at community health and behavioral health programs and facilities. NCACC worked with budget writers to roll a number of county HHS priorities into the budget which continues the community paramedicine pilot program in three counties, and directs DHHS to establish a plan using Medicaid funds to reimburse county paramedics for transportation to behavioral health facilities instead of emergency departments. The budget also includes \$2 million for new child-focused behavioral health crisis facilities and \$17 million for additional inpatient behavioral health beds at five hospitals across the state. NCACC thanks Rep. Josh Dobson, Sen. Joyce Krawiec and all the HHS budget writers for their support of additional resources for county behavioral and community health programs.

The passage of the [Strengthen Opioid Misuse Prevention \(STOP\) Act](#), in addition to providing more state funds for opioid and substance abuse management, will also help achieve this Association HHS goal as well as an NCACC Justice and Public Safety goal to support funding for



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intervention and treatment of adolescent substance abuse. The budget combines additional state funding for opioid abuse management, including \$250,000 to New Hanover County, with redirected federal grants to specific opioid use treatment and recovery services. These provisions align with NCACC President Fred McClure's Mental Health and Substance Abuse Presidential Initiative. NCACC thanks Sen. Jim Davis and Rep. Greg Murphy and all the bill sponsors for their support of the STOP Act and resources to combat the opioid crisis.

School Calendar Bill Passes House

Over the course of the session, dozens of local bills were introduced in both chambers granting counties school calendar flexibility. There was also a provision in the House version of the budget that directed the State Board of Education to establish a 20 county, three-year school calendar flexibility pilot program. [H375](#) School Calendar Flexibility/Community Colleges would allow counties state-wide to align their school calendars with community colleges, and passed the House with a 108-6 vote. The bill would allow local boards of education to schedule the opening day to coincide with the beginning of their local community college classes provided the opening date is not earlier than August 15th.

None of the local bills on school flexibility were heard in committee. The budget provision developing the school calendar pilot did not end up in the legislature's final budget. H375, despite overwhelming support in the House, remains in the Senate Rules committee.

Budget Adds County Economic Development Tool; Major Tier Reform Stalls

The 2017-19 state budget establishes the NC Ready Sites Fund in the NC Department of Commerce and appropriates \$2 million to assist local governments in tier one and two counties with development of infrastructure around industrial sites to help attract economic investment, which is progress toward an Association Tax and Finance goal. The budget also extends the JDIG sunset to 2021 and adds an exemption from JDIG maximum grants to "transformative projects" with a private investment of at least \$4 billion projected to create at least 5,000 jobs. Reversing the trend in recent budgets that provided non-recurring dollars, the 2017-19 budget provides \$15 million recurring in FY 2018 and \$31 million recurring in FY 2019 for the Film and Entertainment Grant Fund.

Throughout the session, the House and Senate introduced various revisions to the state's tier system and economic development grant programs in [H795](#) and [S660](#), both titled Economic Development Incentives Modifications. However, they adjourned before passing either proposal. The House did pass an amended version of [S223](#) that would exclude economic



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development projects in tier one and two counties from the maximum annual cap on JDIG funds. That bill was not considered by the Senate prior to adjournment, but will be eligible in the short session.

Subdivision Road Maintenance Bonds Not Authorized

Several bills addressing financial responsibility for roads in subdivisions still under development made partial or no progress this session; NCACC supported some and opposed others.

[H141/S92](#) Maintenance Bond for Subdivision Roads would have achieved a General Government goal to allow counties to require bonds for maintenance of subdivision roads until they are accepted into the state system, but neither bill received a committee hearing. The House version of [H457/S373](#) Performance Guarantees/Subdivision Streets passed the House but did not move in the Senate. The bill would have partially achieved an NCACC goal by adding roads to the state system more quickly, but created an administratively-complex maintenance bond authority that in some cases allowed release of the financial guarantee before roads are accepted.

