

## **Minutes**

Joint Legislative Program Evaluation Oversight Committee Meeting  
February 8, 2016

### Members Present

Senator Fletcher Hartsell, Chair  
Senator Stan Bingham  
Senator Don Davis  
Senator Valeria Foushee  
Senator Ralph Hise  
Senator Louis Pate  
Senator Shirley Randleman  
Senator Joyce Waddell

Representative Craig Horn  
Representative Becky Carney  
Representative Nelson Dollar  
Representative Pat Hurley  
Representative Marvin Lucas  
Representative Ted Davis  
Representative Rena Turner

### **Advisory Members**

Senator Rick Gunn  
Senator Joyce Krawiec

### **Call to Order**

Senator Fletcher Hartsell, Chair, called the meeting to order.

Representative Becky Carney moved to approve the January 11, 2016 *Minutes*. Motion carried.

### **Presentations and Comments**

Senator Hartsell recognized Kelly Tornow, Legislative Analysis Division, to explain the draft legislation which is based on the PED report on Overnight Respite Services. This draft legislation amends Session Law 2015-52 to eliminate the PED follow-up study of the pilot program and also requires DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services on the status of the overnight respite licensure process. It also directs the UNC School of Government to develop pilot standards and the Office of State Budget and Management to adopt and implement rules with which future General Assembly-directed pilot projects must comply in order to provide meaningful information for the Legislature.

Senator Pate asked why we were using the School of Government. John Turcotte, Director of PED, said that the School of Government is classified as part of the Legislature and has experts that operate in advisory capacity.

Senator Waddell moved to adopt the bill for introduced; seconded by Senator Bingham. Motion carried.

Senator Hartsell recognized Senator Rick Gunn who has chaired the Subcommittee on Real Property. Senator Gunn said that the legislation is the product of the subcommittee on real property implementing various recommendations from PED regarding how state-owned real property is managed and identified for disposal. Senator Hartsell then recognized Ben Stanley, Drafting, who said that the bill requires more active management of state-owned real property; a process to identify surplus state-owned real property; continuous measurement and reporting of utilization of state-owned real property;

ongoing updating of state-owned real property inventories; and optimization of the use of state-owned property. Senator Bingham asked if property was deemed unusable, what happened next. Mr. Stanley answered that the Department of Administration would have to adopt rules for disposal.

Senator Hise moved to adopt the bill for introduction; seconded by Senator Davis. Motion carried.

Senator Hartsell recognized Phyllis Pickett to explain the two bill drafts regarding recommendations from the PED report on Supplemental Benefits.

Bill 1: The first bill draft implements the recommendations of the PED report by eliminating the separate structures of pre-tax benefits offered through NCFlex and post-tax benefits offered through employee insurance committees at each agency and university in favor of a single committee that would select and oversee supplemental insurance for state employees. This committee would have a product selection and oversight function, with the Office of State Human Resources staffing the committee. The bill draft would require the committee to competitively bid products, meet quarterly, survey state employees at least every five years, and collect loss ratio data from insurance companies selected to provide a benefit or product. The committee would also assume responsibility for establishing processes for terminating payroll deduction for legacy insurance products no longer associated with a valid contract. Finally, the bill draft would permit agencies and universities to form advisory committees to make recommendations on product selection, design, and administration.

Bill 2: An alternative bill draft option requested by JLPEOC would amend statutes governing the selection and operation of employee insurance committees at agencies and universities with the intent of improving the existing committees as opposed to centralizing all supplemental insurance offerings under a single committee. The bill draft would place additional requirements on the employee insurance committees, including requiring the committees to competitively select insurance products at least every three years, meet quarterly, utilize the Department of Administration's interactive purchasing system for procurement, and report annually to the Office of State Human Resources.

After much discussion relating to state employees having input into this legislation, and comments from Representative Pendleton, Senator Hartsell said that these would be removed from the day's agenda and would be deferred to the March meeting.

Senator Hartsell recognized Ben Stanley, Drafting, to explain the draft legislation pertaining to Oversight of Service Contracts. This draft legislation would require state agencies to submit business cases for high-value services to the Department of Administration's Division of Purchase and Contract (P&C) for review and approval in accordance with established criteria and would direct P&C to implement a system to monitor state agency-administered contracted services.

Senator Randleman moved to adopt the bill for introduction. Motion passed.

Senator Hartsell announced that the Chairs had appointed a subcommittee to review the Economic Development Tiers draft and that the recommendations would be reported at the March JLPEOC meeting.

- *Representative Ted Davis, Chair (Member of Joint Economic Development Oversight)*
- *Representative Horn*
- *Representative Turner (Member of Joint Economic Development Oversight)*

- *Senator Hartsell*
- *Senator Gunn (Member of Joint Economic Development Oversight)*
- *Senator McGinnis (Member of Joint Economic Development Oversight)*

Senator Hartsell recognized Dan Ettefagh, Drafting to explain the draft legislation as a result from the PED report on Economic Development Tiers. It has been 30 years since the General Assembly undertook a comprehensive study of ways to assist communities with chronic economic distress. This draft legislation would require non-economic development programs to discontinue using the tiers system by July 1, 2017. In addition, the Department of Commerce would be directed to discontinue use of the tiers system and develop new award/assistance criteria by July 1, 2018. Finally, a legislative commission would be formed to reexamine the State's strategy for identifying and assisting economically distressed communities.

Senator Bingham asked if changes were envisioned to the Tiers System from we now have. Senator Hartsell answered; Yes.

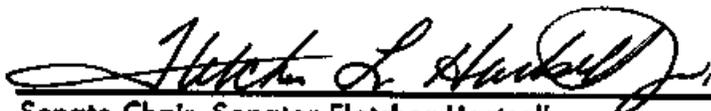
Senator Hartsell recognized John Turcotte who presented additional information about legislator compensation from the National Conference of State Legislatures.

A working group is formed. Several members volunteered to be on the working group:

- Senator Hartsell
- Senator Bingham
- Representative Carney
- Representative Hurley

Adjournment

With no further business, the committee adjourned to meet again March 14, 2016.

  
Senate Chair, Senator Fletcher Hartsell

  
House Chair, Representative Craig Horn