SUMMARIES OF SUBSTANTIVE

**RATIFIED LEGISLATION**

**2021 SESSION**



LEGISLATIVE ANALYSIS DIVISION

N.C. GENERAL ASSEMBLY

**2021 Summaries of Substantive Ratified Legislation**

**Agriculture and Wildlife**

**See full summary documents for additional detail**

**H95 - Wholesale Prescription Drugs Distribution Licensee Change. (SL 2021-135)**

**H121 - Clarify Environmental Quality Incentives Program (EQIP) Funding/Dredging Cost-Share. (SL 2021-108)**

OVERVIEW: S.L. 2021-108 does all of the following:

* Excludes Environmental Quality Incentives Program (EQIP) grants from a 50% match limitation on nonfederal funds for water resource development grants for specific appropriations.
* Clarifies that a single project consists of all landowners and other participants under a project design contract approved by the United States Department of Agriculture's Natural Resource Conservation Service (NRCS) under the EQIP program along a continuous stretch of stream.
* Exempts dredging projects for ferry channels maintained by the Department of Transportation (DOT) that are located in tier one areas from Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund cost-share requirements.
* Extended authorization for the Hatteras-Ocracoke passenger ferry lease through September 12, 2021, and authorized funds for associated costs.

This act became effective August 16, 2021.

**H181 - Wildlife Resources Commission Amendments.
Sec. 1: Non-General Fund/Non-SCIF Capital Project Authorizations. (SL 2021-160)**

Section 1 of S.L. 2021-160 authorizes certain capital projects to be funded with receipts or from other non-General Fund and non-State Capital and Infrastructure Fund sources available to the Wildlife Resources Commission (WRC). The authorized capital projects are listed in the bill.

This section became effective September 20, 2021.

**H181 - Wildlife Resources Commission Amendments.
Sec. 2: Revise Requirement for Harvest of Black Bear. (SL 2021-160)**

Section 2 of S.L. 2021-160 requires any hunter who harvests a black bear to submit at least one premolar tooth to the Wildlife Resources Commission (WRC) no later than January 31 following the applicable prior bear hunting season. The hunter must include with the tooth the hunter's name, mailing address, WRC customer number, and bear harvest authorization number, the harvested bear's sex, and the county of harvest.

This section became effective October 1, 2021 and applies to bear hunting seasons beginning on or after that date.

**H181 - Wildlife Resources Commission Amendments.
Sec. 3: Repeal Commission Law Enforcement Officer Report. (SL 2021-160)**

Section 3 of S.L. 2021-160 repeals a requirement that the Wildlife Resources Commission (WRC) report to the General Assembly regarding complaints against WRC law enforcement officers.

This section became effective September 20, 2021.

**H181 - Wildlife Resources Commission Amendments.
Sec. 4: Wildlife Control Technician Certification Amendments. (SL 2021-160)**

Section 4 of S.L. 2021-160 establishes a wildlife control technician certification for employees of wildlife control agents who engage in wildlife damage control or wildlife removal activities for compensation.

This section became effective October 1, 2021.

**H181 - Wildlife Resources Commission Amendments.
Sec. 5: Veterans Exemption for Mountain Heritage Trout Waters License. (SL 2021-160)**

Section 5 of S.L. 2021-160 exempts veterans separated under honorable conditions from needing a Mountain Heritage Trout fishing license while fishing in waters designated by the Wildlife Resources Commission (WRC) as Mountain Heritage Trout waters.

This section became effective October 1, 2021.

**H181 - Wildlife Resources Commission Amendments.
Sec. 6: Waterfowl Hunting Public Property. (SL 2021-160)**

Section 6 of S.L. 2021-160 amends S.L. 2019-98 to make it unlawful during established waterfowl seasons to leave or place any waterfowl hunting equipment or vessels between two hours after sunset and 4:00AM. This section also changes the hours during which it is unlawful to leave waterfowl hunting equipment and vessels unattended or unoccupied to between the hours of 4:00AM and two hours after sunset.

This section applies only to Roanoke Rapids Lake in Halifax and Northampton Counties, became effective on October 1, 2021 and applies to offenses committed on or after that date.

**H181 - Wildlife Resources Commission Amendments.
Sec. 7: Preparation for Chronic Wasting Disease. (SL 2021-160)**

Section 7 of S.L. 2021-160 allows the Wildlife Resources Commission (WRC) to declare a wildlife emergency to respond to an outbreak of chronic wasting disease (CWD) in the State. Upon declaring a wildlife emergency, WRC is authorized to request needed funding for immediate investigation, containment, and eradication of the outbreak from the Contingency and Emergency Fund to the Council of State following the existing process for requesting an allocation from that fund. WRC is required to simultaneously request any available federal funds to address a CWD outbreak, and those funds would be used to offset State funds appropriated from the Contingency and Emergency Fund.

This section became effective July 1, 2021.

**H181 - Wildlife Resources Commission Amendments.
Sec. 8: Half-Priced Lifetime Licenses for Certain Residents. (SL 2021-160)**

Section 8 of S.L. 2021-160 provides a 50% discount on the cost of an Adult Resident Lifetime Sportsman License and a Resident Adult Lifetime Unified Sportsman/Coastal Recreation Fishing License for residents of the State who are between the age of 50 and 70 and who are not otherwise eligible for a discounted license fee as an eligible member of a volunteer fire department.

This section became effective September 20, 2021.

**H181 - Wildlife Resources Commission Amendments.
Sec. 8A: Extend Eligibility for Reduced Price Lifetime Hunting and Fishing Licenses to Rescue Squad and EMS. (SL 2021-160)**

Section 8A of S.L. 2021-160 extends eligibility for reduced price lifetime hunting and fishing licenses to members of a volunteer rescue squad or emergency medical services squad, who have served for five consecutive years, including the prior year.

This section became effective September 20, 2021.

**H181 - Wildlife Resources Commission Amendments.
Sec. 9: Reduce Controlled Rabbit Hunting Preserve Operator License Fee. (SL 2021-160)**

Section 9 of S.L. 2021-160 reduces the controlled hunting preserve operator license for rabbits from $100 to $25.

This section became effective September 20, 2021.

**H181 - Wildlife Resources Commission Amendments.
Sec. 9A: Unlawful Baiting Clarification. (SL 2021-160)**

Section 9A of S.L. 2021-160 makes it unlawful for a person to place bait for the purpose of intentionally interfering with the lawful taking of wildlife. Violation of this section is a Class 2 misdemeanor for a first offense, and a Class 1 misdemeanor for subsequent offenses.

This section became effective December 1, 2021, and applies to offenses committed on or after that date.

**H243 - Budget Technical Corrections.
Sec. 4.4: Agricultural Crop Loss Expansion. (SL 2022-6)**

Section 4.4 of S.L. 2022-6 expands the Agricultural Crop Loss Program, established within the Department of Agriculture and Consumer Services pursuant to Section 5.9B of S.L. 2021-180, to include damages and losses to agricultural commodities in the counties affected by the natural disaster declared by Secretary Thomas J. Vilsack based on damages and losses caused by freezing temperatures and frost from April 2, 2021, to April 21, 2021 (freeze disaster). A person may receive financial assistance for losses of agricultural commodities if the person experienced a verifiable loss of agricultural commodities as a result of the freeze disaster and is located in an eligible county (Buncombe, Haywood, Henderson, Polk, Rutherford, and Transylvania). Financial assistance is administered based on criteria set out in this section.

This section became effective July 1, 2021.

**S66 - Regulate Use of Deer Secretions for Hunting. (SL 2021-176)**

S.L. 2021-176 disapproves an amendment to a rule prohibiting the use of deer secretions for the purposes of hunting, adopted by the Wildlife Resources Commission (WRC), and directs WRC to readopt the amendment consistent with certain guidelines for harvesting, collecting, and disease testing.

This act became effective November 11, 2021, and applies to any cervid excretions used for hunting on or after December 1, 2021. Section 2 of this act expires when permanent rules adopted pursuant to Section 2(d) become effective.

**S105 - 2021 Appropriations Act.
Sec. 5.9B: Agricultural Crop Loss Program. (SL 2021-180)**

Section 5.9B of S.L. 2021-180, as amended by Section 1.5 of S.L. 2021-189, establishes the Agricultural Crop Loss Program within the Department of Agriculture and Consumer Services to provide financial assistance to farmers affected by Tropical Storm Fred. A person may receive financial assistance for losses of agricultural commodities or damage to farm infrastructure if (i) the person experienced a verifiable loss of agricultural commodities due to Tropical Storm Fred and is located in an eligible county (Avery, Buncombe, Haywood, Henderson, Madison, McDowell, Mitchell, Rutherford, Transylvania, Watauga, and Yancey); and (ii) the agricultural commodity was planted but not harvested on or before August 17, 2021. Financial assistance is administered based on criteria set out in this section. The program expires on November 1, 2026, and unexpended funds revert to the Disaster Relief and Mitigation Fund.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 10.7: Meat and Seafood Processing Grants. (SL 2021-180)**

Section 10.7 of S.L. 2021-180 directs the Department of Agriculture and Consumer Services (Department) to provide grants to small and independent meat and seafood processors for expansion, facility improvements, and workforce development. No more than 35% of the funds may be used for grants to seafood processors and no more than $2 million total may supplement grants previously awarded to reflect construction cost inflation. The Department may provide three categories of grants:

* Capacity enhancement grant: May be awarded to an eligible meat or seafood processing facility to expand an existing eligible facility and for fixtures or equipment to expand animal throughput, processing capacity, type of products produced, or processing speed. These grants may not exceed $500,000 per grant.
* Workforce development grant: May be awarded to an eligible meat or seafood processing facility experiencing labor-related slowdowns for educational and workforce training provided either by the facility or by an accredited institution of higher education. These grants may not exceed $100,000 per grant.
* Planning grant: May be awarded to a nonprofit entity or institution of higher education for feasibility or siting studies for a new eligible meat processing facility. No more than 5% of total available funds may be used for these grants.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 10.8: Swine and Dairy Assistance Program. (SL 2021-180)**

Section 10.8 of S.L. 2021-180 directs the Department of Agriculture and Consumer Services (Department) to provide financial assistance to swine and dairy farmers using funds appropriated from the State Fiscal Recovery Fund.

To be eligible for assistance, a swine farmer must produce all of the following: (1) a contract termination letter from a swine integrator or other documentation of contract termination between March 1, 2020, and June 30, 2022; (2) proof that the swine operation is permitted by the State; and (3) any other information deemed appropriate by the Department. To be eligible for assistance, a dairy farmer must produce all of the following: (1) milk production records, showing ceased production during any time between March 1, 2020, and June 30, 2022; (2) proof that the dairy operation was permitted as a Grade A milk producer by the Food and Drug Protection Division of the Department during the time that production was ceased; and (3) any other information deemed appropriate by the Department.

The Department is directed to award a one-time payment of $31,500 to each eligible applicant, plus the following:

* A cost share for closure of swine lagoons or swine operations that will not secure a contract with another swine integrator and will cease swine production, or for closure of dairy waste structures associated with dairy operations that will cease milk production. The cost share is limited to 90% of the lagoon closure cost, not to exceed $100,000 per operation.
* If additional agricultural water supply is needed, an additional cost share to convert the decommissioned lagoon to an agricultural water supply pond. The cost share is limited to 90% of the actual cost, not to exceed $30,000 per operation.
* Financial assistance to swine producers for a fixed dollar amount per head space for producers who can secure a production contract with another swine integrator but must invest in upgrades to existing barns or completely rebuild animal housing. The award is limited to $10 per head space for renovations or $20 per head space for rebuilt housing, but the total award may not exceed 90% of the actual cost of the renovation or construction.

Applications for financial assistance must be submitted by June 30, 2023.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 11.4: Shellfish Growers Loan Program. (SL 2021-180)**

Section 11.4 of S.L. 2021-180 creates within the Department of Commerce the Shellfish Growers Loan Program and appropriates $1 million in nonrecurring funds to the program. The program is administered by the Rural Economic Development Center, Inc. (Rural Center). The Rural Center is directed to provide working capital and equipment loans to shellfish growers at a fixed interest rate of the primate rate plus 2.25%, amortized over the term of the loan. A loan provided under the program may not exceed $50,000. The Rural Center is directed to select Array Community Development Corporation, a nonprofit corporation, as a qualifying lender for the program.

This section became effective July 1, 2021.

**S605 - North Carolina Farm Act of 2021.
Sec. 1: Voluntary Agricultural District Technical Changes. (SL 2021-78)**

Section 1 of S.L. 2021-78 does all of the following:

* Amends the requirements for an ordinance to establish a voluntary agricultural district.
* Clarifies that a local government may either make decisions about establishment and modification of voluntary agricultural districts or delegate that authority to an agricultural advisory board.
* Allows local governments to grant agricultural advisory boards the authority to execute agreements with landowners necessary for enrollment of land in a voluntary agricultural district.
* Clarifies the membership criteria for an agricultural advisory board.
* Requires that land records include some form of notice to alert people that a tract is located within one half-mile of the property line of any tract of land enrolled in a voluntary agricultural district.
* Makes several other technical changes.

This section became effective July 2, 2021.

**S605 - North Carolina Farm Act of 2021.
Sec. 2: Allow Magistrates to Waive Trials for State Forest Rule Offenses. (SL 2021-78)**

Section 2 of S.L. 2021-78 allows magistrates to accept waivers of trial or hearing for misdemeanor or infraction cases involving State forest rule offenses. The State forest rules include regulations on bathing and swimming, horses, bicycle trails, hunting, and camping, as well as certain criminal laws. Other waivable offenses under current law include hunting, fishing, State park and recreation area rule offenses, open burning offenses, traffic offenses, and boating offenses.

This section became effective December 1, 2021, and applies to offenses committed on or after that date.

**S605 - North Carolina Farm Act of 2021.
Sec. 3: Exempt Certain Fires from Open Burning Laws. (SL 2021-78)**

Section 3 of S.L. 2021-78 exempts fires started for cooking, warming, or ceremonial events from the open burning laws, if the fire is confined in an enclosure from which burning material may not escape or within a protected area upon which a watch is being maintained and which is provided with adequate fire protection equipment. This exemption does not apply in cases where the Commissioner of Agriculture has prohibited all open burning during periods of hazardous forest fire conditions or during declared air pollution episodes.

This section became effective December 1, 2021, and applies to offenses committed on or after that date.

**S605 - North Carolina Farm Act of 2021.
Sec. 4: Forest Service Overtime Modification. (SL 2021-78)**

Section 4 of S.L. 2021-78 provides that the Department of Agriculture and Consumer Services may provide either monetary overtime compensation or compensatory leave to employees of the North Carolina Forest Service who are exempt from the Fair Labor Standards Act and involved in fighting forest fires for overtime earned while conducting fire suppression duties. Under prior law, overtime earned by professional employees of the Forest Service while conducting fire suppression duties was required by statute to be provided in the form of monetary compensation.

This section became effective July 2, 2021, and applies to overtime earned on or after that date.

**S605 - North Carolina Farm Act of 2021.
Sec. 5: Increase Punishment for Timber Larceny and Increase Civil Penalties for Damaging Timber or Agricultural Commodities. (SL 2021-78)**

Section 5 of S.L. 2021-78:

* Makes it a Class G felony, with a requirement to pay restitution to the owner to the timber owner for three times the value of the timber, if a person does either of the following:
	+ Knowingly and willfully cut down, injure, or remove timber owned by another person, without the consent of the owner of the land or timber, or other legal authority. There would be a good faith exception for employees or agents of an electric power supplier under certain circumstances.
	+ Buy timber directly from the owner of the timber and fail to pay by the date specified in the written agreement, or if there is no agreement, 60 days from the date the buyer removes the timber from the property.
* In situations where a person enters the land of another without permission and injures, cuts or removes any valuable wood, timber, shrub or tree, or who willfully and intentionally sets fire to any wood, timber, tree or shrub on the property, allows the owner to recover triple the value of the wood, timber, shrub or tree from a person who violates this section.
* In situations where a person willfully injures or destroys another person's agricultural commodities or production system, allows the owner to recover triple the value of commodities or systems injured or destroyed.

This section became effective December 1, 2021, and applies to offenses committed and civil actions filed on or after that date.

**S605 - North Carolina Farm Act of 2021.
Sec. 6: Require Timber Buyers and Timber Operators to Provide a Wood Load Ticket to Sellers of Certain Wood Products. (SL 2021-78)**

Section 6 of S.L. 2021-78 requires a timber buyer or operator to provide a wood load ticket to a timber grower or seller. At a minimum, the wood load ticket is required to contain the name of the timber grower or seller, the county from which the wood product was severed, the amount of wood product severed, and the date the wood product was delivered to the timber buyer or operator. This does not apply to sales of firewood, a landowner harvesting and processing the landowner's own timber, or bulk or lump-sum sales for an agreed total price for all timber purchased and sold in one transaction. A violation of this section is a Class 2 misdemeanor.

This section became effective December 1, 2021, and applies to offenses committed on or after that date.

**S605 - North Carolina Farm Act of 2021.
Sec. 7: Expand the Laws Enforced by the Department of Agriculture and Consumer Services Law Enforcement Officers. (SL 2021-78)**

Section 7 of S.L. 2021-78 adds G.S. 14-135, "Cutting, injuring, or removing another's timber" and G.S. 14-140.1, "Certain fire to be guarded by watchman," to the definition of "Forest Laws" enforced by the North Carolina Forest Service.

This section became effective December 1, 2021, and applies to offenses committed on or after that date.

**S605 - North Carolina Farm Act of 2021.
Sec. 8: Require Production of Electronic Records for Department of Agriculture and Consumer Services Record Audits. (SL 2021-78)**

Section 8 of S.L. 2021-78 requires that electronic records must be available to the Commissioner of Agriculture or the Commissioner's authorized representative for record audits regarding tonnage statements for the sale of agricultural liming materials, sale of agricultural or vegetable seeds under the North Carolina Seed Law, tonnage statements for the distribution of commercial animal feed, and tonnage statements for the sale of commercial fertilizers.

This section became effective July 2, 2021.

**S605 - North Carolina Farm Act of 2021.
Sec. 9: Tobacco Trust Fund Commission Admin Expenses. (SL 2021-78)**

Section 9 of S.L. 2021-78 increases the amount that the Tobacco Trust Fund Commission may use from the Fund for its operating expenses each fiscal year from $350,000 to $375,000.

This section became effective July 2, 2021.

**S605 - North Carolina Farm Act of 2021.
Sec. 10: Worker's Compensation Definition Clarification. (SL 2021-78)**

Section 10 of S.L. 2021-78 clarifies that for purposes of the definition of "employment" in the worker's compensation statutes, "agriculture" has the same meaning as in G.S. 106-581.1.

This section became effective July 2, 2021.

**S605 - North Carolina Farm Act of 2021.
Sec. 11: Create a New General Permit for Farms with Farm Digester Systems. (SL 2021-78)**

Section 11 of S.L. 2021-78 directs the Environmental Management Commission (Commission) to develop a new general permit for animal operations that includes authorization for the permittee to construct and operate a farm digester system. After the issuance of the new general permit, the decision to require an individual permit must not be based solely on the fact that the animal waste management system utilizes a farm digester system.

The permit must become effective no later than July 2, 2022, and must expire on the later of September 30, 2024, or the effective date of the next version of the currently existing general permit for animal operations. Until the new general permit is issued, any animal operation that holds a general or individual permit that (i) is in effect on the effective date of this section and (ii) authorizes the construction and operation of a farm digester system, may construct and continue to operate the farm digester system as authorized by that permit. Animal operations that do not hold a permit authorizing the construction and operation of a farm digester system are allowed to submit a notice of intent to be covered under the new general permit. When the Commission does not make a final permitting decision within 90 days of the Commission's receipt of a completed notice of intent, the certificate of coverage is deemed approved.

This section also allows for construction or renovation of a farm digester system that is a component of a preexisting swine farm if the system does not expand the capacity of the farm.

This section also exempts farm digester systems from property tax.

This section became effective July 2, 2021.

**S605 - North Carolina Farm Act of 2021.
Sec. 12: Clarify the Duration of Drivers Licenses for H-2A Workers. (SL 2021-78)**

Section 12 of S.L. 2021-78 provides that a drivers license issued to an H-2A worker expires three years after the date of issuance of the H-2A worker's visa, except that if the H-2A worker's visa is not extended then the license expires on the date that the H-2A worker's visa expires.

This section became effective July 2, 2021, and applies to applications for licenses submitted on or after that date.

**S605 - North Carolina Farm Act of 2021.
Sec. 13A: Ag Cost Share Technical Correction. (SL 2021-78)**

Section 13A of S.L. 2021-78 makes a technical correction to the Agricultural Cost Share Program to clarify that it is a statewide program.

This section became effective July 2, 2021.

**Alcoholic Beverage Control**

**See full summary documents for additional detail**

**H4 - Extend ABC Permit Renewal Fee Deferral. (SL 2021-2)**

S.L. 2021-2 retroactively extended the deferral of ABC permit fees for businesses subject to an order of closure under Section 8 of Executive Order 141 until 90 days after all executive orders limiting those permittees' full operation are rescinded or expire. The act also allows certain ABC permittees whose operation is limited by executive orders responding to the COVID-19 pandemic to request a refund of any permit fees paid for the 2020-2021 permit year, and direct the ABC Commission (Commission) to reinstate or reactivate any permits that the Commission cancelled or moved to inactive status as a result of its interpretation of S.L. 2020-94.

The deferral of ABC permit fees became retroactively effective June 30, 2020. The remainder of this act became effective February 25, 2021.

**H73 - Temporarily Waive ABC Permit Renewal Fees. (SL 2021-105)**

S.L. 2021-105 (i) defers the payment of renewal and registration fees for certain ABC permits that are active as of April 30, 2021 for the period of May 1, 2021 through April 30, 2022, until October 1, 2021; (ii) allows a permittee who has prepaid those fees to request a refund, which must be repaid by October 1, 2021, or within 10 business days thereafter; and (iii) delays the requirement to pay or repay deferred ABC permit fees for the 2020-21 permit year for permittees who were subject to an order of closure pursuant to Executive Order No. 141 until October 1, 2021. This act also directs the ABC Commission not to cancel or move to inactive status for nonpayment any permit for which payment is not deferred until April 30, 2022.

This act became effective August 16, 2021.

**H366 - Regulatory Reform Act of 2021.
Sec. 12: Allow Distilleries to Sell Spirituous Liquor Produced by the Distiller Directly to Consumers in Other States. (SL 2021-117)**

Section 12 of S.L. 2021-117 allows North Carolina distillers to sell and ship spirituous liquor directly to consumers in other jurisdictions, provided that the laws of that jurisdiction allow for direct-to-consumer sales of spirituous liquor. This section also clarifies that North Carolina distillers are not allowed to sell and ship spirituous liquor directly to consumers in jurisdictions that require reciprocity for such sales. This section also makes a clarification regarding spirituous liquor produced by a holder of a distillery permit.

This section became effective September 1, 2021, and applies to sales made on or after that date.

**H890 - ABC Omnibus Legislation. (SL 2021-150)**

House Bill 890 makes several changes to the laws concerning ABC stores, distilleries, and other alcohol-related statutes, with varying effective dates, as explained in the full summary.

**Children and Families**

**See full summary documents for additional detail**

**H769 - Foster Parents' Bill of Rights. (SL 2021-144)**

S.L. 2021-144 creates a Bill of Rights recognizing the rights of foster parents.

This act became effective on September 10, 2021.

**S35 - Max 4-Yr Age Diff to Marry Under 18 Yrs. (SL 2021-119)**

S.L. 2021-119 amends the lawful age of marriage to 16 years of age or older and provides a maximum four-year age difference for a 16- or 17- year-old to marry. The act became effective August 26, 2021, and applies to marriage licenses pending or issued on or after that date.

**S105 - 2021 Appropriations Act.
Sec. 9C.1: NC Pre-K Programs/Standards for Four- and Five-Star-Rated Facilities. (SL 2021-180)**

Section 9C.1.(a) of this act describes eligibility requirements for the NC Pre-K program to be established by the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services (DHHS). The income eligibility requirements for the program cannot exceed 75% of the State median income. Up to 20% of children enrolled can have family incomes in excess of 75% of median income if those children have other designated risk factors. Any child who is 4 years of age on or before August 31 of the program year and is the child of an active duty member of the Armed Forces of the United States or a member of the Armed Forces of the United States is eligible for the NC Pre-K program.

Section 9C.1.(b) of the act directs DCDEE to require NC Pre-K contractors to issue multiyear contracts for licensed private child care centers providing NC Pre-K classrooms. Section 9C.1.(c) of the act requires private child care facilities and public schools operating NC Pre-K classrooms to meet the building standards for preschool students in G.S. 115C-521.1. Section 9C.1.(d) of the act requires entities operating NC Pre-K classrooms to adhere to programmatic standards and classroom requirements prescribed by DCDEE, except as noted in Section 9C.1.(c) of the act. Section 9C.1.(e) of the act instructs the local NC Pre-K committees to use the standard decision-making process developed by DCDEE in awarding NC Pre-K classroom slots and student selection.

Section 9C.1.(f) of the act requires the DCDEE to submit an annual report to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division no later than March 15 of each year. The report must include specified data, including the number of children participating in the NC Pre-K program and expected NC Pre-K expenditures for the programs.

Section 9C.1.(g) of the act states the administration of the NC Pre-K program by local partnerships is subject to financial and compliance audits.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9C.3: Raise Base Reimbursement Rates for NC Pre-K Child Care Centers . (SL 2021-180)**

Section 9C.3 of S.L. 2021-180 allocates funds to raise the base reimbursement rates for child care centers participating in the NC Pre-K program by 2% over 2020-2021 fiscal year rates for the 2021-2022 fiscal year and by an additional 2% over the 2021-2022 rates for the 2022-2023 fiscal year.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9C.5: Child Care Allocation Formula . (SL 2021-180)**

Section 9C.5.(a) of S.L. 2021-180 outlines the child care subsidy allocation formula. The base amount for each county's child care subsidy allocation is the mandatory 30% North Carolina Partnership for Children, Inc., subsidy allocation. In addition, the Department of Health and Human Services (DHHS) must allocate funds to a county based upon the projected cost of serving children under age 11 in families with all parents working who earn less than the applicable federal poverty level percentage.

Section 9C.5.(a) of the act allows DHHS to withhold up to 2% of available funds from the allocation formula for preventing termination of services throughout the fiscal year and repayment of any federal funds identified by counties as overpayments, including overpayments due to fraud. Any funds not needed for the purposes described in this section must be allocated to counties. DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division in each year of the 2021-2023 fiscal biennium 30 days after any funds withheld as allowed under this section are distributed, but no later than April 1 of each respective year. The report must include the following:

* The amount of funds used for preventing termination of services and the repayment of any federal funds.
* The date the remaining funds were distributed to counties.
* As a result of funds withheld under this section and after funds have been distributed, any counties that did not receive at least the amount the county received the previous year and the amount by which funds were decreased.

Section 9.C.5.(a) of the act requires DHHS to set aside 4% of child care subsidy allocations for vulnerable populations.

Section 9C.5.(b) of the act allows DHHS to reallocated unused child care subsidy voucher funds. Section 9C.5.(c) of the act places certain requirements on DHHS when implementing the formula under this section.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9C.6: Smart Start Initiatives . (SL 2021-180)**

Section 9C.6.(a) of S.L. 2021-180 directs the North Carolina Partnership for Children, Inc., and its Board to ensure policies focus on the mission of improving child care qualify for children from birth to age 5. This section outlines the North Carolina Partnership for Children, Inc., funded activities including assisting child care facilities with improving quality and implementing prekindergarten programs. State funding for local partnerships is to be used for programs that increase children's literacy, increase the parents' ability to raise healthy, successful children, improve children's health and assist four- and five-star rated facilities in improving and maintaining quality.

Section 9C.6.(b) of the act directs administrative costs must be equivalent to, on an average statewide basis for all local partnerships, no more than 8% of the total statewide allocation to all local partnerships. The North Carolina Partnership for Children, Inc., is to continue using a single statewide contract management system that incorporates features of the required standard fiscal accountability plan. All local partnerships are required to participate in the contract management system and to collaborate with other local partnerships to increase efficiency and effectiveness.

Section 9C.6.(c) of the act outlines the salary schedule based on specified criteria to determine the maximum amount of State funds that can be used for the salary of the Executive Director and the directors of the local partnerships. Nothing in this subsection prohibits a local partnership from using non-State funds to supplement an individual's salary.

Section 9C.6.(d) of the act requires the North Carolina Partnership for Children, Inc., and all local partnerships, in the aggregate, to match 100% of the total amount budgeted for the program in each fiscal year of the 2021-2023 biennium. Of the funds that the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash are to be equal to at least 13% and in-kind donated resources are to be equal to no more than 6%, for a total match requirement of 19% for each year of the 2021-2023 fiscal biennium. This section provides details on in-kind contributions, volunteer services and expenses. Failure to obtain a 19% match by June 30 of each year of the 2021-2023 fiscal biennium results in a dollar-for-dollar reduction in the appropriation for the program for a subsequent fiscal year.

Section 9C.6.(e) of the act requires the North Carolina Partnership for Children, Inc., and all local partnerships to use a specified competitive bidding practices in contracting for goods and services depending on contract amounts.

Section 9C.6.(f) of the act prohibits the North Carolina Partnership for Children, Inc., from reducing the allocation for counties with less than 35,000 in population below the 2012-2013 funding level.

Section 9C.6.(g) of the act requires the Department of Health and Human Services to continue implementing the performance-based evaluation system.

Section 9C.6.(h) of S.L. 2021-180 prohibits the use of funds allocated for Early Childhood Education and Development Initiatives for the 2021-2023 fiscal biennium from being administered or distributed for capital expenditures or for advertising and promotional activities.

Notwithstanding Section 9C.6.(h) of the act, Section 9C.6.(i) of the act allows up to 1% of State funds to be used for fundraising activities, and requires the North Carolina Partnership for Children, Inc., to include in its annual report required under G.S. 143B-168.12(d) a report on the use of State funds for fundraising.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9C.7: Smart Start Literacy Initiative/Dolly Parton's Imagination Library . (SL 2021-180)**

Section 9C.7.(a) of S.L. 2021-180 directs that a portion of the funds allocated to the North Carolina Partnership for Children, Inc., are to continue being used to increase access to Dolly Parton's Imagination Library. Section 9C.7.(b) of the act allows the North Carolina Partnership for Children, Inc. to use up to 1% of the funds for statewide program management and up to 1% of the funds for program evaluation. The funds allocated under this section are not subject to child care services funding requirements, child care subsidy expansion requirements, or match requirements.

This section became effective July1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9C.8: Flexibility in the Use of Additional Smart Start Funds/Exemption from Certain Requirements . (SL 2021-180)**

Section 9C.8 of S.L. 2021-180 allows additional recurring funds allocated to the North Carolina Partnership for Children, Inc., for each year of the 2021-2023 fiscal biennium to be used for any of Smart Start's programs and clarifies that these funds are not subject to administrative cost requirements, child care services funding requirements, child care subsidy expansion requirements, or match requirements.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9C.9: Grants for Child Care Facilities and NC Pre-K Classrooms/ARPA Funds . (SL 2021-180)**

Section 9C.9 of S.L. 2021-180 allocates $20 million in nonrecurring funds to the Division of Child Development and Early Education, Department of Health and Human Services, to provide grants for child care facilities and NC Pre-K classrooms in response to the COVID-19 pandemic. The grants are one-time awards to assist with start-up costs associated with establishing a new NC Pre-K classroom or child care facility, quality improvements for existing NC Pre-K classrooms or child care facilities that increase the classroom or facility's capacity or upgrade its star rating, and capital improvements or renovations.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.5: Use of Foster Care Budget for Guardianship Assistance Program . (SL 2021-180)**

Section 9I.5 of S.L. 2021-180 provides that the Division of Social Services, Department of Health and Human Services (DHHS), can continue providing, of the funds available for foster care services, for the financial support of children deemed to be (i) in a permanent family placement setting, (ii) eligible for legal guardianship, and (iii) otherwise unlikely to receive permanency. This section clarifies no additional expenses must be incurred beyond the funds budgeted for foster care for the Guardianship Assistance Program (GAP). GAP includes provisions for extending guardianship services for individuals and youth who exited foster care through GAP after 14 years of age or who have attained the age of 18 years and opt to continue to receive guardianship services until reaching 21 years of age if the individual meets specified criteria.

This section became effective July 1, 2021.

**S113 - Modify Termination of Parental Rights Appeals. (SL 2021-18)**

Session Law 2021-18 does the following:

* Changes the direct right of appeal from an order granting or denying a termination of parental rights, or an order eliminating reunification as a permanent plan, from the North Carolina Supreme Court to the Court of Appeals.
* Requires the Administrative Office of the Courts (AOC) to prepare an annual report about the amount of time it takes to resolve appeals related to an order granting or denying a termination of parental rights or an order eliminating reunification as a permanent plan.

This act became effective July 1, 2021, and applies to appeals filed on or after that date.

**S207 - Various Raise the Age Changes/JJAC Recs. (SL 2021-123)**

S.L. 2021-123 modifies certain provisions of the Juvenile Justice Reinvestment Act, as recommended by the Juvenile Justice Advisory Committee, modifies the minimum age of a delinquent juvenile and an undisciplined juvenile, creates a definition of "vulnerable juvenile," and modifies the law dealing with juvenile court mental health assessments. Please see the full summary for details of these modifications.

This act became effective December 1, 2021, and generally applies to offenses committed on or after that date, except that the provisions regarding mental health assessments apply to petitions filed on or after that date.

**S693 - Expedite Child Safety and Permanency. (SL 2021-132)**

Part I of S.L. 2021-132 makes various child welfare reforms to the Juvenile Code (Chapter 7B of the General Statutes) regarding abuse, neglect, and dependency laws.

Part II of this act instructs the director of social services on how to provide notification to the responsible individual for a juvenile if the juvenile is the victim of human trafficking by someone other than the juvenile's parents or caretakers.

Part III of this act, as amended by Section 9I.13 of S.L. 2021-180, the 2021 Appropriations Act, directs the Department of Health and Human Services (DHHS) to implement a statewide child protective services (CPS) hotline. DHHS is required to submit a progress report on its development and implementation of the statewide CPS hotline to the Joint Legislative Oversight Committee on Health and Human Services by September 1, 2022.

Part IV of this act directs DHHS to develop a plan to increase the supply of appropriate treatment and residential settings for minors in need of behavioral and mental health services. The operation plan was to be submitted to the Joint Legislative Oversight Committee on Health and Human Services by October 1, 2021.

Part V of this act implements the following requirements for the DSS director, local management entity/managed care organization (LME/MCOs), and prepaid health plans when a juvenile in the custody of DSS presents at a hospital emergency department for mental health treatment:

* Requires the DSS director to request an assessment within 24 hours of the determination that the juvenile should not remain at the hospital and that no appropriate placement is available.
* Instructs the LME/MCO or prepaid health plan to arrange for a comprehensive clinical assessment within five business days.
* Outlines appropriate placements for the juvenile depending on the outcome of the assessment.
* Requires the DSS director to notify DHHS's Rapid Response Team if an appropriate placement or provider is not located for a juvenile after the assessment.

Part V of this act authorizes a hearing for judicial review if the requirements for the appropriate placement of the juvenile in the custody of DSS are not satisfied and specifies possible remedies the court may order.

Part VI of this act requires the State Board of Education to adopt a rule requiring public school units to provide students in grades six through 12 with age-appropriate information on child abuse, neglect, and sexual abuse. The information must be provided in the form of a document given to the students at the beginning of the school year and as a display posted in visible, high-traffic areas throughout the school. Both the document and display must contain specified information. Part VI of S.L. 2021-132 applies to schools in public school units and high schools under the control of The University of North Carolina.

The various changes to the Juvenile Code became effective October 1, 2021, and apply to actions filed or pending on or after that date. The provision regarding human trafficking notification became effective October 1, 2021. The new procedures for juveniles in DSS custody presenting at emergency department for mental health treatment became effective October 1, 2021. The authorization of a hearing on appropriate placement for juveniles in need of mental health services became effective January 1, 2022. The requirement to provide information on child abuse, neglect and sexual abuse to students would apply beginning with the 2021-2022 school year. Except as otherwise provided, this act became effective September 1, 2021.

**Civil Law and Procedure**

**See full summary documents for additional detail**

**H67 - GSC Technical Corrections 2021. (SL 2021-88)**

S.L. 2021-88 contains corrections of a technical nature to the General Statutes and session laws. This act also includes conforming changes that clarified that local governments that have not adopted comprehensive plans but that do have land-use plans are authorized to adopt zoning regulations. This act became effective July 22, 2021.

**H489 - 2021 Building Code and Dev. Reg. Reform. (SL 2021-121)**

S.L. 2021-121 amends laws that apply to general contractors; the State Building Code; and various laws pertaining to development regulation by local governments under Chapter 160D of the General Statutes including:

* Authorizing the State Licensing Board for General Contractors to require criminal background checks for licensure applicants, and making other changes to the laws that relate to the Board.
* Requiring the Building Code Council to obtain additional economic analysis or cost-benefit analysis on certain proposed revisions or amendments to the State Building Code.
* Establishing the beginning point for measuring sight distances at street intersections.
* Limiting the need for separate erosion control plans for development of individual residential lots where an approved master erosion control plan exists; providing for developer options when submitting erosion control plans for development of multiple residential lots; and prohibiting requiring a silt fence where certain topographic features exist.
* Requiring the Building Code Council to adopt rules amending provisions of the North Carolina Fire Code, the North Carolina Residential Code, and the North Carolina Plumbing Code.
* Amending Section 4 of S.L. 2020-61 with additional definitions and clarifications that relate to building and accessory building sewer systems and their permitting requirements.
* Requiring DOT to add approved subdivision street improvements designated as public to the State highway system for maintenance within 90 days.