OTHER BILLS AFFECTING COUNTIES

Child Welfare Improvement Bill Passes; Collaborative Regionalization Option Established

Working throughout the session with child advocacy groups, social service organizations, and governmental entities, the NC General Assembly approved legislation establishing the Family/Child Protection and Accountability Act, also known as Rylan's Law. [The final law](#), which is supported by NCACC, provides for a working group to study regional supervision and collaboration among county or regional social services agencies or programs. The enacted law does not mandate regionalization, as originally introduced.

The law also establishes a pilot program for youth aging out of foster care and increases state oversight and reporting on child welfare matters. Furthermore, it requires county social services departments to more closely examine cases for children in protective custody, by physically observing and documenting successful visits with their parent, guardian, custodian or caretaker. This formal review must be prepared prior to submitting a recommendation to the court that the child be returned to their care.

NCACC thanks the legislation's primary champion Senator Barringer for maintaining open communication with the Association and other partners on this issue and looks forward to continuing to work together to make system-wide improvements to North Carolina's child



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welfare system. NCACC also appreciates active engagement on this issue by its members and for providing valuable feedback throughout the legislative session.

Statewide Water and Sewer Development Fee Authority Clarified

Multiple conversations about local impact fees sparked by a series of damaging court decisions and a controversial local issue led to several pieces of intertwining legislation and an unexpected legislative challenge for local governments this session. The NC Supreme Court ruled in the *Quality Built Homes vs. Town of Carthage* lawsuit that the town had no authority to impose water and sewer fees for future services, and the NC Court of Appeals set the statute of limitations on recovery of fees at 10 years. In response to these decisions, several legislators introduced [S641/H624](#) (Uniform System Development Fees for Water) to enable continued water and sewer infrastructure expansion and avoid severe financial court awards against local governments.

Complaints by an individual developer over school impact fees in Orange County led to the introduction of [H406](#), which repealed the county's local authority to impose any impact fees on new development. The complaints also prompted the introduction of [H436](#), which stripped local governments statewide of fee authority. A House committee subsequently amended H436, taking a more moderate approach by requiring a study on impact fees. However, H406 passed in its original form.

Ultimately, the legislature used H436 as the vehicle for the negotiated language originally in S641/H624. The final version sets up a statewide authority for water and sewer system development fees and reduces the statute of limitations from 10 to three years for court challenges to these fees. The NC Supreme Court recently allowed review of the Court of Appeals' decision to apply a 10-year statute of limitations.

NCACC thanks Sen. Paul Newton for his sponsorship of S641 and his tireless work with stakeholders to craft a compromise bill, along with Sen. Dan Bishop who offered extensive legal expertise throughout the process. Other legislators who supported counties include bill sponsors Sens. Chuck Edwards and Norm Sanderson and Reps. Chuck McGrady, Linda Johnson, Craig Horn and Linda Hunt Williams. Rep. Sarah Stevens, the sponsor of H406 and H436, brought stakeholders together to negotiate a compromise and allowed the use of H436 for the final resolution.



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Workers Compensation Law Clarified

Legislation passed by the General Assembly will address concerns about a recent decision by the N.C. Supreme Court in the *Wilkes v. City of Greenville* case. The case found that when an employer accepts a claim as compensable, the burden is on that employer to show that any additional medical treatment is not related to the claim. [H26](#) clarifies that employees must be able to show how subsequent medical expenses are related to the on-the-job injury for a previously-approved workers' compensation claim.

