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Bulletin #11-19

Friday, June 3, 2011

STATE BUDGET REACHES END GAME – OR DOES IT?

The N.C. Senate and House have agreed to a budget compromise ([H200](#)) that will avoid a conference committee. Senate President Pro Tem Phil Berger and Speaker of the House Thom Tillis announced the plan Tuesday as a bipartisan agreement, meaning one might presume that the consensus plan is also veto-proof. The budget passed along party lines in the Senate on Wednesday and Thursday, with the House scheduled to vote on the budget Friday afternoon and Saturday at a 12:01 a.m. session. All eyes will be on the House, where Republicans need at least four Democrats to vote for the budget to provide a veto-proof majority. Five House Democrats voted for the original House budget.

The \$19.7 billion budget increases overall spending by \$250 million more than the original Senate version, with most of the increase directed at k-12. The budget appropriates \$100 million in county lottery funds for school construction, allocated on a per pupil basis. The \$72.1 million in ADM funds are not included in the Senate plan, but the new version does rescind the proposed school bus cost shift to counties and lowers the reduction in community mental health funds. Below are the significant impacts to counties.

- Appropriates \$100 million in county lottery school construction funding allocated on a per pupil basis
- Excludes the original proposal to include the one-time \$72.1 million in corporate tax set aside for school construction (ADM Fund)
- Rejects the original proposal to shift (\$56.9 million) in annual school bus replacement costs to counties
- Rejects the original proposal to limit administrative funding to one school district per county
- Rejects the original proposal to reduce the small school funding allotment and change its funding formula
- Reduces the original proposed recurring cut of \$30 million in community mental health dollars to a one-time \$20 million cut
- Continues original proposal to begin reducing class sizes in grades 1-3 and fully funds all teaching assistants

JUSTICE REINVESTMENT ACT REVISED TO ADDRESS COUNTY CONCERNS

The Justice Reinvestment Act of 2011 ([H642](#), sponsored by Reps. David Guice, John Faircloth, Alice Bordsen and Earline Parmon) is a package of criminal procedure and probation reforms that has come together thanks to the diligence of Rep. Guice, a former Transylvania County Commissioner. Rep. Guice spent numerous hours with NCACC advocacy staff working to address the concerns that counties voiced about the original proposal. As a result of those conversations and communications by county commissioners across the state, Rep. Guice introduced a proposed committee substitute in the House Appropriations Committee

on Tuesday that encompassed the “must haves” of counties. The bill will now be heard in the Senate, where NCACC will address any clarifying or technical changes that are necessary.

The bill makes a number of changes to probation and sentencing laws. Several provisions in the bill have been of particular concern to counties. The first is the provision dealing with misdemeanants in county jails. In its original form, H642 shifted all misdemeanants with sentences greater than 90 days and up to 180 days to county jails. The new version of H642 sets up the Statewide Misdemeanor Confinement Program. This program will be funded from increased court fees that are included in the budget. Counties can voluntarily participate in the Program and will be part of a jail network that will accept 90-180 day misdemeanants. H642 provides that counties will be reimbursed for the costs of housing these misdemeanants including medical care, supervision, transportation and any other related costs. H642 states that the program shall only operate as long as sufficient state funds are available through the Statewide Misdemeanor Confinement Fund, which is comprised of the increased court fees.

The next section directly impacting counties is the “quick dip” provision in H642. This section allows a probationer to be confined for up to six days per month in a local confinement facility upon a probation officer’s determination that the offender has violated his or her probation. In addition, H642 includes a section entitled, “Refocus Criminal Justice Partnership Program.” This section eliminates local CJPP boards and creates a new program in which the Department of Correction will contract with service providers through a competitive procurement process to provide community-based services to offenders on probation, parole, or post-release supervision. A State Community Corrections Advisory Board is established to review criteria for monitoring programs, recommend priorities, and review standards, policies, and rules for community-based programs. The board consists of 23 members, including two county commissioners - one from a predominantly urban county, to be appointed by the President Pro Tempore of the Senate, and one from a predominantly rural county, to be appointed by the Speaker of the House of Representatives. H642 will go to the Senate, where it will be referred to committee.

ELECTRONIC MONITORING BILL ADVANCES THROUGH HOUSE

H662 (Electronic Monitoring Fee) directly addresses one of NCACC’s Justice and Public Safety legislative goals. The bill allows a county that utilizes electronic monitoring as a condition of an offender’s bond or pretrial release to recoup the cost of offering the service from the offender. The fee shall be the lesser of the amount of the daily jail fee or actual costs. The daily jail fee is currently \$5 but is raised to \$10 in the state budget. In addition, the bill provides that a county may not collect a fee from an offender who is determined to be indigent and entitled to court-appointed counsel. The bill passed third reading in the House and will now move to the Senate. The bill is sponsored by Rep. Bill Cook (Beaufort, Pitt).