Except as otherwise provided, this act became effective August 30, 2021. Sections 1(a) and 1(b) became effective January 1, 2022. Section 5(c) of this act became effective October 1, 2021. Section 9 became effective January 1, 2022.

**H812 - Clarify Remote Meetings During Emergencies. (SL 2021-35)**

S.L. 2021-35 clarifies the authority of public bodies to hold remote open meetings during declarations of emergencies, including:

* Allowing a public body to update a meeting notice to provide for a remote meeting.
* Specifying compliance with the procedure for remote meetings establishes a presumption the meeting is open to the public.
* Requiring a public body to allow written comments on the subject of a remotely held public hearing to be submitted between publication of any required notice and 24 hours prior to the scheduled beginning of the hearing.

The act became effective July 1, 2021, and applies to remote meetings held on or after that date.

**S196 - GSC Sale of Property Amend/Delay Prosec Split. (SL 2021-91)**

S.L. 2021-91 updates the mailing method of notice to a judgment debtor of an execution sale of real property; clarifies the effects of a default bid in private judicial sales and public or private partition sales; amends the tax foreclosure statutes and makes technical changes; makes various amendments relating to the validity of certain notarial acts and certain instruments; and makes various amendments affecting real property, as recommended by the General Statutes Commission. This act also delays the reassignment of District 36, Burke, Caldwell, and Catawba Counties, into two separate prosecutorial districts.

Parts I, III, and IV became effective October 1, 2021. The rest of the act was effective when the act became law on July 22, 2021.

**S644 - Landlord/Tenant Changes. (SL 2021-71)**

S.L. 2021-71 does the following:

* Reaffirms the intent of the General Assembly that landlords may recover out-of-pocket expenses and litigation costs in summary ejectment proceedings.
* Provides that a tenant's criminal record will not affect the foreseeability of any future injury or damage caused by the tenant, and that a landlord will have no duty to screen a potential renter's criminal history nor refuse to rent to a person because of their criminal record.
* Allows authorized persons to direct the removal or disposal of certain personal property of a decedent located in leased premises.

The act became effective when it became law (July 2, 2021). Please see the full summary for more detail on applicability.

**Commercial Law and Consumer Protection**

**See full summary documents for additional detail**

**H110 - Landlord Submission of HOPE Application. (SL 2021-190)**

S.L. 2021-190 does the following:

* Adds a new subsection to Session Law 2021-25 permitting a landlord to submit an application on behalf of a tenant under the Housing Opportunities and Prevention of Evictions Program (HOPE), provided that the application meets all the federal program requirements.
* Modifies Session Law 2021-25, Section 3.4(j) to clarify the specific uses of funds by the North Carolina Office of Recovery and Resiliency (NCORR).
* Modifies Session Law 2021-25, Section 3.4(g) to clarify that reasonable fees and actual utility costs are included in the amount awarded to recipients renting housing.

This act became effective December 9, 2021.

**H320 - Modernize Remote Business Access. (SL 2021-162)**

S.L. 2021-162 does the following:

* Authorizes remote meetings of corporation shareholders, nonprofit corporation members, and mutual insurance company policy holders.
* Authorizes nonprofit corporations to conduct all business electronically.
* Makes technical and conforming changes to related statutory provisions.
* Exempts certain corporations not for profit formed prior to July 1, 1989, from being required to have at least one class of shares with unlimited voting rights.

This act became effective September 20, 2021, and the act's changes relating to meetings of members and shareholders apply to meetings held on or after that date.

Remote meetings noticed before that date as a result of the State of Emergency declared by Executive Order No. 116 and complying with any subsequent executive orders authorizing such meetings, are deemed to be in compliance with this act.

The act's exemption from the requirement of having at least one class of shares with unlimited voting rights applies to corporations not for profit formed for religious, charitable, nonprofit, social or literary purposes prior to July 1, 1989, and existing as of September 20, 2021.

**H624 - North Carolina Regulatory Sandbox Act. (SL 2021-166)**

S.L. 2021-166 will help facilitate the development of innovative financial and insurance products or services that utilize new or emerging technology. It does so by creating a "regulatory sandbox program" whereby an overseeing agency may waive, with limited exceptions and for a limited time, statutory or regulatory requirements that otherwise would not permit a participant to offer the product or service to consumers. The overseeing agency would be either the Office of the Commissioner of Banks or the Department of Insurance. The product or service offered must include disclosures to the consumers that it is authorized to be offered for a temporary testing period and is not endorsed or recommended by the State or the supervising agency.

The act became effective October 15, 2021.

**H685 - Electronic Transaction Fees/Official Fees. (SL 2021-159)**

S.L. 2021-159 does the following:

* Allows a consumer finance lender to recover from a borrower the actual cost of a fee imposed on the lender from an unaffiliated third-party for processing electronic payments and disbursing loan proceeds. Many consumer finance lenders will accept a debit card payment on a loan amount, and many will load loan proceeds onto a borrower's debit card. In these instances, the card company charges a fee for this service. Section 1 of the act allows the lender to recover the actual transaction charge imposed by the card company. The third-party fees must also be publicly disclosed.

This disclosure requirement becomes effective January 1, 2022. The remainder of this section becomes effective October 1, 2021, and is applicable to transactions occurring on or after that date.

* Provides that fees or charges paid by the seller for determining the existence of or to record a security interest in a consumer credit sale may be included in the amount financed but must be excluded from the finance charge.

This section becomes effective October 1, 2021, and applies to contracts entered into, or renewed or modified, on or after that date.

**S507 - Modify Business Corporation Act. (SL 2021-106)**

S.L. 2021-106 makes various clarifying and updating changes to the Business Corporation Act, including:

* Provisions governing superior court proceedings brought by a shareholder seeking an appraisal
* Provisions relating to voting of shares held by a subsidiary
* Quorum requirements applicable to the board of directors
* Authority of board of directors to change corporate name without shareholder approval
* Provisions governing corporate records and shareholder inspection rights

The changes to provisions governing shareholder appraisal proceedings became effective August 16, 2021, and apply to proceedings commenced on or after that date. The other changes to the Business Corporation Act became effective October 1, 2021, and the changes relating to shareholder rights to inspect records and to obtain financial statements apply to demands to inspect and requests for financial statements received by a corporation on or after that date.

**Constitution and Elections**

**See full summary documents for additional detail**

**H243 - Budget Technical Corrections.
Sec. 20.6A: Adjustments to 2022 Delayed Municipal Elections and Second Primary Schedule. (SL 2022-6)**

Sec. 20.6A of S.L. 2022-6 provides for the following:

* Effective March 17, 2022, the delayed municipal elections from 2021 to be held in 2022 are rescheduled, depending on the affected municipality's method of election.
* Effective from March 17, 2022, through August 1, 2022, any requested second primary in 2022 is to be held 10 weeks after the first primary, and individuals can register to vote between the date of the first primary and any second primary, and vote in that second primary.

**S722 - Revise Local Government Redistricting/Census. (SL 2021-56)**

S.L. 2021-56 impacts municipalities where an election for municipal officers is scheduled for 2021 and where less than the entire jurisdiction is eligible to vote for one or more municipal candidates on the 2021 ballot in the following ways:

* Delays the municipal elections scheduled for 2021 in those affected municipalities to 2022, with an option for the at-large elections in those districts to be in 2021.
* Requires those affected municipalities to evaluate and revise electoral districts in accordance with state and federal law following the release of federal decennial census data by November 17, 2021, or December 17, 2021, if the municipality is unable to meet the November 17, 2021 deadline.
* Allows individuals to register to vote between the date of the first primary and any second primary, and vote in that second primary, for 2022 only.
* Moves the City of Raleigh municipal elections to even-numbered years, and changes the method of election to non-partisan plurality.
* Delays the Charlotte-Mecklenburg Board of Education and the Lexington City Board of Education regular 2021 elections to 2022.
* Provides for boards of county commissioners to be able to adopt and implement revised districts for the 2022 election.

This act became effective June 28, 2021, and applies only to certain 2021 municipal elections.

**Courts, Justice, and Corrections**

**See full summary documents for additional detail**

**H27 - In-Service Training for Magistrates. (SL 2021-146)**

Session Law 2021-146 modifies the training requirements for magistrates by requiring completion of an annual in-service training course, with a minimum of twelve hours of instruction, including the following subjects:

* Setting conditions of pretrial release.
* Impaired driving laws.
* Issuing criminal processes.
* Issuing search warrants.
* Technology.
* Orders of protection.

This act became effective January 1, 2022.

**H132 - Juvenile Code Revisions and Court Improvement Program Recommendations. (SL 2021-100)**

S.L. 2021-100 amends the abuse, neglect, and dependency statutes of Chapter 7B of the General Statutes as recommended by the Court Improvement Program.

This act became effective October 1, 2021.

**H203 - Extend Deadline for Police Telecommunicators. (SL 2021-34)**

S.L. 2021-34 extends the deadline for certification of police telecommunicators to July 1, 2022. This act became effective June 16, 2021.

**H312 - Qualifications for Sheriff/Expunction. (SL 2021-107)**

S.L. 2021-107, which became effective October 1, 2021, does the following:

* Clarifies that an individual who has been convicted of a felony, regardless of any expunctions or restoration of rights of citizenship, is ineligible for the office of sheriff, in accordance with Article VII, Section 2 of the North Carolina Constitution.
* Requires a candidate or appointee for the office of sheriff to file a disclosure statement prepared by the North Carolina Sheriff's Education and Training Standards Commission verifying that the candidate or appointee has no prior felony convictions or expungements of felony convictions.

**H366 - Regulatory Reform Act of 2021.
Sec. 8A: Clarification Regarding Use of Insurance Secondary Sources in Interpreting Law. (SL 2021-117)**

Section 8A of S.L. 2021-117 clarifies that secondary sources on insurance law are not binding authority on North Carolina courts.

This section became effective August 23, 2021.

**H404 - Ltd. Immunity for PSAP/TC for S.L. 2021-171. (SL 2021-181)**

S.L. 2021-181 does the following:

* Provides that public safety answering points (PSAPs), regional PSAPs, and their employees and agents, and employees of law enforcement agencies, who are certified by the North Carolina Sheriffs' Education and Training Standards Commission, are liable for damages in a civil action for gross negligence, wanton or willful misconduct, or when there is applicable insurance coverage.
* Provides that communication service providers, 911 system providers, next generation 911 system providers, and their employees are liable for damages in a civil action for wanton or willful misconduct.
* Makes technical corrections to S.L. 2021-171, The No Patient Left Alone Act.

The section of the act pertaining to PSAPs and communication service providers became law November 18, 2021, and applies to causes of action filed on or after that date. The section of the act pertaining to The No Patient Left Alone Act became effective November 1, 2021.

**H436 - Support Law Enforcement Mental Health. (SL 2021-136)**

S.L. 2021-136 requires psychological screening examinations for law enforcement officers prior to employment; educates officers on maintaining good mental health; makes officers statewide aware of mental health resources; and creates a study on the benefits of physical fitness testing to officers.

This act has various effective dates. Please see the full summary for more details.

**H522 - Modify Service/Release of Alternate Jurors. (SL 2021-94)**

S.L. 2021-94 modifies the provisions regulating the service and release of alternate jurors.

This act became effective October 1, 2021, and applies to jurors or alternate jurors selected on or after that date.

**H536 - Law Enforcement Duty to Intervene. (SL 2021-137)**

S.L. 2021-137 does the following:

* Creates a duty to intervene for law enforcement officers.
* Requires that the National Decertification Index be searched as part of officer certification.
* Requires that officers report certain notifications related to testimony.

The section of this act pertaining to the new duty to intervene became effective December 1, 2021, and applies to uses of force that occur on or after that date. The remainder of this act became effective October 1, 2021.

**H608 - Dignity for Women Who are Incarcerated. (SL 2021-143)**

Session Law 2021-143 establishes certain requirements for the housing and treatment of incarcerated females.

This act includes the following changes:

* Limits the use of restraints and body cavity searches on pregnant females and during the postpartum recovery period.
* Requires proper nutrition for pregnant females and during the postpartum recovery period.
* Prohibits restrictive housing for pregnant females and during the postpartum recovery period.
* Requires lower bed assignments for pregnant females and during the postpartum recovery period.
* Requires a bonding period between a newborn and a new mother.
* Requires visitation twice a week between children under one and a new mother.
* Prohibits inspections by male employees while a female is in a state of undress.

This act became effective December 1, 2021, and applies to individuals in custody on or after that date.

**S255 - 2021 Administrative Office of the Courts Legislative Changes. (SL 2021-47)**

S.L. 2021-47 makes various changes and technical and conforming corrections to the laws governing the administration of justice as requested by the Administrative Office of the Courts (AOC). The act has various effective dates. Please see the full summary for more detail.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 9: Correct Inaccurate Statutory Reference. (SL 2021-158)**

Section 9 of S.L. 2021-158 provides that the Department of Public Safety, not the Department of Environmental Quality, is responsible for supervising the sanitary and health conditions of the central prison, over the prison camps, or other places of confinement of prisoners under the jurisdiction of the Division of Adult Correction and Juvenile Justice within the Department of Public Safety.

This section became effective September 16, 2021.

**Criminal Law and Procedure**

**See full summary documents for additional detail**

**H84 - Sex Offender Premises Restrictions. (SL 2021-115)**

S.L. 2021-115 makes the following changes to restrictions placed on sex offenders:

* Extends premises restrictions to sex offenders convicted of any offense of sexual exploitation of a minor.
* Clarifies that convictions for misdemeanor offenses requiring registration as a sex offender are not eligible for expunction.
* Clarifies that the 1,000 foot residency restriction for registered sex offenders is measured from the structure or location where the offender resides, to the property line of the school or childcare center.

The substantive provisions of this act became effective December 1, 2021. Please see complete summary for applicability of effective date.

**H238 - Prohibit Possession of Skimming Device. (SL 2021-68)**

S.L. 2021-68 defines "skimming device" within the Financial Transaction Card Crime Act and makes the possession, sale, or delivery of a skimming device a Class I felony.

This act became effective December 1, 2021, and applies to offenses committed on or after that date.

**H743 - Remove ID Mark and Increase Punishment. (SL 2021-36)**

S.L. 2021-36 makes the alteration or destruction of an identifying number from personal property or certain machinery a Class H felony if the value of the item was greater than $1,000.

**H761 - Police Vehicle and Equipment Protection Act. (SL 2021-167)**

S.L. 2021-167 does the following:

* Increases the penalty for breaking or entering into a vehicle owned by a law enforcement agency.
* Creates two new felony offenses for theft of equipment owned by a law enforcement agency.

This act became effective December 1, 2021, and applies to offenses committed on or after that date.

**S99 - Clarify Law on Theft of Catalytic Converters. (SL 2021-154)**

Session Law 2021-154 makes the theft of a catalytic converter from a motor vehicle a Class I felony, and modifies the laws related to the purchase of catalytic converters.

The section of this act related to the purchase of catalytic converters became effective December 1, 2021, and applies to purchases and transactions made on or after that date. The remainder of this act became effective December 1, 2021, and applies to offenses committed on or after that date.

**S300 - Criminal Justice Reform. (SL 2021-138)**

S.L. 2021-138, as amended by Part II of S.L. 2021-182, makes various changes to the Criminal Code, and increases law enforcement standardization and oversight, with varying effective dates. Please see the full summary for more details on the provisions of this act.

**S301 - Expand Expunction Eligibility. (SL 2021-118)**

S.L. 2021-118 makes the following changes to statutes related to expunction of criminal offenses:

* Expands the criminal offenses eligible for expunction.
* Allows the expunction of an eligible offense despite an impaired driving conviction if the impaired driving conviction occurred more than than five years prior to the petition.
* Allows the expunction of up to three nonviolent felonies.
* Allows an attorney to file a petition for expunction on behalf of a person who committed certain crimes under the age of 18.
* Allows district attorney access to expunction records for determining conditional discharge eligibility.

This act became effective December 1, 2021. The provisions allowing additional offenses to be expunged and authorizing petitions to be filed on behalf persons that committed crimes under the age of 18 apply to petitions filed on or after that date.

**Education**

**See full summary documents for additional detail**

**H53 - Educational Changes for Military-Connected Students. (SL 2021-9)**

S.L. 2021-9 makes the following changes:

* Authorizes students of active-duty military parents not domiciled in the State to attend school in the State if the student resides with caregiver adult domiciled in the State as a result of the student's inability to physically reside with their parent due to military orders.
* Allows high school students who are eligible for in-state tuition at the time of application due to their status as dependents of military personnel to retain that status upon enrollment, even if the parent has been reassigned to another state incident to active military duty.
* Allows high school students who are eligible for the Need-Based Scholarship for Students Attending Private Institutions of Higher Education (need-based scholarships) at the time of application due to their status as dependents of military personnel to retain that status upon enrollment, even if the parent has been reassigned to another state incident to active military duty.

This act became effective April 9, 2021. Please see the full summary for more detail on applicability.

**H78 - Various Education Changes. (SL 2021-111)**

S.L. 2021-111 (i) allows additional standardized tests to satisfy 9th grade private school testing requirements and (ii) makes changes to in-State tuition for veterans to comply with federal law.

This act became effective August 23, 2021.

**H82 - Summer Learning Choice for NC Families. (SL 2021-7)**

S.L. 2021-7 (HB 82) required each local school administrative unit (LEA) to offer a school extension learning recovery and enrichment program (Program) at the end of the 2020-2021 school year. Within available funds, residential schools were also required to offer a Program to students. The Program's purpose was to provide in-person instruction on specific subjects and offer additional enrichment activities to students in kindergarten through grade 12 to address learning losses due to COVID-19 during the 2020-2021 school year. Students at risk for academic failure who were not progressing toward grade promotion and graduation were identified and prioritized for participation in the Program.

LEAs were required and charter schools were encouraged to submit plans for the Program to the Department of Public Instruction (DPI). The plans were required to meet certain components, including a minimum of 150 hours or 30 days of instruction, as well as meal service and physical activities on each instructional day. The plans were also required to include certain instruction based on the grade level served and provide access to enrichment activities for grades K-8 and elective courses for grades 9-12. Transportation, in-person learning, and social-emotional learning supports for all students were also required as part of the Program.

Participation in the Program by students was voluntary. Kindergarten students who participated in the Program were exempt from retention. For all other students at-risk of grade retention, the student's principal was required to reassess the student's promotion eligibility upon completion of the Program.

Teachers and other school personnel were employed temporarily on a contract basis for the Program. Certain retired teachers were also eligible for employment without violating separation of service requirements. LEAs were encouraged to incentivize highly effective teachers through various means and were required to offer both signing bonuses to teachers meeting certain criteria and performance bonuses for third-grade teachers whose students became proficient in reading during the Program.

The State Board of Education provided competency-based assessments for students in grades K-8 to LEAs for use at the beginning and end of the Program, with the assessment results provided to the student's teacher for the 2021-2022 school year.

LEAs were required to report to DPI by October 15, 2021, on the results of the competency-based assessments, as well as the number of students who progressed or were retained in the same grade, and the number of students who received credit recovery in high school. DPI was required to report by January 15, 2022, to the Joint Legislative Education Oversight Committee on implementation of the Program and related reported information, including copies of the Program plans.

This act became effective April 9, 2021.

**H91 - Accountability and Fair Play in Athletics. (SL 2021-184)**

S.L. 2021-184 creates new requirements for overseeing regulation of high school interscholastic athletics. These requirements include:

* The State Board of Education (SBE) must either enter into a memorandum of understanding (MOU) with a nonprofit to administer and enforce SBE requirements for high school athletics or require the Department of Public Instruction to administer high school athletics.
* The SBE must adopt rules in the following areas for public school unit (PSU) high school interscholastic athletic activities: student participation (including student health and safety), appeals, administering organizations, and reporting issues of concerns.
* The SBE may adopt rules in the following areas or may delegate those rules to the administering organization: penalties, administration, gameplay, and fees.
* Beginning with the 2022-2023 school year, PSUs must conduct high school athletics in accordance with SBE rules as administered and enforced by the organization designated by the SBE. PSUs must also purchase catastrophic insurance for high school athletics through the Commissioner of Insurance.
* Beginning with the 2022-2023 school year, the Commissioner of Insurance must offer catastrophic insurance coverage for students or school personnel participating in interscholastic athletic activities to participating schools.
* Beginning July 1, 2022, conforming changes to align with the law will become effective.

Except as otherwise provided, this act became effective November 23, 2021.

**H243 - Budget Technical Corrections.
Sec. 2.11: Clarify Tuition Rates for Kitty Hawk Public-Private Partnership Project. (SL 2022-6)**

Section 2.11 of S.L. 2022-6 (HB 243) clarifies that the tuition rate for the NC Promise Tuition Plan does not apply to tuition charged for digital learning credit hours provided with the support of a nonprofit corporation established by The University of North Carolina System Office, such as Project Kitty Hawk.

This section became effective March 17, 2022.

**H334 - Budget Technical Corrections.
Sec. 2.7: BOG and President of UNC Study Establishing New Health Sciences Programs at UNC Pembroke. (SL 2021-189)**

OVERVIEW AND ANALYSIS: Section 2.7 of S.L. 2021-189 directs the Board of Governors of The University of North Carolina (BOG) and the President of The University of North Carolina (President) to complete a study of the feasibility and advisability of establishing new academic programs and schools in the area of health sciences at the University of North Carolina at Pembroke (UNC Pembroke), including a school of optometry. The study must consider the costs and financial benefits of establishing these programs and can consider the findings and recommendations submitted by the BOG to the General Assembly by March 1, 2018, pursuant to subsection (a) of Section 10.14 of S.L. 2017-57. In addition, the BOG and the President may consult with the Board of Trustees of UNC Pembroke. This study must be completed no later than the date the new health sciences building at UNC Pembroke opens for classes.

EFFECTIVE DATE: This section became effective July 1, 2021.

**H335 - Timely Local Payments to Charter Schools. (SL 2021-79)**

S.L. 2021-79 requires charter schools to provide local school administrative units (LEAs) with specific student enrollment information and requires LEAs to pay penalties if the per pupil share of the local current expense fund to charter schools is not transferred within the statutory timeframe. The act also directs the Superintendent of Public Instruction (Superintendent) to create standardized procedures for the requests and transfers of the per pupil share of the local current expense fund.

The act became effective July 8, 2021, and applied beginning with the 2021-2022 school year.

**H366 - Regulatory Reform Act of 2021.
Sec. 2: North Carolina Pre-K School Options. (SL 2021-117)**

Section 2 of S.L. 2017-117 requires NC Pre-K operators to provide parents with information pertaining to public and private school options in the county.

This section became effective January 1, 2022.

**H481 - Firearm Disposal/UNC Campus Police. (SL 2021-116)**

S.L. 2021-116 allows all State entities operating under the three branches of government and the on-campus police departments of constituent institutions of The University of North Carolina to dispose of surplus weapons with a federally licensed firearm dealer.

The restoration of firearms rights provision became effective December 1, 2021, and applied to petitions filed on or after that date. The remainder of the act became effective August 23, 2021.

**H602 - UNC Legislative Priorities/HR/Reports. (SL 2021-80)**

S.L. 2021-80 does the following:

* Exempts finance, business office, and auditor professionals of The University of North Carolina (UNC) from most provisions of the North Carolina Human Resources Act (NCHRA).
* Consolidates and eliminates certain reports.
* Codifies reporting requirements for capital projects.
* Gives the Board of Governors of UNC temporary authority to implement an early retirement incentive program.
* Provides statutory authority for the President of UNC to approve a reduction in force without approval of any other State agency.
* Provides temporary authority for the Board of Governors of UNC to use non-State funds to provide State Health Plan premium payments for certain employees placed on emergency temporary furloughs.

**S105 - 2021 Appropriations Act.
Sec. 6.1: Community College Economic Impacts/Study/Grant for Targeted Programs. (SL 2021-180)**

Section 6.1 of S.L. 2021-180 requires the Center for Applied Research (CFAR) at Central Piedmont Community College to partner with the Community Colleges System Office (System Office), the North Carolina Association of Community College Presidents, and the Belk Center for Community College Leadership and Research at North Carolina State University (Belk Center) to provide for studies of the overall regional economic impacts of community colleges in the State. CFAR must use $750,000 of its allocated funds in addition to matching funds as described below to contract with Economic Modeling Specialists International (EMSI) to conduct the required studies.

The studies must include specific components, such as the following:

* Evaluation of labor dynamics with the State.
* Evaluation of the impact community colleges have on students and businesses within certain regions and the resulting return on investment for taxpayers.
* Analysis of high-demand programs in regional areas of the State, such as nursing, teacher education, and information technology.
* Evaluation of the return on investment and success of high-demand programs in improving career opportunities for students as well as their impact on the labor market.
* Identification of potential areas for increased investment or targeted support by the State and recommendations for future growth.

The John M. Belk Endowment will match one dollar for every one dollar in State funds made available to CFAR for the studies.

By April 15, 2022, CFAR, the System Office, the NC Association of Community College Presidents, and the Belk Center must report to Joint Legislative Education Oversight Committee and other various entities on the results of the studies and the recommendations from the studies on areas with the greatest economic impacts for the State that warrant further expansion and focus in order to increase the success of students and meet workforce and industry demands.

Based on the results and recommendations from CFAR's report, the State Board of Community Colleges (SBCC) must create a grant program for the 2022-2023 fiscal year for community colleges to apply for grant funds to expand and target efforts in specific program areas that are proven to have greater economic impacts in regions of the State. The SBCC must prioritize award of the grant funds based on the findings of the studies and the potential for those programs to have the greatest impact on a geographical region or region of economic development.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 6.2: Community College Programs Serving IDD Students. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 6.2 of S.L. 2021-180 directs the State Board of Community Colleges (SBCC) to establish a two-year pilot program (pilot program) at two community college campuses for training programs that provide for a micro-credential or other credentials that leads to increased employment outcomes for individuals with intellectual and developmental disabilities (IDD).

The pilot program must offer training and educational components to improve employability skills and provide on-the-job training and apprenticeships with business and industry for individuals with IDD. The goal of the pilot program must be to inform community colleges and address cross-departmental supports within the individual community colleges on programs for individuals with IDD on at least the following:

* Establishing best practices for providing vocational training for individuals with IDD.
* Providing financial and benefits counseling.
* Developing strategies on integrating assistive technology.
* Maximizing access, with supports, to credential and degree programs, including micro-credentials that are established by the SBCC.
* Identifying methods to increase orientation and integration of individuals with IDD into the college community to the greatest extent possible.
* Developing a needs assessment, marketing, and evaluation to serve a broad array of individuals with developmental and other similar disabilities or learning challenges to assure adequate demand for new or existing programs.

The Community Colleges System Office (System Office) must add a time limited position for program support, provide professional development training for college advising staff to assist students with IDD for career pathway exploration and the identification of credentials leading to competitive employment, and explore funding sources to sustain programs for students with IDD.

Beginning May 1, 2022, the System Office must report each fiscal year on the funds appropriated to the System Office for the implementation of the pilot program to the Joint Legislative Education Oversight Committee and various other entities. The report must include the results of the pilot program, the use of the time-limited position, professional development training for staff, and funding sources identified for individuals with IDD to build programs at community colleges that support postsecondary trainings and certifications that enable individuals with IDD to engage in competitive, sustainable employment.

EFFECTIVE DATE: This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 6.3: Community Colleges Joint Program Enrollment of Public School Students. (SL 2021-180)**

Section 6.3 of S.L. 2021-180 requires, as part of the evaluation by the State Board of Community Colleges of students enrolled in the Career and College Promise Program (Program), an analysis of the cost of students participating in each of the three pathways within the Program: the cooperative innovative high schools, the College Transfer pathway, and the Career and Technical Education pathway. The analysis must include total enrollment funding, the number of budgeted full-time equivalent students, and the number of students enrolled in courses through each pathway. It must also include the cost and number of waivers of tuition and registration fees provided for students enrolled in courses through each pathway, and any additional costs of a student attending courses on campus if a student is not attending public school in a local school administrative unit for the majority of the student's instructional time.

In addition to submission to the Joint Legislative Education Oversight Committee, both the State Board of Education and the State Board of Community Colleges must submit the evaluation of cooperative innovative high schools and the Program to the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal Research Division of the General Assembly.

This section became effective July 1, 2021, and applies beginning with the 2021-2022 academic year.

**S105 - 2021 Appropriations Act.
Sec. 6.4: Community College Childcare Grant Program/Report. (SL 2021-180)**

Section 6.4 of S.L. 2021-180 requires the Community Colleges System Office to report to the Joint Legislative Education Oversight Committee and various other entities on the administration of the North Carolina Community College Childcare Grant Program (Program) for the prior fiscal year by December 1 of each year, beginning with December 1, 2022. The report must include at least the following information by each community college:

* The number of applications received for grants from the Program.
* The amount of grant funds requested from the Program.
* The number of applications approved.
* The total amount of grant funds awarded.
* The range of the dollar amount of grant awards to individuals for child care expenses.
* The types of child care utilized by students with grant funds, including before-school and after-school services.

The Community Colleges System Office must submit an initial report on the administration of the Program on March 1, 2022.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 6.5 Career Academies for At-Risk Students. (SL 2021-180)**

Section 6.5 of S.L. 2021-180 establishes a two-year pilot program between Cape Fear Community College (CFCC), New Hanover County Schools, and Pender County Schools to meet the needs of underserved students in seventh through ninth grade through an opportunity for extended time on CFCC's campus in various career and technical education programs. The goals of the program include the following:

* Exposing students from underperforming schools and underserved populations to career training opportunities available at CFCC.
* Guiding students toward successful career outcomes.
* Providing support services to students, including academic tutoring, academic counseling, personal mentoring, and financial support through financial aid and scholarships.
* Increasing graduation and postsecondary outcomes for these students.

The program must consist of a summer career academy and the placement of time-limited career liaisons in certain middle schools in New Hanover County Schools and Pender County Schools to support at-risk students. The summer career academy must be offered to up to 300 students in seventh through ninth grade from the two local school administrative units (LEAs). Students will visit two career and technical education programs per day for five consecutive days for two consecutive weeks in different subject areas. The career academy program must include speakers and support for financial aid and scholarship opportunities and an introduction to the Career and College Promise Program.

By October 1, 2022, CFCC and the two LEAs must submit an initial report to the Joint Legislative Education Oversight Committee and other entities on the following:

* Results of the pilot program.
* Placement of the career liaisons in schools.
* Number of students who enrolled in Career and College Promise Program pathways following completion of the career academy program.
* Other relevant student outcome data for at-risk students.

A final report must be submitted by October 1, 2023.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 6.6: NC Community College Short-Term Workforce Development Grants. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 6.6 of S.L. 2021-180 establishes the North Carolina Community College Short-Term Workforce Development Grant Program (Program) to be administered by the State Board of Community Colleges (SBCC) which must adopt rules for the disbursement of the grants under the Program. In collaboration with the Department of Commerce, the SBCC must determine the eligible programs of study for the Program, according to the occupations that are in the highest demand in the State. The eligible programs of study must, however, include programs such as architecture and construction, health sciences, information technology, electrical line worker, and manufacturing programs and can include other programs to meet local workforce needs.

The SBCC must award grants in an amount of up to $750.00 to students pursuing short-term, noncredit State and industry workforce credentials. The SBCC must establish criteria for initial and continuing eligibility for students and, at a minimum, must require that students qualify as North Carolina residents for tuition purposes. The SBCC must submit an initial report by April 1, 2022, and a final report by April 1, 2023, to the Joint Legislative Education Oversight Committee and various other entities with information for each academic year and by programs of study, the amount of grant funds disbursed and the number of eligible students receiving funds.

EFFECTIVE DATE: This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 6.7: High-Cost Workforce Programs Start-Up Funds. (SL 2021-180)**

Section 6.7 of S.L. 2021-180 requires the Community Colleges System Office (System Office) to establish the Fund for High Cost Workforce Programs (Fund) to assist community colleges starting new programs in high demand career fields that require significant start-up funds. Community colleges must apply to the System Office for start-up funds and demonstrate that the program will meet established criteria, as well as provide certain matching funds from non-State sources for awards. The System Office must submit an initial report to the Joint Legislative Education Oversight Committee by December 1, 2022, and an annual report thereafter in any years that awards are made from the Fund. The report must include information on awards made, use of funds, and evaluation of the programs.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 6.8: RISE Up Training and Credentialing Program/Cooperative Innovative High Schools. (SL 2021-180)**

Section 6.8 of S.L. 2021-180 requires the Community Colleges System Office (System Office) to partner with the North Carolina Retail Merchants Association and the Retail Consumer Alliance Foundation to implement the RISE Up credentialing program (Program) for the 2021-2022 fiscal year to teach foundational skills to students attending cooperative innovative high schools (CIHS) for career success in the retail industry, customer service, and sales, including inventory management and profitability, as well as supply chain warehouse, inventory, and logistics.

The Program must be offered to students at CIHS through each partner community college with the opportunity for up to four different levels of the RISE Up credentials that include the following:

* Retail Industry Fundamentals.
* Customer Service and Sales.
* Operations and Profit.
* Supply Chain: Warehouse, Inventory, and Logistics.

The System Office, in collaboration with the North Carolina Retail Merchants Association and the Retail Consumer Alliance Foundation, must submit an initial report by October 1, 2022, and a final report by October 1, 2023, to the Joint Legislative Education Oversight Committee and various other entities on the results of implementing the Program at partner community colleges for students at CIHS, including the number of students who received credentials, by type of credential, and student outcomes related to the credentialing, such as subsequent internships or job placements.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 6.9: Work-Based Learning/Central Piedmont Community College. (SL 2021-180)**

Section 6.9 of S.L. 2021-180 requires Central Piedmont Community College (CPCC) to cover the cost of tuition and accident and liability insurance for students enrolled in one- and two-credit work-based learning (WBL) courses. CPCC must develop and implement a plan to:

* Build WBL into short-term, one-year certificate programs.
* Provide opportunities for students to explore a pathway into WBL through the Career and College Promise Program to earn a certificate and create transitions as future enrolled community college students for additional certificates or degrees.

CPCC must convene a stakeholder group with representatives from community colleges across the State to generate a framework for the WBL programs that is replicable at other community colleges in a variety of employment areas aligned with local industry and business workforce needs.

CPCC must submit an initial report by June 1, 2022, and a final report by June 1, 2023, to Joint Legislative Education Oversight Committee and other various entities on the following:

* The number of students enrolled in work-based learning courses and the number of students earning certificates, by program of study.
* The incorporation of WBL into certificate programs and Career and College Promise pathways.
* The findings and recommendations of stakeholder group meetings regarding statewide implementation of WBL programs.
* The use of funds for outreach and marketing or other activities.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 6.10: Expansion of Adult Learner Pilot Programs. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 6.10 of S.L. 2021-180 requires the Community Colleges System Office (System Office) to allocate funds to expand five pilot programs at community colleges targeting adult learners to return to higher education to gain new skills, advance in the workplace, and complete a degree or credential. The pilot programs include the NC Reconnect program and other programs that focus on at least the following categories of adult learners:

* Students who are age 25 years or older.
* Students with varying education levels, including no high school diploma or equivalent or some community college credentials or postsecondary degree.
* Students who have started postsecondary programs but dropped out before completion in the last five years.
* Nontraditional students, including part time students, parents, or students with limited scheduling options due to work or other responsibilities.

The funds can be used to expand the pilot programs to other community college campuses and at the existing community college sites for marketing and outreach, as well as for enrollment of students into the programs, particularly for students who have dropped out of postsecondary degree or credential programs prior to completion. By March 1, 2023, the System Office must report to the Joint Legislative Education Oversight Committee and various other entities on the results of the expansion of the pilot programs, including the number of students enrolled into degree and credential programs, the number of students completing a degree or credentialing program, and legislative recommendations for further expansion and the estimated cost of the programs.

EFFECTIVE DATE: This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 6.13: Marketing and Outreach for Career and Technical Education and Work-Based Learning Programs. (SL 2021-180)**

Section 6.13 of S.L. 2021-180 requires the Community Colleges System Office (System Office) to establish a temporary program to expand outreach and advertising efforts to raise awareness for parents and students regarding the career and technical education programs and high-quality work based learning experiences offered in high demand fields and careers through partnerships with community colleges, businesses, and public school units throughout the State. The System Office must submit an initial report to the Joint Legislative Education Oversight Committee by April 1, 2022, and a final report by April 1, 2023, on activities related to outreach and marketing and any data related to student outcomes.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 6.14: Expansion of Apprenticeship Programs for Small Businesses/High Demand Trades. (SL 2021-180)**

Section 6.14 of S.L. 2021-180 requires the Community Colleges System Office (System Office) to establish a temporary program to expand apprenticeship opportunities for high school apprentices and non-high school apprentices between the ages of 16 and 25 by providing incentives for small businesses in high-demand fields and careers. The program must provide for small businesses to participate in apprenticeships to meet business needs, assist with financial challenges and employment demands in their local communities, and provide opportunities for apprenticeships that will lead to certifications, licensing, or an associate degree in a career field and full-time employment.

