

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 357
House Committee Substitute Favorable 6/26/24
Third Edition Engrossed 6/26/24

Short Title: Adjustments to the 2023 Appropriations Act.

(Public)

Sponsors:

Referred to:

March 23, 2023

A BILL TO BE ENTITLED
AN ACT TO MAKE CERTAIN ADJUSTMENTS TO THE CURRENT OPERATIONS
APPROPRIATIONS ACT OF 2023.

The General Assembly of North Carolina enacts:

EXTEND TIME LINE FOR CERTAIN NONRECURRING APPROPRIATIONS

SECTION 1. This section applies to any nonrecurring appropriation that will revert to the fund from which the appropriation was made on June 30, 2024. Notwithstanding any provision of law to the contrary, these appropriations shall not revert at the end of the 2023-2024 fiscal year and shall remain available for expenditure until December 31, 2024.

STATE FISCAL RECOVERY FUND REALLOCATIONS

SECTION 2.(a) Notwithstanding any provision of law to the contrary, State Fiscal Recovery Funds appropriated in S.L. 2021-180 are reduced as follows:

- (1) The appropriation to the Administrative Office of the Courts (Budget Code 12000) for "Economic Assistance Funds" provided on page E7, item 14 of the Committee Report described in Section 43.2 of S.L. 2021-180 and further described in Section 16.23 of S.L. 2021-180 is reduced by the sum of nine hundred sixty-four thousand six hundred eighty dollars (\$964,680).
- (2) The appropriation to the Department of Commerce (Budget Code 14602) for "Motorsports" provided on page D45, item 128 of the Committee Report described in Section 43.2 of S.L. 2021-180 and further described in Section 11.14 of S.L. 2021-180 is reduced by the sum of one hundred twenty-five thousand three hundred thirty-eight dollars (\$125,338).
- (3) The appropriation to the Department of Health and Human Services (Budget Code 14445) for "Premium Pay Bonuses" provided on page C44, item 109 of the Committee Report described in Section 43.2 of S.L. 2021-180 and further described in Section 39.21 of S.L. 2021-180 is reduced by the sum of eleven million nine hundred ninety-three thousand eighty-eight dollars (\$11,993,088).
- (4) The appropriation to the Department of Health and Human Services (Budget Code 14460) for "Temporary Funding Assistance for ICF/IIDs" provided on page C72, item 173 of the Committee Report described in Section 43.2 of S.L. 2021-180 and further described in Section 9F.13 of S.L. 2021-180 is reduced by the sum of four thousand six hundred eighty-six dollars (\$4,686).



- (5) The appropriation to the Department of Public Instruction (Budget Code 13510) for "Smart School Bus Pilot" provided on page B28, item 71 of the Committee Report described in Section 43.2 of S.L. 2021-180 and further described in Section 7.70(a) and (b) of S.L. 2021-180 is reduced by the sum of three million three hundred twenty-seven thousand five hundred eighty-five dollars (\$3,327,585).
- (6) The appropriation to the Department of Revenue (Budget Code 14700) for "Mainframe Migration" provided on page F154, item 274 of the Committee Report described in Section 43.2 of S.L. 2021-180 is reduced by the sum of three hundred seventy-two thousand two hundred thirty-seven dollars (\$372,237).
- (7) The appropriation to the Department of Revenue (Budget Code 14700) for "Business Recovery Grant Program" provided on page F154, item 275 of the Committee Report described in Section 43.2 of S.L. 2021-180 and further described in Section 34.3A of S.L. 2021-180 is reduced by the sum of two million nine hundred seventeen thousand one hundred forty-three dollars (\$2,917,143).
- (8) The appropriation to the Board of Governors of The University of North Carolina (Budget Code 16012) for "Longleaf Commitment Grants" provided on page B50, item 157 of the Committee Report described in Section 43.2 of S.L. 2021-180 and further described in Section 8A.5 of S.L. 2021-180 is reduced by the sum of thirteen million one hundred forty-eight thousand two hundred seventy-five dollars (\$13,148,275).
- (9) The appropriation to the Department of Environmental Quality (Budget Code 14300) for water, wastewater, and stormwater infrastructure grants provided on page D57, items 147-150 of the Committee Report described in Section 43.2 of S.L. 2021-180 and further described in Sections 12.13 and 12.14 of S.L. 2021-180 is reduced by the sum of eight hundred million dollars (\$800,000,000).