S552 SEEKS TO REGIONALIZE COUNTY HEALTH DEPARTMENTS

The Senate Health Care Committee heard and approved Thursday a revised version of **S552**, which would limit state and federal funding by 2014 to those accredited local health authorities or district health departments with a minimum service population of 100,000, obtained through multi-county consolidation if necessary. Single county health departments with county populations meeting the 100,000 threshold would not qualify, except for Wake and Mecklenburg operating under the consolidated human service model. Participating counties in these single or multi-county health authorities or district health departments would be required to maintain current county funding levels or provide funding support of at least \$15 per capita, whichever is greater. The bill would rewrite the essential public health services and require all local health departments to provide 10 essential functions. We understand that the Local Health Directors’ Association has agreed to the bill’s functional and organizational changes. The Association is working with the bill sponsor, Senator Fletcher Hartsell (Cabarrus) to minimize unintended impacts to county authority and financing capability.

S433, also by Sen. Hartsell, has yet to be scheduled for a committee hearing in the House, and time appears to be drawing nigh as growing rumors of adjournment become louder and more frequent. This bill would permit any and all counties to consider consolidating their human service agencies under one director and one consolidated department. County boards of commissioners could exert greater direction and facilitation of services through the consolidated model, gaining administrative efficiencies and program coordination. Current legislation restricts this model to those counties with populations of at least 425,000. Mecklenburg and Wake have successfully used this model for more than 20 years, The General Assembly’s yearlong study of social services consolidation opportunities recommends lifting the population threshold, noting that county dollars are driving the administrative functions and no other state with county-administered social services limits organizational alternatives.

ACTION NEEDED: Please contact your House members and ask them to hear S433 – Local Human Services Administration. Thank you.

H350 CLARIFIES CONSERVATION LAND EXEMPTION

H350 (Property Tax Uniformity For Conservation Land) attempts to clarify and standardize what lands qualify for a property tax exemption as conservation lands. The Association worked closely with Rep. Chuck McGrady, a former Henderson County commissioner who sponsored the bill, county tax assessors, and land trust representatives to craft statutory language representative of common county practice. The bill limits the land conservation exemption to those non-profit associations specifically organized to receive and administer conservation lands, prohibits land use that is income-producing, and requires exempted land to be held as conservation lands in perpetuity. Failure to meet the stated purposes or qualifying criteria subjects all land holdings to a five-year rollback of property taxes, turning an exemption into a property tax deferral. The bill passed second reading Thursday on a 106-11 vote and was scheduled for third reading Friday afternoon.

CHECK US OUT ON YOUTUBE, TWITTER AND FACEBOOK

The Association has several ways members can receive up-to-date legislative information. The NCACC's Twitter feed has more than 550 followers. Sign up to follow us at twitter.com/ncacc. You can also view our latest Twitter posts on the NCACC website (www.ncacc.org). If you are on Facebook, search for "NCACC" and click on the "Like" button to receive our updates. The Association posts breaking news on both the Twitter and Facebook pages. The Association is also creating weekly legislative video reports for the NCACC's YouTube Channel (www.youtube.com/ncacc1908). "This Week at the General Assembly" will be posted each Friday afternoon and will feature interviews with legislators and NCACC staff, reports on legislation impacting counties and updates on county legislative priorities.

BILLS OF INTEREST

The Association maintains a section on its website to track bills of interest to county officials. Visit www.ncacc.org/legislation/about.html for updates on these and other bills we are tracking.

Bill: [H242](#)

Sponsors: Stone (R51); Gillespie (R85)

Title: NAT'L GAS/BONDS/FEES/STUDIES

Position: Support

Category: Legislative Goal

Comments: This bill would accomplish the NCACC's legislative goal to establish a study commission to examine the hydraulic fracturing method of drilling for natural gas. The Department of Environment and Natural Resources is instructed to hold two public hearings on hydraulic fracturing and to study the possible societal, economic and community impacts of allowing hydraulic fracturing. The bill also appropriates \$100,000 to conduct the study and establishes May 1, 2012, as the deadline for DENR to report its findings to the Legislature. The bill passed the House on May 31.

Bill: [H709](#)

Sponsors: Folwell (R74); Dollar (R36); Hager (R112); Crawford (D32)

Title: PROTECT AND PUT NC BACK TO WORK

Position: Support

Category: Legislative Goal

Comments: This bill attempts to reform the state's workers' compensation laws and addresses counties' two primary legislative goals of putting a 500-week cap in place and making return to work provisions more reasonable. The bill passed the House June 1 and has been referred to the Senate Committee on Insurance.

Bill: [S413](#)

Sponsors: Clodfelter (D37)

Title: ORDINANCE FIRST READING VOTE

Comments: This bill requires that a county must hold any required public hearings at least seven days before it votes to adopt the ordinance addressed by the public hearing. This impacts budget ordinances and bond orders as well as any ordinance that requires a public hearing. It passed the Senate on April 6 and has been assigned to the House Judiciary Subcommittee B.

– David F. Thompson, Executive Director

– Kevin Leonard, Director of Government Relations