Funds for the grant program must be used to award grants to reimburse employers for the costs associated with new apprentices within a Registered Apprenticeship with ApprenticeshipNC and for tuition, fees, and cost of books for curriculum programs and short-term workforce credentials. The System Office must administer the grant funds for applicants that are small business employers located in development tier one and development tier two areas as designated by the Department of Commerce for the 2020 calendar year. The funds must be allocated as follows:

* 40% of funds must be allocated for apprenticeship programs for apprentices enrolled in curriculum degree programs.
* 15% of the funds must be allocated for apprenticeship programs for high school apprentices.
* The remaining funds must be allocated for apprenticeship programs for apprentices pursuing short-term workforce credentials.

Recipients of grants can be reimbursed up to $2,000 each fiscal year for program expenses. For apprentices enrolled in curriculum degree programs and short-term workforce courses, up to $2,500 can be used each fiscal year to cover the cost of tuition, fees, and books for apprentices enrolled at community colleges.

Grant funds can also be used to cover the costs of the salary of apprentices if matching funds are made available by a grant recipient on the basis of $1 in non-State funds for every $1 in State funds. Apprentices participating in the grant program paid with matching State funds must be limited to an hourly rate of pay of $15 an hour for non-high school students and $14 an hour for high school students.

The System Office can contract for a new time-limited position to coordinate and oversee deliverables, daily operations of the grant program, financial management, monitoring and accountability of budget accuracy, and the validity of disbursements.

The System Office must submit an initial report by October 1, 2022, and a final report by December 1, 2024, to the Joint Legislative Education Oversight Committee and various other entities on the grant program and the use of funds for each type of apprentice, matching funds provided by grant recipients and salary data, and the amount of funds used for the time-limited position at the System Office.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.6: School Psychologists Allotment. (SL 2021-180)**

Section 7.6 of S.L. 2021-180 requires, beginning with the 2021-2022 school year, the State Board of Education (SBE) to create a funding allotment for school psychologist positions. The SBE can adopt rules for the allocation of school psychologist positions from this allotment, and those rules must meet the following minimum requirements:

* School psychologist positions must be allocated on the basis of average daily membership (ADM).
* Each local school administrative unit (LEA) receives sufficient funding for at least one school psychologist position.

School psychologist positions cannot be transferred out of this allotment except to convert to dollar equivalents for contracted services directly related to school psychology. Beginning with the 2022-2023 school year, local boards of education must employ at least one full-time, permanent school psychologist.

This section became effective July 1, 2021, and applies beginning with the 2021-2022 school year.

**S105 - 2021 Appropriations Act.
Sec. 7.7: School Health Support Personnel Professional Entry Report. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 7.7 of S.L. 2021-180 directs the State Board of Education (SBE) to study and report on the following to the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal Research Division:

* Policies, practices, standards, and curriculum adopted or implemented, as appropriate, by the SBE, the Department of Public Instruction, educator preparation programs, and public school units for persons to receive training, licensure, and employment as school health support personnel in public school units.
* Barriers persons face when entering each school health support profession because of the established policies, practices, standards, and curriculum.
* Recommendations and any actions already taken to (i) reduce and eliminate the identified barriers and (ii) improve the number and quality of school health support personnel employed in public school units.

The term "school health support personnel" refers to school psychologists, school counselors, school nurses, and school social workers. The report is due May 15, 2022.

EFFECTIVE DATE: This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.8: Department of Public Instruction Reorganization Authority. (SL 2021-180)**

Section 7.8 of S.L. 2021-180 requires the Department of Public Instruction (DPI) to reclassify certain positions. It also authorizes DPI, after consultation with the Office of State Budget and Management and the Fiscal Research Division, to (i) reorganize DPI, realign fund structures, or both, when necessary to accommodate changes in allowable expenditures of indirect costs associated with the administration of federal grants and (ii) to implement other changes necessary to improve the efficiency of DPI, subject to certain limitations. DPI must report to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal Research Division on any reorganization, including any movement of positions and funds between fund codes on a recurring basis.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.9: Report on K-12 Computer Science Data. (SL 2021-180)**

Section 7.9 of S.L. 2021-180 directs the State Board of Education (SBE) to annually report by November 15 to the Joint Legislative Education Oversight Committee and various other entities on data related to computer science and computational thinking participation for all public school units, disaggregated by school, including:

* The number of teachers employed to teach computational thinking and computer science.
* The statewide and elective courses offered and the number of students enrolled in each of the courses.
* The number of students enrolled in computer science and computational thinking courses by grade level.
* The enrollment numbers broken down by the following subgroups:
* Economically disadvantaged students.
* Students from major racial and ethnic groups.
* Gender.
* Children with disabilities.

For each item, the report must include (i) statewide data for the current school year and the four previous years and (ii) data for the current school year for each public school unit, disaggregated by school. Public school units are required to submit the underlying information for the current school year to the SBE annually by September 15.

The SBE must submit its initial report no later than March 15, 2022. Public school units must submit their initial reports to the SBE no later than January 15, 2022.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.10: Instructional Support Personnel Report. (SL 2021-180)**

Section 7.10 of S.L. 2021-180 requires the Department of Public Instruction (DPI), in consultation with the Fiscal Research Division, to survey local school administrative units (LEAs) on the use of funds for instructional support personnel position categories in the 2020-2021 fiscal year and report the results of its survey to Joint Legislative Education Oversight Committee and other various committees of the General Assembly. DPI must incorporate the survey results into its annual expenditure report for the 2020-2021 fiscal year as required by law. The survey results must be organized on a statewide basis and by LEA for each instructional support personnel position category, including additional specified information, such as:

* For each position category, the following information:
	+ Number of persons employed in that position category.
	+ Total State and non-State funds and total full-time equivalent positions allocated for that position category.
	+ Average salary for that position category.
	+ Percentage of total funds and total full-time equivalent positions made up of federal, State, and local funds
	+ Percentage of federal, State, and local funds and the number of full-time equivalent positions that were used for contracted services.
* Certain information on each allotment transfer that was used for contracted services.
* Any contracted services provided using funds provided for the school psychologist position category.

"Instructional support personnel position categories" refers to all positions identified by DPI as instructional support personnel, such as audiologists, Career and Technical Education services personnel, guidance counselors, nurses, psychologists, social workers, and others.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.11: Schools that Lead Program. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 7.11 of S.L. 2021-180 directs the Department of Public Instruction (DPI) to contract with Schools That Lead, Inc., to provide professional development to teachers and principals in up to 75 schools, beginning with the 2021-2022 school year and ending in the 2025-2026 school year. The selected schools must be charter schools or schools under the authority of a local school administrative unit with professional development services offered to teachers and principals in kindergarten through grade 12. The Superintendent of Public Instruction, in consultation with Schools That Lead, Inc., must determine which schools are eligible to participate in the Schools That Lead Program (Program). The Program must offer services to three cohorts of schools, as follows:

* High schools working to increase on-time graduation.
* Middle schools working to prepare students to succeed in high school by reducing the likelihood of retention in the ninth grade for multiple school years.
* Elementary schools working to reduce the number of students with early warning indicators of course failures, absences, and discipline.

DPI must use up to $100,000 to contract with an independent research organization to measure the impacts of the Program on student outcomes, including, but not limited to: (i) on time graduation in high school, (ii) ninth grade retention rates, and (iii) course failures, absences, and discipline in elementary school. The independent research organization must report its interim findings to DPI no later than June 30, starting in 2023, and submit a final report no later than June 30, 2027.

DPI, in consultation with Schools That Lead, Inc., must report on the impacts of the Program and must include an accounting of expenditures, school performance data, principal performance data, teacher performance data, and student outcome data. The report is due beginning October 1, 2023, and continues each year until October 1, 2027, to the Joint Legislative Education Oversight Committee and various other entities.

EFFECTIVE DATE: This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.12: Permit Use of Special State Reserve Fund for Transportation/Establish Transportation Reserve Fund for Homeless and Foster Children. (SL 2021-180)**

Section 7.12 of S.L. 2021-180 authorizes the use of the Special State Reserve Fund (SSRF) to cover extraordinary transportation costs for high-needs children with disabilities. Funds from the SSRF can be provided by the Department of Public Instruction (DPI) to local school administrative units (LEAs) and charter schools for this purpose through an application process that awards funds based on certain criteria.

A Transportation Reserve Fund for Homeless and Foster Children (TRF) is established to provide a grant program for extraordinary school transportation costs for homeless and foster children. Funds from the TRF can be provided by DPI to LEAs and charter schools for this purpose through an application process that awards funds based on certain criteria.

DPI must report by March 15 annually on certain data points to the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee on the use of funds appropriated to the TRF using data collected from the prior school year.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.13: Eliminate Innovation Zone Grants. (SL 2021-180)**

Section 7.13 of S.L. 2021-180 eliminates innovation zones connected to the Innovative School District.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.14: Transition from the Innovative School District Model. (SL 2021-180)**

Section 7.14 of S.L. 2021-180 requires the Superintendent of Public Instruction (Superintendent) to study reforms to provide effective intervention and assistance for low-performing schools and report on recommendations and suggested legislative changes to the Joint Legislative Education Oversight Committee no later than February 15, 2022.

The State Board of Education (SBE) is directed to not add schools to the Innovative School District during the 2021-2022 and 2022-2023 school years. The SBE must continue operation of the Southside-Ashpole Elementary School as an innovative school until a transition plan is executed to return the school to Robeson County Schools, but must transition the school no later than the completion of the 2022-2023 school year.

Effective June 30, 2023, the Innovative School District is repealed.

Portions of the section related to the Superintendent's study and selection of innovative schools became effective November 18, 2021. The remainder of the section is effective June 30, 2023.

**S105 - 2021 Appropriations Act.
Sec. 7.15: Excellent Public Schools Act of 2021 Implementation Guide/Report. (SL 2021-180)**

Section 7.15 of S.L. 2021-180 requires the Superintendent of Public Instruction (Superintendent) to establish a working group to develop an implementation guide for the Excellent Public Schools Act of 2021 (S.L. 2021-8). The Superintendent must collaborate with various education stakeholders to develop the guide to assist local school administrative units, educators, and administrators in establishing the essential elements for literacy based on the Science of Reading, effectively implementing the Excellent Public Schools Act of 2021, and creating the framework to ensure that students are successful and proficient readers. The implementation guide must include at least the following information:

* Roles and responsibilities of State agencies, local school administrative units, public schools, and educators.
* Implementation strategies of the components of literacy supports and interventions.
* Professional development and training available for educators.
* Initiatives related to the implementation of the Excellent Public Schools Act of 2021 at the State and local level.

No later than January 15, 2022, the Superintendent will report to the Joint Legislative Education Oversight Committee and various other entities on the working group and the development of the implementation guide. The report must include the proposed components of the implementation guide and the timeline of publishing the guide in preparation for the 2022-2023 school year.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.16: Medicaid Reimbursement Contract for Residential Schools. (SL 2021-180)**

Section 7.16 of S.L. 2021-180 requires the Department of Public Instruction (DPI) to contract with a third-party for administrative services necessary to receive maximum reimbursement for medically necessary health care services for which payment is available under the North Carolina Medicaid Program provided to eligible students attending any of the following schools:

* Governor Morehead School for the Blind
* Eastern North Carolina School for the Deaf
* North Carolina School for the Deaf

By March 15, 2022, DPI must report to the Joint Legislative Education Oversight Committee on the contracting process and the award of the contract, including the cost of the contract and the estimated recoupment of expenditures.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.17: Full-Time Equivalency of Public School Students. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 7.17 of S.L. 2021-180 requires the State Board of Education (SBE) to establish a formula for determining the full-time equivalency of a student enrolled in a public school unit for the purposes of providing State funds on a per pupil basis. The formula must include the amount of instructional time required for the school day for a full-time student. The SBE must report on the formula to the Joint Legislative Education Oversight Committee (JLEOC) and various other entities by April 15, 2022.

By October 15 of each year, the Department of Public Instruction must report to the JLEOC and various other entities on the number of students and the full-time equivalency of those students by public school unit and grade level from the prior school year. The initial report must be submitted by January 15, 2023, for the data collected from the 2021-2022 school year. The data in the report must be disaggregated by enrollment in courses offered by the public school units and those offered through other dual enrollment and joint programs, including North Carolina Virtual Public School, institutions of higher education, and nonpublic schools.

EFFECTIVE DATE: This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.19: School Safety Grants Program. (SL 2021-180)**

Section 7.19 of S.L. 2021-180 provides funding for the School Safety Grant Program (Program) to improve safety in public school units by providing grants for services for students in crisis, school safety training, and safety equipment in schools through an application process administered by the Superintendent of Public Instruction (Superintendent) in accordance with certain criteria. The grants will be awarded in the following categories:

* Students in Crisis Grants – In consultation with the Department of Health and Human Services (DHHS), funds to contract with community partners to provide the following crisis services:
* Crisis respite services for parents or guardians of an individual student to prevent more intensive or costly levels of care.
* Training and expanded services for therapeutic foster care families and licensed child placement agencies that provide services to students who need support to manage their health, welfare, and safety and have cognitive or behavioral problems, developmental delays, or aggressive behavior.
* Evidence-based therapy services aligned with targeted training for students and their parents or guardians.
* Other crisis services, including peer-to-peer mentoring, likely to increase school safety.
* Training to Increase School Safety Grants – In consultation with DHHS, funds to contract with community partners to address school safety by providing training to help students develop healthy responses to trauma and stress. The training must be targeted and evidence-based and can include any of the following:
* Counseling on Access to Lethal Means training for school mental health support personnel, local first responders, and teachers on the topics of suicide prevention and reducing access by students to lethal means.
* Training for school mental health support personnel on comprehensive and evidence-based clinical treatments for students and their parents or guardians.
* Training for students and school employees on community resilience models to improve understanding and responses to trauma and significant stress.
* Training for school mental health support personnel on Modular Approach to Therapy for Children with Anxiety, Depression, Trauma, or Conduct problems.
* Other training, including training on the facilitation of peer-to-peer mentoring, that is likely to increase school safety.
* Safety Equipment Grants – In consultation with DHHS, funds for the purchase of safety equipment for school buildings, including charter schools, and training associated with the use of that safety equipment.

By April 1 of each year funds are awarded, the Superintendent must report on the Program to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative Commission on Governmental Operations, the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Fiscal Research Division. The report must include the identity of each entity that received a grant, the amount of funding provided, the use of funds, and recommendations for the implementation of additional effective school safety measures.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.20: TeachNC Recruitment Initiative. (SL 2021-180)**

Section 7.20 of S.L. 2021-180 requires the Department of Public Instruction (DPI) to adopt the TeachNC recruitment initiative as a comprehensive web platform for future teachers to find information and connect with resources on the following:

* The teaching profession.
* Opportunities for educators in North Carolina.
* The process of obtaining an educator's license in the State.

DPI must report to the Joint Legislative Education Oversight Committee and various other entities by March 15, 2022, and annually thereafter, on the implementation of the platform, including integration of the technology with outside entities and data on user outcomes, including at least the following:

* The number of user accounts, visitors to the website, and web-initiated chats.
* The number of users seeking teacher licensure who applied to educator preparation programs (EPPs) after visiting the TeachNC web platform, and of those users, the number who successfully enrolled into EPPs and completed teacher licensure programs.
* The number of users who applied for employment in public schools after visiting the TeachNC web platform and the number of teachers who continue to teach in the public schools after finding employment by using TeachNC.

The first report submitted in 2022 must also include any recommendations by DPI on potential cost-sharing arrangements or public-private partnerships with outside entities for ongoing sustainability or continued growth of the recruitment initiative.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.22: Feminine Hygiene Products Grant Program. (SL 2021-180)**

Section 7.22 of S.L. 2021-180 requires the Department of Public Instruction (DPI) to establish the Feminine Hygiene Products Grant Program (Program) to provide grants of up to $5,000 to public school units to provide feminine hygiene products for students in those units. Grants must be awarded on a first-come, first-served basis, and public school units cannot receive more than one grant.

By March 15, 2022, DPI must report to the Joint Legislative Education Oversight Committee and various other entities on the public school units receiving grants under the Program, the specific feminine hygiene products purchased with the grant funds, and the impact of the Program on student health and well-being.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.23: Average Daily Membership/Hold Harmless. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 7.23 of S.L. 2021-180 directs the State Board of Education (SBE), when making funding adjustments for the 2021-2022 fiscal year, to not reduce allocations to applicable public school units due to a discrepancy between their actual and anticipated average daily membership. Once the SBE makes the funding adjustments, it cannot reduce allotments for local school administrative units due to a discrepancy between actual and anticipated average daily membership. By January 15, 2022, the Department of Public Instruction must calculate and report to the Joint Legislative Education Oversight Committee and various other entities the amounts that each funding allotment would have been reduced in the absence of hold harmless clauses in this section and Section 3.1 of S.L. 2020-97 for each applicable public school unit under the formula adopted by the SBE in accordance with Section 7.15(b) of S.L. 2007-323. The report must be based on data from the 2020-2021 and 2021-2022 fiscal years and must disaggregate the information on the basis of applicable public school unit, fiscal year, and allotment.

EFFECTIVE DATE: This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.25: Special Education Due Process Hearings/Permit Immediate Judicial Review of ALJ Decision. (SL 2021-180)**

Section 7.25 of S.L. 2021-180 (SB 105), as amended by Section 2.2 of S.L. 2022-6 (HB 243), allows the parties involved in special education due process complaints to immediately seek judicial review of an administrative law judge's (ALJ) decision by removing the step where the decision first had to be appealed to the State Board of Education (SBE). Therefore, any party aggrieved by the ALJ's decision can institute an action in State or federal court within 30 days of the decision. Additionally, this section requires the SBE to enforce the final decision of the ALJ. Parties who properly appealed the ALJ’s decision to the SBE prior to the effective date of this section were granted an extension to file in State or federal court.

Except for the extension of filing deadlines for pending cases, this section became effective November 18, 2021. The extension became effective March 17, 2022.

**S105 - 2021 Appropriations Act.
Sec. 7.30: Powers and Duties of the Center for Safer Schools. (SL 2021-180)**

Section 7.30 of S.L. 2021-180 establishes in statute the powers and duties of the Center for Safer Schools (Center), including the following:

* Serving as a resource and referral center for the State by conducting research, sponsoring workshops, and providing information regarding current school safety concerns.
* Providing training, resources, and professional development on topics related to school safety, including responsibilities and best practices for school resource officers, youth mental health, threat assessments, active shooter drills and scenarios incident de-escalation, reunification of schools and school districts after an incident.
* Providing information on certain topics, including bullying, suicide, opioid and substance abuse, critical incidents, trauma and victimization among students, and impacts of incidents on school climate and school safety.
* Maintaining and disseminating information to public schools on effective school safety initiatives in North Carolina and across the nation.
* Collecting, analyzing, and disseminating various North Carolina school safety data.
* Providing technical and instructional assistance to facilitate the development of partnerships between the public and private sectors to promote school safety in North Carolina.
* Recommending a system of accountability to the General Assembly to document school safety exercises and assisting law enforcement officers assigned to schools and their agencies in active shooter response drills and other pertinent school safety related training.
* Collaborating with the North Carolina Justice Academy, the North Carolina Criminal Justice Education and Training Standards Commission, and the North Carolina Sheriffs' Education and Training Standards Commission to establish and maintain updated training curricula for school resource officers.
* Coordinating grants for school resource officers in elementary and middle schools and ensuring that training requirements for school resource officers funded by those grants are met.
* Providing technical assistance to public school units in the development and implementation of initiatives promoting school safety.

The Center must coordinate, collaborate, and seek information from State and local government agencies as necessary to carry out its duties, and such agencies must provide information upon request to the Center. The Center must also receive guidance from the Task Force for Safer Schools.

Public school units must report certain information annually to the Center on school resource officers. The Center must compile that information and report annually by March 1 on the information at the statewide and local levels to the Joint Legislative Education Oversight Committee (JLEOC) and the State Board of Education.

The Center must enter into a memorandum of understanding (MOU) with the Department of Public Safety (DPS) to provide training, resources, and professional development on school safety in facilities owned by DPS. By January 15, 2022, and each October thereafter in which the MOU is executed, the Center, in conjunction with DPS, must report to the JLEOC, the Joint Legislative Oversight Committee on Justice and Public Safety, the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Fiscal Research Division on the MOU.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.31: Operating Balance Restrictions for School Nutrition Programs. (SL 2021-180)**

Section 7.31 of S.L. 2021-180 prohibits public school units from assessing indirect costs to a school nutrition program unless the program has an operating balance of at least two months. The Department of Public Instruction (DPI) must calculate the operating balance of a school nutrition program of a public school unit that provides school nutrition services.

Public school units are also prohibited from assessing an unrestricted indirect costs rate of more than 8% to a school nutrition program.

By May 15, 2022, and every six months thereafter, DPI must report all of the following information to the Joint Legislative Education Oversight Committee and various other entities:

* The number of months of operating balance held by the school nutrition program for each public school unit.
* The amount and percentage of indirect costs charged to the school nutrition program by the public school unit, if any.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.33: Revise Fast-Track Replication of High-Quality Charter Schools. (SL 2021-180)**

Section 7.33 of S.L. 2021-180 modifies the criteria for a board of directors of a charter school to qualify for fast-track replication. If the board of directors operates the charter schools itself, then the majority of charter schools in the State governed by that board of directors must have student academic outcomes from the three prior school years that are equal to or greater than student academic outcomes in the local school administrative unit (LEA) in which each charter school is located. Additionally, the board of directors must provide three years of financially sound audits for each school it governs.

If the board of directors agrees to contract with an education management organization or charter management organization, the board of directors must be able to demonstrate that the majority of the charter schools in this State managed by the organization have student academic outcomes from the three prior school years that are equal to or greater than student academic outcomes in the LEA in which each charter school is located. Additionally, the organization must be able to provide three years of financially sound audits for each school it governs.

This section became effective November 18, 2021, and applies to applications for fast-track replication of charter schools submitted on or after that date.

**S105 - 2021 Appropriations Act.
Sec. 7.38: Advanced Teaching Roles Changes. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 7.38 of S.L. 2021-180 makes various changes to the Advanced Teaching Roles Program. The State Board of Education (SBE) must consider the following as a part of its review every five years of a local school administrative unit's (LEA) approved plan:

* The number of teachers in advanced teaching roles in the LEA and the number of students receiving instruction from those teachers.
* Growth and achievement scores for students.
* Retention of effective teachers.
* Results of the Teacher Working Conditions Survey.
* Ratings of teachers through the North Carolina Teacher Evaluation System.

LEAs are not eligible to receive funding for more than two terms (six years). LEAs that received an initial award of State funds can apply for a second term of up to three years. The LEA can apply at any time (i) after the initial award of State funds expires or (ii) within 90 days prior to the date the initial award of State funds is set to expire. When the SBE receives an application for renewal of State funds from an LEA, the SBE must:

* Review the LEA to ensure compliance with the approved plan and criteria established by the SBE.
* Grant or deny the application within 60 days of its receipt.

The SBE must review and adopt new or revised emergency rules on advanced teaching roles for use in the 2021-2022 school year by February 15, 2022. No later than February 15, 2022, the SBE must select the LEAs that will begin participation in the Advanced Teaching Roles Program starting in the 2022-2023 school year.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.44: Recommendation for Students with Disabilities Funding. (SL 2021-180)**

Section 7.44 of S.L. 2021-180 directs the Department of Public Instruction (DPI) to contract with an independent research organization (IRO) to make recommendations on how to categorize the allocation of funding for students with disabilities and how to set funding levels for each category recommended. The IRO must be located in the State and have not been previously contracted with for such research. The IRO must expand on the findings of certain existing reports and must examine the following:

* For each school system, the percentage of students with disabilities and the funding provided per student with disabilities.
* The potential benefit of allocating funding for students with disabilities based on severity of disability type, as compared to allocating funding based on service level required.
* How other states provide funding for students with disabilities, with particular emphasis on states that differentiate funding by student need.
* How to determine appropriate funding levels for each funding category recommended.
* Recommendations for how schools can utilize available Medicaid reimbursements.

The IRO must submit recommendations and findings to the State Board of Education and DPI by February 15, 2022. DPI must submit a final report on the recommendations and findings, including proposed legislation for implementation, to the Joint Legislative Education Oversight Committee, the General Assembly, the Senate Appropriations Committee on Education/Higher Education, and the House Appropriations Committee on Education by March 15, 2022.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.57: Changes to Educator Licensure Requirements. (SL 2021-180)**

Section 7.57 of S.L. 2021-180 expands who is eligible to receive a lifetime license from the State Board of Education (SBE) to include administrators and student services personnel. The SBE must issue lifetime licenses to professional educators who are currently licensed and meet at least one of the following criteria:

* Completed 30 or more years of creditable service with the Teachers' and State Employees' Retirement System.
* Completed a combined total of 30 or more years of employment as a licensed teacher, administrator, or student services personnel in one or more public school units in North Carolina.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.61: Student Digital Learning Access. (SL 2021-180)**

Section 7.61 of S.L. 2021-180 requires the State Board of Education (SBE) to establish and maintain a publicly available digital learning dashboard that displays specified categories of information on student access to digital devices both in-school and out-of-school, as well as out-of-school internet connectivity. The dashboard must provide details such as the source of the digital devices, types of devices, and reasons for lack of devices or internet connectivity, where applicable. The information must be disaggregated by public school unit, school, and grade level.

Public school units must annually submit the required information by November 15 each year. By February 15 each year, the SBE must report to the Joint Legislative Education Oversight Committee (JLEOC) on statewide trends reflected in the dashboard, successes and continued challenges in ensuring all students have digital learning access both in and out of school, and recommendations on ways to continue to close the digital learning accessibility gap. For the 2021-2022 school year only, public school units must submit required information by January 15, 2022, and the SBE must submit its report based on this information by April 15, 2022.

Additionally, for the 2019-2020 and 2020-2021 school years, the Department of Public Instruction and the Department of Information Technology (Departments), in collaboration with the Friday Institute for Educational Innovation at North Carolina State University, must collect data from public school units at the most granular level possible for a statewide assessment of student internet and device access during the COVID-19 pandemic. In completing the assessment, the Departments must review the available data to identify the following:

* Scope of students who lack out-of-school internet access or devices at home.
* Reasons students lack such access.
* Methods students and schools used to address the lack of access during the 2019-2020 and 2020-2021 school years.

The Departments must use the assessment to make recommendations for policies to close the student digital access gap and for approaches to maintain current data on the student digital access gap. The Superintendent of Public Instruction (State Superintendent) must coordinate access to available data for the Departments and the reporting of the Departments' recommendations. By January 15, 2022, the State Superintendent must report to JLEOC on the assessment of the student digital access gap. By January 15, 2022, the SBE must combine the NC Digital Learning and Media Inventory with the new digital learning dashboard.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.64: Water and Sewer Services to Charter Schools. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 7.64 of S.L. 2021-180 directs local boards of education and charter schools to inquire, in writing, of the public water system, public sewer system, or public water and sewer system, currently serving the site or closest to the site as to whether that public system has capacity to serve the proposed school facility. This inquiry must be made before any application for any development approval under Chapter 160D of the General Statutes. The public system must respond to the local board of education or charter school within a reasonable time, not to exceed 30 days, as to whether it has capacity to serve the proposed school facility. Unless the public system does not have capacity to serve the proposed school facility or is under a moratorium precluding expansion, the public system must reserve the necessary capacity for the proposed school facility for 24 months from the date of the written inquiry from the local board of education or charter school.

Any local board of education or charter school denied service by a public water system, public sewer system, or public water and sewer system between October 1, 2020, and the date this section becomes effective can seek reconsideration by the public water system, public sewer system, or public water and sewer system. During this time period for this situation, the public water system, public sewer system, or public water and sewer system has 15 days to respond as to whether it has capacity to serve the proposed school facility.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.67: Revise Personal Leave Costs for Teachers. (SL 2021-180)**

Section 7.67 of S.L. 2021-180 allows teachers using personal leave on days other than teacher workdays to receive full salary if a reason is provided for the absence. A teacher that does not provide a reason for the personal leave absence on such days will receive full salary minus the full cost of hiring a substitute for that teacher, if a substitute is hired.

This section became effective November 18, 2021, and applies beginning with the 2021-2022 school year.

**S105 - 2021 Appropriations Act.
Sec. 7.69: Permanent Charter School Transportation Grant Program. (SL 2021-180)**

Section 7.69 of S.L. 2021-180 establishes the Charter School Transportation Grant Program (Program). The Program will award grant funds to charter schools meeting eligibility requirements to reimburse up to 65% of the eligible student transportation costs incurred by the school for transportation fuel, vehicle maintenance, contracted transportation services, and transportation personnel salaries. A charter school is eligible for the Program if at least 50% of the students enrolled reside in households with an income level not exceeding the amount required for a student to qualify for the federal free and reduced-price lunch program.

By August 1 of each year, the Department of Public Instruction (DPI) must establish the criteria and guidelines for the grant application process for the upcoming school year, including any documentation required to be submitted with the application. Each school year, DPI must accept applications (i) until December 31 for eligible costs incurred during the fall semester of the school year and (ii) until May 15 for eligible costs incurred during the spring semester of the school year. For charter schools selected for reimbursement of fall semester costs, DPI must award grant funds by February 15. For charter schools selected for reimbursement of spring semester costs, DPI must award grant funds by June 15. The total amount of each grant awarded under the Program must not exceed $100,000 per charter school per school year.

No later than March 15 of each year in which funds are awarded under the Program, DPI must report to the Joint Legislative Education Oversight Committee and various other entities on the administration of the Program, including at least the following information:

* The number of charter schools that received grant funds.
* The amount of grant funds awarded to those charter schools.
* Whether implementing the Program has led to an increase in charter schools offering lunch.
* Whether implementing the Program has led to an increase in student lunch participation at charter schools offering lunch.
* Whether implementing the Program has increased or expanded the offering of student transportation by charter schools.
* The modes of student transportation offered by charter schools that received grant funds.

The following modifications to the Program timeline apply to the 2021-2022 school year:

* DPI must establish criteria and guidelines for the grant application process by January 15, 2022.
* DPI must accept applications until February 15, 2022, for costs incurred during the fall semester.
* DPI must award grant funds to the charter schools selected for reimbursement of fall semester costs by March 31, 2022.
* DPI must submit its first report by no later than April 15, 2022.

This section became effective July 1, 2021, and applies beginning with the 2021-2022 school year.

**S105 - 2021 Appropriations Act.
Sec. 7.70: Student Transportation Support. (SL 2021-180)**

Section 7.70 of S.L. 2021-180, as amended by section 2.7 of S.L. 2022-6, directs the Department of Public Instruction (DPI) to establish the 2021 Smart School Bus Safety Pilot Program (Program) beginning with the 2021-2022 school year and ending on or before January 1, 2025. The Program is designed to improve the transportation of public school students through technology in response to the COVID-19 pandemic.

Participation – The following local school administrative units (LEAs) and charter schools are authorized to participate in the Program:

* Burke County Schools.
* Caldwell County Schools.
* Chatham County Schools.
* Clinton City Schools.
* Elizabeth City-Pasquotank Public Schools.
* Elkin City Schools.
* Gaston County Schools.
* Harnett County Schools.
* Hickory City Schools.
* Iredell-Statesville Schools.
* Johnston County Schools.
* Martin County Schools.
* New Hanover County Schools.
* Sampson County Schools.
* Surry County Schools.
* Transylvania County Schools.
* Union County Public Schools.
* Watauga County Schools.
* Wayne County Public Schools.
* Winston-Salem/Forsyth County Schools.
* Alpha Academy.
* Sallie B Howard School.
* Sugar Creek Charter.
* Thomas Jefferson Classical.

Option to leave – Any authorized LEA or charter school can elect to not participate in the Program. For each LEA or charter school that elects not to participate, DPI can authorize a replacement LEA or charter school with a similar population to participate in the Program.

Minimum Technology and Services – LEAs must identify and contract with qualifying vendors to provide technology and services for school buses. LEAs have discretion over the specific technology and services provided by qualifying vendors as long as the technology and services either improve communications and information or provide students on school buses with access to the internet over Wi-Fi.

Technology and services that improve communication and information must meet the following minimum requirements:

* Improve overall communications and reporting on school buses.
* Enable employee time tracking, student ridership tracking, and contact tracing in the event of a COVID-19 infection.
* Enable global positioning system (GPS) tracking of school buses.
* Enable turn-by-turn navigation along bus routes.
* Optimize time, expenditure, and safety of bus routes.
* Provide pre- and post-trip vehicle inspections that can be transmitted to DPI on a regular basis.
* Communicate ridership information to the student information management system.
* Permit parents or legal guardians to access applicable information.
* Conform to applicable guidance provided by the North Carolina Department of Health and Human Services (DHHS) for the transportation of students during the COVID-19 pandemic.
* Facilitate the receipt of Medicaid reimbursement for eligible student transportation services.

Technology and services that provide students with Wi-Fi on school buses must provide options for LEAs and charter schools to customize connectivity and must comply with all State and federal law.

Miscellaneous Requirements – The following requirements apply to each participating LEA and charter school:

* Every school bus designed for the transportation of children with disabilities must be outfitted with technology provided pursuant to the Program as long as the technology is appropriate for children with disabilities and can be provided in a cost-effective manner.
* At the conclusion of the Program, all hardware provided to an LEA or charter school becomes the property of that LEA or charter school.
* Participating LEAs and charter schools must make use of technology or services provided pursuant to the Program at least through the conclusion of the 2023-2024 school year.

Reports – By July 1, 2022, of each year the Program is in effect, DPI, in consultation with each participating LEA and charter school, must report at least all the following information to Joint Legislative Education Oversight Committee (JLEOC), any committee constituted by the House of Representatives or Senate to address school safety, and the Fiscal Research Division:

* An itemized breakdown of software infrastructure, hardware infrastructure, and equipment provided by qualifying vendors to participating LEAs and charter schools pursuant to the Program.
* A description of all services provided by qualifying vendors to participating LEAs and charter schools pursuant to the Program.
* A list of qualifying vendors contracting with participating LEAs and charter schools pursuant to the Program.
* The impact and effectiveness of the Program.
* All expenditures of State funds pursuant to the Program.

Medicaid Coverage – By May 1, 2022, the Department of Health and Human Services, Division of Health Benefits, and DPI must jointly submit a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and JLEOC with a proposal for adding the Medicaid coverage for school-based transportation services described in the November 1, 2016, report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice entitled "Medicaid Coverage for School-Based Health Services" to the fullest extent allowed by federal Medicaid law and regulations. The proposal must include all of the following:

* A detailed description of the coverage to be added.
* A detailed description of the required documentation for reimbursement.
* An updated analysis of the fiscal impact both to DHHS and to all public school units of adding the coverage.
* The identification of any State appropriations needed to implement the coverage.
* A recommended time frame for implementing the coverage.
* Proposed language for any legislative changes needed to implement the coverage.

The Program became effective July 1, 2021, and the remainder of the section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.71: Life Changing Experiences School Program. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 7.71 of S.L. 2021-180 requires the Department of Public Instruction (DPI) to use $500,000 in nonrecurring funds for the 2021-2022 fiscal year to contract with the Children and Parent Resource Group, Inc., to design, implement, and evaluate the Life Changing Experiences School Program (Project) in the 2021-2022 school year. The Project must be operated and administered for students in grades six through 11 in at least the following local school administrative units (LEAs): Cleveland County Schools, Greene County Schools, Lenoir County Public Schools, Lincoln County Schools, McDowell County Schools, Mitchell County Schools, and Pitt County Schools. DPI may select additional LEAs to participate in the Project if there are available funds.

The Children and Parent Resource Group, Inc., in consultation with DPI, must submit a report on the Project by March 1, 2022, to the Joint Legislative Education Oversight Committee and various other entities. The report must include an accounting of expenditures and student outcome data related to the operation of the Project.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.72: Innovative Signature Career Academy Pilot. (SL 2021-180)**

Section 7.72 of S.L. 2021-180 establishes a pilot program, the Innovative Signature Career Academy Program (Program), which can operate for up to six years, beginning with the 2021-2022 school year. The Program will be implemented in Guilford County Schools and will focus on hosting signature career academies at traditional high schools that specialize in defined areas of career and technical education (CTE). The Program will include certain key components, including school and community stakeholder input, partnerships with higher education institutions and business and industry entities, options for enrolling eighth grade students in career academies of their choice, reassignment of current CTE teachers to focus on an area of expertise for a signature career academy, and the creation of partnerships with higher education faculty and employees of industry and business to volunteer to serve as co-teachers in the specialized areas.

The Program will allow the Guilford Board of Education to contract with individuals who have education and training related to the specific skills and career pathways that are the focus of a signature career academy.

Beginning June 30 of the first school year of operation of the Program, and every June 30 thereafter for the duration of the Program operated as a pilot, Guilford County Schools must report to the Department of Public Instruction (DPI), including information on implementation and administration of the Program, use of additional State appropriations for the Program, data from the Program on student completion rates for career pathways, and recommendations for modification or expansion to other local school administrative units.

By August 15 following the first report by Guilford County Schools, and every August 15 thereafter for the duration of the Program's operation as a pilot, DPI must report to the Joint Legislative Education Oversight Committee on the information submitted by Guilford County Schools.