Disaster Recovery Funds Assist Counties

The House and Senate passed [legislation](#) to allocate \$100 million in the budget for various purposes and programs related to disaster relief from Hurricane Matthew, Tropical Storms Julia and Hermine, and the western wildfires. This bill does not provide an addition to the \$100 million in the state budget, rather it's a description of how the funds will be distributed as follows:

- \$30 million for Golden L.E.A.F. to provide grants to local governments and nonprofits.
- \$20 million for the Dept. of Public Safety, Division of Emergency Management for various housing assistance programs.
- \$5 million for the Lumber River Council of Government to develop and construct low-income multifamily housing units in the Town of Fair Bluff.
- \$20 million for the Dept. of Agriculture & Consumer Services for stream debris removal and certain road repairs.
- Up to \$1 million may be used for drought relief in 20 western counties.
- \$2.7 million for the Community College System to be used to offset the impact on community college enrollment declines related to Hurricane Matthew.
- \$22.3 million to provide the State match for federal disaster assistance programs.

Comprehensive School Leasing Reform Does Not Progress

Variations on legislation from previous sessions to grant counties authorization to enter into lease agreements for new school construction made some progress but did not pass. NCACC did not take a position on [H600](#) and [S511](#), both entitled School Construction Flexibility, but has opposed versions in the past. The House passed H600, but the Senate did not consider either bill. A last-minute addition to [S468](#) modified the new Needs-Based Public School Capital Fund to allow those grant funds from lottery proceeds to be used for operational leases if a pre-development agreement was in place before June 30, 2017. In addition, [H528](#) Budget Technical Corrections directs the legislature to study the new Needs-Based Public School Capital Fund,



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specifically obstacles to counties' ability to achieve full benefit from the fund and the potential for use of the fund for lease agreements and public private partnerships. The report is due by Feb. 1, 2018.

Property Tax Exemptions Do Not Pass the Senate

Legislation expanding certain property tax exclusions passed the House but was not considered by the Senate prior to adjournment. [H2](#) Provide Certain Property Tax Relief would expand the current homestead exclusion for disabled veterans from \$45,000 to \$100,000, add the surviving spouse of fallen first responders to the applicable class for the exclusion, and provide a hold harmless for counties with lost revenue from these expanded exemptions.

Classroom Size Challenge Temporarily Addressed

To address a 2016 budget provision that set hard caps on class size for grades K-3, [H13](#) Class Size Requirement Changes would give school districts flexibility in the coming year to meet new requirements for reducing class size. The fix is intended to help avoid layoffs for hundreds of arts, music, physical education and other specialty educators. The compromise doesn't include a fix for future years, so the legislature will have to revisit this issue.

Various Election Laws Move

A handful of bills changing elections law stalled while one bill became law following a veto override. [H100](#) Restore Partisan Elections/Sup. & Dist. Court makes superior and district court judge elections partisan again and changes the process for unaffiliated candidate petitions. The bill became law notwithstanding the Governor's veto. The latest version of [S655](#) Change Date When Primary Elections Held would move primary elections from May to March in even year elections beginning after 2019. The bill would also move primary filing deadlines from February to December. The bill would eliminate the connection to the South Carolina presidential primary date and make the North Carolina presidential primary date the Tuesday after the first Monday in March beginning in 2020. The bill was not considered by the Senate for concurrence with a House amendment prior to adjournment. [S486](#) Uniform Voting Hours Act would require a county to keep all precincts open longer if one precinct's voting hours are extended. The bill passed the Senate but was not considered by the House.



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Regulatory Reform Efforts Stall

The General Assembly considered various regulatory reform and environmental policy changes across about a half dozen bills throughout the session, one of which passed both chambers before the session ended. [S131](#) became law early in the session and contains one provision of note to counties. Part of the bill would limit enforcement of land use violations by establishing a five-year statute of limitations on land use violations known or reported to the county, or a seven-year statute of limitations for violations that are unknown by local officials but are visible from the street and pose no health or safety threats. The original House version established three-year and six-year statutes of limitations respectively. NCACC thanks Rep. Sam Watford for his amendment extending these times to five and seven years.