SECTION 2.(b) State agencies that are still in possession of the funds described in subsection (a) of this section shall return the funds to the State Fiscal Recovery Fund (SFRF), established in Section 2.2 of S.L. 2021-25, as soon as practicable but no later than 15 business days after this section becomes law. If the reductions described in subsection (a) of this section are insufficient to meet the reallocations described in subsection (c) of this section, the Office of State Budget and Management, in conjunction with the North Carolina Pandemic Recovery Office, shall identify additional available SFRF funds to meet the allocations set forth in subsection (c) of this section.

SECTION 2.(c) The Office of State Budget and Management shall allocate funds from the State Fiscal Recovery Fund, established in Section 2.2 of S.L. 2021-25, in accordance with the provisions contained in Section 4.9 of S.L. 2021-180, as follows:

- (1) The sum of thirty-two million eight hundred fifty-three thousand thirty-two dollars (\$32,853,032) to the Department of Health and Human Services (Budget Code 14420) for Childcare Stabilization Grants.
- (2) The sum of eight hundred million dollars (\$800,000,000) to the Office of State Budget and Management, to be used to offset existing General Fund appropriations across State government for allowable uses of SFRF funds (Budget Code 190XX). Funds allocated by this subdivision are appropriated for the 2024-2025 fiscal year and must be fully expended by June 30, 2025.

SECTION 2.(d) The sum of eight hundred million dollars (\$800,000,000) in nonrecurring funds for the 2024-2025 fiscal year is appropriated from the General Fund to the

Department of Environmental Quality, and shall be used in the same amount for the projects previously designated to be funded by the funds reduced by subdivision (a)(9) of this section.

CHILD CARE STABILIZATION GRANTS CONTINUATION FUNDING

SECTION 2A.(a) There is appropriated to the Department of Health and Human Services, Division of Child Development and Early Education (Division) (Budget Code 14420), the sum of thirty-two million eight hundred fifty-three thousand thirty-two dollars (\$32,853,032) from the SFRF, the sum of twenty-five million four hundred ninety-eight thousand nine hundred twenty-two dollars (\$25,498,922) in nonrecurring funds from the Child Care and Development Fund Block Grant, and the sum of nine million one hundred forty-eight thousand forty-six dollars (\$9,148,046) from the General Fund to continue the compensation grants portion of the child care stabilization grants. The Division shall continue the compensation grants portion of the child care stabilization grants for the first two quarters of the 2024-2025 fiscal year at a reduced level to stay within the provided funding limits.

SECTION 2A.(b) Section 9M.1 of S.L. 2023-134, as amended by Section 3.8 of S.L. 2024-1, reads as rewritten:

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

	FY 2023-2024	FY 2024-2025
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS		

Local Program Expenditures

Division of Child Development and Early Education

09. Subsidized Child Care Program	45,813,694	45,813,694
...		<u>52,316,626</u>

TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS

\$312,353,987	<u>\$312,353,987</u>
	<u>\$318,856,919</u>

CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

Local Program Expenditures

Division of Child Development and Early Education

01. Child Care Services	\$289,070,072	\$289,070,072
		<u>\$282,567,140</u>
02. Smart Start Subsidy	7,392,654	7,392,654
03. Transfer from TANF Block Grant for Child Care Subsidies	21,773,001	21,773,001

1	04. Quality and Availability Initiatives		
2	(TEACH Program \$3,800,000)	61,980,526	61,980,526
3			87,479,448
4	...		
5			
6	TOTAL CHILD CARE AND DEVELOPMENT		
7	FUND BLOCK GRANT	\$411,280,123	\$411,280,123
8			<u>\$430,302,451</u>
9			
10	...		
11			
12	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT		
13	...		

14 **SECTION 9M.1.(x)** Of the sixty-one million nine hundred eighty thousand five hundred
 15 twenty-six dollars (\$61,980,526) appropriated in this act in the Child Care and Development
 16 Block Grant for ~~each year of the 2023-2025 fiscal biennium~~ the 2023-2024 fiscal year and the
 17 eighty-seven million four hundred seventy-nine thousand four hundred forty-eight dollars
 18 (\$87,479,448) for the 2024-2025 fiscal year for quality and availability initiatives to the
 19 Department of Health and Human Services, Division of Child Development and Early Education,
 20 the sum of one million three hundred fifty thousand dollars (\$1,350,000) for in each year of the
 21 2023-2025 fiscal biennium shall be used to establish 18 new positions. From the eighty-seven
 22 million four hundred seventy-nine thousand four hundred forty-eight dollars (\$87,479,448)
 23 appropriated in this act for the 2024-2025 fiscal year, the sum of twenty-five million four hundred
 24 ninety-eight thousand nine hundred twenty-two dollars (\$25,498,922) shall be used to extend the
 25 compensation grants portion of the child care stabilization grants, as authorized under Section
 26 3.2(a) of S.L. 2021-25.