Before the end of the 2026-2027 school year, the Guilford County Board of Education can apply to the State Board of Education (SBE) for the Program to be included as an ongoing component of Guilford County Schools' CTE local plan submitted to the SBE. If approved, Guilford County Schools can maintain the flexibility provided in the Program pilot.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.78: Clarify Reporting on Teacher Vacancies. (SL 2021-180)**

Section 7.78 of S.L. 2021-180 clarifies the definition of "teacher vacancy" for the purposes of the annual State of the Teaching Profession Report (Report) submitted by the State Board of Education. A teacher vacancy includes a position that a local board of education is unable to fill with a teacher licensed in the subject area, including a position that meets any of the following criteria:

* Is not filled by a teacher who has one of the following licenses in the subject area of the position: continuing professional license, initial professional license, lifetime license, limited license, or residency license.
* Is not filled by a licensed teacher in a permanent assignment.
* Is filled by a substitute teacher or interim teacher.
* Is filled by a teacher with an emergency license or another permit or license not otherwise listed.

Additionally, the Report must include the number of teachers in each of the following categories, by subject area, aggregated to provide statewide information and information specific to each local school administrative unit and school: (i) continuing professional license, (ii) initial professional license, (iii) lifetime license, (iv) limited license, (v) residency license, and (vi) emergency license.

By December 15, 2021, the Department of Public Instruction must provide guidance to local school administrative units on positions considered vacant for the purposes of the Report. The guidance must include the following direction:

* A teaching position filled by a teacher with a lateral entry license is not considered vacant.
* A teaching position filled by a teacher who has been issued a permit to teach is considered vacant.

The Report for the 2021-2022 school year must be submitted by no later than January 15, 2022.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7.84: Gizella Abramson Holocaust Education Act. (SL 2021-180)**

Section 7.84 of S.L. 2021-180 requires the State Board of Education (SBE) to integrate education on the Holocaust and genocide into the standard course of study for English, social studies, and other courses as appropriate. Additionally, the SBE is required to develop a curriculum for a Holocaust Studies elective that can be offered in middle schools and high schools.

The Department of Public Instruction (DPI) is required to ensure that curriculum content is provided to schools, and local boards of education are required to ensure that professional development is provided to teachers. The North Carolina Council on the Holocaust and the North Carolina Center for the Advancement of Teaching can work with DPI and local boards of education to provide the curriculum content and professional development.

The SBE and DPI must review resources and programs developed pursuant to the federal "Never Again Education Act" (P.L. 116-141) to inform its actions under this section.

This section became effective November 18, 2021, and applies beginning with the 2023-2024 school year.

**S105 - 2021 Appropriations Act.
Sec. 7.85: Dual Enrollment/Opportunity Study. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 7.85 of S.L. 2021-180, as amended by section 2.6 of S.L. 2022-6, directs the State Board of Education (SBE) to partner with a third party entity to conduct a study examining the factors that impact all students' ability to complete high school courses leading to college credit, an associate degree, or a career ready credential. The study must specifically consider opportunity, resources, fees, and personnel. In addition, the study must examine all dual enrollment courses offered as part of the Career and College Promise Program that satisfy basic high school graduation requirements to ensure that the content and skills taught in those courses are aligned to the content and skills outlined in the Standard Course of Study for the requisite courses that meet graduation requirements. The study must identify if dual enrollment courses are or are not aligned with the Standard Course of Study and, if not aligned, what content or skills are not aligned. The SBE must report on the findings of this study to the Joint Legislative Education Oversight Committee and various other entities by July 15, 2022.

EFFECTIVE DATE: This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 7A.2: Support Highly Qualified North Carolina Teaching Graduates. (SL 2021-180)**

Section 7A.2 of S.L. 2021-180 codifies a salary supplement for highly qualified teaching graduates. Highly qualified teaching graduates (graduates) are defined as those entering the teaching profession who graduated from an approved educator preparation program located in the State with (i) a grade point average of 3.75 or higher on a 4.0 scale (or equivalent) and (ii) a certain score on an edTPA assessment or an equivalent assessment used to determine clinical practice performance. Graduates are paid supplements equivalent to the salary of a teacher with (i) three years of experience when teaching at a low-performing school during the first three years of teaching, (ii) two years of experience while teaching in the areas of special education, science, technology, engineering, or mathematics during the first two years of teaching, and (iii) one year of experience during the first year of teaching in all other teaching assignments.

This section became effective July 1, 2021, and applies to graduates hired on or after that date.

**S105 - 2021 Appropriations Act.
Sec. 8.3: Patriot Star Family Scholarship Program. (SL 2021-180)**

Section 8.3 of S.L. 2021-180, as amended by Section 2.8(a) of S.L. 2022-6, establishes the Patriot Star Family Scholarship Program (Program). Of the funds appropriated for the 2021-2023 fiscal biennium to the Board of Governors of The University of North Carolina (BOG) for the Program, the BOG is required to make funds available to (i) the Patriot Foundation and (ii) the Marine Corps Scholarship Foundation to establish and administer scholarships under the Program.

The Patriot Foundation and Marine Corps Scholarship Foundation will use the funds to provide scholarships to attend eligible postsecondary institutions to (i) eligible children and eligible spouses of certain veterans, (ii) eligible children of certain currently serving members of the Armed Forces, and (iii) eligible disabled veterans.

The Patriot Foundation and the Marine Corps Scholarship Foundation must separately administer and award scholarships to eligible applicants in accordance with the Program requirements, including establishing criteria and procedures related to scholarship documentation completion, the amount of individual scholarships, the conditions for revoking a scholarship, and any other procedures deemed necessary to administer the Program.

If an eligible child or eligible spouse receives a scholarship or grant to attend an eligible postsecondary institution other than from the Program, the scholarship awarded by the Program must be reduced so that the sum of all grants and scholarships does not exceed the cost of attendance at the institution.

The Patriot Foundation and the Marine Corps Scholarship Foundation are required to submit separate reports by April 1 for each year that the foundation spends State funds for the Program to the Joint Legislative Education Oversight Committee and various other entities on the activities related to the Program and the use of State funds.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.4: Report on Science of Reading EPP Coursework Implementation. (SL 2021-180)**

Section 8.4 of S.L. 2021-180, as amended by section 2.9 of S.L. 2022-6, requires the Board of Governors of The University of North Carolina (BOG) to contract with an outside consultant to evaluate the progress toward implementing the changes in requirements for approval or renewal of approval of educator preparation programs (EPPs) for training of the following:

* Elementary education teachers in coursework in the Science of Reading.
* Elementary and special education general curriculum teachers in early literacy intervention strategies and practices that are aligned with the Science of Reading.

The consultant must determine, on the basis of information provided by various entities, at least the following:

* A baseline of the current coursework in literacy training and intervention strategies and practices at EPPs.
* The plan for implementation of the requirements at approved EPPs and any recommendations for implementation by the State Board of Education, the State Superintendent, and the Professional Educator Preparation and Standards Commission.
* The timeline for EPPs to incorporate the training into their programs by the anticipated academic semesters.
* Any EPPs that have already incorporated training into their programs and their best practices to share with other programs.

The BOG must submit an interim report by June 30, 2022, and a final report by January 15, 2023, to the Joint Legislative Education Oversight Committee and other various entities on the progress of implementation of required changes and the results of the overall evaluation from the outside consultant.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.7: Allow In-State Tuition/Athletic Scholarships. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 8.7 of S.L. 2021-180 allows a Board of Trustees of a constituent institution of The University of North Carolina to let all persons who receive full scholarships, including scholarships for athletics, to be considered residents of North Carolina for tuition purposes. The full scholarships must be granted from entities recognized by the institution and the individuals must attend the institution as undergraduate students.

EFFECTIVE DATE: This section became effective July 1, 2021, and applies beginning with the 2021-2022 academic year.

**S105 - 2021 Appropriations Act.
Sec. 8.8: Codify North Carolina Collaborative. (SL 2021-180)**

Section 8.8 of S.L. 2021-180, as amended by Section 2.16 of S.L. 2022-6, codifies the duties and powers of the North Carolina Collaboratory (Collaboratory) housed at the University of North Carolina at Chapel Hill. The purpose of the Collaboratory is to facilitate the dissemination of the policy and research expertise of The University of North Carolina and other institutions of higher education within North Carolina for practical use by State and local governments. Powers and duties of the Collaboratory include:

* Conducting, managing, or participating in research and projects on natural resources management.
* Supporting research programs at institutions of higher education within the Collaboratory's areas of focus and expertise.
* Identifying, pursuing, and supporting research and development opportunities through technology research and development.
* Developing and disseminating relevant best practices to interested parties.
* Leading or participating in projects across the State.
* Making recommendations for policy, research, and funding to the General Assembly.
* Maintaining an online reporting portal, in partnership with the Office of State Fire Marshal, on the storage and deployment of Aqueous Film Forming Foams.
* Teaching and training students and faculty to engage in and administer neutral and unbiased research and advice on science policy.

The Collaboratory must meet certain requirements related to funding preference and receives certain exemptions to purchasing and contracting, surplus property, and capital improvement requirements for projects that must be (i) carried out expeditiously and (ii) are funded at least 50% by the Collaboratory. The Collaboratory, in coordination with constituent institutions, can allocate funds for capital improvements on constituent institution property necessary to carry out research and development projects funded at least in part by the Collaboratory. All units of State and local government are required to cooperate and assist the Collaboratory with its research program by providing reasonable access to infrastructure, personnel, and data.

The Collaboratory must report annually by December 1 to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Education Oversight Committee on its activities in the prior fiscal year and any legislative recommendations. For the 2021-2021 fiscal year, the Collaboratory must report by February 1, 2022.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.13: Advanced Placement Fees for NCSSM/UNCSA High School Students. (SL 2021-180)**

Section 8.13 of S.L. 2021-180 exempts students enrolled in the North Carolina School of Science and Mathematics (NCSSM) and the high school academic program at the University of North Carolina School of the Arts (UNCSA) from paying any fees for registration and administration of examinations for Advanced Placement courses in which the student is enrolled, regardless of the score the student achieves on an examination, to the extent that funds are made available.

The University of North Carolina System Office (System Office) is required to report annually by December 15 to the Joint Legislative Education Oversight Committee and various other entities on Advanced Placement course information for NCSSM and UNCSA. The report must include, at a minimum, the following information from the prior fiscal year:

* Number of students enrolled in Advanced Placement courses and participating in Advanced Placement course examinations, including demographic information by gender and race.
* Student performance on Advanced Placement course examinations, including information by course and by school.
* Amount of State funds expended for fees for Advanced Placement courses by school.

Of the funds appropriated to the Board of Governors of The University of North Carolina for the 2021-2022 fiscal year for examination fees, NCSSM and UNCSA must reimburse students for all fees already paid by a student for the registration and administration of examinations for Advanced Placement courses in which the student has enrolled for the 2021-2022 school year, regardless of the score the student achieves on the examination. The first report must be submitted by the System Office no later than December 15, 2022.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.15: Changes to UNC Carryforward Authority. (SL 2021-180)**

Section 8.15 of S.L. 2021-180 modifies the amount of funds that can be carried forward from the following budget codes from 5% to 2.5% of the General Fund appropriation for the relevant budget code:

* Each special responsibility constituent institution.
* The Area Health Education Centers of the University of North Carolina at Chapel Hill.
* University of North Carolina System Office Budget Code 16010.

The carryforward funds can only be used for one-time expenditures.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.16: CTP Postsecondary Scholarship Program. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 8.16 of S.L. 2021-180 creates the Comprehensive Transition Postsecondary Scholarship Program (CTPP) to administer the Comprehensive Transition Postsecondary Scholarships (scholarships). The CTPP will provide scholarships to full-time North Carolina students with intellectual disabilities enrolled in certificate accomplishment programs at constituent institutions of The University of North Carolina that are approved by the United States Department of Education as CTPPs under the Higher Education Opportunity Act of 2008. The University of North Carolina System Office must administer the CTPP, in consultation and collaboration with the constituent institutions. This section also establishes the Comprehensive Transition Postsecondary Scholarship Fund (CTPP Fund) to fund the awarded scholarships. All monies appropriated for the CTPP, all returned scholarship monies, and all interest earned on these funds will be placed in the CTPP Fund. Monies that are unexpended at the end of each fiscal year do not revert to the General Fund and remain available for the award of scholarships. In order to be eligible for a scholarship, a student must meet the following requirements:

* Qualify as a North Carolina resident for tuition purposes.
* Meet enrollment standards by being admitted, enrolled, and classified as a full-time student in the Integrative Community Studies CTPP at the constituent institution.
* Submit a Free Application for Federal Student Aid (FAFSA) and demonstrate need according to the federal methodology in Title IV of the Higher Education Act of 1965, as amended.

Subject to the availability of monies in the CTPP Fund, scholarships must be awarded to eligible students in an amount to cover the cost of attendance in the CTPP at the constituent institution. If an eligible student also receives a scholarship or other grant covering the cost of attendance, then the amount of this scholarship must be reduced by an appropriate amount determined by the constituent institution so that the total amount of scholarships and grants received by the student does not exceed the cost of attendance. The cost of attendance is determined by the constituent institution. In the event there are not sufficient monies available for scholarships for each eligible student to cover the cost of attendance, the constituent institution can adjust the distribution of the amount of scholarships as necessary in an academic year.

EFFECTIVE DATE: This section becomes effective beginning with the 2022-2023 academic year.

**S105 - 2021 Appropriations Act.
Sec. 8.17: UNC System Educational Career Alignment. (SL 2021-180)**

Section 8.17 of S.L. 2021-180 requires the Board of Governors of The University of North Carolina (BOG) to contract with an independent research organization (IRO) to conduct an evaluation of its current programs at each constituent institution of The University of North Carolina related to its operational costs, student outcomes, and return on investment (ROI) of each program. The evaluation must include an analysis of at least the following information by constituent institution and undergraduate and graduate degree programs:

* The number of students in each program.
* The number of faculty and other staff employed for each program.
* The related costs to operate each program.
* A detailed correlation between degree of study and directly related career roles and associated expected starting compensation, as well as expected career earnings for students upon completion of those programs.
* A detailed ROI for each program.
* ROI for State funding expenditures.
* ROI for student funding expenditures.

By November 18, 2023, the BOG must report to the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division of the General Assembly on the results of the evaluation.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.19: NC Patriot Star Family Recovery Scholarship Program. (SL 2021-180)**

Section 8.19 of S.L. 2021-180, as amended by Section 2.8(b) of S.L. 2022-6, establishes the North Carolina Patriot Star Family Recovery Scholarship Program (Program). Of the funds appropriated from the State Fiscal Recovery Fund to the Board of Governors of The University of North Carolina (BOG) for the Program, the BOG is required to make funds available to (i) the Patriot Foundation and (ii) the Marine Corps Scholarship Foundation to establish and administer scholarships under the Program.

The Patriot Foundation and Marine Corps Scholarship Foundation will use the funds to provide scholarships to attend eligible postsecondary institutions to (i) eligible children and eligible spouses of certain veterans, (ii) eligible children of certain currently serving members of the Armed Forces, and (iii) eligible disabled veterans.

Any eligible child, eligible spouse, or eligible disabled veteran must meet the following additional criteria:

* Have a household income level of less than 350% of the federal poverty level, excluding veteran's disability compensation and related compensation benefits.
* Be attending or have been accepted to enroll in an eligible postsecondary institution.
* Have complied with the requirements of the Selective Service System, if applicable.

The Patriot Foundation and the Marine Corps Scholarship Foundation must separately administer and award scholarships to eligible applicants in accordance with the Program requirements, including establishing criteria and procedures related to scholarship documentation completion, the amount of individual scholarships, the conditions for revoking a scholarship, and any other procedures deemed necessary to administer the Program. Each foundation can contract with the State Education Assistance Authority for administrative assistance for the Program.

If an eligible child or eligible spouse receives a scholarship or grant to attend an eligible postsecondary institution other than from the Program, the scholarship awarded by the Program must be reduced so that the sum of all grants and scholarships does not exceed the cost of attendance at the institution.

The Patriot Foundation and the Marine Corps Scholarship Foundation are required to submit separate reports by April 1 for each year that the foundation spends federal funds for the Program to the Joint Legislative Education Oversight Committee and various other entities on the activities related to the Program and the use of funds, through the deadline established by federal law and guidelines.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.24: Kitty Hawk Public-Private Partnership Project for Digital Learning and Career Development in Response to the COVID-19 Pandemic. (SL 2021-180)**

Section 8.24 of S.L. 2021-180 establishes Project Kitty Hawk as a public-private partnership to support digital learning and career development programs offered by constituent institutions of The University of North Carolina (UNC).

Governance Structure – Project Kitty Hawk must be conducted by a nonprofit corporation which must include in its corporate bylaws that the organization will be governed by a board of directors consisting of nine voting members, as follows:

* The President of The University of North Carolina
* The Chair of the Board of Governors of The University of North Carolina (BOG).
* Seven members appointed by the BOG, in consultation with the President of The University of North Carolina, as follows:
	+ Three members who are chancellors or chief academic officers of constituent institutions of The University of North Carolina.
	+ Four members who have experience in business management, higher education, or both.

Reporting – Beginning March 1, 2022, and annually thereafter:

* The nonprofit corporation board of directors must report to the General Assembly on its activities, corporate performance, and any other relevant matters pertaining to its corporate mission.
* The University of North Carolina System Office must report to the Joint Legislative Education Oversight Committee and various other entities regarding Project Kitty Hawk and the progress made toward reaching the State digital learning attainment goals. The report must include information on the development and implementation of online degree programs in collaboration with constituent institutions, including the following:
	+ Participation by constituent institutions.
	+ Student demographics for course enrollment.
	+ Tuition receipts and fees for online courses.
	+ Completion of student degree programs through digital courses by institution.

Other Funding Provisions – Digital learning student credit hours provided with the support of Project Kitty Hawk will not be included in enrollment change funding requests. Monies received as tuition for digital learning programs provided with the support of Project Kitty Hawk are considered "trust funds" for the purposes of the regulation of institutional trust funds under G.S. 116-36.1.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.25: NC Promise/Add Fayetteville State. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 8.25 of S.L. 2021-180 (SB 105) adds Fayetteville State University to the list of constituent institutions who are a part of the NC Promise Tuition Plan which sets the rate of tuition for students who are North Carolina residents at $500.00 per academic semester and at $2,500 per academic semester for nonresident students.

EFFECTIVE DATE: This section became effective July 1, 2021, and applies beginning with the 2022-2023 academic year.

**S105 - 2021 Appropriations Act.
Sec. 8A.1: Tuition Grants for NCSSM/UNCSA Graduates. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 8A.1 of S.L. 2021-180 provides tuition grants for high school graduates of the North Carolina School of Science and Mathematics (NCSSM) and the University of North Carolina School of the Arts (UNCSA) to attend a constituent institution of The University of North Carolina (UNC). A graduate who meets the following conditions is eligible for a tuition grant:

* Is a North Carolina resident for tuition purposes.
* Enrolls as a full-time student in a constituent institution of UNC in the next academic year after graduation.

Students who receive initial tuition grants as a cohort of a high school graduating class of NCSSM or UNCSA are also eligible to apply for tuition grants for subsequent academic years for up to a total of four academic years. A student must be continuously enrolled in a constituent institution of UNC after the award of the initial tuition grant to be eligible for tuition grants in subsequent academic years. The State Education Assistance Authority (SEAA) has the discretion to waive this requirement if the student is able to demonstrate that any of the following have substantially disrupted or interrupted the student's pursuit of a degree: (i) a military service obligation, (ii) serious medical debilitation, (iii) a short term or long term disability, or (iv) other extraordinary hardship.

The SEAA must administer the tuition grants pursuant to guidelines and procedures that it establishes consistent with its practices for administering State funded financial aid. The guidelines and procedures must include an application process and schedule, notification and disbursement procedures, standards for reporting, and standards for return of tuition grants when a student withdraws. No grant can be approved until the SEAA receives proper certification from the appropriate constituent institution that the student applying for the grant is an eligible student. Upon receipt of the certification, the SEAA must remit the tuition grant to the constituent institution on behalf, and to the credit, of the student. If a student on whose behalf a tuition grant has been paid is not enrolled and carrying a minimum academic load as of the tenth classroom day following the beginning of the school term for which the tuition grant was paid, the constituent institution must refund the full amount of the tuition grant.

The amount of the grant awarded to a student must cover the tuition cost at the constituent institution in which the student is enrolled. No tuition grant can exceed the cost of attendance at a constituent institution at which the student is enrolled. If a student who is eligible for a tuition grant also receives a scholarship or other grant covering the cost of attendance at the constituent institution for which the tuition grant is awarded, then the amount of the tuition grant must be reduced by an appropriate amount determined by the SEAA so that the total amount of scholarships and grants received by the student does not exceed the cost of attendance for the institution. The cost of attendance is to be determined by the SEAA for each constituent institution. If there are not sufficient funds to provide each eligible student with a full tuition grant, then each eligible student must be given a pro rata share of funds available for the academic year covered by the appropriation in the preceding fiscal year.

EFFECTIVE DATE: This section became effective July 1, 2021, and applies beginning with graduates of NCSSM and UNCSA from the 2020-2021 school year.

**S105 - 2021 Appropriations Act.
Sec. 8A.2: Public Colleges and Universities Need-Based Financial Aid Consolidation. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 8A.2 of S.L. 2021-180 (SB 105) consolidates need-based financial aid for community colleges and constituent institutions of The University of North Carolina (postsecondary institution) and creates the North Carolina Need-Based Scholarship Program for Public Colleges and Universities (Program).

Eligibility Requirements for Need-Based Financial Aid – To be eligible for need-based financial aid, a student must meet the following requirements:

* Qualify as a North Carolina resident for tuition purposes.
* Meet enrollment standards by being admitted, enrolled, and classified as an undergraduate student in a matriculated status at a postsecondary institution.
* Submit a Free Application for Federal Student Aid (FAFSA) and demonstrate need according to federal methodology in Title IV of the Higher Education Act of 1965, as amended.

In addition, in order to be eligible for a scholarship for the second and subsequent academic years, the student must meet achievement standards by maintaining satisfactory academic progress in a course of study in accordance with the standards and practices used for federal Title IV programs by the postsecondary institution in which the student is enrolled.

Semester Limitation on Eligibility for Need-Based Financial Aid –

* Constituent Institution Enrollment – A student matriculating at a constituent institution of The University of North Carolina cannot receive need-based financial aid under this Program for more than 10 full-time academic semesters, or its equivalent if enrolled part-time, unless the student is enrolled in a program officially designated by the Board of Governors of The University of North Carolina (BOG) as a five-year degree program. Enrollment in such a five-year degree program allows the student to receive the need-based financial aid for 12 full-time academic semesters or the equivalent if enrolled part time.
* Community College Enrollment – A student cannot receive need-based financial aid under this Program for more than six full-time academic semesters, or the equivalent if enrolled part-time, while matriculating at a community college.
* Hardship Exemption for Semester Limitation – A postsecondary institution can grant a waiver to a student to receive need-based financial aid under this Program for the equivalent of one additional full-time academic semester if the student demonstrates that any of the following have substantially disrupted or interrupted the student's pursuit of a degree, diploma, or certificate: (i) a military service obligation, (ii) serious medical debilitation, (iii) a short term or long term disability, or (iv) other extraordinary hardship.

Need-Based Financial Aid Amounts and Adjustments – Need-based financial aid awarded under this Program must be based upon a consolidated payment schedule established jointly by the President of The University of North Carolina and the President of the North Carolina Community College System, in consultation with the State Education Assistance Authority (SEAA). The payment schedule must clearly define award amounts by type of postsecondary institution and student financial need as defined by federal methodology. The SEAA must publish the payment schedule for the Program in an easily accessible and understandable format which remains in effect unless otherwise agreed to by the President of The University of North Carolina and the President of the North Carolina Community College System.

The SEAA has the authority to determine the actual amount of need-based financial aid disbursed to students in any given year based on the amount of funds available in the Scholarship Reserve Fund for Public Colleges and Universities. If the funds available are not sufficient to fully fund need-based financial aid set out in the payment schedule, the SEAA must consult with the President of The University of North Carolina and the President of the North Carolina Community College System and adjust the distribution of the funds as necessary.

SEAA Administration of Need-Based Financial Aid and Annual Reporting Requirements – The SEAA must administer the need-based financial aid for this Program under rules it adopts. The SEAA must conduct periodic evaluations of expenditures of the Program to determine if allocations are utilized to ensure access to postsecondary institutions and to meet the goals of respective programs. The SEAA can make recommendations on the redistribution of funds to the President of The University of North Carolina and the President of the North Carolina Community College System, who then can jointly authorize the redistribution of funds for a particular fiscal year. The SEAA must report no later than December 1, 2024, and annually thereafter to the Joint Legislative Education Oversight Committee with the following information for the previous academic year: (i) the dollar amount of awards disbursed; (ii) the number of eligible students receiving funds; and (iii) a breakdown of the postsecondary institutions that received the funds. Unexpended need-based financial aid funds will remain available for future awards.

Scholarship Reserve Fund for Public Colleges and Universities (Reserve Fund) – A Reserve Fund is established as a reserve consisting of the following monies:

* Funds appropriated by the General Assembly for the Program from the Education Lottery Fund in the Current Operations Appropriations Act for a fiscal year for education related purposes.
* Funds appropriated by the General Assembly for the Program from the Escheat Fund in the Current Operations Appropriations Act for a fiscal year that is distributed annually on or before August 15 to the SEAA.
* Funds appropriated by the General Assembly for the Program from the General Fund in the Current Operations Appropriations Act for a fiscal year.
* All returned need-based financial aid funds from the Program.
* All interest earned on these funds.

The SEAA must create two reserves within the Reserve Fund as follows: (i) The University of North Carolina (UNC Reserve) and (ii) the North Carolina Community College System (CC Reserve) from monies in the Reserve Fund. The funds in the reserves must be used for need-based financial aid for the academic year that begins in the fiscal year following the fiscal year in which the allocations are made to the reserves. For the 2023-2024 fiscal year and for each subsequent fiscal year, the SEAA must allocate an amount equal to the amount from the prior fiscal year for the UNC Reserve and the CC Reserve to each reserve, respectively, unless otherwise agreed to by the President of The University of North Carolina and the President of the North Carolina Community College System.

The reserves established for the 2022-2023 fiscal year must consist of the following funds:

* UNC Reserve: (i) an amount equal to the amount appropriated to the BOG for The University of North Carolina Need Based Financial Aid Program for the 2021-2022 fiscal year and (ii) an amount equal to the proportionate share of the appropriation for the Education Lottery Scholarship Program based on awards of financial assistance to students enrolled in The University of North Carolina from the Education Lottery Scholarship Program for the 2017-2018, 2018-2019, and 2019-2020 fiscal years.
* CC Reserve: (i) an amount equal to the amount appropriated to the Community Colleges System Office for the North Carolina Community College Grant Program, except for funds set aside for the targeted assistance program pursuant to G.S. 115D-40.1, for the 2021-2022 fiscal year and (ii) an amount equal to the proportionate share of the appropriation for the Education Lottery Scholarship based on awards of financial assistance to students enrolled in North Carolina community colleges from the Education Lottery Scholarship Program for the 2017-2018, 2018-2019, and 2019-2020 fiscal years.

Monies in the Reserve Fund do not revert at the end of the fiscal year and remain available until expended. The SEAA can use up to one and one half percent (1.5%) of the funds available in the Reserve Fund each fiscal year for administrative costs related to the Program.

Report – By May 1, 2022, the President of The University of North Carolina and the President of the North Carolina Community College System must report to the Fiscal Research Division, the House Appropriations Education Committee, and the Senate Appropriations on Education/Higher Education Committee on the following regarding the consolidation of student financial assistance for constituent institutions of The University of North Carolina and the community colleges:

* The consolidated payment schedule for the need-based financial aid awards.
* Potential ways to include students with intellectual and developmental disabilities as eligible for need-based financial aid through the Program or other student financial assistance recommendations, including grants or other funding sources for students enrolled in Comprehensive Transition Programs.
* Any recommended legislative changes.

The Program becomes effective January 1, 2022, and applies to need-based financial aid awarded beginning with the 2023-2024 academic year. Repeals of existing need-based financial aid programs become effective July 1, 2023. The remainder of this section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8A.3: Equity in Opportunity Act. (SL 2021-180)**

Section 8A.3 of S.L. 2021-180, as amended by Section 2.5 of S.L. 2021-189, and Sections 2.13 and 2.14 of S.L. 2022-6, makes the following substantive changes to two scholarship grant programs for students in kindergarten through twelfth grade.

Opportunity Scholarships – Except as otherwise specified, the following changes will be effective for awards beginning with the 2022-2023 school year:

* For the 2021-2022 school year, an opportunity scholarship recipient can enroll part-time in a nonpublic school that provides only half-day programs for students with disabilities. Beginning with the 2022-2023 school year, an opportunity scholarship recipient may enroll part-time in any nonpublic school.
* For the 2021-2022 school year only, students who otherwise meet the income requirements for the scholarship grant will qualify if the student was enrolled in a public school or Department of Defense school in the fall of 2019.
* Students who otherwise meet the income requirements for the scholarship grant will qualify if the student:
* Is at least four years old and is found by the principal, or equivalent, of the nonpublic school to meet the same requirements for admission as for a gifted and mature four-year-old admitted to a local school administrative unit.
* Has a parent who has received an honorable discharge as an active duty member of the Armed Services within the 12 months prior to application.
* Was (i) enrolled in a public school in the school year prior to the year in which the application is submitted and (ii) is enrolled in a nonpublic school in the spring semester immediately prior to the school year for which the scholarship grant is sought.
* The qualifying household income is raised to 175% of the amount to qualify for the federal free or reduced lunch program.
* Children in foster care will be determined to automatically meet the income requirements, with no consideration of the household income of the foster parent.
* Scholarship grant awards will be a percentage of the average State per pupil allocation in the prior fiscal year. For full-time students, it will be up to 90%, and for part-time students it will be up to 45%.
* The State Education Assistance Authority (SEAA) is authorized to contract with a nonprofit representing parents and families and meeting certain requirements for outreach and scholarship education, program promotion, and application assistance for parents and students.

Personal Education Savings Accounts – Except as otherwise specified, the following changes will be effective for awards beginning with the 2022-2023 school year:

* For the 2021-2022 school year, students receiving either a Special Education Scholarship for Children with Disabilities or a Personal Education Savings Account are eligible to enroll part-time in both public school and a nonpublic school with only half-day programs for students with disabilities. SEAA is also authorized to modify rules to allow for awards for qualifying students who had applied but had not yet been awarded scholarship funds for the 2021-2022 school year.
* The Special Education Scholarships for Children with Disabilities and Personal Education Savings Accounts are merged into a new program – the Personal Education Student Accounts for Children with Disabilities (PESA). For awards for the 2022-2023 school year, 2021-2022 recipients of both scholarship grant programs will receive priority in awards for applications made by March 1, 2022.
* A student will qualify for a PESA if the student has been identified as a student with a disability who is eligible to attend a NC public school (including qualifying 4-year-olds) and has not (i) yet received a high school diploma, (ii) enrolled full-time in postsecondary education, or (iii) been placed in a nonpublic school or facility by a public agency at public expense. Initial eligibility is determined by the local education agency using an eligibility determination form.
* In addition to the qualifications above, a student is eligible to receive a part-time PESA while attending a public school part-time and any nonpublic school part-time.
* A PESA will be awarded in the following amounts:
* Students with certain disabilities (autism, hearing impairments, moderate or severe intellectual or developmental disabilities, multiple, permanent orthopedic impairments, and visual impairments) will be eligible for scholarship funds up to $17,000. Part-time students will be eligible for up to $8,500. Up to $4,500 can be carried forward annually, with a maximum of $30,000 in carryforward in the account.
* All other eligible students will be eligible for scholarship funds of up to $9,000. Part-time students will be eligible for up to $4,500. No carryforwards are allowed.
* PESAs will be deposited into an account to be used by parents for tuition and qualifying education expenses in two installments, one for each semester. Parents must complete semester expense reports, including verification that the child received education at least 70 days of the semester.
* SEAA can directly disburse tuition to nonpublic schools that agree to meet the requirements for participation in the Opportunity Scholarship program. Tuition reimbursement can also be provided to parents for students attending a nonpublic school that does not meet the Opportunity Scholarship requirements or a public school other than the public school to which the student would have been assigned.

This section contains multiple effective dates for conforming changes as well as application dates as indicated above. The remainder of the section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8A.4: SEAA Governance Structure Modifications/Budget Code Changes. (SL 2021-180)**

Section 8A.4 of S.L. 2021-180 adjusts the structure of the State Education Assistance Authority (SEAA) and administratively houses the SEAA within The University of North Carolina System Office (System Office) for organizational, staffing, and budgetary purposes. The SEAA will exercise its statutory powers independently from the System Office and the Board of Governors of The University of North Carolina (BOG).

The membership of the SEAA board of directors is adjusted to reflect the following:

* The BOG appoints three members: (i) one who has expertise in secondary or higher education, (ii) one who is a chief financial officer or chief administrative officer from a nonpublic school enrolling students who receive K-12 scholarship funds, and (iii) one who has expertise in finance.
* The Governor appoints four members: (i) one who has expertise in finance, (ii) one who has expertise in secondary or higher education, (iii) one who is a member of the public with an interest in higher education, and (iv) one who is a chief financial officer from a private college or university, as recommended by the North Carolina Independent Colleges and Universities, Inc.
* The chief financial officer of The University of North Carolina.
* The chief financial officer of the North Carolina Community College System.

Additionally, an executive director is to be appointed by the President of The University of North Carolina to be the SEAA's principal executive officer. The executive director is responsible to the President and acts as secretary to the board of directors.

To reflect the adjustment in the structure of the SEAA, various budget codes must be changed and will be reflected in the base budget for the 2023-2025 fiscal biennium.

The budget code changes became effective July 1, 2021. The remainder of this section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8A.5: Longleaf Commitment Community College Grant. (SL 2021-180)**

Section 8A.5 of S.L. 2021-180 requires the State Education Assistance Authority (SEAA) to administer the Longleaf Commitment Grant Program (Program) to award grants of between $700 and $2,800 to eligible students graduating from high school at the end of the 2021-2022 school year to cover tuition and fees at a community college for up to two years. Students will be eligible if they meet the following requirements:

* Graduate from high school during the 2021-2022 school year or receive a high school equivalency diploma during the 2021-2022 school year.
* Qualify as a resident for tuition purposes under the criteria set forth in G.S. 116-143.1 and in accordance with the coordinated and centralized residency determination process administered by the SEAA.
* Complete the Free Application for Federal Student Aid (FAFSA) for the 2022-2023 academic year, and, if applicable, renew the FAFSA for the 2023-2024 academic year.
* Have an Expected Family Contribution (EFC) below $15,000.
* Enroll in the Fall 2022 semester and maintain enrollment in at least six credit hours per semester in curriculum courses at a community college.

SEAA can adopt rules for the administration of the Program and use up to 1% of the appropriated funds for administrative costs. Additionally, the Community Colleges System Office must administer a matching grant program for community colleges to provide student support services.

SEAA must submit an initial report by September 1, 2023, and a final report by September 1, 2024, to the Joint Legislative Education Oversight Committee on the implementation of the program.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8A.8: Washington Center Internship Scholarship Program. (SL 2021-180)**

OVERVIEW AND ANALYSIS: Section 8A.8 of S.L. 2021-180 establishes the Washington Center Internship Scholarship Program (Program). The State Education Assistance Authority (SEAA) must award scholarship grants to students who are residents of North Carolina and are enrolled in their second year or higher in a constituent institution of The University of North Carolina to attend a semester or summer term internship at The Washington Center for Internships and Academic Seminars (Washington Center) located in Washington, D.C. The SEAA must administer the Program pursuant to guidelines and procedures that it establishes consistent with its practices for administering State funded financial aid. The guidelines and procedures must include an application process and schedule, notification and disbursement procedures, standards for reporting, and standards for return of funds when a student withdraws from the Program. A student who meets the eligibility criteria of the Washington Center to attend a semester or summer term internship program can apply for a grant to cover costs related to the internship program in an amount of up to $7,000. The SEAA must award grants to students in the order in which applications are received. If an eligible student also receives a scholarship or other grant covering the cost of attendance for the Program, then the amount of the State grant must be reduced by an appropriate amount determined by the SEAA so that the sum of all grants and scholarship aid covering the cost of attendance must not exceed the cost of attendance, including program fees, housing, and incidental costs. The SEAA must establish the cost of attendance in accordance with information provided to the SEAA by the Washington Center.

A student participating in the Program must do the following:

* Intern four days a week with a nonprofit corporation, private company, federal agency, or a member of the United States Congress.
* Take an academic class taught by the Washington Center's faculty.
* Participate in career readiness training programs.
* Be responsible for a final portfolio project outlining work completed during the program.

Any funds that are unencumbered for the Program at the end of each fiscal year do not revert to the General Fund but remain available for the Program. By March 1, 2023, the SEAA, in consultation with the Washington Center, must report to the Joint Legislative Education Oversight Committee and various other entities on the implementation of the Program, including the number of participating students and the amount of awards for each semester or summer term by constituent institution.

EFFECTIVE DATE: This section became effective July 1, 2021, and applies beginning with the award of scholarship grants for the 2022 spring academic semester.

**S212 - Bennett College Accredit./Private Need-Based. (SL 2021-15)**

S.L. 2021-15 allows students who attend private institutions of higher education in the State to qualify for the need-based scholarships as long as the institution they attend is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) or was accredited by SACSCOC on January 1, 2021, and also, beginning January 1, 2021, was a member of the Transnational Association of Christian Colleges and Schools.

This act became effective April 27, 2021, and applies beginning with scholarships awarded for the 2021-2022 academic year.