NCACC monitored the following provisions that arose in at least one of the other regulatory reform bills that did not pass, but could be considered in the August special session:

- A study of exempting riparian buffers from property tax
- A provision creating a special fund for coastal storm damage preparation and mitigation
- An amendment limiting county authority to regulate the placement of asphalt plants
- A limitation on county solid waste franchise agreements and the authority to control solid waste flows to landfills outside the county
- Various revisions to septic system laws
- A change in the scrap tire tax rate coupled with an expansion of the tax base to include used tires

Comprehensive Energy Policy Legislation Passes on Final Day of Session

The last piece of the puzzle to fall into place late this session was an agreement on a comprehensive reform to the state's energy policies. [H589](#) Comprehensive Energy Solutions for NC passed early in the morning on the last day of session and expands third-party leasing for solar infrastructure, changes how the state implements a federal energy law as well as how utilities bid for renewable energy, and enacts an 18-month moratorium on wind energy facility permits.

Multiple Bills Include Modifications to Laws Affecting Counties

One provision of [S155](#) ABC Omnibus Legislation that received a great deal of publicity directly affects counties. It authorizes local governments to pass an ordinance to allow the sale of alcohol by any ABC licensee beginning at 10:00 am on Sundays, as opposed to noon under current law. County ordinances only apply to unincorporated areas; municipalities must pass ordinances to affect those jurisdictions.



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[H704](#) Divide School Systems/Study Committee creates a legislative committee to study permitting local school administrative units that were merged from separate units to be divided into separate units again. The legislation is aimed at the largest school systems in the state. The committee must report to the full legislature by May 1, 2018.

[H530](#) Counties/Condemnation of Unsafe Buildings/Liens grants counties the same authority as municipalities to declare a building or structure unsafe and cause it to be demolished or removed.

Currently the Local Government Commission can require local government finance officers to attend training programs under certain circumstances. The General Assembly passed [S69](#) Local Gov't Comm/Finance Officer Training which requires the LGC to notify a county of the required training and would require the county to submit proof that the finance officer has met the training requirements.

Several bills changing immigration statutes passed one chamber but did not become law. [S145](#) allows any person to allege a local government or its law enforcement agency is not in compliance with state immigration law, and the government could lose for one year its proceeds from beer and wine sales, video programming and telecommunications services, piped natural gas and scrap tire disposal. [H113](#) creates a new right for private residents of a county or municipality to file an action in superior court alleging the local government is not complying with immigration laws. The court shall award the prevailing party attorneys' fees and court costs, and the local government is subject to a \$10,000 per day fine for failing to comply with any order resulting from the court action. [H306](#) changes E-verify requirements for all local government contractors and subcontractors from applying to businesses who have 25 employees for at least nine months of the year to all businesses, regardless of the number of employees or length of employment. All three bills are eligible for short session consideration.

Two bills changing retirement benefits for local government law enforcement officers passed the House but did not move in the Senate. [H665](#) allows the Department of Justice to charge counties for insufficiencies in the sheriffs' supplemental pension fund. [H284](#) would allow LEOs with 25 years of service to retire under certain circumstances. Both bills are eligible in the short session.



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[S363](#) was introduced in the Senate but never considered in committee this session. The bill, which updates the Machinery Act, would make complex changes to property tax valuation appraisal and appeals processes that would negatively impact counties.

GOALS STATUS SUMMARY

Agriculture

AG-1: Support state funding and staffing for agricultural research, Cooperative Extension services and other agriculture-related efforts to support the largest economic driver in North Carolina.

The final budget included funds for marketing of North Carolina agricultural products regionally and internationally, as well as \$2 million for the Agricultural Development and Farmland Preservation Fund.

AG-2: Support legislation allowing counties to partner with neighboring counties to establish multijurisdictional regional Agricultural Business Districts that allow for favorable taxation and incentives to attract agricultural businesses to the region.

After extensive research and consultation with experts on the subject, NCACC determined that counties already have the authority to partner with neighboring counties for economic development purposes, including agribusiness.