27"

29 CLARIFY LANGUAGE/COMPENSATION GRANTS FOR CHILD CARE PROGRAMS

30 **SECTION 3.** Section 9L.2(b) of S.L. 2021-180, as amended by Section 9L.2(a) of
 31 S.L. 2022-74 and Section 9D.11 of S.L. 2023-134, reads as rewritten:

32 "**SECTION 9L.2.(b)** Of the funds appropriated in this act from federal Child Care and
 33 Development Block Grant funds received pursuant to ARPA to the Department of Health and
 34 Human Services, Division of Child Development and Early Education, the sum of five hundred
 35 three million seven hundred ninety-three thousand seven hundred eleven dollars (\$503,793,711)
 36 in nonrecurring funds shall be allocated for the following in response to the COVID-19
 37 pandemic:

38 (1) Up to two hundred seventy-four million dollars (\$274,000,000) of the funds
 39 shall be used as follows:

- 40 a. A minimum of two hundred six million dollars (\$206,000,000) ~~but no~~
 41 ~~more than two hundred fifteen million dollars (\$215,000,000)~~ to (i)
 42 reduce the waitlist for children eligible for subsidized child care who
 43 are in foster care and (ii) after addressing the waitlist under item (i) of
 44 this sub-subdivision, work toward reducing the waitlist for children
 45 eligible for subsidized child care. Additionally, the Division shall use
 46 a portion of these funds to extend the compensation grants portion of
 47 the child care stabilization grants, as authorized under Section 3.2(a)
 48 of S.L. 2021-25, until these funds are exhausted.
- 49 b. ~~A minimum of fifty million dollars (\$50,000,000) but no more than~~
 50 Up to fifty-nine million dollars (\$59,000,000) to modernize and
 51 improve early childhood technology infrastructure.

...."

ALLOW THE SEAA TO USE ADMINISTRATIVE FUNDS FROM OPPORTUNITY SCHOLARSHIPS FOR PERSONAL EDUCATION STUDENT ACCOUNTS

SECTION 4.(a) G.S. 115C-562.8(c) reads as rewritten:

"(c) Of the funds allocated to the Authority to award scholarship grants under this Part, the Authority may retain up to two and one-half percent (2.5%) of the funds appropriated each fiscal year for administrative costs associated with the scholarship grant program. If the actual costs of administering the scholarship grant program are less than the funds authorized for administering the program pursuant to this subsection, the Authority may allocate unused funds for the additional administrative costs of the Personal Education Student Accounts for Children with Disabilities Program in accordance with G.S. 115C-597(d)."

SECTION 4.(b) G.S. 115C-597(d) reads as rewritten:

"(d) Administration Costs. – Of the funds allocated to the Authority to award scholarship funds under this Article, the Authority may retain the lesser of four percent (4%) of the funds appropriated or ~~two million dollars (\$2,000,000)~~ three million dollars (\$3,000,000) each fiscal year for administrative costs associated with the program, including contracting with non-State entities for administration of certain components of the program. If the actual costs of administering the program exceed the funds authorized for administering the program pursuant to this subsection, the Authority may allocate unused funds set aside for administration costs from the Opportunity Scholarship Grant Fund Reserve pursuant to G.S. 115C-562.8(c) for the additional administrative costs of the Personal Education Student Accounts for Children with Disabilities Program."

CONFORM IN-STATE TUITION REQUIREMENTS TO FEDERAL LAW

SECTION 5.(a) G.S. 116-143.1 is amended by adding the following new subsection to read:

"(h2) Any citizen of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau who is a nonresident shall be eligible to be charged the in-State tuition rate and shall pay the full amount of the in-State tuition rate and applicable mandatory fees."

SECTION 5.(b) This section becomes effective July 1, 2024, and applies beginning with the 2024-2025 academic year.

EFFECTIVE DATE

SECTION 6. Except as otherwise provided, this act is effective when it becomes law.