**S220 - The Reopen Our Schools Act of 2021. (SL 2021-4)**

S.L. 2021-4 requires local school administrative units (LEAs) to offer Plan A in-person instruction to all students in grades kindergarten-5 and students with disabilities in grades 6-12, Plan B in-person instruction for grades 6-12, and authorizes offering Plan A in-person instruction to grades 6-12 when partnering with the ABC Science Collaborative.

This act became effective March 11, 2021, and requires LEAs to begin offering in-person instruction no later than the first instructional day scheduled in the adopted school calendar 21 days after the effective date.

**S387 - Excellent Public Schools Act of 2021. (SL 2021-8)**

S.L. 2021-8 makes various changes to the North Carolina Read to Achieve Program, including the following:

* Creates a definition of the "Science of Reading."
* Establishes the Early Literacy Program within the Department of Public Instruction (DPI).
* Requires certain early literacy educators to participate in a training program grounded in the Science of Reading.
* Requires for Educator Preparation Programs (EPPs) seeking approval or renewal on or after July 1, 2022, to include coursework grounded in the Science of Reading.
* Requires the literacy curriculum and instruction provided by local school administrative units (LEAs) to be aligned with standards developed by the State Board of Education (SBE) and a model implementation plan developed by DPI as soon as possible, but at least beginning with the 2024-2025 school year.
* Creates a definition of "literacy interventions."
* Modifies the definition of "reading camp," which must be offered to certain 2nd and 3rd grade students.
* Requires the SBE and DPI to develop literacy intervention standards by December 15, 2021.
* For the 2022-2023 school year, requires that LEAs develop literacy intervention plans that outline the interventions that will be offered. Beginning with plans developed for the 2023-2024 school year, requires that plans be approved by DPI.
* Establishes Individual Reading Plans (IRPs), beginning with the 2022-2023 school year.
* Creates two bonus programs for teachers providing instruction during a reading camp, beginning with reading camps associated with the 2021-2022 school year.
* Provides for continuing education credits related to literacy for certain reading camp instructors.
* Establishes a Digital Children's Reading Initiative.
* Requires SBE to analyze alternative assessments and recommend one for use.
* Beginning with the 2021-2022 school year, creates a uniform reporting structure for Read to Achieve data.

This act became effective April 9, 2021.

**S390 - UNC Law Enforcement Recruitment. (SL 2021-20)**

S.L. 2021-20 allows full-time and part-time law enforcement officers for campuses of constituent institutions of The University of North Carolina to enroll in courses without paying tuition and fees. The Board of Governors of The University of North Carolina is required to determine the number of courses these individuals may enroll in without paying tuition and fees.

This act became effective May 7, 2021, and applied beginning with the 2021-2022 academic year.

**S421 - CC/In-State Tuition & Board Elections. (SL 2021-133)**

S.L. 2021-133 (SB 421) authorizes in-state tuition rates at a community college for the school year immediately following a student's graduation from high school for an individual who meets all of the following:

* Is a United States citizen.
* Satisfied the qualifications for assignment to a public school in the State.
* Was enrolled in a North Carolina public school unit for the entire final school year before receiving a high school diploma.
* Was unable, due to lack of evidence, to establish residency for tuition purposes through the RDS.

This act became effective August 25, 2021.

**S582 - High School Adjunct Instructors/CC Prep. (SL 2021-48)**

S.L. 2021-48 allows additional individuals to be adjunct instructors for courses in grades K-12.

This act became effective June 21, 2021.

**S654 - K-12 COVID-19 Provisions. (SL 2021-130)**

S.L. 2021-130 makes changes to address the impact of COVID-19 in public schools and directs the use of Elementary and Secondary School Emergency Relief Fund reserve funds. The changes include waiving of certain reporting requirements, school calendars, and virtual education issues. Except as otherwise provided, this act became effective August 30, 2021.

**S695 - Various Education Changes. (SL 2021-170)**

S.L. 2021-170 does the following:

* Exempts school administrators from certain licensure requirements.
* Authorizes local school administrative units to use payroll deduction plans to pay ten-month employees in twelve-month installments.
* Changes the date for reporting on student meal debt.
* Authorizes public school units to hold State funds in local bank accounts for up to three business days after the date of drawing on the State funds before making a final disbursement to the ultimate payee.

This act became effective October 15, 2021.

**Environment, Natural Resources, and Energy**

**See full summary documents for additional detail**

**H20 - 1998 Clean Water Bond Additional Connections. (SL 2021-37)**

S.L. 2021-37 requires the Secretary of Environmental Quality (Secretary) to authorize additional connections to waterlines funded by the Clean Water and Natural Gas Critical Needs Bond Act of 1998 for structures located on lots zoned for residential and mixed-use development.

This act became effective June 16, 2021, and applies to requests for waivers to allow additional water lines submitted on or before that date.

**H130 - East Coast Greenway/State Trails. (SL 2021-54)**

Session Law 2021-54 authorizes the Department of Natural and Cultural Resources to add the East Coast Greenway to the State Parks System as a State trail.

This act became effective June 25, 2021.

**H139 - Soil Scientist/On-Site Wastewater Certification Board. (SL 2021-38)**

Session Law 2021-38 adds a licensed soil scientist to the North Carolina On-Site Wastewater Contractors and Inspectors Certification Board in substitution of an employee of the North Carolina Cooperative Extension Service.

This act became effective July 1, 2021.

**H218 - Streamline Permits/Redevelopment of Property. (SL 2021-164)**

S.L. 2021-164 requires local governments that implement water supply watershed programs to allow an applicant to exceed the allowable density under water supply watershed program rules in certain circumstances, and exempts certain footprint expansions from site plan modification requirements.

Sections 1 and 2 of this act became effective October 1, 2021. The remainder of this act became effective October 8, 2021.

**H360 - Authorize Dan River State Trail. (SL 2021-55)**

S.L. 2021-55 authorizes the Department of Natural and Cultural Resources (DNCR) to add the Dan River Trail in Stokes and Rockingham Counties to the State Parks System.

This act became effective June 25, 2021.

**H366 - Regulatory Reform Act of 2021.
Sec. 3: Study Express Permitting Expansion. (SL 2021-117)**

Section 3 of S.L. 2021-117 requires the Department of Environmental Quality (DEQ) to study and report on additional positions and funding needed, as well as any changes in State or federal laws and regulations necessary to expand the express permitting programs to include additional types of permits typically required for job creating and real estate development or redevelopment activities. DEQ must provide its report and recommendations to the Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division no later than March 1, 2022.

This section became effective August 23, 2021.

**H366 - Regulatory Reform Act of 2021.
Sec. 4: Wastewater Reserve Priority. (SL 2021-117)**

Section 4 of S.L. 2021-117 requires the Division of Water Infrastructure (DWI) to give priority to projects that improve designated impaired waters of the State and that serve as a public water supply for a large public water system (defined as those with over 175,000 service connections) when determining priority for a loan or grant from the Wastewater Reserve or the Drinking Water Reserve. It also requires DWI to give priority to improvements made by a local government unit to protect or preserve the water supply of a neighboring local government unit that has a lower poverty rate, lower utility bills, higher population growth, higher median household incomes, and lower unemployment.

This section became effective September 1, 2021, and applies to applications for loans of grants from the Wastewater Reserve or the Drinking Water Reserve received by DWI on or after that date.

**H366 - Regulatory Reform Act of 2021.
Sec. 12.1: Define Prefabricated Permeable Block Panel System. (SL 2021-117)**

Section 12.1 of S.L. 2021-117 defines "prefabricated permeable block panel system" as a series of units used in onsite wastewater dispersal.

This section became effective August 23, 2021.

**H366 - Regulatory Reform Act of 2021.
Sec. 12A: Waiver of Post-Construction Conference for Certain Engineered Wastewater Systems. (SL 2021-117)**

Section 12A of S.L. 2021-117 allows for a waiver of the post-construction conference for certain types of wastewater systems, listed in the section, upon written request of the engineer and written approval of the owner of the wastewater system.

This section became effective August 23, 2021.

**H735 - Minimum Contracts/Coastal Dredging Services. (SL 2021-92)**

S.L. 2021-92 exempts contracts for dredging services in the State's coastal waters from the requirement that a government entity receive three competitive bids for construction or repair work estimated to cost $500,000 or more.

This act became effective July 22, 2021, and applies to bids received on or after that date.

**S60 - Disapprove Various Solid Waste Rule Changes. (SL 2021-153)**

S.L. 2021-153 requires the Environmental Management Commission (EMC) to readopt certain rules governing permitting and operation of municipal solid waste (MSW) and construction and demolition debris (C&D) landfills in accordance with specific criteria set forth in the bill, and requires the Department of Environmental Quality (DEQ) to implement the rules subject to those criteria until permanent rules are adopted.

This act became effective September 16, 2021. The provisions will expire when permanent rules are adopted as required by the act.

**S105 - 2021 Appropriations Act.
Sec. 5.9(c): Statewide Flood Resiliency Blueprint. (SL 2021-180)**

Section 5.9.(c) of S.L. 2021-180 directs the Department of Environmental Quality, Division of Mitigation Services (DMS), to contract with an organization to develop a Statewide Flood Resiliency Blueprint (Blueprint) for major watersheds impacted by flooding. The Blueprint must identify the major watersheds affected by flooding, conduct flood risk assessments, and make recommendations to reduce flood risk for each identified watershed.

The organization contracted to develop the Blueprint must submit an initial draft of the Blueprint to DMS no later than December 31, 2023. DMS must submit a report on the development and implementation of the Blueprint by July 1, 2022, and each year thereafter, to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

Section 5.9.(a) allocates $20 million to the Department of Environmental Quality to be used to develop a Statewide Flood Resiliency Blueprint, which will revert to the Disaster Relief and Mitigation Fund if not encumbered by June 30, 2023.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 5.9.(k): Streamflow Rehabilitation Assistance Program. (SL 2021-180)**

Section 5.9.(k) of S.L. 2021-180 establishes the Streamflow Rehabilitation Assistance Program (Program), to be administered by the Soil and Water Conservation Commission (Commission) to assist the State's political subdivisions, soil and water conservation districts, and nonprofit organizations to restore the integrity of drainage infrastructure by removing stream blockages, restoring streams and streambanks, and rehabilitating small watershed structural projects.

The Commission must ensure that debris removed from streams with Program funds are either removed from the 100-year floodplain or are processed in a manner that the debris would not pose a risk of significant streamflow impairment during a subsequent flood event. Program funds may be used for project engineering, permitting, and administrative costs, as well as providing matching funds for any disaster recovery activities funded by the federal government.

Section 5.9.(a) allocates $38 million to the Commission to be used to establish and administer the Program.

No later than January 31 each year, the Division of Soil and Water Conservation of the Department of Agriculture and Consumer Services must prepare and submit a comprehensive report on the implementation of this Program to the Environmental Review Commission and the Fiscal Research Division.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.10: Collaboratory PFAS Study/ Firefighting Foam Registry. (SL 2021-180)**

Section 8.10 of S.L. 2021-180 directs the North Carolina Policy Collaboratory (Collaboratory) to continue to identify faculty expertise and technology located within the State's institutions of higher education to conduct Statewide water, air, and toxicology sampling of per- and poly-fluoroalkyl substances (PFAS); to develop and deploy technologies to mitigate exposure to PFAS; and to continue the North Carolina PFAS Testing Network (Network). The Collaboratory must continue to report the results of this sampling to various State and federal governmental entities, in addition to the public through the Network's website.

Of the $12.75 million in nonrecurring funds allocated to the Collaboratory for the 2021-2022 fiscal year to manage and implement the PFAS-related research and development objectives of this section, a minimum of $10 million must be used for the development within The University of North Carolina of technologies that utilize water filtration to mitigate the presence of PFAS from water supplies where it is present. Funds allocated under this subsection will not revert and will remain available for nonrecurring expenditures.

The University of North Carolina at Chapel Hill must apportion all gross revenue associated with any intellectual property related to ionic fluorogel water filtration or other chemical or physical technologies developed utilizing research funds provided by the Collaboratory pursuant to the allocation formula set out in this section.

This section also requires the Office of State Fire Marshal (OSFM) to assist the Collaboratory to develop an online reporting portal for State, local, and public airport fire departments to report inventory, storage, and deployment of Aqueous Film-Forming Foams (AFFF) and educate those fire departments that are under the OSFM's regulatory authority on the reporting requirements established by this section. This online portal must be operational no later than January 1, 2023.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.11: Collaboratory Study of Coastal and Marine Fisheries. (SL 2021-180)**

Section 8.11 of S.L. 2021-180, as amended by Section 2.10 of S.L. 2022-6, directs the North Carolina Policy Collaboratory (Collaboratory) to conduct a study on the overall status of the coastal fisheries regulated by the State, and develop policy recommendations to better manage the overall health and viability of the State's fisheries. This study must focus on the health and extent of habitat required by the following species: bay scallop, blue crab, eastern oyster, estuarine striped bass, hard clam, kingfish, red drum, river herring, sheepshead, shrimp, southern flounder, spotted seatrout, and striped mullet. The Collaboratory must provide the results of this study to the Environmental Review Commission no later than June 30, 2025.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.18: Collaboratory Study of a Cyanobacterial Algal Bloom Treatment. (SL 2021-180)**

Section 8.18 of S.L. 2021-180, as amended by Section 2.17 of S.L. 2022-6, directs the North Carolina Policy Collaboratory (Collaboratory) to evaluate the effectiveness and efficacy of an approved in situ treatment of the nutrient impaired surface waters in lakes and reservoirs on cyanobacterial harmful algal blooms. The Collaboratory must provide the results of this study to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and to various other entities, no later than April 1, 2025.

Furthermore, this section directs State agencies, upon consideration of bids and proposals to remediate or prevent cyanobacterial harmful algal blooms in North Carolina waters, to consider eleven enumerated specifications when determining which vendors ought to receive preference for government contracts.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.20: Student Beekeeping Grant Program. (SL 2021-180)**

Section 8.20 of S.L. 2021-180 requires North Carolina State University (University) to establish a Student Beekeeping Grant Program for the 2021-2022 fiscal year to create beekeeping programs for high school chapters of the Future Farmers of America (FFA).

The University must ensure that no more than $1,500 per county is available to FFA chapters at high schools in each county. FFA chapters are responsible for matching the grant received in a manner and amount as the University may specify. The University must provide for a recovery of the grant award if the beekeeping program funded by the grant is not maintained for at least three school years.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 8.26: Establish Standards and Pilot Program for Highly Treated Wastewater . (SL 2021-180)**

Section 8.26 of S.L. 2021-180 directs the North Carolina Policy Collaboratory (Collaboratory) to establish the Innovative Highly Treated Wastewater Pilot Program (Pilot). Through the Pilot, the Collaboratory must review and qualify wastewater systems meeting certain statutory standards, and identify at least five distressed local governments, sanitary districts, or public authorities, and work with these distressed entities to select, permit, and install highly treated wastewater systems.

The Department of Environmental Quality (DEQ), to the extent not inconsistent with its National Pollutant Discharge Elimination System permitting authority delegated from the United States Environmental Protection Agency, must review and permit wastewater systems meeting the statutory standards for highly treated wastewater as provided in this section. In addition, DEQ must require manufacturers of wastewater systems being used in the Pilot to file a performance bond of a minimum term of five years in favor of the permittee in the amount sufficient to cover system replacement.

The Collaboratory, in consultation with DEQ, must report on the highly treated wastewater systems permitted under the Pilot, evaluating the effectiveness of these systems compared to systems previously operated, and offering suggestions for further legislation and rulemaking necessary to support the adoption of highly treated wastewater systems. This report is due no later than December 1, 2024, to the Environmental Management Commission and the Environmental Review Commission.

Furthermore, this section directs the Commission for Public Health (CPH) to adopt temporary and permanent rules for approving applications for highly treated wastewater systems in the State, subject to certain requirements as provided for in this section. The CPH and the Department of Health and Human Services must issue quarterly reports on their implementation of this rulemaking, beginning no later than May 1, 2022, and continuing until the rulemaking activities required by this act have been completed.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 11.18: Outdoor Recreation Industry Action Plan and Mapping Tool. (SL 2021-180)**

Section 11.18 of S.L. 2021-180 directs the Director of the Outdoor Recreation Industry Office—a division of the Economic Development Partnership of North Carolina, Inc.— to develop a statewide outdoor recreation action plan, which includes recommendations for (i) growing the State's existing outdoor recreation companies and for recruiting new outdoor recreation companies to locate in the State; (ii) increasing access to outdoor recreation through additional investments in the State's public lands, including State and local parks, greenways, game lands, and other public lands; (iii) growing the talent pool for the outdoor recreation industry through workforce development initiatives; and (iv) encouraging healthy lifestyles through outdoor recreation activities.

As part of the plan, the Director must develop a statewide mapping tool of the State's outdoor recreation assets. In creating the action plan and mapping tool, the Director must work with the Department of Natural and Cultural Resources, the Department of Commerce, the Department of Health and Human Resources, and the Wildlife Resources Commission.

The Department of Commerce must include information on the Outdoor Recreation Industry Office's development of the action tool and mapping plan in its annual report on the performance of the Economic Development Partnership of North Carolina, Inc. This report is due March 1, 2022, and continues each year thereafter, to the Joint Legislative Economic Development and Global Engagement Oversight Committee, and various other entities.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 12.1A: Department of Environmental Quality Stewardship Program Reports. (SL 2021-180)**

Section 12.1A of S.L. 2021-180 modifies the reporting requirements of the Department of Environmental Quality's (DEQ) Stewardship Program by (i) eliminating the requirement that the Wildlife Resources Commission conduct a third-party review of its inventory of land holdings, and (ii) limiting DEQ's annual reporting requirement to the Environmental Review Commission to only those years in which there were changes in DEQ's land holdings during the preceding year.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 12.2: Oversight Committee Study of Department of Environmental Quality Fees. (SL 2021-180)**

Section 12.2 of S.L. 2021-180 directs the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources (Committee) to study the existing fee structure for permitting, compliance, and oversight services performed by the Department of Environmental Quality (DEQ) with the goal of identifying areas where fee income does not adequately support the services provided. The Committee must identify, with respect to each service identified as having an insufficient fee, the amount of the fee that was or could have been charged, the cost incurred by DEQ in performing the service, and, if applicable, the reason for not charging the fee or for the fee shortfall. The Committee must provide its report to the 2022 Regular Session of the 2021 General Assembly upon its convening.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 12.3: Extend Shellfish Leasing Moratorium . (SL 2021-180)**

Section 12.3 of S.L. 2021-180 extends the moratorium on new shellfish cultivation leases and new water column leases for aquaculture for Bogue Sound and the New Hanover County area until July 1, 2026.

This section became effective July 1, 2021, except for the extension of the moratorium for Bogue Sound, which became effective October 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 12.6: Commercial Leaking Underground Storage Tank Cleanup Fund Changes. (SL 2021-180)**

Section 12.6 of S.L. 2021-180 increases the amount of funds that the Department of Environmental Quality (DEQ) can expend each year from the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund (Commercial Fund) for assessment and cleanup of discharges or releases in situations where a responsible party has been identified and can demonstrate that undertaking the costs of assessment and cleanup will impose severe financial hardship. DEQ can expend up to $2 million per year from the Commercial Fund for these purposes, up from $1 million previously.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 12.7: Bernard Allen Memorial Drinking Water Fund Clarification. (SL 2021-180)**

Section 12.7 of S.L. 2021-180 amends certain requirements for disbursing funds from the Bernard Allen Memorial Emergency Drinking Water Fund (Fund).

In cases that involve a contaminant for which a federal maximum contaminant level or drinking water action level has not been established, this section authorizes the use of health goals established by the North Carolina Department of Health and Human Services, or health advisory standards established by the United States Environmental Protection Agency, to determine whether the Fund may be used to provide alternative drinking water supplies. Prior to enactment of S.L. 2021-180, in cases where a federal maximum contaminant level or drinking water action level had not been established, the statute only authorized use of State groundwater standards established by the Environmental Management Commission to determine whether the Fund may be used to provide alternative drinking water supplies.

The maximum household income limit for eligibility to receive financial assistance from the Fund is eliminated in cases of contamination that include per- or poly-fluoroalkyl substances (PFAS).

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 12.9: Charlotte Motor Speedway Landfill Grant. (SL 2021-180)**

Section 12.9 of S.L. 2021-180 modifies the funding formula for the matching grants received by Charlotte Motor Speedway, LLC (CMS) from the State's Inactive Hazardous Sites Cleanup Fund for remediating pre-1983 landfills.

The Department of Environmental Quality's Division of Waste Management (Division) must provide a matching grant of $1 to CMS for every $1 in non-State funds provided in kind or otherwise, up to a maximum grant of $2 million. Prior to the enactment of S.L. 2021-180, the Division was required to provide a matching grant of $1 to CMS for every $2 in non-State funds provided in kind or otherwise, up to a maximum grant of $2 million.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 12.10: Dam Safety Emergency Fund. (SL 2021-180)**

Section 12.10 of S.L. 2021-180 establishes the Dam Safety Emergency Fund within the Department of Environmental Quality (DEQ) for the purpose of developing and implementing an emergency dam safety remedial plan.

These funds must be used upon DEQ's determination that sufficient funds or corrective action cannot be obtained from other sources without incurring a delay that would significantly increase the threat to life or risk of damage to property of the environment. Costs of site investigation and the development and implementation of an emergency dam safety remedial plan, including attorney's fees and other expenses of bringing the cost recovery action, may be recovered from the owners of the dam by appropriate legal action by the Environmental Management Commission. Funds recovered pursuant to this section must be used to reimburse the Dam Safety Emergency Fund.

Section 5.9.(a)(8) of this act allocates $4 million to the Dam Safety Emergency Fund to be administered by DEQ for costs associated with the emergency repair or removal of dams.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 12.12: Water Infrastructure Fund Enhancement . (SL 2021-180)**

Section 12.12 of S.L. 2021-180 provides that funds appropriated to the Department of Environmental Quality (DEQ) for the Clean Water State Revolving Fund or the Drinking Water State Revolving Fund to provide State matching funds that are in excess of the amount required to draw down all available federal capitalization grant funds may also be used for water and wastewater infrastructure grants awarded from the Wastewater Reserve, the Drinking Water Reserve, or the Viable Utility Reserve.

This section authorizes DEQ to impose specific performance measures or conditions on any grant awarded from the Drinking Water Reserve or Wastewater Reserve to ensure an adequately funded program for the repair, maintenance, and management of the water or wastewater infrastructure.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 12.14: Local Assistance for Stormwater Infrastructure . (SL 2021-180)**

Section 12.14 of S.L. 2021-180 establishes the Local Assistance for Stormwater Infrastructure Investments Fund (Fund), a special fund within the Department of Environmental Quality (DEQ), to be used to provide grants to eligible entities for projects that will improve or create infrastructure for controlling stormwater quantity and quality.

A city or county may be eligible to qualify for a grant under this Fund if it documents a specific stormwater issue and demonstrates that it would experience significant hardship raising the revenue necessary to finance stormwater management activities itself. Nonprofit entities and regional council of governments can qualify as eligible entities if they partner with a city or county.

DEQ may provide two categories of grants from the Fund:

* Construction grant: May be awarded to an eligible entity for developing and implementing new stormwater utility or stormwater control measures (SCM), rehabilitating existing SCMs, or for the installation of innovative technologies or nature-based solutions. These grants may not exceed $15 million per grant.
* Planning grant: May be awarded to an eligible entity for research or investigative studies, alternative analyses, the preparation of engineering concept plans or designs, and similar activities intended to help an eligible entity determine the best solutions for the entity's stormwater quality or quantity issue. These grants may not exceed $500,000 per grant.

DEQ must report on the activities of the Fund, including an accounting of expenditures, a description and status update of funded projects, and recommendations for legislative changes and additional funding needs for small and financially distressed communities to comply with stormwater standards and mitigate the impacts of stormwater-related flood events. This report is due beginning September 1, 2022, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and various other entities, and continues each year until all the funds have been expended by grant recipients.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 12.21: Amend Dam Safety Law. (SL 2021-180)**

Section 12.21 of S.L. 2021-180 amends the Dam Safety Law by expanding the exemption for small dams less than 20 feet in height or that have an impoundment capacity of less than 15 acre-feet, when a qualified engineer, who demonstrates to the satisfaction of the Department of Environmental Quality experience in dam design, conducts dam failure analyses based on both storm-induced failure and normal weather geologic, structural, or seismic failure scenarios and determines that the dam is not a high hazard dam.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 12.23: Revise Mining Commission Chair Designation/ Ex Officio Membership. (SL 2021-180)**

Section 12.23 of S.L. 2021-180 provides that if the Governor has not designated a chair of the North Carolina Mining Commission (Commission) by July 1 of the year following the expiration of the term of the previous chair, then the vice-chair must exercise the powers and duties of the chair until either the Governor designates a chair or upon the expiration of the vice-chair's regularly appointed term, whichever comes first. Upon the expiration of the vice-chair's regularly appointed term, the Commission must elect a vice-chair, who will exercise the powers and duties of the chair until the Governor designates a chair.

Notwithstanding the above, this section provides that if the Governor has not designated a chair from the current membership of the Commission by December 15, 2021, then the vice-chair must exercise the powers and duties of the chair until the Governor designates a chair or upon the expiration of the vice-chair's regularly appointed term, whichever comes first.

This section modifies the required qualifications for one of the ex officio, nonvoting members of the Commission—substituting the Chair of the North Carolina State University Minerals Research Laboratory Advisory Committee with the Executive Director of the North Carolina State University Minerals Research Laboratory, or the Executive Director's designee.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 14.7.(g): Add Roanoke River Paddle Trail to State Parks System. (SL 2021-180)**

Section 14.7.(g) of S.L. 2021-180 authorizes the Department of Natural and Cultural Resources to add the Roanoke River Paddle Trail in Halifax, Northampton, Bertie, Martin, and Washington Counties to the State Parks System as a State Trail.

The State may receive donations of appropriate land and may purchase other needed lands for the Roanoke River Paddle Trail with existing funds in the Land and Water Fund, the Parks and Recreation Trust Fund, the federal Land and Water Conservation Fund, and other available sources of funding

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 14.10: Authorize Bakers Lake State Natural Area. (SL 2021-180)**

Section 14.10 of S.L. 2021-180 authorizes the Department of Natural and Cultural Resources to add the Bakers Lake State Natural Area in Bladen County to the State Parks System.

The State may receive donations of appropriate land and may purchase other needed lands for the Bakers Lake State Natural Area with existing funds in the Land and Water Fund, the Parks and Recreation Trust Fund, the federal Land and Water Conservation Fund, and other available sources of funding.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 40.3: Water Resources Development Grants. (SL 2021-180)**

Section 40.3 of S.L. 2021-180 codifies the Water Resources Development Grants Special Fund, a special fund within the Department of Environmental Quality (DEQ), to be used for water resources development projects as directed by an act of the General Assembly.

This section authorizes DEQ to reallocate funds among projects when the actual costs differ from estimated project costs, while also providing that excess available funds during any given fiscal year may be used to fund United States Army Corps of Engineers' project feasibility studies and projects requiring State matching funds in the current fiscal year; State-local water resources development projects; and United States Department of Agriculture's Environmental Quality Incentives Program (EQIP) stream restoration projects.

DEQ must submit semi-annual reports on the use of funds from the Water Resource Development Grant Special Fund to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and various other entities, by March 1 and September 1 of each year.

This section became effective July 1, 2021.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 1: Modify Conditions for State Funding of Beach Access Property. (SL 2021-158)**

Section 1 of S.L. 2021-158 eliminates the requirement under the Public Beach and Coastal Waterfront Access Program (Program) that local governments that receive grants under the Program for land acquisition transfer title to any real property to the State if used for non-beach/coastal water access purposes, and instead requires that:

• Local governments dedicate acquired lands in perpetuity for public access and for the benefit of the public and record such dedication in the office of the register of deeds in the relevant county.

• Leases or easements acquired with Program grant funds must have a minimum term of 25 years.

• Local governments that use real property acquired with Program grant funds for any purpose other than beach or coastal water access, or otherwise sell or dispose of the property, must reimburse the State in an amount that is the greater of (i) the amount of Program grant funds provided to purchase the land or (ii) an amount equal to the same proportion of the current market value of the property as the proportion of the original purchase price of the property funded with Program grant funds.

This section became effective September 16, 2021.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 2: Modernize Coastal Area Management Act Notification Requirements. (SL 2021-158)**

Section 2 of S.L. 2021-158 removes the requirement that the Department of Environmental Quality (DEQ) notify interested parties of major Coastal Area Management Act permit applications and modification by regular mail.

This section became effective July 1, 2021 and applies to permit applications received on or after that date.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 3: Coastal Area Management Act Permit Third-Party Appeal Review Timeline. (SL 2021-158)**

Section 3 of S.L. 2021-158 extends the Coastal Resources Commission's review period from 15 to 30 days for third-party challenges of a Coastal Area Management Act development permit decision.

This section became effective October 1, 2021 and applies to requests for determination of appropriateness received by the Coastal Resources Commission on or after that date.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 4: Stormwater Program Amendments. (SL 2021-158)**

Section 4 of S.L. 2021-158 makes several amendments to the Department of Environmental Quality's (DEQ) Stormwater Management Program, including:

• Adding an annual compliance certification for new and existing stormwater permits, clarifying that the addition of the annual compliance certification is not a new or increased stormwater control, providing that DEQ must provide for electronic submission of the annual certification, and providing that DEQ may only require the permit holder or their designee, and not a different party, to submit the annual certification.

• Modifying the stormwater permit transfer process, including timelines for submitting permit transfer applications and providing for a schedule of remedial actions, as needed, to bring permitted activities into compliance with the approved stormwater plan and permit conditions.

• For low density permits issued prior to January 1, 2017 that have exceeded a permitted built-upon area, establishing a permit modification request mechanism to bring those projects into compliance with the existing or modified built-upon area limit.

• Providing that low density stormwater certifications and approvals issued prior to September 1, 1995, are revoked as of January 1, 2022, and the built upon area will be considered as "existing development" for the purposes of G.S. 143-214.7(a1).

This section became effective September 16, 2021.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 5: Conform Sedimentation and Erosions Control Program Penalty Remission Request Timeline. (SL 2021-158)**

Section 5 of S.L. 2021-158 shortens the deadline to request a civil penalty remission under the Sedimentation and Erosion Control Program from 60 to 30 days.

This section became effective October 1, 2021 and applies to penalties assessed on or after that date.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 6: Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund Payment Request Timeline Extension. (SL 2021-158)**

Section 6 of S.L. 2021-158 provides that if the Department of Environmental Quality (DEQ) requests additional information regarding the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund (Fund) reimbursement requests, the UST owner, operator, or landowner may have up to 30 days to provide that additional information. The additional 30 days allowed by this section would not count against the 12-month deadline for making a reimbursement request.

This section became effective September 16, 2021.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 7: Modify and Simplify Hazardous Waste Site Notices. (SL 2021-158)**

Section 7 of S.L. 2021-158 shortens the deadline to submit a survey plat and notice under the Inactive Hazardous Waste Site program from 180 to 90 days. This section also makes technical and clarifying changes to the language of the required notice.

This section became effective September 16, 2021.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 8: Revise and Clarify Basinwide Water Resources Management Plans. (SL 2021-158)**

Section 8 of S.L. 2021-158 makes various technical and clarifying changes to the statute concerning basinwide water quality management plans, including requiring management plans to provide certain information regarding surface and groundwater resources, other withdrawals, permitted minimum instream flow requirements, and pertinent information contained in the local water supply and water shortage response plans. This section also defines North Carolina's 17 major river basins by the relevant 8-digit hydrologic unit code.

This section became effective September 16, 2021.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 10: Modify Notice Requirement for Sedimentation and Erosion Control Program Violations. (SL 2021-158)**

Section 10 of S.L. 2021-158 eliminates the requirement that a person receiving a notice of violation for the first time under the Sedimentation and Erosion Control Program be delivered that notice in person.

This section became effective October 1, 2021.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 11: Revise Sedimentation and Erosion Control Stop Work Order Procedures. (SL 2021-158)**

Section 11 of S.L. 2021-158 repeals certain subsections of the statute governing stop-work orders issued for sedimentation and erosion control violations.

This section became effective October 1, 2021.

**S474 - Septage Management Amendments. (SL 2021-83)**

S.L. 2021-83 makes certain changes and clarifications to the Department of Environmental Quality's (DEQ) septage management program concerning permit decision timelines, permit amendments, inspection requirements, required operator training, permit length, and continuing education.

Section 3 of this act became effective July 8, 2021, applies to permit renewals issued on or after July 1, 2021, and will expire when permanent rules are adopted as required by the act. Section 4 of this act became July 1, 2021. The remainder of this act became effective July 8, 2021.

**Finance**

**See full summary documents for additional detail**

**H196 - 2021 COVID-19 Response & Relief. (SL 2021-3)**

S.L. 2021-3 (i) makes modifications to the State COVID-19 relief legislation and (ii) appropriates and provides additional guidance for expenditure of COVID-19 pandemic relief funds from the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA).

Except as otherwise provided, this act became effective, March 11, 2021.

**H243 - Budget Technical Corrections.
Sec. 20.7: Grant Program Tax Deductions. (SL 2022-6)**

Section 20.7 of S.L. 2022-6 provides a State individual and corporate income tax deduction for the amount received by a taxpayer from one or more of the following State created COVID-19 related grant programs: Business Recovery Grant Program, ReTOOLNC grant program, and the rent and utility assistance grant program. This section is effective for taxable years beginning on or after January 1, 2020.

**H243 - Budget Technical Corrections.
Sec. 20.15: Allow State Income Tax Deduction for Employers Who Took the Federal Payroll Tax Credit for Employee Retention in lieu of a Federal Income Tax Deduction Where North Carolina has No Similar Tax Credit. (SL 2022-6)**

Section 20.15 of S.L. 2022-6 is a technical change to fix an issue in the State individual and corporate income tax laws caused by the way the employee retention credit was setup and administered at the federal level. The technical change allows a State tax deduction that is intended and assumed under current law.

This section is effective retroactively for taxable years beginning on or after January 1, 2020.

**H279 - COVID-19 Related Tax Changes/Unemployment Insurance Technical Correction. (SL 2021-16)**

S.L. 2021-16 does the following:

* Clarifies that the extra credit grants and federal stimulus payments received as COVID-19 relief are not considered income for determining eligibility for property tax exemptions based on income.
* Provides for the nonaccrual of interest on 2020 individual income tax returns filed on or before May 17, 2021 and extends the statute of limitations for requesting a refund consistent with the extension provided by the Internal Revenue Service (IRS).
* Makes a technical correction to S.L. 2021-5, DES COVID Modifications and Technical Changes.

S.L. 2021-16 became effective April 27, 2021.

**H797 - Extend Farmers/Fishermen Tax Filing Deadline. (SL 2022-5)**

S.L. 2022-5 extends from March 1 to April 15 the deadline by which qualifying farmers and fishermen must file and pay their 2021 taxes to avoid having to pay interest for failure to make estimated payments throughout the year.

This act became effective February 24, 2022.

**S36 - 2020 COVID Relief Bill Modifications. (SL 2021-1)**

Session Law (S.L.) 2021-1 makes modifications to the State COVID-19 relief legislation in light of the additional federal legislation and guidance.

This act has various effective dates. Except as otherwise provided, this act became effective February 10, 2021.

**S105 - 2021 Appropriations Act.
Part 42: Finance. (SL 2021-180)**

Part 42 of S.L. 2021-180 (2021 Appropriations Act) makes the following tax changes:

* Personal Income Tax Changes

**S105 - 2021 Appropriations Act.
Sec. 42.1: Personal Income Tax Reduction. (SL 2021-180)**

Section 42.1 of S.L. 2021-180 makes the following personal income tax changes:

* Reduces the personal income tax rate to 3.99% over 6 years.
* Increases the standard deduction by approximately 18.6%.
* Increases the child deduction by $500 and expands eligibility.
* Conforms to the permanent federal medical expense deduction threshold.

These changes are effective for taxable years beginning on or after January 1, 2022.

**S105 - 2021 Appropriations Act.
Sec. 42.1A: Eliminate Tax on Military Pension Income. (SL 2021-180)**

Section 42.1A of S.L. 2021-180 exempts the following military retiree income from taxation:

* Military retirement pay received by a retired member of the Armed Forces of the United States who served at least 20 years or was medically retired.
* Payments from the Survivor Benefit Plan to a beneficiary of a retired member of the Armed Forces of the United States who served at least 20 years or was medically retired.

This section is effective for taxable years beginning on or after January 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 42.2: Phase Out Corporate Income Tax. (SL 2021-180)**

Section 42.2 of S.L. 2021-180 eliminates the corporate income tax over a period of six years, beginning with the 2025 tax year.

This section is effective for taxable years beginning on or after January 1, 2025.

**S105 - 2021 Appropriations Act.
Sec. 42.3: Franchise Tax Reduction and Simplification. (SL 2021-180)**

Section 42.3 of S.L. 2021-180 simplifies the franchise tax base calculation and, for some taxpayers reduces the franchise tax amount, by eliminating the two tax bases calculated using property values.

This section is effective for taxable years beginning on or after January 1, 2023, and applicable to the calculation of franchise tax reported on the 2022 and later corporate income tax returns.

**S105 - 2021 Appropriations Act.
Sec. 42.4: Conform to Federal Tax Treatment for PPP Loans and Related Business Assistance/IRC Update. (SL 2021-180)**

Section 42.4 of S.L. 2021-180 (2021 Appropriations Act) updates the reference to the Internal Revenue Code used in defining and determining certain State tax provisions from May 1, 2020, to April 1, 2021.