Environment

ENV-1: Support legislation to increase funding for the Clean Water Management Trust Fund for water and sewer infrastructure projects,

The final budget appropriated an additional \$5 million over both years (\$805,707 recurring) for the Clean Water Management Trust Fund.

ENV-2: Support legislation to study and address air quality matters related to the removal and treatment of coal ash deposits.

Legislation addressing issues with coal ash air quality was not introduced this session.

ENV-3: Support legislation to provide for and fund a comprehensive statewide approach to noxious aquatic vegetation control in public water reservoirs.

Legislation addressing aquatic weeds was not introduced this session.



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General Government

GG-1: Support increased state funding for transportation construction and maintenance needs, and support legislation to ensure that the STI funding formula recognizes that one size does not fit all and that projects in both rural and urban areas are prioritized and funded.

The budget increases funding to the Strategic Transportation Infrastructure Program by \$320 million by the end of FY 2019. [H81](#) would amend the Strategic Transportation Investment program to include more input from MPO/RPOs. The legislation passed the House but was not heard in the Senate.

GG-2: Seek legislation to authorize counties to require HOAs or developers to post maintenance bonds for publicly dedicated subdivision roads, require DOT to expedite acceptance of subdivision roads into the state road system, and implement a statewide approach to maintaining pre-subdivision ordinance roads.

[H141/S92](#) would have accomplished this goal, but neither version of the bill was heard in committee. NCACC will work on a compromise during the legislative interim.

GG-3: Seek legislation, funding, and other efforts to expand digital infrastructure/broadband capability to the un-served and under-served areas of the state.

[H390/S208](#) would give counties the authority to invest in Internet infrastructure in unserved areas and lease assets to private Internet service providers. Neither bill was considered in committee; however, throughout session legislators expressed support for more tools at the state and local levels to expand Internet access throughout the state.

GG-4: Support goals of the NC Military Affairs Commission.

The budget included \$2.2 million for the military stabilization fund to “sustain and maintain North Carolina’s military programs.”

GG-5: Support legislation to grant all counties the option to provide notice of public hearings and other legal notices through electronic means in lieu of required publication in any newspaper.

[S343](#) would allow counties to publish required legal notices on their own websites. The bill passed the Senate but not the House. Ultimately, a pilot program for Guilford County passed as part of [H205](#).



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Health and Human Services

HHS-1: Support increased state funding for behavioral health services and facilities at the state and local level, including dedicated resources for community paramedicine projects. Support Medicaid reimbursement to EMS for behavioral health transport to crisis centers and structure appropriate county participation in behavioral health program governance.

The budget includes \$2 million for new child-focused behavioral health crisis facilities and \$17 million for additional inpatient behavioral health beds at five hospitals across the state. The budget also continues the community paramedicine pilot program in three counties with \$350,000 in funding and directs DHHS to establish a plan using Medicaid funds to reimburse county paramedics for transportation to behavioral health facilities instead of emergency departments.

HHS-2: Seek increased state funding to support access to early childhood education.

The budget provides additional resources for early childhood education using \$3 million in FY18 and \$6.1 million in FY19 combined with \$18.8 million in TANF block grants across both years to reduce the NC Pre-K waitlist.

HHS-3: Support increased funding and legislation to strengthen adult protective services.

The budget provides an additional \$1 million for 21 new positions to increase staff and improve timeliness of inspections at various adult care facilities. It also appropriates over \$100,000 in each year to fund background checks for long term care staff. [H657](#) passed the General Assembly and modifies the process by which deficiencies at adult care homes are handled by the Division of Health Service Regulation and county departments of social services.

HHS-4: Support legislation to align oversight standards for lawful body piercing with lawful tattooing.

[H250/S256](#) would add body piercing and other body art practices to existing tattooing laws and regulations. H250 passed the House but was not heard in the Senate. It is eligible for short session.



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Justice and Public Safety

JPS-1: Support legislation and funding to raise the Age of Juvenile Jurisdiction from 16 to 18 with the exception of felony crimes.