This section became effective when the act became law on July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 42.5: Reduce Impact of Federal SALT Cap by Allowing Certain Pass-Throughs to Elect to Pay Tax at the Entity Level. (SL 2021-180)**

Section 42.5 of S.L. 2021-180 allows pass-through entities to elect to pay the State income taxes at the entity level, which is not subject to the federal state and local tax (SALT) cap of $10,000.

This section is effective for taxable years beginning on or after January 1, 2022.

**S105 - 2021 Appropriations Act.
Sec. 42.6: Separate State Net Operating Loss Calculation for Individual Income Tax Purposes. (SL 2021-180)**

Section 42.6 of S.L. 2021-180 creates a separate North Carolina net operating loss (NOL) calculation to more closely align to the calculation of North Carolina taxable income by adjusting for differences between federal and State law and business activities taking place in multiple states.

This section is effective for taxable years beginning on or after January 1, 2022.

**S105 - 2021 Appropriations Act.
Sec. 42.7: Reenact and Extend Mill Rehabilitation Credit. (SL 2021-180)**

Section 42.7 of S.L. 2021-180 reenacts and extends the mill rehabilitation tax credit, including the credit for a rehabilitated railroad station.

This section became effective when the act became law on July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 42.7A: Expand and Extend Historic Rehabilitation Credit. (SL 2021-180)**

Section 42.7A of S.L. 2021-180 expands and extends the historic rehabilitation tax credit.

The expansion of the credit to provide a bonus amount for historic structures used for an educational purpose became effective for taxable years beginning on or after January 1, 2021. The remainder of this section became effective July 1, 2021, when the act became law.

**S105 - 2021 Appropriations Act.
Sec. 42.8: Limit Gross Premiums on Surety Bonds. (SL 2021-180)**

Section 42.8 of S.L. 2021-180 limits the gross premiums tax base for premiums paid to a surety bondsman to the amount paid by the surety bondsman to the insurer of the bail bonds.

This section is effective for taxable years beginning on or after January 1, 2022.

**S105 - 2021 Appropriations Act.
Sec. 42.9: Modify Excise Tax on Cigars and Clarify Delivery Sales and Remote Sales of Tobacco Products. (SL 2021-180)**

Section 42.9 of S.L. 2021-180 imposes the current rate of excise tax, which is 12.8% of the cost price per cigar, on remote sales of cigars, and creates a cap of 30¢ per cigar for all cigar purchases, regardless of whether purchased in-person or online. This section also modifies existing excise tax statutes to distinguish between delivery sales and remote sales of tobacco products.

This section becomes effective July 1, 2022, and applies to sales occurring on or after that date.

**S105 - 2021 Appropriations Act.
Sec. 42.10: Credit Short-Term Vehicle Rental Proceeds to Highway Fund. (SL 2021-180)**

Section 42.10 of S.L. 2021-180 credits 100% of the proceeds derived from the 5% and 8% alternate highway use tax applied to short-term vehicle rentals to the Highway Fund.

This section became effective July 1, 2021, when the act became law.

**S105 - 2021 Appropriations Act.
Sec. 42.11: Graduate Late Payment Penalties. (SL 2021-180)**

Section 42.11 of S.L. 2021-180 (2021 Appropriations Act) replaces the flat penalty amount assessed for failure to pay a tax when due to a graduated amount that is 2% of the tax for the first month and is increased by 2% for each succeeding month or fraction thereof, not to exceed 10%.

This section becomes effective July 1, 2022, and applies to tax assessed on or after that date.

**S105 - 2021 Appropriations Act.
Sec. 42.12: Property Tax Exemptions. (SL 2021-180)**

Section 42.12 of S.L. 2021-180 creates two property tax exemptions: one for commercial cemetery property and one for vaccines.

This section is effective for taxable years beginning on or after July 1, 2022.

**S105 - 2021 Appropriations Act.
Sec. 42.13A-F: Revenue Laws Technical, Clarifying, and Administrative Changes. (SL 2021-180)**

Section 42.13A-F makes various technical, clarifying, and administrative changes to the Revenue Laws, most of which were recommended by the Department of Revenue.

Please see the individual provisions for the applicable effective dates.

**S172 - Additional COVID-19 Response & Relief. (SL 2021-25)**

S.L. 2021-25 establishes the following reserves and funds to handle grant funds received by the State under the federal American Rescue Plan Act: State Fiscal Recovery Reserve and Fund, Coronavirus Capital Projects Reserve and Fund, and Local Fiscal Recovery Reserve and Fund. This act also appropriates funds from the Local Fiscal Recovery Fund for distribution to various local governments and appropriates grant funds provided to the State under the American Rescue Plan Act. Technical and other changes are also included in the legislation.

This act became effective May 24, 2021.

**Health and Human Services**

**See full summary documents for additional detail**

**H96 - Allow Pharmacists to Admin. Injectable Drugs. (SL 2021-110)**

S.L. 2021-110 expands the number of vaccines and medications that immunizing pharmacists are allowed to administer, requires the State Health Director to issue a standing order prescribing those medications, authorizes the Board of Pharmacy to adopt rules, and requires parents to provide written consent before a vaccine approved under an Emergency Use Authorization is administered to a minor.

The provisions of the act allowing the administration of testosterone and B12 injections and directing the Boards to adopt rules became effective October 1, 2021. Most of the remaining provisions relating to the ability of immunizing pharmacists to administer medications became effective February 1, 2022, but the provisions allowing them to administer the COVID-19 or influenza vaccine to minors became effective September 1, 2021. The remainder of the act, including the parental consent for vaccines authorized under an Emergency Use Authorization (EUA), became effective August 20, 2021.

**H243 - Budget Technical Corrections.
Sec. 3.6: Redirect Veterans Health Care Pilot Program Funding to Health-Related Job Training and Substance Use Disorder Treatment Services. (SL 2022-6)**

Section 3.6(a) of S.L. 2022-6 provides that notwithstanding any provision of law to the contrary, the amounts of $400,000 in the 2021-2022 fiscal year and $350,000 in the 2022-2023 fiscal year appropriated to the Office of Rural Health, Division of Central Management and Support, Department of Health and Human Services (DHHS), are required to be used to develop and implement a two-year pilot program to provide health care services to veterans in Cumberland County pursuant to Section 9B.5 of S.L. 2021-180, must instead be used for job training and substance use disorder treatment services as follows:

* The sum of $25,000 for the 2021-22 fiscal year must be allocated as a directed grant to Dominion Health Care Foundation, a nonprofit organization, and used to cover the cost of job training programs and internships for individuals seeking careers as phlebotomy technicians, medical assistants, clinical laboratory assistants, or certified nursing assistants. The job training programs and internships must target historically marginalized populations residing in Cumberland County who (i) are veterans, (ii) are unemployed due to COVID-19, or (iii) were formerly incarcerated.
* The sum of $375,000 for the 2021-22 fiscal year, and $350,000 for the 2022-23 fiscal year, must be transferred to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, DHHS, and allocated as a directed grant to Community-Based Developmental Services, Inc., a nonprofit organization, to increase the organization's capacity to provide certified clinical assessment case management, and medication-assisted treatment services for uninsured individuals with substance use disorders. The services must target, but are not exclusively for, uninsured individuals who are members of North Carolina's Hispanic/LatinX or American Indian populations.

Section 3.6(b) repeals Section 9B.5 of S.L. 2021-180.

This section became effective July 1, 2021.

**H272 - Revise Health Standard for Lead. (SL 2021-69)**

S.L. 2021-69 amends the definition of "lead poisoning hazard" under the statutes governing lead poisoning in children and pregnant women to decrease the amount of lead in drinking water that constitutes a "lead poisoning hazard" from 15 parts per billion (ppb) to 10 ppb.

This act became effective December 1, 2021.

**H351 - Clifford's Law. (SL 2021-145)**

S.L. 2021-145 requires the Secretary of the Department of Health and Human Services (DHHS) to establish visitation protocols that would be in effect during declared disasters and emergencies and when a facility suspends or restricts normal visitation. The protocols must provide visitation rights for patients in nursing homes, combination homes, and adult care homes, including family care homes, and allow each resident to receive a visit at least twice per month from one preapproved visitor or preapproved alternate visitor. The protocols must be in place by June 15, 2022.

The provisions of the act establishing the standards for visitation become effective April 1, 2022. The provisions of the act requiring the DHHS Secretary to implement visitation protocols became effective September 10, 2021.

**H383 - Medicaid Modernized Hospital Assessments. (SL 2021-61)**

S.L. 2021-61 enacts two modernized hospital assessments that support continued funding for Medicaid payments to hospitals under the new Medicaid managed care system that began July 1, 2021. The modernized assessments replace two hospital assessments that historically provided funding for Medicaid payments to hospitals but that could not continue to be operated in the same manner upon the transition of the Medicaid program to managed care.

The repeal of the 2020 Revised Hospital Assessments became effective July 1, 2020. The remainder of the act became effective July 1, 2021.

**H395 - HIE Deadline Extension & Patient Protection. (SL 2021-26)**

S.L. 2021-26 does the following relative to the Health Information Exchange (HIE) Network known as NC HealthConnex: exempts ambulatory surgical centers but requires a physician who performs procedures there to be connected and to submit demographic and clinical data; extends the mandatory deadlines for certain entities to connect; allows the Department of Health and Human Services (DHHS) to submit data on behalf of specified entities; prohibits balance billing by in-network providers and entities under the State Health Plan that have not connected; requires the HIE Authority to provide educational materials on how to access electronic health information; requires the HIE Advisory Board to submit a report by March 1, 2022 to the Joint Legislative Oversight Committee on Health and Human Services containing recommendations regarding appropriate features or actions to support the Statewide Health Information Exchange Act; and requires the HIE Authority to work with the Department of State Treasurer and the DHHS to identify and contact providers and entities who have not connected to the HIE in accordance with G.S. 90-414.4 and to report on the status of these by March 1, 2022.

This act became effective May 27, 2021.

**H447 - The Jeff Rieg Law/Patients Religious Rights. (SL 2021-156)**

S.L. 2021-156 requires hospitals to allow clergy members to visit admitted patients.

This act became effective October 1, 2021.

**H629 - Physician Asst/Nurse Practit./STOP Act Clar. (SL 2021-70)**

S.L. 2021-70 amends the conditions when a physician assistant or a nurse practitioner must consult with the supervising physician prior to prescribing a targeted controlled substance.

This act became effective October 1, 2021.

**H642 - Down Syndrome Organ Trans. Nondiscrim. Act. (SL 2021-64)**

S.L. 2021-64 creates a new Part 4A, Nondiscrimination in Organ Transplantation, in Article 16 of Chapter 130A of the General Statutes, which specifies that it is unlawful for a covered entity, on the basis of an individual's disability, to do the following:

* Consider an individual ineligible to receive an anatomical gift or organ transplant.
* Deny medical services or other services related to organ transplantation.
* Refuse to refer the individual to a transplant center or other related specialist for the purpose of being evaluated for or receiving an organ transplant.
* Refuse to place a qualified recipient on an organ transplant waiting list.
* Place a qualified recipient on an organ transplant list at a lower priority position than if the individual did not have a disability.
* Refuse insurance coverage for any procedure associated with being evaluated for or receiving an anatomical gift or organ transplant.

A covered entity would be permitted to take an individual's disability into account when making treatment or coverage recommendations or decisions only to the extent the disability has been found by a physician or surgeon to be medically significant to the provision of the anatomical gift. An individual affected by a covered entity's alleged violation would be allowed to bring an action for injunctive and other equitable relief against the covered entity. A covered entity would not be required to make a referral for, or perform, a medically inappropriate organ transplant.

S.L. 2021-64 prohibits insurers that offer a health benefit plan that provides coverage for anatomical gifts, organ transplants, or treatment and services related to anatomical gifts or transplants, from doing the following:

* Denying coverage to an insured solely on the basis of that individual's disability.
* Denying to an individual eligibility, or continued eligibility, to enroll or to renew coverage under the terms of a health benefit plan solely for the purpose of avoiding the requirements of the statute.
* Attempting to induce a health care provider to provide care to an insured in a manner inconsistent with the statute in specified ways.
* Reducing or limiting health benefit plan coverage benefits to an insured for any necessary services related to organ transplantation.

An insurer would not be required to provide coverage for a medically inappropriate organ transplant

This act became effective October 1, 2021.

**H734 - Dept. of Health & Human Services Revisions. (SL 2021-77)**

S.L. 2021-77 makes the following changes to the laws pertaining to programs and services under the authority of the Department of Health and Human Services (DHHS):

* Amends the definition of developmental disability (G.S. 122C-3).
* Amends the law (G.S. 122C-23) providing that decisions on the waiver of any of the rules on the licensure of facilities for patients with mental health disorders, developmental disabilities, or substance use disorders may be appealed by filing a contested case (under Article 3 of GS Chapter 150B).
* Requires the Secretary of DHHS to adopt a copayment schedule for behavioral health services, intellectual and developmental disabilities services, and substance use disorder services based on the Medicaid copayments for those services be used by LMEs and by contractual provider agencies (G.S. 122C-112.1(a)(34)).
* Amends the membership of the State Consumer and Family Advisory Committee (G.S. 122C-171).
* Adds various requirements to the involuntary commitment report to require transportation data (G.S. 122C-255).
* Amends the law (G.S. 122C-263) governing the first exam for involuntary commitment due to mental health or substance abuse to allow the use of "telehealth," previously referred to as "telemedicine" and makes conforming changes to other statutes.
* Allows the second examination for involuntary commitment due to mental illness or substance abuse to be conducted using telehealth equipment and procedures (G.S. 122C-266).
* Makes technical changes to the law governing transitional permits for food establishments (G.S. 130A-248).

The act also makes the following changes to the laws (Article 2 of Chapter 122C) governing the licensure of facilities for the mentally ill, the developmentally disabled, and substance abusers:

* Requires DHHS to conduct follow-up visits to ensure compliance with specified criteria following the issuance of a cease and desist order to facilities providing services without a required license.
* Prohibits the Secretary of DHHS from enrolling a new provider in the NC Medicaid or NC Health Choice programs or revalidating an enrolled provider in the Medicaid or NC Health Choice programs for any applicant meeting specified criteria.
* Gives the Secretary of DHHS the power to issue orders directing facilities not licensed under Article 2 that are providing services requiring a license to cease and desist.
* Increases the penalty for operating a licensable facility without a license to a Class H felony, including a fine of $1,000 per day that the facility is in violation.
* Directs DHHS to establish a database with specified, publicly available information on the status of any ongoing investigations of reported operation of a program or facility in violation.
* Retitles Article 2 of Chapter 122C of the General Statutes as "Licensure of Facilities for Individuals with Mental Health, Developmental Disabilities, and Substance Use Disorders" and makes various conforming changes, including conforming changes to the Local Consumer and Family Advisory Committee.

Additionally, the act adds spas operating for display at temporary events to the definition of "public swimming pool" for purposes of regulation. This provision became effective July 1, 2020.

The remainder of this act became effective July 2, 2021.

**S103 - Reduce Reg. To Help Children with Autism. (SL 2021-22)**

S.L. 2021-22 establishes a licensure process for behavior analysts and creates criminal penalties for practicing without a license.

The portion of the act creating a criminal penalty for unlicensed practice of behavioral analysis became effective January 1, 2022, and applies to acts committed on or after that date. The remainder of the act became effective May 17, 2021.

**S105 - 2021 Appropriations Act.
Sec. 5.13: Joint Legislative Committee on Access to Healthcare and Medicaid Expansion . (SL 2021-180)**

Section 5.13 of S.L. 2021-180 creates the Joint Legislative Committee on Access to Healthcare and Medicaid Expansion (Committee) to consider ways to improve access to health care and health insurance. The Committee can submit proposed legislation to the members of the General Assembly before the final adjournment of the 2021 Regular Session, at which time the Committee terminates.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9A.1: State-County Special Assistance Rates. (SL 2021-180)**

Section 9A.1 of S.L. 2021-180 provides that for the 2021-2023 fiscal biennium, the maximum monthly State-County Special Assistance rate for residents in adult care homes is $1,182 per resident per month and the maximum monthly rate for residents in Alzheimer’s Dementia special care units is $1,515 per resident per month.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9A.2: Increase in State-County Special Assistance Personal Needs Allowance. (SL 2021-180)**

Section 9A.2 of S.L. 2021-180 provides that effective January 1, 2022, the Division of Aging and Adult Services, Department of Health and Human Services, must increase the personal needs allowance under the State-County Special Assistance program from $46 to $70 per month per resident.

Effective January 1, 2022, the income limits for determining financial eligibility for State-County Special Assistance are as follows:

* The total countable monthly income for individuals residing in adult care homes must not exceed $1,228 per month per resident.
* The total countable monthly income for individuals residing in Alzheimer’s/Dementia special care units must not exceed $1,515 per month per resident.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9A.3: Removal of the Cap on the Number of Allowable State-County Special Assistance In-Home Payments. (SL 2021-180)**

Section 9A.3 of S.L. 2021-180 amends the law (G.S. 108A-47.1) to remove the cap on the use of existing State-County Special Assistance funds for Special Assistance payments to eligible individuals 18 years of age or older in in-home living arrangements. Previously the in-home payments were limited to 15% of the caseload for all State County Special Assistance.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9A.3A: State-County Special Assistance Program Changes . (SL 2021-180)**

Section 9A.3A of S.L. 2021-180 directs changes to the State-County Special Assistance (SA) program to bring the SA In-Home program into parity with the SA Adult Care Home program, effectively merging the two programs and allowing individuals to qualify for the SA program and receive Medicaid coverage, regardless of the individual's residential setting, based upon the criteria historically used for the SA Adult Care Home program. The provision also codifies the maximum SA monthly payment rate set in Section 9A.1 of the act and adds an annual cost-of-living adjustment (COLA) beginning January 1, 2024, that is equal to the annual Social Security COLA. The SA program changes are contingent upon federal approval, as follows:

* The Department of Health and Human Services (DHHS) must apply for federal approval of the SA program changes by December 18, 2021.
* DHHS must use savings deposited in the HCBS Fund, established in Section 9D.8A of the act, to fund the Medicaid costs and the SA program costs associated with the SA program changes, for as long as funds remain in the HCBS Fund.
* The SA program changes become effective on the later of July 1, 2022, or 30 days after the date when all federal approvals have been received for the SA program changes and for the use of the savings in the HCBS Fund to fund the SA program changes. If all of these approvals have not been received by June 30, 2023, the SA program changes required by the provision will not take effect and the applicable portions of the provision will expire.

The remainder of the section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9A.3B: Authorization for Local Entities to Set Reimbursement Rates for Adult Day Care, Adult Day Health, and Associated Transportation Services Funded by the Home and Community Care Block Grant and the State Adult Day Care Fund. (SL 2021-180)**

Section 9A.3B of S.L. 2021-180 amends G.S. 143B-181.1 and G.S. 143B-153 to remove the maximum statewide reimbursement rates and to provide that reimbursement rates for adult day care services, adult day health services, and associated transportation services paid under the Home and Community Care Block Grant (HCCBG) and the State Adult Day Care Fund will be established at the local level. The locally established rates must reflect geographical differences, the availability of services, the cost to provide services and other local variables.

The section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9A.4: Rapid Rehousing for Individuals and Families at Risk of Homelessness . (SL 2021-180)**

Section 9A.4 of S.L. 2021-180 allocates $15 million in nonrecurring funds for the 2021-2022 fiscal year to the Division of Aging and Adult Services, Department of Health and Human Services, for rapid rehousing services to assist families and individuals at risk of homelessness due to the COVID-19 pandemic. The funds must supplement existing funding for homelessness prevention services and may be used to cover the cost of acute financial assistance needs for eligible families and individuals.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9A.5: Nutrition Services for Older Adults. (SL 2021-180)**

Section 9A.5 of S.L. 2021-180 provides $3,585,000 in nonrecurring funds for the 2021-22 fiscal year from the State Fiscal Recovery Fund to the Division of Aging and Adult Services, Department of Health and Human Services, to be used to address food insecurity among older adults due to the COVID-19 pandemic.

Allowable activities include:

* Providing two meals per week or $20 per week in groceries to eligible older adults who are frail or functionally impaired.
* Providing two weeks of meals to eligible high-risk older adults after a hospital discharge.
* Expanding the North Carolina Senior Farmers’ Market Nutrition Program across the State to eligible low-income older adults.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.1: Reports by Non-State Entities on the Use of Directed Grant Funds. (SL 2021-180)**

Section 9B.1 of S.L. 2021-180 provides that any non-State entity (defined by G.S. 143C-1-1) that receives nonrecurring funds as a directed grant under Part IX of S.L. 2021-180 must report on the use of directed grant funds to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

* Non-State entities receiving directed grant funds for the 2021-2022 fiscal year must report by July 1, 2022.
* Non-State entities receiving directed grant funds in the 2022-2023 fiscal year must report by July 1, 2023.

The section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.2: Funds for the North Carolina Families Accessing Services Through Technology System . (SL 2021-180)**

Section 9B.2 of S.L. 2021-180 directs funding to be transferred from the Medicaid Transformation Reserve to the Division of Central Management and Support (Division), Department of Health and Human Services (DHHS), to be used for: (i) the deployment and maintenance of the child welfare case management component of the North Carolina Families Accessing Services through Technology (NC FAST) system; (ii) updates and changes to the system with respect to Medicaid Transformation, document management, and independent verification and validation support; and (iii) infrastructure modernization. The Division must report any change in approved federal funding or federal match rates within 30 days after the change to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Committee on Information Technology, and the Fiscal Research Division.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.2A: Medicaid Transformation Reserve Funds for Information Technology Division Support of Medicaid Applications . (SL 2021-180)**

Section 9B.2A of S.L. 2021-180 specifies funding to be transferred from the Medicaid Transformation Reserve to the Information Technology Division, Department of Health and Human Services, for information technology support of Medicaid applications.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.3: Community Health Grant Program. (SL 2021-180)**

Section 9B.3 of S.L. 2021-180 directs the Office of Rural Health to use funds appropriated to it to continue the Community Health Grant Program as modified by Section 11A.8 of S.L. 2017-57. The Office of Rural Health may use up to $200,000 of the appropriated funds for administrative purposes. No single grant may exceed $150,000, and recipients may not use the funds to increase employee compensation, supplant existing funds, or finance debt. The Office of Rural Health must report to the Joint Legislative Oversight Committee on Health and Human Services by September 1 of each year on the grantees and amounts issued. It must also report by February 1, 2022, to the Joint Legislative Oversight Committee on Health and Human Services on the establishment of a Primary Care Advisory Committee and the development of a standardized method for grant recipients to report objective, measurable quality health outcomes, as required by Section 11A.8 of S.L. 2017-57.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.5: Veterans Health Care Pilot Program-Repealed & Funding Redirected. (SL 2021-180)**

Section 9B.5 of S.L. 2021-180 was repealed by Section 3.6(b) of S.L 2022-6, and the funding was redirected in Section 3.6(a) of S.L. 2022-6.

See the summary of Section 3.6 of S.L. 2022-6 for further details.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.6: Funds for NC Dental Society Foundation's Mission of Mercy Dental Clinics . (SL 2021-180)**

Section 9B.6 of S.L. 2021-180 clarifies that funds appropriated to the Office of Rural Health for allocation to the NC Dental Society Foundation for its Missions of Mercy dental clinics must not be used for any purpose other than patient care and purchasing necessary dental supplies.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.7: Funds for Local Start Dental, Inc.. (SL 2021-180)**

Section 9B.7 of S.L. 2021-180 clarifies that funds appropriated to the Office of Rural Health for allocation to Local Dental Start, Inc. must not be used for any purpose other than patient care and purchasing necessary dental supplies.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.8: Funds for the Statewide Telepsychiatry Program. (SL 2021-180)**

Section 9B.8 of S.L. 2021-180 provides that of funds appropriated from the State Fiscal Recovery Fund to the Office of Rural Health, Division of Central Management and Support, Department of Health and Human Services, $1.5 million in nonrecurring funds for the 2021-2022 fiscal year must be allocated as a grant to the East Carolina University Center for Telepsychiatry and e-Behavioral Health for the statewide telepsychiatry program, known as NC-Step. The grant funds must be used to respond to COVID-19 public health emergency by providing virtual psychiatric assessments and consultations to patients utilizing telepsychiatry (as defined in G.S. 143B-139.4B).

The ECU Center for Telepsychiatry and e-Behavioral Health must report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the use of grant funds by July 1, 2022

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.8A: Virtual Behavioral Health Services Grant Program. (SL 2021-180)**

Section 9B.8A.(a) of S.L. 2021-180 directs $10,000,000 in nonrecurring funds for the 2021-2022 fiscal year of the funds appropriated in the 2021 Appropriations Act from the State Fiscal Recovery Fund to the Office of Rural Health, Division of Central Management and Support, Department of Health and Human Services (DHHS), to award competitive grants to hospitals to fund expanded telepsychiatry capabilities to respond to the COVID-19 public health emergency. The expanded telepsychiatry capabilities must facilitate patient access to hospital-based virtual telepsychiatry services from a primary care provider's office, from home, or from another nonhospital setting. The Office of Rural Health must establish the procedures and criteria for awarding the grants, subject to certain limitations.

Section 9B.8A.(b) of S.L. 2021-180 requires DHHS to announce the recipients of the competitive grants and to report to the Joint Legislative Oversight Committee on Health and Human Services with the amount awarded to each grantee, the anticipated number of persons to be served, and the geographic area to be served as a result of expanded telepsychiatry services by May 1, 2022.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.8B: School-Based Virtual Care Pilot Program to Address Health Disparities in Historically Underserved Areas Disproportionately Impacted By The COVID-19 Public Health Emergency. (SL 2021-180)**

Section 9B.8B of S.L. 2021-180 requires that of the funds appropriated from the State Fiscal Recovery Fund to the Office of Rural Health, Division of Central Management and Support, Department of Health and Human Services (DHHS), $1 million in the 2021-2022 fiscal year must be allocated as a directed grant to Atrium Health, Inc., a nonprofit corporation, to support the development and implementation of a school-based virtual care pilot program to address health disparities in historically underserved areas disproportionately impacted by the COVID-19 public health emergency. The pilot program must utilize telehealth to facilitate access to health care services and resources that improve health outcomes through the care coordination efforts of local providers. The funds must be allocated equally among 10 pilot program sites located in four elementary schools in Anson County and six elementary schools in Forsyth County where at least 90% of the students are eligible for free or reduced lunch.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.8C: Funds for the Creation of a Continuing Medical Education Program on PANS/PANDAS. (SL 2021-180)**

Section 9B.8C of S.L. 2021-180 requires that of the funds appropriated to the Division of Central Management and Support, Department of Health and Human Services, $1,500,000 in nonrecurring funds must be allocated as a direct grant to the North Carolina Medical Society. The Medical Society must use those funds to award a grant to the Foundation for Children with Neuroimmune Disorders. The Foundation is required to use the funds to create a continuing medical education program for North Carolina physicians on Pediatric Acute-Onset Neuropsychiatric Syndrome (PANS) and Pediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS).

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9B.9: Competitive Grant/Nonprofit Organizations. (SL 2021-180)**

Section 9B.9.(a) of S.L. 2021-180, as amended by Section 3.1 of S.L. 2022-6, provides that of the funds appropriated in the 2021 Appropriations Act to the Division of Central Management and Support, Department of Health and Human Services (DHHS), for each year of the 2021-2023 fiscal biennium, specified amounts must be allocated to nonprofit organizations.

Section 9B.9.(b) of the act requires DHHS to continue administering a competitive grants process for nonprofit funding and to administer a plan that includes the following specified minimum criteria:

* A request for application (RFA) process to allow nonprofits to apply for and receive State funds on a competitive basis.
* A requirement that nonprofits match a minimum of 15% of the total amount of the grant award.
* A requirement that the Secretary prioritize grant awards to those nonprofits that can leverage non-State funds in addition to the grant award.
* A process that awards grants to nonprofits that have the capacity to provide services on a statewide basis and that support specified State health and wellness initiative.
* A process that ensures that funds received do not supplant existing funds for health and wellness programs and initiatives.
* A process that allows grants to be awarded to nonprofits for up to two years.
* A requirement that the initial disbursement of the grants be awarded no later than 30 days after certification of the State budget for the respective fiscal year.
* A requirement that nonprofits awarded grants use no more than 15% of their total proposed expenditures for administrative costs.

Section 9B.9.(c) of the act instructs the Secretary of DHHS to announce the recipients of the competitive grants and to allocate funds to the grant recipients as specified in this section no later than July 1 of each year. The Secretary of DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the grant awards by September 1 of each year.

Section 9B.9.(d) of the act requires each nonprofit organization receiving funding under this section in the respective fiscal year to submit a written report of all activities funded by State appropriations no later than December 1 of each fiscal year to the Division of Central Management and Support.

Section 9B.9.(e) of the act allocates the following in each year of the 2021-2023 fiscal biennium: $350,000 to Big Brothers Big Sisters; $1,625,000 (and $1,600,000 in Substance Abuse Prevention and Treatment Block Grant funds) to Triangle Residential Options for Substance Abusers, Inc.; $2,750,000 to Boys and Girls Clubs; $250,000 to Cross Trail Outfitters; $250,000 to North Carolina Senior Games; and $250,000 to Special Olympics North Carolina.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9C.4: Child Care Subsidy Rates . (SL 2021-180)**

Section 9C.4.(a) of S.L. 2021-180 sets the maximum gross annual income for initial eligibility for subsidized child care services. The eligibility for a child aged zero to five is 200% of the federal poverty level and a child ages six to 12 is 133% of the federal poverty level. The eligibility for any child with special needs, including a child who is 13 years of age or older, is 200% of the federal poverty level.

Section 9C.4.(b) of the act specifies that fees for families required to share in the cost of care are established based on 10% of gross family income.

Section 9C.4.(c) of the act specifies certain requirements for the payments to purchase child care services for low-income children. Religious sponsored child care facilities and licensed child care centers and homes are paid the one-star county market rate or the rate they charge privately paying parents, whichever is lower. Licensed child care centers and homes with two or more stars receive the market rate for that rated license level for that age group or the rate they charge privately paying parents, whichever is lower. Transportation services are not payable. Payments for subsidized child care services for postsecondary education are limited to a maximum of 20 months of enrollment.

Section 9C.4.(d) of the act specifies the payment rates for child care providers in counties that do not have at least 50 children in each age group for center-based and home-based care.

Section 9C.4.(e) of the act directs the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services (DHHS), to calculate a statewide rate, a regional market rate, and a county rate for each rated license level for each age category of enrollees.

Section 9C.4.(f) of the act instructs DCDEE to implement policies in which, to the extent possible, child care subsidies are paid for child care in the higher quality centers and homes only. This section outlines a transition period for facilities to receive funds while increasing star ratings and allows for exemptions in cases where there are an inadequate number of higher rated facilities.

Section 9C.4.(g) of the act allows licensed child care facilities and religious sponsored child care facilities to participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. Except as noted in Section 9C.4.(f) of the act, no separate licensing requirements must be used to select facilities to participate. A provider's failure to comply with requirements cannot be used by county departments of social services as a condition to reduce the provider's subsidized child care rate.

Section 9C.4.(h) of the act states Temporary Assistance for Needy Families Block Grant funds used to pay for subsidized child care must comply with all regulations and policies issued by the DCDEE for the subsidized child care program.

Under Section 9C.4.(i) of the act, noncitizen families residing legally in the State are eligible for child care subsidies if all other eligibility conditions are met. Noncitizen families residing illegally in the State are eligible for child care subsidies if the child is receiving child protective services or foster care services, is developmentally delayed or at risk of being developmentally delayed, or is a citizen of the United States.

Section 9C.4.(j) of the act directs DCDEE to require all county departments of social services to include whether the family is receiving assistance through the NC Pre-K Program or Head Start on any forms used to determine eligibility for child care subsidy.

Section 9C.4(k) of the act provides for Department of Defense-certified child care facilities to participate in the State-subsidized child care program as long as certain conditions are met.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.1: Continue Medicaid Annual Report . (SL 2021-180)**

Section 9D.1 of S.L. 2021-180 requires the Division of Health Benefits, Department of Health and Human Services, to continue publishing the Medicaid Annual Report by December 31 of each year.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.3: Volume Purchase Plans and Single Source Procurement. (SL 2021-180)**

Section 9D.3 of S.L. 2021-180 allows the Division of Health Benefits, Department of Health and Human Services, to utilize volume purchase plans and single source procurement for certain contracts to improve cost containment.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.4: Duration of Medicaid and NC Health Choice Program Modifications. (SL 2021-180)**

Section 9D.4 of S.L. 2021-180 clarifies that, consistent with the authority of the Department of Health and Human Services (DHHS) over the Medicaid and NC Health Choice programs under G.S. 108A-54(e), DHHS is only required to maintain any modifications to these programs required by the act through June 30, 2023.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.5: Administrative Hearings Funding . (SL 2021-180)**

Section 9D.5 of S.L. 2021-180 requires the Division of Health Benefits, Department of Health and Human Services, to transfer funds to the Office of Administrative Hearings for mediation services and other contracted services related to the Medicaid appeals process.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.7: LME/MCO Intergovernmental Transfers . (SL 2021-180)**

Section 9D.7 of S.L. 2021-180 requires each local management entity/managed care organization (LME/MCO) to transfer a specified amount through intergovernmental transfer to the Division of Health Benefits (DHB), Department of Health and Human Services. If any county other than Cabarrus County or Union County disengages from an LME/MCO and realigns with another LME/MCO during the 2021-2023 fiscal biennium, then DHB is authorized to reallocate the amount of intergovernmental transfer required by each LME/MCO in consideration of the change in catchment areas and covered populations.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.8A: Creation of the HCBS Fund . (SL 2021-180)**

Section 9D.8A of S.L. 2021-180 creates the HCBS Fund and directs the Division of Health Benefits (DHB), Department of Health and Human Services, to deposit into the HCBS Fund the savings associated with federal receipts from the enhanced federal medical assistance percentage for home and community-based services (HCBS) available to the State under the American Rescue Plan Act. Funds deposited in the HCBS Fund must be used for:

* Additional slots to serve individuals through the Innovations wavier and the Community Alternatives Program for Disabled Adults (CAP/DA) waiver as required by Section 9D.11 and 9D.12 of the act.
* Medicaid rate increases to HCBS providers to be used for wage increases for direct care workers required by Section 9D.15A of the act.
* The increase to the Medicaid rate paid for private duty nursing services required by Section 9D.15B of the act.
* The costs of the changes to the State-County Special Assistance program required by Section 9A.3A of the act.
* The cost of Medicaid services provided to individuals participating in the Transitions to Community Living Initiative.
* Other projects to enhance, expand, or strengthen HCBS services that neither requires recurring funds nor would become part of the Medicaid annual rebase.

DHB is authorized to use the funds in the HCBS Fund during the 2021-2022 fiscal biennium but must ensure that at least $97,600,000 remains in the HCBS Fund for use in the next biennium.

This section became effective July 1, 2021, and expires June 30, 2025.

**S105 - 2021 Appropriations Act.
Sec. 9D.9: Waive Medicaid Provider Enrollment and Revalidation Fees. (SL 2021-180)**

Section 9D.9 of S.L. 2021-180 waives the State fee of $100 paid by providers applying for enrollment or revalidation as a Medicaid provider, effective November 18, 2021, through June 30, 2023. This section directs the use of State funds for administrative costs for provider enrollment and revalidation.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.10: Copayments for Medicaid Services. (SL 2021-180)**

Section 9D.10 of S.L. 2021-180 increases the copayments paid by Medicaid beneficiaries for certain services to $4.00 (from $2.00 or $3.00, depending on the service), beginning July 1, 2022.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.11: Expand Community Alternatives Program for Disabled Adults (CAP/DA) Waiver Slots . (SL 2021-180)**

Section 9D.11 of S.L. 2021-180 adds a minimum of 114 slots to the Community Alternatives Program for Disabled Adults (CAP/DA) no later than June 30, 2022. Under Section 9D.8A of the act, funds in the HCBS Fund must be used for the cost of these slots.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.12: Expand North Carolina Innovations Waiver Slots . (SL 2021-180)**

Section 9D.12 of S.L. 2021-180 adds 1,000 slots to the Innovations waiver over the 2021-2023 fiscal biennium. The majority of the slots are to be distributed among counties using the same method that has historically been used, but a smaller portion of the slots are to be distributed among counties on a per capita basis, if allowed by the Centers for Medicare and Medicaid Services. This section authorizes the Division of Health Benefits, Department of Health and Human Services, to pursue a new waiver or change the current Innovations waiver, including pursuing a tiered waiver system, to serve the maximum possible number of people on the State's registry of unmet needs in the future. Under Section 9D.8A of the act, funds in the HCBS Fund must be used for the cost of additional Innovation waiver slots.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.12A: Plan for Adequate Provider Supply for Services Provided Through the Innovations Waiver . (SL 2021-180)**

Section 9D.12A of S.L. 2021-180 directs the Division of Health Benefits (DHB), Department of Health and Human Services, to begin to plan for future additions of Innovations waiver slots. By March 1, 2022, DHB is required to submit to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice a plan for adding a minimum of 1,000 waiver slots in the 2023-2025 fiscal biennium and to include recommendations for ensuring the supply of health care providers is adequate to support the needs of the additional individuals served under the Innovations waiver.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.13: Continue Medicaid Coverage for Pregnant Women for Twelve Months Postpartum . (SL 2021-180)**

Section 9D.13 of S.L. 2021-180 provides pregnant women with full, instead of limited, Medicaid benefits and extends those benefits to 12 months postpartum instead of 60 days. As authorized under the American Rescue Plan Act, this increase in Medicaid coverage will begin April 1, 2022, and end March 31, 2027. Funding for the costs of this increase in coverage will be collected through an increase in the modernized hospital assessments, under Section 9D.13A of the act.

This section becomes effective April 1, 2022.

**S105 - 2021 Appropriations Act.
Sec. 9D.13A: Modernized Hospital Assessments Additional Components and Technical Corrections . (SL 2021-180)**

Section 9D.13A of S.L. 2021-180 adds two new components to the modernized hospital assessments enacted in S.L. 2021-61. The new components increase the amount of the assessments collected from hospitals in order to fund other changes to the Medicaid program required by the act, as follows:

* The postpartum coverage component assesses hospitals for costs associated with the increase in postpartum Medicaid coverage required by Section 9D.13 of the act. The postpartum component is effective during the five-year period that the postpartum coverage is authorized by Section 9D.13 of the act and the American Rescue Plan Act.
* The home and community-based services (HCBS) component assesses hospitals, beginning April 1, 2024, for ongoing costs associated with the HCBS projects that are described in Section 9D.8 of the act and that are to be funded through March 30, 2024, with nonrecurring funds from the HCBS Fund.

The other changes to the modernized hospital assessments made in this section are technical.

This section became effective January 1, 2022.

**S105 - 2021 Appropriations Act.
Sec. 9D.14: Allow a Parent to Retain Medicaid Eligibility While a Child is Temporarily Served by the Foster Care System . (SL 2021-180)**

Section 9D.14 of S.L. 2021-180 directs the Department of Health and Human Services to seek federal approval to allow a parent to retain Medicaid coverage while the parent's child is being served temporarily by the foster care system, so long as the parent is making reasonable efforts to comply with a court-ordered reunification plan. This retention of coverage will be effective upon federal approval, but if approval is not granted by June 30, 2023, then the section expires on that date. The remainder of this section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.15: Increase Rates to Intermediate Care Facilities for Direct Care Worker Wage Increases . (SL 2021-180)**

Section 9D.15 of S.L. 2021-180 expresses the General Assembly's intent to assist in increasing the hourly wage paid to direct care workers to $15.00. To that end, this section directs the Division of Health Benefits (DHB), Department of Health and Human Services, to increase the Medicaid rate paid to intermediate care facilities (ICFs), and each ICF receiving the rate increase must use at least 80% of the rate increase to increase the wages it pays to its direct care workers above the wage paid on October 1, 2021. The section also specifies the following:

* DHB will determine the amount of the Medicaid rate increase paid to ICFs.
* DHB will determine the applicable definition of direct care worker.
* DHB will set the documentation standards that are necessary to verify that ICFs use 80% of the rate increase for wage increases.
* DHB may recoup funds related to rate increase from any ICF that DHB determines did not use at least 80% of the rate increase for wage increases.
* Capitation rates paid to local management entities/managed care organizations will be increased to provide funding for the Medicaid rate increase to the ICFs.

This section became effective November 18, 2021, and the rate increase to ICFs is effective upon federal approval.

**S105 - 2021 Appropriations Act.
Sec. 9D.15A: Increase Rates to HCBS Providers to Increase Direct Care Worker Wages. (SL 2021-180)**

Section 9D.15A of S.L. 2021-180, as amended by Section 3.3 of S.L. 2022-6, expresses the General Assembly's intent to assist in increasing the hourly wage paid to direct care workers to $15.00. To that end, this section directs the Division of Health Benefits (DHB), Department of Health and Human Services, to increase the rate paid to Medicaid providers of home and community-based services (HCBS) for the purposes of increasing direct care worker wages. The section also specifies the following:

* DHB will determine the amount of the Medicaid rate increase paid to HCBS providers.
* DHB will determine the applicable definition of direct care worker.
* DHB will determine the manner in which each HCBS provider is required to utilize the rate increase and to demonstrate compliance with those requirements.
* DHB must use federal receipts available under the American Rescue Plan Act for HCBS to the fullest extent possible.
* Under Section 9D.8A of the act, funds in the HCBS Fund must be used for the cost of the rate increase to HCBS providers.

**S105 - 2021 Appropriations Act.
Sec. 9D.15B: Increase Private Duty Nursing Rates . (SL 2021-180)**

Section 9D.15B of S.L. 2021-180 requires an increase in the Medicaid rate paid for private duty nursing to $11.25 per 15-minute unit ($45.00 per hour) effective January 1, 2022. Under Section 9D.8A of the act, funds in the HCBS Fund must be used for the cost of this rate increase.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.15C: Study Direct Care Workers Serving Individuals in the Innovations Waiver Program and Develop a Plan for Any Recommended Increase in Those Workers' Wages . (SL 2021-180)**

Section 9D.15C of S.L. 2021-180 requires the Division of Health Benefits (DHB), Department of Health and Human Services, to report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by March 1, 2022, on the following:

* Statewide data on the number of licensed and non-licensed direct care workers by worker classification, as well as the weekly average number of hours worked and the average and range of wages.
* Identification of providers that employ direct care workers and the average length of the worker's employment with the provider.
* An assessment of whether the wages of direct care workers need to be increased. If DHB determines such a need exists, then the report should include a plan for the increase.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.16: Use of Medicaid Transformation Fund for Medicaid Transformation Needs . (SL 2021-180)**

Section 9D.16 of S.L. 2021-180 authorizes the use of funds from the Medicaid Transformation Fund for (i) claims runout, which refers to the payment of claims for services provided under the fee-for-service system to beneficiaries who have transitioned to managed care and (ii) for other qualifying needs relating to Medicaid transformation. Funds for qualifying needs may be transferred to the Division of Health Benefits (DHB), Department of Health and Human Services (DHHS), upon DHB's request and after verification by the Office of State Budget and Management (OSBM) that the request is for a qualifying need and that the amount requested will not result in total requirements that exceed a specified amount. Qualifying needs are defined as the following:

* Program design.
* Beneficiary and provider experience.
* Information technology upgrades, operations, and maintenance.
* Data management tools.
* Program integrity.
* Quality review.
* Actuarial rate setting functions.
* Technical and operational integration.
* Behavioral health and intellectual/developmental disabilities (BH IDD) tailored plan health homes.
* Legal fees.
* Expenses related to the Healthy Opportunities Pilots.

Any federal funds received in any fiscal year by DHHS that represent a return of the State share already expended on a qualifying need related to the transfer of these funds must be deposited into the Medicaid Transformation Fund.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.17: Choice in Accreditation for LME/MCOs Operating BH IDD Tailored Plans . (SL 2021-180)**

Section 9D.17 of S.L. 2021-180 prohibits the Division of Health Benefits, Department of Health and Human Services (DHHS), from requiring any local management entity/managed care organization (LME/MCO) to be accredited by any one specific accreditation organization during the first four years that LME/MCOs operate behavioral health and intellectual/developmental disabilities (BH IDD) tailored plan contracts. LME/MCOs that are awarded a BH IDD tailored plan contract must be accredited by an accreditation organization that is selected by the LME/MCO and approved by DHHS based on specified criteria.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.18: Evaluate Division of Health Benefits Needs in a Managed Care Environment . (SL 2021-180)**

Section 9D.18 of S.L. 2021-180 requires the Division of Health Benefits, Department of Health and Human Services (DHHS), to evaluate changes in DHHS's administrative and staffing needs due to the transition of the Medicaid program to a managed care delivery system. An initial report is due to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice on March 1, 2022, that identifies plans and a timeline for making staffing and administrative changes related to the implementation of standard benefit plans. A final report is due March 1, 2024, that includes: updated plans and a timeline for staffing and administrative changes related to the implementation of standard benefit plans as well as tailored plans, and the status and an assessment of the staffing and administrative changes identified in the in initial report.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.19: Reimburse Durable Medical Equipment Prescribed by Podiatrists . (SL 2021-180)**

Section 9D.19 of S.L. 2021-180 requires the Division of Health Benefits, Department of Health and Human Services, to update the relevant Medicaid clinical coverage policies to allow for coverage of orthotics, prosthetics, and other durable medical equipment when prescribed by a podiatrist.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.19A: Prepaid Health Plans Reimbursement of Prescription Drugs at Pharmacist's Cost . (SL 2021-180)**

Section 9D.19A of S.L. 2021-180 requires Medicaid prepaid health plans to reimburse prescription drug ingredient costs and dispensing fees at the same rate paid under fee-for-service through June 30, 2023. This effectively extends a term in the existing PHP contracts for one additional year.

This section became effective November 18, 2021, and expires June 30, 2023.

**S105 - 2021 Appropriations Act.
Sec. 9D.21: Charter Schools Medicaid Reimbursement . (SL 2021-180)**

Section 9D.21 of S.L. 2021-180 allows charter schools to receive federal Medicaid reimbursement for covered services in the same manner as other local education agencies by clarifying in statute that, despite the nonprofit status of charter schools under G.S. 115C-218.15(b), a charter school that is approved by the State as a public school is deemed to be a local governmental entity that will provide the State share of any Medicaid reimbursement for the Medicaid-covered services they can provide.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9D.22: Require LME/MCOs to Pay for Behavioral Health Services Provided to Beneficiaries Awaiting Hospital Discharge . (SL 2021-180)**

Section 9D.22 of S.L. 2021-180 directs the Division of Health Benefits, Department of Health and Human Services, to develop Medicaid coverage for specified services provided to certain Medicaid beneficiaries in an acute hospital setting. The services must be covered as outpatient services after the beneficiary has been in the care of the hospital for at least 30 hours if the beneficiary is awaiting discharge to a more appropriate setting for the treatment of behavioral health needs. The services to be covered by Medicaid are:

* Treatment of psychiatric and behavioral health conditions and physical health conditions.
* Crisis stabilization and support.
* Monitoring of medical status and medical clearance.
* Nursing services and support.
* Reasonable and appropriate efforts to maintain patient safety.
* Provision of community resource information and psychoeducation.
* Development of a safety plan.
* Coordination to establish a safe discharge or transfer plan.

The services must be covered only for beneficiaries receiving NC Medicaid Direct (i.e., in fee-for-service) or enrolled with a local management entity/managed care organization (LME/MCO) or a tailored plan. For beneficiaries enrolled with an LME/MCO or tailored plan, the LME/MCO will negotiate the payment rate for these services with individual hospitals, but if no agreement is reached, then the rate is the most prevalent semiprivate room rate at the applicable hospital.

The new coverage will be implemented July 1, 2022, subject to federal approval, and it is the intent of the General Assembly that there will be no increase in the capitation rates paid to LME/MCOs for the addition of this coverage.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9E.3: Access to Patient Data Under the Medical Care Data Act. (SL 2021-180)**

Section 9E.3 of S.L. 2021-180 adds a new section to the Medical Care Data Act (Article 11A of Chapter 131E) pertaining to the duty of the Department of Health and Human Services (DHHS) to provide limited access to patient data. The new law requires data to be provided at no charge and in a manner and format of DHHS's choosing to any person or organization under contract with DHHS to provide medical care quality improvement services. The data provided must be the minimum necessary data components of compiled patient data as determined by DHHS and prepared for release or dissemination by a statewide data processor to the State Health Director pursuant to the law. The term, “medical care quality improvement services” for purposes of this section means evaluation of medical quality of healthcare performance.

A person or organization that receives patient data in accordance with this section is subject to the following requirements and limitations:

* Is prohibited from using the patient data for any purpose other than to fulfill its performance under the terms of the contract with DHHS.
* Must maintain confidentiality of the data.
* Must not retain the data beyond the term of its contract with DHHS.

This section became effective November 18, 2021, when the act became law.

**S105 - 2021 Appropriations Act.
Sec. 9E.4: Modification of Certificate of Need Exemption for Legacy Medical Care Facilities . (SL 2021-180)**

Section 9E.4 of S.L. 2021-180 amends the law (G.S. 131E-184(h)) to allow an individual seeking to operate a Legacy Medical Care Facility in a tier one or tier two area to request an additional extension of the deadline by which the facility must be operating from the Department of Health and Human Services. The request must be made prior to the expiration of the original 36-month extension and affirm a contract to begin operating the facility has been executed.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9E.4A: Temporary Certificate of Need Exemption . (SL 2021-180)**

Section 9E.4A of S.L. 2021-180 requires the Department of Health and Human Services to exempt new acute care hospitals from Certificate of Need review provided the requestor explains why the hospital is required, and the hospital will be in a county meeting all of the following criteria: (i) the county has a population between 40,000 and 50,000 and a land area under 460 square miles; (ii) the county contains a portion of a city that is in more than one county; and (iii) the county is along the State's border with another state.

This section became effective December 18, 2021, and will expire December 31, 2024.

**S105 - 2021 Appropriations Act.
Sec. 9E.6: Adult Care Home Accreditation Pilot Program. (SL 2021-180)**

Section 9E.6 of S.L. 2021-180, as amended by Section 3.1 of S.L. 2021-189, allows the Cecil G. Sheps Center for Health Services Research (the Sheps Center) to oversee the administration of a two-year pilot program to be conducted by the Pilot Program Accrediting Body and the Sheps Center to evaluate the effectiveness of an accreditation process for adult care homes (ACHs). The Pilot Program Accrediting Body is defined as the Accreditation Commission for Healthcare, a nonprofit accreditation organization. In conducting the pilot, the Sheps Center must collaborate with the Department of Health and Human Services (DHHS), the Stakeholder Advisory Group, the NC Senior Living Association (NCSLA), the NC Assisted Living Association (NCALA), as well as the Pilot Program Accrediting Body. The Stakeholder Advisory Group must be appointed by DHHS, represent other interested parties not already involved in the pilot program, and be composed of at least one member representing Friends of Residents in Long Term Care, the North Carolina Ombudsman Association, AARP North Carolina, Disability Rights North Carolina, directors of county departments of social services, and DHHS. NCSLA and NCALA must develop a grant program that provides grant awards to up to 150 pilot adult care homes (ACHs) to cover the cost of 75 control group ACHs and 75 pilot ACHs. Criteria must be developed to select participants in the pilot and the criteria must ensure a diverse group of ACHs are selected.

Not later than 150 days after the section is effective, the Sheps Center, NCALA, and NCSLA must develop a standardized methodology for the collection of defined categories of information from program participants and control group members. Using quality outcome measures, the Sheps Center must provide an interim report on or before April 30, 2023, and a final report on or before July 31, 2024, to the Joint Legislative Oversight Committee on Health and Human Services, DHHS, and the Stakeholder Advisory Group. The pilot program must terminate by August 1, 2024. No later than 90 days following submission of the final report, the Sheps Center must (i) conduct an evaluation of the effectiveness of the pilot program for a licensure accreditation process for adult care homes that could inform future changes to the licensure process and requirements and (ii) submit the evaluation to the Joint Legislative Oversight Committee on Health and Human Services and DHHS.

Of the funds appropriated to DHHS, $1.5 million must be allocated to NCALA and NCSLA to jointly administer the grant program and $1.5 million must be transferred to the Board of Governors of The University of North Carolina System to be allocated to the University of North Carolina at Chapel Hill for the Program on Aging, Disability, and Long-Term Care within the Sheps Center to operate the pilot program.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9E.7: Adult Care Home Infection Prevention Requirements. (SL 2021-180)**

Section 9E.7 of S.L. 2021-180, as amended by Section 3.2(a) of S.L. 2021-189, amends the law (G.S. 131D-4.4A) providing adult care home infection prevention requirements. The definition of “adult care home staff” is amended to mean any employee of an adult care home, whether or not they are involved in direct resident care.

To prevent transmission of infectious diseases, each adult care home is required to do the following:

* Implement written infection prevention and control policies and procedures based on accepted national standards consistent with the federal Centers for Disease Control and Prevention guidelines on infection control. These policies and procedures must be maintained in the facility and accessible to adult care home staff. A list of detailed items that must be addressed in the policies and procedures is provided
* Require and monitor compliance with the facility's infection prevention and control policies and procedures.
* Update the infection prevention and control policies and procedures to maintain consistency with accepted national standards.
* Designate one on-site staff member for each noncontiguous facility who is knowledgeable about the federal Centers for Disease Control and Prevention guidelines on infection control to direct the facility's infection control activities and ensure that all adult care home staff is trained in the facility's written infection prevention and control policies and procedures. Any nonsupervisory staff member designated to direct the facility's infection control activities must complete the infection control course developed by the Department of Health and Human Services (DHHS) (G.S. 131D-4.5C).
* When a communicable disease outbreak has been identified at a facility or there is an emerging infectious disease threat, the facility must ensure implementation of the facility's infection control and prevention policies and procedures, or specific guidance or directives if issued by DHHS or the local health department.

This section became effective January 1, 2022.

**S105 - 2021 Appropriations Act.
Sec. 9F.1: Use of Opioid Settlement Funds . (SL 2021-180)**

Section 9F.1.(a) of S.L. 2021-180 establishes the Opioid Abatement Reserve (Reserve) in the General Fund to maintain funds received by the State as a beneficiary of the final consent judgment resolving the case, State of North Carolina, ex rel. Joshua H. Stein, Plaintiff v. McKinsey and Company, Inc., and any other funds received by the State resulting from a settlement related to claims regarding opioids. Section 9F.1.(a) of S.L. 2021-180 directs funds in the Reserve must (i) cover the costs incurred by the State in investigating and pursuing these claims and (ii) abate and remediate the harms caused to North Carolina and its citizens by the opioid epidemic. This section also establishes the Opioid Abatement Fund (Fund) within the Department of Health and Human Services consisting of all interest and investment earnings received on monies in the Fund. It directs the transfer of $15,735,496 for the 2021-2022 fiscal year and $812,250 for the 2022-2023 fiscal year from the Reserve to the Fund.

Section 9F.1.(b) of S.L. 2021-180 directs how the funds in Section 9F.1.(a) must be used to respond the negative impacts of the opioid epidemic within the State as follows:

* To expand employment and transportation supports through innovative pilot programs in industries in the State that suffered the greatest job losses during the COVID-19 pandemic and are most relied upon by individuals recovering from opioid use disorders to reenter the workforce, such as the food service industry, the hotel and lodging industry, and the entertainment industry.
* To support individuals with opioid use disorder who are involved in the criminal justice system through programs and initiatives designed to establish or expand the following: existing prearrest and postarrest diversion programs, medication-assisted treatment programs, and reentry programs to connect individuals exiting incarceration with harm reduction, treatment, and recovery supports.
* To expand evidence-based treatment supports and to improve connections to care, especially for individuals hospitalized for overdose who are uninsured or underinsured, through evidence-based addiction treatment, expanded access to cost-effective, low-cost, or no-cost medication-assisted treatment in community-based settings, and expanded care management services.
* To develop evidence-based supportive housing services, such as Housing First, that are inclusive of individuals with substance use disorders. Funding may be provided for the following: (i) a move-in deposit, rental, or utility assistance; (ii) community training sessions on tenancy rights and responsibilities; (iii) establishing relationships with landlords; (iv) providing other housing-related supports such as tents, sleeping bags, or other supplies for outdoor living; and (v) funding or otherwise supporting recovery supported housing that accepts individuals who are utilizing any medication approved for the treatment of opioid use disorder.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.2: Contract to Implement Electronic Health Records at State Psychiatric Hospitals . (SL 2021-180)**

Section 9F.2 of S.L. 2021-180 requires the Department of Health and Human Services in coordination with Department of Information Technology, to execute a contract within 6 months of the effective date of the section that provides:

* Within 18 months of contract execution, full implementation of standard, uniform platform for electronic health records that most closely resembles the electronic health records platform utilized by The University of North Carolina System within each of the State psychiatric hospitals.
* Training of the State's psychiatric hospitals' staff on the use of the electronic health records system.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.3: Single-Stream Funding for the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services Community Services . (SL 2021-180)**

Section 9F.3 of S.L. 2021-180 requires local management entities/managed care organizations (LME/MCOs) to fund, in total, during each year of the 2021-2023 fiscal biennium, at least 90% of the level of single-stream services provided across the State during the 2014-2015 fiscal year. LME/MCOs cannot reduce funding for home and community-based services or services that support the 2012 settlement with the U.S. Department of Justice.

This section also requires the Division of Health Benefits, Department of Health and Human Services (DHHS), to transfer certain funds to the LME/MCOs, if the Office of State Budget and Management certifies a Medicaid and NC Health Choice annual budget surplus in any of the following fiscal years: 2020-2021, 2021-2022, and 2022-2023. The amount to be transferred in each fiscal year is the amount of the certified surplus or $30 million, whichever is less.

This section became effective July 1, 2021, and the language pertaining to the 2020-2021 fiscal year became retroactively effective June 30, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.3A: Addiction Treatment Funds. (SL 2021-180)**

Section 9F.3A of S.L. 2021-180 provides $500,000 in nonrecurring funds for the 2021-2022 fiscal year to Partners Health Management, local management entity/ managed care organization (LME/MCO), to address the needs of individuals in Surry County that have a substance use disorder or are otherwise struggling with addiction.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.3B: Substance Use Disorder Prevention, Treatment, and Recovery Funds. (SL 2021-180)**

Section 9F.3B of S.L. 2021-180, as added by Section 3.2 of S.L. 2022-6, provides that of the funds appropriated to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services, the sum of $5 million in nonrecurring funds for the 2021-22 fiscal year and $5 million in nonrecurring funds for the 2022-23 fiscal year must be allocated as a directed grant to Hope Alive, Inc. a nonprofit corporation, and the Robeson Rural Communities Opioid Response Program (RCORP) consortium to use for the prevention of, treatment of, and recovery from substance use disorder.

In addition to the reporting requirements in this act and statutory requirements (G.S. 143C-6-23), the Division must include the following information in the two reports required by Section 9B.1 of the act:

* Specific, detailed information on how the grant funds were expended.
* The program or services developed as a result of the grant funds.
* The number of individuals served by the programs or services developed as a result of the grant funds.
* An analysis of the efficacy of the programs of services developed as a result of the grand funds.
* A plan for how these programs of services will continue beyond the 2021-2023 fiscal biennium.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.4: Local Inpatient Psychiatric Beds or Bed Days . (SL 2021-180)**

Section 9F.4(a) of S.L. 2021-180 states that funds appropriated to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), Department of Health and Human Services (DHHS), must continue to be used for the purchase of local inpatient psychiatric beds or bed days. This section instructs DHHS to continue implementing a two-tiered system of payment for purchasing these local inpatient psychiatric beds or bed days based on acuity level, with an enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels.

Section 9F.4.(b) of the act directs DHHS to work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, except that DHHS can use up to 10% of the funds for the purchase of local inpatient psychiatric beds or bed days to pay for facility-based crisis services and nonhospital detoxification services for individuals in need of these services, regardless of whether the individuals are medically indigent.

Section 9F.4.(b) of the act requires DHHS to work to ensure that local inpatient psychiatric beds or bed days purchased are distributed across the State and according to need, and that beds or bed days for individuals with higher acuity levels are distributed across the State and according to greatest need based on hospital bed utilization data. This section directs DHHS to enter into contracts awarded equitably around all regions of the State with (local management entity/ managed care organization (LME/MCOs) and local hospitals for the management of these beds or bed days. The LME/MCOs are to manage and control these local inpatient psychiatric beds or bed days.

Section 9F.4.(c) of the act directs that funding appropriated to DHHS for the purchase of local inpatient psychiatric beds or bed days must not be allocated to LME/MCOs but held in a statewide reserve at DMH/DD/SAS to pay for services authorized by the LME/MCOs and billed by the hospitals through the LME/MCOs. Under this section, LME/MCOs are to remit claims for payment to DHHS within 15 working days after receipt of a clean claim from the hospital and pay the hospital within 30 working days after receipt of payment from DHHS.

Section 9F.4.(d) of the act permits DHHS to contract with another LME/MCO to manage the beds or bed days upon a determination by DHHS that an LME/MCO is not effectively managing the beds or bed days or has failed to comply with the payment provisions of this section.

Section 9F.4.(e) of the act requires LME/MCOs to report to DHHS on the utilization of beds or bed days.

Section 9F.4.(f) of the act requires DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by no later than December 1, 2022, and by no later than December 1, 2023, on the following:

* A uniform system for beds or bed days purchased during the preceding fiscal year.
* An explanation of the process to ensure that, except as otherwise noted, local inpatient psychiatric beds or bed days purchased are utilized solely for medically indigent individuals and the number of medically indigent individuals served.
* The amount of funds used to pay for facility-based crisis services, the number of individuals who received these services, and the outcomes for each individual.
* The amount of funds used to pay for nonhospital detoxification services, along with the number of individuals who received these services, and the outcomes for each individual.
* Other DHHS initiatives funded by State appropriations to reduce State psychiatric hospital use.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.5: Funds for Overdose Medications. (SL 2021-180)**

Section 9F.5 of S.L. 2021-180 provides $100,000 in recurring funds for each fiscal year of the 2021-2023 fiscal biennium to purchase opioid antagonists to reverse opioid-related drug overdoses. This section allocates $75,000 to purchase opioid antagonists to be distributed at no charge to the North Carolina Harm Reduction Coalition and $25,000 to purchase opioid antagonists to be distributed at no charge to North Carolina law enforcement agencies.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.6: Youth Tobacco Enforcement Funding. (SL 2021-180)**

Section 9F.6 of S.L. 2021-180 directs the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services, to transfer $300,000 in recurring funds to the Alcohol Law Enforcement Division of the Department of Public Safety for each year of the 2021-2023 fiscal biennium to be used for compliance checks to enforce the State's youth tobacco access law.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.7: Resume Funding for the Adult and Pediatric Traumatic Brain Injury Pilot Program. (SL 2021-180)**

Section 9F.7 of S.L. 2021-180 directs the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), Department of Health and Human Services (DHHS), to resume the adult and pediatric traumatic brain injury pilot program (TBI pilot program). This section allocates $600,000 in nonrecurring funds to pay for unfunded costs accrued during the 2019-2021 biennium and provides an additional $600,000 in nonrecurring funds to DMH/DD/SAS for the continuation of the TBI pilot program through the 2022-2023 fiscal year.

DMH/DD/SAS must report by April 1, 2022, to the Joint Legislative Oversight Committee on Health and Human Services on: (i) the number and outcome of patients served at each program site, (ii) expenditures by type of service at each program site, (iii) estimates of expansion costs, (iv) any potential savings in State funds associated with expansion, and (v) a timeline and plan for expansion if expansion of the TBI pilot program is recommended.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.7A: Increase Funding for Traumatic Brain Injury Services . (SL 2021-180)**

Section 9F.7A of S.L. 2021-180 allocates $3,973,086 in recurring funds for each year of the 2021-2023 fiscal biennium to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), Department of Health and Human Services (DHHS), for traumatic brain injury (TBI) services. The funds must be used in each year of the 2021-2023 fiscal biennium as follows: (i) $559,218 in recurring funds for DMH/DD/SAS to contract with service providers that assist families with access to care and educational programs and (ii) $3,413,868 in recurring funds for the provision of services and supports established by DMH/DD/SAS for individuals with TBI.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.8: Funds for Student Athlete Concussion and Traumatic Brain Injury Prevention and Care. (SL 2021-180)**

Section 9F.8 of S.L. 2021-180 allocates $100,000 in nonrecurring funds for each year of the 2021-2023 fiscal biennium to Mt. Olive Family Medicine Center, Inc. for support of its Concussion Clinic and to provide concussion education, testing, assessment, and care to schools and adolescent athletes in eastern North Carolina.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.9: Use of Dorothea Dix Hospital Property Funds for New Licensed Inpatient Behavioral Health Beds. (SL 2021-180)**

Section 9F.9 of S.L. 2021-180, as amended by Section 3.4 of S.L. 2022-6, provides $4,261,444 in nonrecurring funds from the Dorothea Dix Hospital Property Fund to the Division on Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), Department of Health and Human Services, for the 2021-2022 fiscal year for any renovation or building costs related to the construction of new licensed inpatient behavioral health beds, the conversion of existing inpatient acute care beds into licensed inpatient behavioral health beds, or a combination of these options. The nonrecurring funds must be allocated as follows:

* $1,420,481 for new licensed inpatient behavioral health beds at Good Hope Hospital in Harnett County.
* $1,420,481 to create a new behavioral health unit by Harnett Health System, Inc., a nonprofit corporation, in which a minimum of 12 of the beds must be reserved for children under the age of 18.
* $1,420,482 for new licensed inpatient behavioral health beds by Johnston Health Enterprises, Inc., in Johnston County.

Each facility that receives funds as allocated above is exempt from certificate of need review for the establishment or expansion of behavioral health services at the facility where the constructed or converted beds will be brought into operation. The establishment or expansion of behavioral health services remain subject to existing licensure requirements.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.10: Dorothea Dix Hospital Property Funds Remain Available for Projects. (SL 2021-180)**

Section 9F.10 of S.L. 2021-180 requires Dorothea Dix Hospital Property funds which are not expended or encumbered as of June 30, 2022, to remain in the Dorothea Dix Hospital Property Fund.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.11: Behavioral Health Urgent Care Pilot Program. (SL 2021-180)**

Section 9F.11 of S.L. 2021-180 provides funding for a two-year behavioral health urgent care pilot program at the Dix Crisis Intervention Center (the Dix Crisis Center) in Onslow County. The purpose of the pilot program is to serve individuals experiencing a mental health crisis episode anticipated to require a stay of up to 23 hours. The pilot must ensure continuity of care for individuals who ultimately require a longer stay.

Trillium Health Resources (Trillium) must develop and obtain approval of a Medicaid service definition to ensure Medicaid coverage for these behavioral health urgent care services. The new services will be covered by standard benefit plans under Medicaid managed care, effective upon the approval of the service definition. Trillium and the Dix Crisis Center must act in good faith to continue their contractual relationship, and the Dix Crisis Center must make good faith efforts to contract with commercial insurers, Tri-Care, and any other health benefit plan to the extent the plan covers behavioral health urgent care services.

By August 1, 2023, the Dix Crisis Center must report to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), Department of Health and Human Services, on the services provided under the pilot, including information regarding utilization, outcomes, and expenditures. By October 1, 2023, DMH/DD/SAS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the Fiscal Research Division, on the pilot, including the information received in the report from the Dix Crisis Center.

Except with regard to standard benefit plan coverage, as specified above, this section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.12: Supplemental Short-Term Assistance for Group Homes . (SL 2021-180)**

Section 9F.12 of S.L. 2021-180 provides short-term State funding for group home residents who were eligible for Medicaid personal care services prior to January 1, 2013, who lost their eligibility for the services after that date, and who have continuously resided in a group home since December 31, 2012. The funding provides a monthly payment of $464 per resident, which the group home must use to provide necessary supervision and medication management for the resident. This short-term funding was originally established in the 2013 budget bill, and this section authorizes funding to continue through June 30, 2022.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.13: Temporary Additional Funding Assistance for Intermediate Care Facilities for Individuals with Intellectual Disabilities . (SL 2021-180)**

Section 9F.13 of S.L. 2021-180 appropriates funds from the State Fiscal Recovery Fund to be used for a one-time payment to each local management entity/managed care organization for the purpose of providing temporary additional COVID-related funding assistance for intermediate care facilities for individuals with intellectual disabilities (ICF/IID) services on a per diem basis.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.14: Group Home Stabilization and Transition Initiative . (SL 2021-180)**

Section 9F.14 of S.L. 2021-180 provides $10 million in recurring funds to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services (DHHS), and includes a directive to develop and implement a more sustainable model for the provision of services by group homes that serve individuals with intellectual or developmental disabilities (IDD) or with mental illness who are not on the Innovations waiver. The new model must be implemented by July 1, 2022, in accordance with the following:

* DHHS must use the $10 million to (i) incentivize local management entities/managed care organizations (LME/MCOs) to develop and implement new "in lieu of” services or other Medicaid services to meet the residential support needs of Medicaid recipients in group homes, (ii) establish new rate models and methodologies to replace current State-funded rates for residents of group homes that allow vacant beds to be filled by eligible individuals, (iii) increase capitation rates to LME/MCOs, to be allocated to group homes for individuals with IDD in per-person amounts, and (iv) continue the existing rate structure to offset the loss of bridge funds and maintain the current financial condition of group homes.
* In cooperation with stakeholders and local management entities/managed care organizations (LME/MCOs), DHHS must develop rate models and methodologies for the new Medicaid services that are (i) needs-based, (ii) actuarially sound, (iii) comparable to the rates for similar services provided under the Innovations waiver, and (iv) include wage and hour increases for direct support personnel working in group homes.
* DHHS must develop new model service definitions to meet the residential support needs of Medicaid recipients with mental health needs. The service definitions must require the delivery of new habilitation or rehabilitation support services.
* Group home residents who do not qualify to receive the new Medicaid services must continue to be served using State funds at a needs-based rate comparable to the Innovations waiver rate and must not be displaced.
* DHHS must plan to direct LME/MCOs to implement the new Medicaid services.
* By March 1, 2022, DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice on this new model.
* Any savings in the State funding that has been historically used to support group homes must be used to pay for the new funding model, including the new Medicaid services and increased rates to support and equalize wages of the direct support personnel.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.15: Support County Crisis Behavioral Health Program Joint Partnerships . (SL 2021-180)**

Section 9F.15 of S.L. 2021-180 provides funds from the State Fiscal Recovery Fund to Forsyth and Mecklenburg counties for the 2021-2022 fiscal year to support each county's crisis behavioral health program partnerships with local hospitals, behavioral health crisis centers, emergency services providers, and local management entities/managed care organizations (LME/MCOs).

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9F.19: Exempt Certain Employees of the Division of State Operated Healthcare Facilities from Most Provisions of the NC Human Resources Act. (SL 2021-180)**

Section 9F.19 of S.L. 2021-180 amends the statute (G.S. 126-5(c1)) outlining employees that are exempt from certain provisions of the State Human Resources Act. This section provides that the following employees of the Division of State Operated Healthcare Facilities, Department of Health and Human Services (DHHS), are exempt from the provisions contained in the State Human Resources Act, except Articles 6 and 7, if they are (i) healthcare professionals licensed under Chapter 90 or Chapter 90B, or (ii) engineers responsible for maintenance or building operations at one of the health care facilities operated by the DHHS Secretary.

This act became law November 18, 2021, and this section became effective 30 days after it became law.

**S105 - 2021 Appropriations Act.
Sec. 9G.1: Local Health Departments/Competitive Grant Process to Improve Maternal and Child Health . (SL 2021-180)**

Section 9G.1 of S.L. 2021-180 directs the Division of Public Health (DPH), Department of Health and Human Services (DHHS), to use funds to continue administering a competitive grant process for local health departments based on maternal and infant health indicators and the county's detailed proposal to invest in evidence-based programs to achieve the following goals: (i) improving the State's birth outcomes; (ii) improving the overall health status of children age five and younger; and (iii) lowering the State's infant mortality rate. The grant process must include (i) a request for application process to allow local health departments to apply for and receive the grants on a competitive basis, (ii) a prioritization of applications that are able to leverage non-State funds, (iii) a provision that grant funds do not supplant other existing sources of funds, and (iv) a provision allowing the grants to be awarded every two years.

The Secretary of DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the identity of each grantee, the amount awarded to each grantee, and the number of individuals served by each grantee.

No later than February 1 of each year, the grantees must provide DPH with a written report about all the activities funded by State appropriations.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9G.3: Report on Premium Assistance Program within AIDS Drug Assistance Program . (SL 2021-180)**

Section 9G.3 of S.L. 2021-180 requires the Division of Public Health to notify the Joint Legislative Oversight Committee on Health and Human Services when it determines that it will no longer be feasible to administer the health insurance premium assistance program implemented within the North Carolina AIDS Drug Assistance Program on a cost-neutral basis. The notification must include a proposed course of action.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9G.4: Carolina Pregnancy Care Fellowship Funds/Grants for Services. (SL 2021-180)**

Section 9G.4 of S.L. 2021-180 provides $500,000 in recurring funds and $1,203,437 in nonrecurring funds for the 2021-2022 fiscal year and $500,000 in recurring funds and $2,479,904 in nonrecurring funds for the 2022-2023 fiscal year to the Division of Public Health, Department of Health and Human Services, for Carolina Pregnancy Care Fellowship (CPCF) be allocated to provide grants for services to pregnancy centers located in this State that apply to the CPCF. Only 10% of the funds can be used for administrative purposes, and CPCF must contact all pregnancy centers that are part of its network and advise them of the availability of the grants. CPCF must report to the Joint Legislative Oversight Committee on Health and Human Services, by July 1 of each year of the 2021-23 fiscal biennium with a list of the grantees and the amounts awarded.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9G.4A: Carolina Pregnancy Care Fellowship Funds/Grants for Durable Medical Equipment and Training . (SL 2021-180)**

Section 9G.4A of S.L. 2021-180 provides $750,000 in nonrecurring funds for the 2021-2022 fiscal year and $750,000 in nonrecurring funds for the 2022-2023 fiscal year to the Division of Public Health, Department of Health and Human Services, for Carolina Pregnancy Care Fellowship (CPCF) to be allocated to provide grants to pregnancy centers located in this State to purchase and pay for training on the use of durable medical equipment. Only 10% of the funds can be used for administrative purposes, and CPCF must contact all pregnancy centers that are part of its network and advise them of the availability of the grants. CPCF must report to the Joint Legislative Oversight Committee on Health and Human Services, by July 1 of each year of the 2021-23 fiscal biennium with a list of the grantees and the amounts awarded.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9G.5: Mountain Area Pregnancy Centers. (SL 2021-180)**

Section 9G.5 of S.L. 2021-180 clarifies that, of the funds appropriated to the Division of Public Health, Department of Health and Human Services, for Mountain Area Pregnancy Services, only 15% of the funds can be used for administrative purposes. The remainder of the funds must be used for direct services.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9G.6: Expansion of the Continuum of Care Pilot Program into a Statewide Program. (SL 2021-180)**

Section 9G.6 of S.L. 2021-180 provides $3.2 million in nonrecurring funds in each year of the 2021-2023 fiscal biennium to be allocated to the Human Coalition to expand the continuum of care pilot program established by Section 11E-13(b) of S.L. 2017-57 into a statewide program. The program is designed to: (i) encourage healthy childbirth, (ii) support childbirth as an alternative to abortion, (iii) promote family formation, (iv) assist in establishing successful parenting techniques, and (v) increase the economic self-sufficiency of families. The program must include: (i) outreach to at-risk populations, (ii) the use of licensed nurses to assess pregnancy needs and provide accurate pregnancy-related information, and (iii) use of licensed social workers to develop appropriate care plans and make necessary referrals. Only 10% of the allocated funds can be used for administrative purposes. Beginning December 1, 2021, and every six months thereafter, the Human Coalition must report to the Department of Health and Human Services (DHHS) on the expenditures of the programs and the individuals served. By April 1, 2023, DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status of the program.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9G.6A: Timely Updates to Newborn Screening Program. (SL 2021-180)**

Section 9G.6A of S.L. 2021-180 makes changes to the newborn screening program to require that each condition listed on the federal Recommended Uniform Screening Panel (RUSP) is included in the Newborn Screening Program within three years after being added to the RUSP. The Department of Health and Human Services (DHHS) is required to provide a report to the Joint Legislative Oversight Committee on Health and Human Services 18 months after a condition is added to the RUSP. When a delay adding a condition exceeds three years, DHHS must provide a report on the status and reasons for the delay to the Joint Legislative Oversight Committee on Health and Human Services every six months following the three-year delay.