The final budget included a provision to raise the age of juvenile jurisdiction with the exception of A-E felonies. It also included \$13.2 million for a new youth development center and \$1 million for the planning of the implementation of the Juvenile Justice Reinvestment Act.

JPS-2: Support increased state funding for NC courts, including reinstating funding for drug treatment court.

Funding for 36 new assistant district attorneys across the state was a part of the final budget.

JPS-3: Support legislation and state funding to provide early intervention services through the Juvenile Crime Prevention Councils, and support increased state funding for the prevention, intervention and treatment of adolescent substance abuse, gang involvement and domestic violence.

The “Raise the Age” legislation in the budget included provisions aimed at reducing juvenile crime. The budget also includes resources for substance abuse treatment while the [STOP Act](#) increases oversight and standards for opioid prescribing practices.

JPS-4: Support legislation increasing penalties for tattooing without a permit.

[H250/S256](#) would accomplish this goal. H250 passed the House but was not heard in the Senate. It is eligible for short session.

Public Education

PE-1: Seek legislation to establish a new state-county partnership to address statewide public school capital challenges--including but not limited to maintenance, renovation, construction and debt--through a dedicated, stable funding stream that is consistent from county to county and sufficient to meet the school facility needs of all 100 counties.

The final budget allocates \$100 million from lottery proceeds to the Public School Building Capital Fund and adds \$30 million in FY 2018 and \$75 million in FY 2019 to a newly-created Needs-Based Public School Capital Fund. Legislation authorizing expansion of local option sales taxes and a statewide bond referendum did not pass but is eligible for short session.



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PE-2: Seek legislation to repeal the statutory authority under N.C. Gen. Stat. 115C-431(c) that allows a local school board to file suit against a county board of commissioners over county appropriations for education.

[S531/H305](#) amends the statute that establishes the dispute resolution process for boards of county commissioners and boards of education. S531 passed the Senate with bipartisan support but was not heard in the House and is eligible for short session. A provision prohibiting school board lawsuits also appeared in the Senate version of the budget, but did not make it through the budget conference process. NCACC will continue to work on this issue during the interim and short session.

PE-3: Support legislation to provide for an overall increase of funding based on average daily memberships outside of the current formula system.

New approaches to school funding formulas were not introduced in legislation or in the final state budget. The budget does set out a task force to study the current school funding allotment and distribution methods and explore possible improvements.

PE-4: Support legislation providing flexibility to align K-12 and community college calendars.

Dozens of local bills and one statewide bill—[H375](#) were introduced addressing this issue, and a pilot program was included in the House budget, but none passed this session. NCACC will continue to work on this issue during the short session.

Tax and Finance

TF-1: Support efforts to preserve and expand the existing local revenue base of counties, and oppose efforts to divert to the state fees or taxes currently allocated to the counties to the state. Oppose efforts to erode existing county revenue streams and authorize local option revenue sources already given to any other jurisdiction.

[H437](#), [S166](#) and [H333](#) were all aimed at expanding local revenue flexibility. H333 passed the House, but the Senate was unwilling to consider any of the bills. All are eligible for short session.



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TF-2: Support legislation to grow North Carolina's statewide economy through sound state investments, including public infrastructure funding, competitive incentives, and coordinated efforts with county economic development services.

The budget establishes the NC Ready Sites Fund in the NC Department of Commerce and appropriates \$2 million to assist local governments in tier one and two counties with development of infrastructure around industrial sites to help attract economic investment. [H158/S.L.2017-40](#) clarifies the authority for local governments to impose special assessment to pay for critical infrastructure projects.

TF-3: Support legislation to restore state aid funding of public libraries to the pre-2011 level of \$15.7 million and eliminate special provisions that distribute state aid outside of the equitable formula developed by the State Library Commission.

The budget increases state aid to libraries by \$500,000, bringing the overall appropriation to \$14.7 million.