This section became effective January 1, 2022.

**S105 - 2021 Appropriations Act.
Sec. 9G.8: Lead and Asbestos Remediation in Public School Units and Child Care Facilities . (SL 2021-180)**

Section 9G.8.(a) of S.L. 2021-180 provides $150 million in nonrecurring funds for the 2021-2022 fiscal year for lead and asbestos remediation and abatement programs to benefit public school units and childcare facilities. This section allocates $32,812,500 in nonrecurring funds to fund a program for the testing and remediation of lead levels in drinking water at public school units and child care facilities. It also allocates $117,187,500 in nonrecurring funds to fund a program for lead paint abatement and asbestos abatement in public school units and child care facilities.

Section 9G.8.(b) of the act declares the Division of Public Health (DPH), Department of Health and Human Services (DHHS), as the lead agency responsible for administering the programs authorized by this section. DPH is directed to collaborate with the Department of Public Instruction (DPI) and its Division of Child Development and Early Education while serving in this capacity.

Section 9G.8.(c) of the act requires DPH and DPI to report to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division on specified lead and asbestos remediation and abatement activities authorized by this section, broken down by county. The report is due within six months after all funds appropriated for the purposes of this section have been expended.

Section 9G.8.(d) of the act specifies that funds allocated under this section must remain available until depleted or on the date federal law requires the funds to be fully expended, whichever is earlier.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9G.10: Use of Juul Settlement Funds . (SL 2021-180)**

Section 9G.10.(a) of S.L. 2021-180 creates the Youth Electronic Nicotine Dependence Abatement Fund (Fund) within the Division of Public Health (DPH), Department of Health and Human Services (DHHS), as a nonreverting special fund. The Fund consists of monies received by the State as a beneficiary of the final consent judgment resolving the case, State of North Carolina, ex rel. Joshua H. Stein, Attorney General v. Juul Labs, Inc. (JLI Case), and all interest and investment earnings received on monies in the Fund.

Section 9G.10.(b) of the act appropriates from the Fund to DPH $13 million in nonrecurring funds for the 2021-2022 fiscal year to be used and allocated as follows:

* $2 million to the Department of Justice to cover the costs of litigation.
* $4.4 million for tobacco cessation media campaigns, resources, and programs to help both youth and young adults who have become addicted to nicotine using e-cigarettes and other tobacco/nicotine products quit.
* $3.3 million for evidence-based media and education campaigns to prevent the initiation of tobacco use.
* $1.1 million for data monitoring to track tobacco/nicotine use and exposure among youth and young adults and populations at risk and for independent evaluation of the reach and effectiveness of the State's tobacco prevention and cessation programs.
* $2.2 million for staff, projects, and systems to educate partners and stakeholders about evidence-based policy, systems, and environmental change to help youth quit tobacco/nicotine products and prevent initiation of tobacco/nicotine products; and to track compliance with the conduct provisions set forth in Part III of the final consent judgment resolving the JLI Case.

Section 9G.10.(c) of the act directs DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the expenditures made from the Fund during the preceding fiscal year annually on September 1.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9G.11: Funds to Expand Local Communicable Disease Programs to Address the Impacts of the COVID-19 Public Health Emergency. (SL 2021-180)**

Section 9G.11 of S.L. 2021-180 provides that of the funds appropriated from the State Fiscal Recovery Fund to the Division of Public Health (DPH), Department of Health and Human Services (DHHS), $36 million in nonrecurring funds for the 2021-2022 fiscal year must be allocated to local health departments to expand communicable disease surveillance, detection, control, and prevention activities to address the COVID-19 public health emergency and other communicable disease challenges impacted by the COVID-19 public health emergency.

DPH must expend up to $18 million of the allocated funds during the 2021-2022 fiscal year and any remaining funds during the 2022-2023 fiscal year.

* In the distribution of these funds to local health departments, for each year of the 2021-2023 fiscal biennium, DPH must divide $9 million equally among the local health departments based on the number of counties served by each local health department.
* DPH must distribute the remaining $9 million to local health departments based upon the percentage of the State population served by each of the local health departments.
* DPH is required to begin distributing the funds no later than 60 days after the act becomes law.
* In utilizing these funds, local health departments must comply with applicable federal rules and guidance governing the State Fiscal Recovery Fund.

By February 1, 2022, DPH must report to the Joint Legislative Oversight Committee on Health and Human Services on the funding appropriated by this section and the report must include the following elements:

* The amount of funding that each county received for surveillance, detection, control, and prevention of communicable diseases.
* An explanation if the sum of the funding received by all counties under this section is not equivalent to the total funds appropriated each year.
* Information on how the local health departments plan to use and subsequently did use these funds to address surveillance, detection, control, and prevention of communicable diseases.
* Consistent with the supplement and not supplant intent of this section, the report must delineate funds other than those distributed in accordance with this section that were received by each county to address surveillance, detection, control, and prevention of communicable diseases.
* Additional information as can be requested by the Joint Legislative Oversight Committee on Health and Human Services.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9G.13: Reservation of CDC Cooperative Agreement for Emergency Response/Public Health Crisis Response/COVID-19 Public Health Workforce Supplemental Funding Received Pursuant to the American Rescue Plan Act for School-Based Health Services Personnel. (SL 2021-180)**

Section 9G.13 of S.L. 2021-180 provides that of the funds appropriated to the Division of Public Health, Department of Health and Human Services, from the Centers for Disease Control and Prevention Cooperative Agreement for Emergency Response: Public Health Crisis Response, COVID-19 Public Health Workforce Supplemental Funding received pursuant to ARPA, at least 25% of the funds must be reserved in accordance with federal guidance to provide funding for school-based health services personnel in response to the COVID-19 pandemic.

For purposes of the section, school-based health services personnel include school nurses, school psychologists, school counselors, and school social workers. These funds must be used to supplement and not supplant other State, local, or federal funds appropriated or allocated for this purpose.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.1: Temporary Financial Assistance for Facilities Licensed to Accept State-County Special Assistance. (SL 2021-180)**

Section 9I.1 of S.L. 2021-180 provides $48 million in nonrecurring funds for the 2021-2022 fiscal year from the State Fiscal Recovery Fund to the Division of Social Services, Department of Health and Human Services, to be allocated for facilities licensed to accept State-County Special Assistance. The Division of Social Services must expend up to $24 million of these allocated funds during the 2021-2022 fiscal year, and any remaining funds during the 2022-2023 fiscal year, to provide temporary financial assistance in the form of a monthly payment to facilities to offset the increased costs of serving residents who are recipients of State-County Special Assistance during the public health emergency.

Between July 1, 2021, and the depletion of funds or the date federal law requires funds to be expended, whichever is earlier, the monthly payment authorized is $125 per month for each facility resident who is a recipient of State-County Special Assistance. Monthly payments must not be made for residents whose eligibility determination is pending.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.3: Intensive Family Preservation Services Funding, Performance Enhancements, and Report . (SL 2021-180)**

Section 9I.3 of S.L. 2021-180 notwithstanding the law (G.S. 143B-150.6), requires the Intensive Family Preservation Services (IFPS) Program to provide intensive services to children and families in cases of abuse, neglect, and dependency. The program must use standardized assessment criteria for determining imminent risk. The Department of Health and Human Services (DHHS) must require any entity that receives funding for the purpose of the IFPS to provide data that allows all of the following: (i) at least six months of follow-up services; (ii) detailed information on the interventions that were used; (iii) cost-benefit data; (iv) data on long-term benefits; (v) the number of families remaining intact after IFPS intervention, and (vi) the number and percentage by race of children who received services as compared to the general population. Entities that do not share this data will not receive funding. DHHS must report annually on December 1 to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the data provided.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.4:Child Caring Institutions. (SL 2021-180)**

Section 9I.4 of S.L. 2021-180 provides that until the Social Services Commission adopts rules setting standardized rates for child caring institutions as authorized by G.S. 143B-153(8), the maximum reimbursement must not exceed the rate established for the specific child caring institution by the Office of the Controller, Department of Health and Human Services.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.6: Child Welfare Postsecondary Support Program - NC REACH. (SL 2021-180)**

Section 9I.6 of S.L. 2021-180 directs the Department of Health and Human Services to continue providing assistance with the cost of higher education for:

* Children aging out of the foster care system.
* Children no longer in foster care due to a permanent placement through the Guardian Assistance Program.
* Children with special needs who were adopted out of the foster care system after age 12.

This section allocates $50,000 to the North Carolina State Education Assistance Authority to manage and distribute scholarship funds. This section provides $339,493 for each year of the 2021-2023 fiscal biennium for the administration of the program and the provision of case management services. Lastly, this section requires that funds be awarded only to students attending public institutions of higher education in the State.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.7: Federal Child Support Incentive Payments. (SL 2021-180)**

Section 9I.7 of S.L. 2021-180 directs the North Carolina Child Support Services Section (NCCSS), Division of Social Services, Department of Health and Human Services (DHHS), to retain up to 15% of annual federal incentive payments for the enhancement of centralized child support services and to allocate the remainder of the annual federal incentive payments to county child support services programs for the improvement of program effectiveness and efficiency. NCCSS must require county child support services programs to submit annual plans on how the federal incentive payments will be used and on the federal funds received. NCCSS must submit a report on federal child support incentive funding to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1 of each year.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.8: Successful Transition - Foster Care Youth. (SL 2021-180)**

Section 9I.8 of S.L. 2021-180 directs the Foster Care Transitional Living Initiative Fund (Fund) to continue to support the Youth Villages Transitional Living Model, a demonstration project for youth 17-21 years of age transitioning out of foster care. The Fund must support the following strategies: transitional living services, public-private partnerships, impact measurement and evaluation, and the advancement of evidence-based processes.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.9: Permanency Innovation Initiative . (SL 2021-180)**

Section 9I.9 of S.L. 2021-180 amends the law that creates the Permanency Innovation Initiative Fund (G.S. 131D-10.9B) to allow no more than 15% of the State funds appropriated for the Permanency Innovation Initiative to be used for administrative costs.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.10: Report on Certain Expenditures for the Supplemental Nutritional Assistance Program and Temporary Assistance for Needy Families. (SL 2021-180)**

Section 9I.10 of S.L. 2021-180 requires the Division of Social Services (DSS), Department of Health and Human Services, to allocate funds for vendor costs incurred with the generation of data for reports on the Supplemental Nutritional Assistance (SNAP) and Temporary Assistance for Needy Families (TANF) expenditures. The data submitted by the vendor must include:

* The number and dollar amounts of out-of-state transactions accessed or expended for SNAP and TANF benefits.
* The amount of benefits expended out-of-state from active cases for both SNAP and TANF programs.
* The dollar amount and number of transactions and benefits accessed or expended in this State for both SNAP and TANF programs.

This section also directs DSS to evaluate the data provided by the vendor and to report by June 30 and December 31 of each year of the 2021-2022 fiscal biennium to the Joint Legislative Oversight Committee on Health and Human Services on how this data is used to detect fraud and abuse in the SNAP and TANF programs.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.11: Increase Foster Care and Adoption Assistance Rates. (SL 2021-180)**

Section 9I.11 of S.L. 2021-180 amends G.S. 108A-49.1 to increase the maximum rates for State participation in the foster care and adoption assistance programs to the following amounts:

* $514 per child per month for children from birth through five years of age.
* $654 per child per month for children six through 12 years of age.
* $698 per child per month for children at least 13 but less than 21 years of age.

The revised foster care assistance rates apply to family foster care homes, residential child care facilities, and Level 2 group homes. The Division of Social Services, Department of Health and Human Services, must use a portion of the funds allocated for rate increases to cover the county share of the cost of care for the rate increases under this section for the 2021-2022 fiscal year.

This section became effective January 1, 2022.

**S105 - 2021 Appropriations Act.
Sec. 9I.12: Child Welfare-Behavioral Health Pilot Project. (SL 2021-180)**

Section 9I.12 of S.L. 2021-180 directs the Division of Social Services (DSS) and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS) to collaborate and establish a two-year child welfare and behavioral health pilot program to increase access to comprehensive health care services for children in foster care. Davie, Forsyth, Rockingham, and Stokes counties must participate in the pilot project. DSS and DMH/DD/SAS must establish a trauma-informed integrated health foster care model to facilitate partnerships between local county departments of social services and local management entities/managed care organizations. This section directs DSS and DMH/DD/SAS to submit a progress report on the pilot program by April 1, 2022, and a final report by October 1, 2023, to the Joint Legislative Oversight Committee on Health and Human Services.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.13: Regional Supervision and Support of Child Welfare Services/CPS Hotline. (SL 2021-180)**

Section 9I.13 of S.L. 2021-180 provides that of the funds appropriated to the Department of Health and Human Services (DHHS), Division of Social Services (DSS), $900,000 in recurring funds must be used to establish up to 15 positions for the (i) regional supervision support model directed by S.L. 2017-41 (Rylan’s Law) and (ii) statewide child protective services (CPS) hotline.

This section also provides that, in accordance with the plan submitted by the Social Services Regional Supervision and Collaboration Working Group (SSWG) in its report on March 31, 2019, to the Joint Legislative Oversight Committee on Health and Human Services, DHHS must establish seven regions for regional supervision of child welfare and social services and begin providing oversight and support within those regions through State regional staff and the central office team by April 1, 2022. Additionally, DHHS must continue (i) redeploying positions identified in the report to support regionalization and all managerial staff needed to support regionalization in the central office and (ii) repurposing corresponding operating expenses. DHHS is required to pursue procurement of physical offices within each of the seven regions beginning in March 2023 and to prioritize staffing to improve the child welfare system. DHHS must move towards full implementation of a regional model, with offices, by March 1, 2024.

Further, DSS and the North Carolina Association of Regional Councils of Governments (Councils of Governments) are required to explore entering into a memorandum of agreement to (i) utilize Councils of Governments' physical office space and office-related needs for Division staff and (ii) facilitate cooperation between regions and evaluate the estimated costs by region for the office space and sample agreements between the Division and the Councils of Governments. DSS must submit a report to the chairs of the Senate Appropriations Committee on Health and Human Services and the House Appropriations Committee on Health and Human Services by February 1, 2022, on the estimated costs, by region, for office space and sample agreements as described in this subsection.

Finally, this section amends Section 3 of S.L. 2021-132 to conform with the content of this section and to require DHHS to submit a progress report on its development and implementation of the statewide CPS hotline to the Joint Legislative Oversight Committee on Health and Human Services no later than September 1, 2022.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.15: Deploy Child Welfare Component of NC FAST . (SL 2021-180)**

Section 9I.15.(a) of S.L. 2021-180 directs the Division of Social Services (DSS), Department of Health and Human Services (DHHS), to use funds to resume deployment of the North Carolina Families Accessing Services through Technology (NC FAST) system as it relates to case management functionality for child welfare. This section directs DSS to deploy the child welfare case management component of the NC FAST system statewide before October 1, 2022.

Section 9I.15.(b) of the act requires DSS to release a request for proposal (RFP) for at least one significant augmentation to the child welfare component of the NC FAST system within 30 days from the date DSS receives federal approval of its procurement plan. DSS must enter into a contract to augment and enhance the child welfare case management component of the NC FAST system within 150 days of releasing the RFP.

Section 9I.15.(b1) of the act provides $3,500,000 in nonrecurring funds for each fiscal year of the 2021-2023 fiscal biennium to ensure that the child welfare case management component of the NC FAST system includes the capability to automate licensing and placements.

Section 9I.15.(c) of S.L. 2021-180 repeals Part III-N of S.L. 2019-240, which postponed the deployment of NC FAST case-management functionality for the child welfare system and aging and adult services' programs.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.16: Funds for Cabarrus Cooperative Christian Ministry . (SL 2021-180)**

Section 9I.16 of S.L. 2021-180 provides $40,000 in nonrecurring funds for the 2021-2022 fiscal year as a directed grant to the Cabarrus Cooperative Christian Ministry to be used only in Cabarrus County. The Cabarrus Cooperative Christian Ministry provides immediate assistance and support to members of the community experiencing crisis in the areas of food, housing, or finances.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.17: Child Advocacy Center Funds. (SL 2021-180)**

Section 9I.17 of S.L. 2021-180 allocates $5,000,000 in recurring funds for each year of the 2021-2023 fiscal biennium and $5,000,000 in nonrecurring funds for the 2021-2022 fiscal year to the Children's Advocacy Centers of North Carolina, Inc. At least 75% of these funds must be distributed to child advocacy centers in the State.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 9I.18: Funds for Temporary Assistance for Needy Families - Work First Families . (SL 2021-180)**

Section 9I.18 of S.L. 2021-180 allocates a portion of funding from the Pandemic Emergency Assistance Fund to the Division of Social Services (DSS), Department of Health and Human Services, to ease the negative impacts of the COVID-19 public health emergency for families enrolled in the Temporary Assistance for Needy Families (TANF)/Work First Cash Assistance program with at least one child under 18 years of age. This section directs DSS to distribute payments via electronic benefit transfer (EBT) to families as follows:

* A first payment of $500 per child in the fall/winter of 2021-2022.
* A second payment of $500 per child, based on available funding, in the summer of 2022.

This section became effective July 1, 2022.

**S105 - 2021 Appropriations Act.
Sec. 9J.2: Funds for National Multiple Sclerosis Society/Home Modification Program . (SL 2021-180)**

Section 9J.2 of S.L. 2021-180 allocates $300,000 in nonrecurring funds for the 2021-2022 fiscal year as a directed grant to the National Multiple Sclerosis Society for home modification services and home modification assistance grants to help residents in this State who have multiple sclerosis remain in their homes.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 39.21: One-Time Bonus Payment Program for Eligible Direct Care Workers . (SL 2021-180)**

Section 39.21 of S.L. 2021-180 provides that, of the funds appropriated from the State Fiscal Recovery Fund to the Department of Health and Human Services (DHHS), $133 million must be used for a one-time payment to eligible Medicaid and NC Health Choice providers to be passed along as a one-time bonus of up to $2,000 to eligible direct care workers. The provider types listed below are eligible for the one-time payment:

* Providers of services under the Community Alternatives Program for Children (CAP/C) waiver, the Community Alternatives Program for Disabled Adults (CAP/DA) waiver, the Innovations waiver, or the Traumatic Brain Injury (TBI) waiver.
* Personal care services (PCS) providers.
* Intermediate care facilities for individuals with intellectual disabilities (ICF/IID), including ICF/IID group homes.
* Home health providers.
* Nursing homes.
* Behavioral health residential facilities.

To be eligible for the one-time bonus, an employee must meet all the following criteria:

* The employee is a direct care worker as determined by DHHS. The definition of direct care worker must include workers who interact directly with patients or clients or who provide direct care support services at a licensed health care facility.
* The employee has been employed by the same eligible provider since March 10, 2020, through August 1, 2021.
* The employee has worked at least 1,000 hours providing direct care services between March 10, 2020, and August 1, 2021.
* The employee is not an employee of the State or eligible for any other employment-related bonus under the act.

To participate in the bonus payment program, an eligible provider must submit to DHHS, by January 31, 2022, the number of direct care workers it has employed who are eligible for the bonus and a description of the positions held by those employees. Eligible providers must also attest that the funds received will be provided directly to eligible direct care workers. DHHS must review the information submitted by the providers against available data to determine the correct number of eligible employees. DHHS must notify a provider by March 1, 2022, of any determination that the provider or an employee is not eligible for the bonus payment program.

DHHS must calculate the amount of the bonus payment based on the number of eligible employees designated by eligible providers, up to the amount of $2,000, and DHHS must issue the payments to eligible providers by March 1, 2022.

This section became effective July 1, 2021.

**S135 - Improve Anatomical Gift Donation Process. (SL 2021-32)**

S.L. 2021-32 amends the anatomical gifts process (organ, eye, and tissue donation) to clarify that a statement or symbol indicating the individual has made an anatomical gift remains on the donor's drivers license or identification card until the donor revokes consent by requesting removal in a manner prescribed by the Division of Motor Vehicles. The act also provides that an individual who became a donor in another state and applies for a drivers license or identification card in North Carolina is required to authorize that a statement or symbol be imprinted on the donor's license or card issued in this State in order for the anatomical gift to be valid.

The act became effective October 1, 2021.

**S146 - Teledentistry/RDH Admin. Local Anesthetic. (SL 2021-95)**

S.L. 2021-95 does the following: (i) establishes standards for teledentistry, (ii) allows dental hygienists to administer local anesthetics while under the direct supervision of a licensed dentist, (iii) allows certain dental hygienists to practice without a licensed dentist physically present, (iv) allows licensure by credentials for certain dental instructors, and (v) adds the East Carolina University School of Dental Medicine to the NC Caring Dental Professionals Board.

The modifications to the dental hygiene statutes became effective October 1, 2021, and apply to licenses granted on or after that date. The teledentistry portions became effective July 23, 2021. The remainder of this act became effective July 23, 2021.

**S191 - The No Patient Left Alone Act. (SL 2021-171)**

S.L. 2021-171 enacts the No Patient Left Alone Act to ensure visitation rights for patients in most healthcare facilities during a declared disaster or emergency and to the fullest extent permitted under any applicable rules, orders, regulations, guidelines, or federal laws. It also requires the Department of Health and Human Services to assess a civil penalty for violations of those visitation rights.

This act became effective November 1, 2021.

**S321 - Amend NC Controlled Substances Act. (SL 2021-155)**

Session Law 2021-155 amends the North Carolina Controlled Substances Act to reflect developments in forensic chemistry. The act also adds certain substances to the controlled substance schedules, including moving fentanyl and carfentanil to the list of controlled substances punished as a Class I felony.

This act became effective December 1, 2021, and applies to offenses committed on or after that date.

**S462 - Certificate of Need/Threshold Amendments & Certificate Expirations. (SL 2021-129)**

S.L. 2021-129 increases the dollar threshold that diagnostic center equipment, major medical equipment, and capital expenditures for new institutional health services must exceed before they are subject to certificate of need review. It also requires projects subject to a certificate of need to initiate construction within a specified timeframe.

The severability clause in the act became effective August 30, 2021, and the certificate of need threshold and construction deadline provisions became effective October 1, 2021.

**S570 - Hold Harmless Star Ratings/ERS Assess. Resume. (SL 2021-127)**

Section 1 of S.L. 2021-127 directs the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services (DHHS), to not require a licensed child care facility to undergo an Environment Rating Scale (ERS) assessment if the assessment would result in the facility losing a star rating because of the facility's loss of educators and inability to replace those educators with comparably educated individuals. This section became effective August 30, 2021, and expires six months after the date Executive Order No. 116 is rescinded.

Section 2 of S.L. 2021-127 requires DCDEE to lower from 75% to 50% the threshold for the percentage of lead teachers in the program required to meet the "rated licensed education requirements" criteria to earn quality rating improvement system (QRIS) "education points" when the ERS assessments resume. This section became effective August 30, 2021, and expires June 30, 2023.

Section 2.5 of S.L. 2021-127 directs DCDEE to submit a report to the Joint Legislative Oversight Committee on Health and Human Services by March 30, 2023. The report must contain the following information from June 30, 2021, to January 31, 2023:

* Number of new high school Early Childhood Career and Technical Pathways programs across the State.
* New community college and university courses that award college credit towards a degree in early childhood based on work experience.
* New community college and university courses that allow college credits for taking online health, safety, and nutrition training modules.
* Information about the Early Childhood and Infant-Toddler Certificate Programs.
* Number of early childhood educators using T.E.A.C.H. Scholarships to pay for college tuition and the increase in the number of early childhood educators using T.E.A.C.H. scholarships to pay for college tuition.
* Information about the WAGE$ salary supplement program.
* Number and percentage increase of early childhood educators with associate degrees in early childhood education.

The report must also include the number and percentage increase of early childhood educators with associate degrees between June 30, 2016, and June 30, 2021.

Except as otherwise provided, this act became effective August 30, 2021.

**S586 - Study Lipedema. (SL 2021-29)**

S.L. 2021-29 requires the Legislative Research Commission to study medical issues surrounding lipedema and to report findings and any proposed legislation to the 2022 Regular Session of the 2021 General Assembly.

This act became effective June 11, 2021.

**S594 - Medicaid Admin. Changes & Tech. Corrections. (SL 2021-62)**

S.L. 2021-62 makes various technical and other changes to laws related to the NC Medicaid program and local management entities/managed care organizations (LME/MCOs) as follows:

* Part I makes modifications to two Medicaid-related provisions of the 2020 COVID-19 Recovery Act, S.L. 2020-4.
* Part II makes modifications to the existing Medicaid beneficiary appeals statutes in Chapters 108A and 108D of the General Statutes to allow certain appeals to be filed by telephone and to provide an expedited hearing option for certain appeals.
* Part III makes various changes to laws related to the Medicaid program, including (i) allowing additional days of therapeutic leave from an intermediate care facility, (ii) specifying changes to the coverage of behavioral health services in the managed care environment, (iii) specifying procedures related to the dissolution of LME/MCOs and the transfer of assets by LME/MCOs, and (iv) establishing a fixed reimbursement rate for durable medical equipment for the first five years of standard benefit plan contracts.
* Part IV makes various technical corrections to laws related to the Medicaid program.

This act has various effective dates. See full summary for details.

**Insurance**

**See full summary documents for additional detail**

**H366 - Regulatory Reform Act of 2021.
Sec. 6: Manufactured Homes Installation. (SL 2021-117)**

Section 6 of S.L. 2021-117 prohibits local governments from requiring masonry curtain walls or masonry skirting be installed on manufactured homes located on land leased to the homeowner.

This section became effective October 1, 2021.

**H366 - Regulatory Reform Act of 2021.
Sec. 8: Insurance Cancellation Proof of Mailing. (SL 2021-117)**

Section 8 of S.L. 2021-117 clarifies that proof of mailing is sufficient proof of notice for certain insurance policy or renewal cancellations by the insurer.

This section became effective October 1, 2021, and applies to policies issued, amended, or renewed on or after that date.

**H366 - Regulatory Reform Act of 2021.
Sec. 8B: Nonforfeiture Interest Guarantee Change. (SL 2021-117)**

Section 8B of S.L. 2021-117 reduces the minimum nonforfeiture interest rate guarantee percentage from 1% to 0.15%.

This section became effective August 23, 2021.

**H366 - Regulatory Reform Act of 2021.
Sec. 12.5: Remote Inspections for North Carolina State Building Code Compliance. (SL 2021-117)**

Section 12.5(a) of S.L. 2021-117 directs the Insurance Commissioner, through the Division of Engineering, to develop eligibility criteria to conduct certain inspections required by the North Carolina State Building Code as remote inspections, which are inspections conducted either by interactive real-time audio and video communication with a permit holder or a review of an electronic video recording submitted by the permit holder.

Section 12.5(c) of S.L. 2021-117 directs inspection departments to implement remote inspection procedures in accordance with the criteria and procedures developed by the Insurance Commissioner. Inspection departments are required to provide the remote inspection option to building permit applicants and are required to specify the extent to which remote inspections are available for certain projects when the building permit is issued.

Subsection (c) of this section became effective January 1, 2022, the remainder of this section became effective August 23, 2021.

**S85 - Allow Vision Service Plans. (SL 2021-169)**

S.L. 2021-169 allows hospital service corporations authorized under Article 65 of Chapter 58 (Article) to offer vision service plans. The act makes changes to the insurance laws by defining any nonprofit corporation authorized under the Article that operates any dental, health care, medical, or vision service plan, as a "hospital service corporation" and renames "hospital service plan" to "health care service plan."

This act became effective October 15, 2021, and applies to contracts issued, amended, or renewed on or after November 1, 2021.

**S228 - Allow Employers to Offer Exclusive Provider Option Benefit Plans. (SL 2021-151)**

S.L. 2021-151 allows insurers to offer exclusive provider benefit health plans and establishes continuity of care provisions for those plans.

This act became effective October 1, 2021, and applies to contracts entered into, renewed, or amended on or after that date.

**S248 - Additional Info on Health Insurance Cards. (SL 2021-30)**

S.L. 2021-30 requires health insurers to note on their insurance cards whether the plan is fully insured or self-funded.

This act became effective January 1, 2022, and applies to contracts entered into, amended, or renewed on or after that date.

**S257 - Medication Cost Transparency Act. (SL 2021-161)**

S.L. 2021-161 requires pharmacy benefits managers (PBMs) to be licensed. It adds to the consumer protections in G.S. 58-56A-3, restricts PBMs from prohibiting pharmacies from taking certain actions, and establishes rules for claim overpayments and PBM networks. PBMs and health benefit plans are required to provide coverage for biosimilars and credit all amounts paid on behalf of insureds toward cost-sharing requirements for certain drugs. The act also increases the Commissioner's ability to take enforcement action against PBMs and creates a workgroup to study a single unified process to accredit specialty pharmacies.

The act became effective October 1, 2021, and applies to contracts entered into, renewed, or amended on or after that date.

**S270 - Insurance Technical Changes. (SL 2021-177)**

S.L. 2021-177 makes changes to North Carolina's insurance laws in Chapter 58 of the General Statutes addressing rate evasion fraud and certificates of insurance and makes other technical and conforming changes.

This act became effective January 1, 2022.

**S299 - North Carolina Department of Insurance National Association of Insurance Commissioners' Accreditation. (SL 2021-114)**

S.L. 2021-114 changes North Carolina's insurance laws to comply with the National Association of Insurance Commissioners' model laws (NAIC) and allow the North Carolina Department of Insurance (DOI) to maintain its NAIC accreditation.

Specifically, the act 1) codifies provisions from an agreement between the United States (U.S.), the European Union (EU), and the United Kingdom (UK) ("Covered Agreement") concerning the amount of required reinsurance collateral and local presence that reinsurers must maintain to do business in the other location and 2) establishes national standards governing reserves relating to life insurance policies. The act became effective September 1, 2021.

**S542 - SHP Combat Fraud/Property Finders Stnds. (SL 2021-157)**

S.L. 2021-157 allows the State Health Plan for Teachers and State Employees (Plan) to adopt a program encouraging Plan members to report fraud, waste, and abuse by a health care provider that provides services to Plan members and allows payment of an incentive to members. It also adds language to define and establish standards for a property finder which is a person or business who is hired for a fee or any other consideration by an owner of distributable or presumably abandoned property to locate, deliver, recover, or assist in the recovery of that property.

The portion of the act that pertains to property finders became effective January 1, 2022, and applies to agreements entered into on or after that date. The remainder of the act became effective September 16, 2021.

**Labor and Employment**

**See full summary documents for additional detail**

**S114 - DES COVID Modifications and Technical Changes. (SL 2021-5)**

S.L. 2021-5 makes the following changes to the unemployment insurance (UI) system:

* Allows "back-to-back" extended benefit periods for UI claims in 2021.
* Prevents the base UI rate from automatically adjusting higher for UI tax due from employers in 2021.
* Makes technical changes requested by the NC Department of Commerce's Division of Employment Security (DES)

The Act became effective March 30, 2021. However, many sections have different implementation periods as discussed in the Bill Analysis section.

**S208 - Labor Law Changes. (SL 2021-82)**

S.L. 2021-82 does the following:

* Eliminates an advisory council created under the Mine Safety and Health Act.
* Clarifies that trains previously or currently in use on the national rail transit system are not subject to regulation as amusement devices by the Department of Labor.
* Authorizes the Director of the Occupational Safety and Health Safety Division of the Department of Labor to obtain medical records in certain circumstances.
* Repeals the Article addressing regulation of job listing services.
* Makes clarifying changes to statutes addressing youth employment certificates and payment to separated employees.
* Requires employers to notify employees, in writing, at least one pay period prior to changes in wages.
* Provides that the maximum penalty for employers who violate record keeping requirements must not exceed $2,000 per violation.

This act became effective July 8, 2021.

**Local Government**

**See full summary documents for additional detail**

**H854 - Land Use Clarifications. (SL 2021-168)**

S.L. 2021-168 clarifies several provisions in the new Chapter 160D of the General Statutes, Local Planning and Development Regulation, effective October 15, 2021.

**S311 - No Waiting Period Under LGERS/Volunteer Fire Department Fund Grants. (SL 2021-178)**

S.L. 2021-178 prohibits employers from imposing a waiting period on employees who are eligible for membership in the Local Governmental Employees' Retirement System (LGERS), updates the Volunteer Fire Department Fund (VFDF) grant matching requirements, allows a one-time pension supplement to be paid to LGERS members, and reduces the SUTA contribution rate from 2.4% to 1.9% for calendar year 2022. The waiting period and VFDF portions of the act became effective December 1, 2021. The pension supplement and SUTA portions became effective November 10, 2021.

**S314 - Local Gov. Commission Assistance Toolkit. (SL 2021-124)**

S.L.2021-124, effective August 30, 2021:

* Delays the impact of changes to sales tax distribution formulas
* Requires a statement indicating the municipality's prospects for financial viability and effective fiscal management be included on the petition for a new municipality
* Requires training for city and county managers when a unit of local government exhibits fiscal distress
* Establishes a process by which a city in financial distress could seek assistance and potentially dissolve.

**S473 - Enhance Local Gov't Transparency. (SL 2021-191)**

S.L. 2021-191 does the following:

* Requires the State Auditor (Auditor) to notify the Local Government Commission (Commission) when an audit report is the result of an investigation of a unit of local government, effective December 9, 2022.
* Allows the Commission, following the release of an investigative report, to be involved in that local government's audit process for up to three fiscal years, effective December 9, 2022 and applies to investigative reports conducted July 1, 2018 and after.
* Requires a local finance officer to garnish a board or council member's compensation in order to collect monies owed for unpaid county and city services, effective December 9, 2022.
* Creates a new felony offense for public officers who personally benefit financially from their position, effective January 1, 2022.
* Subject to certain exceptions, prohibits public officials from participating in making or administering a contract, including the award of money, with any nonprofit with which the public official is associated, effective January 1, 2022.

**Occupational Boards and Licensing**

**See full summary documents for additional detail**

**H68 - GSC Licensing Boards and Comm'ns/Rule Crimes. (SL 2021-84)**

S.L. 2021-84 eliminates provisions that broadly criminalize violations of rules of certain licensing boards and commissions and makes technical and conforming amendments in the surrounding language, as recommended by the General Statutes Commission.

This act became effective December 1, 2021, and applies to offenses committed on or after that date.

**H224 - Occupational Therapy Interstate Compact. (SL 2021-31)**

S.L. 2021-31 makes North Carolina part of the Occupational Therapy Interstate Compact. The act will be effective when the tenth member state enacts the Compact. The North Carolina Board of Occupational Therapy must report to the Revisor of Statutes when ten member states have enacted the Compact. As of August 18, 2021, eight other stated had enacted the Compact.

**H415 - Update Chiropractic Laws. (SL 2021-120)**

Session Law 2021-120 allows the Board of Chiropractic Examiners to adopt, amend, and repeal rules to administer Article 8 of Chapter 90 (Chiropractic). It also repeals several portions of Article 8 and made technical and clarifying changes. This act became effective October 1, 2021.

**S188 - Bd. of Architects/Interior Designers. (SL 2021-81)**

S.L. 2021-81:

* Renames the North Carolina Board of Architecture as the North Carolina Board of Architecture and Registered Interior Designers;
* Adds three new gubernatorial appointees to the Board who must be registered interior designers, with terms beginning on January 1, 2022;
* Establishes a registration framework governing the scope of practice for interior designers;
* Authorizes interior designers to apply for building permits for interior construction projects;
* Establishes fees for interior designer registration; and
* Increases fees for architect licensure

The act became effective July 8, 2021. It applies to applications received on or after that date from the three new members appointed by the Governor, and applies to applications received on or after January 1, 2022, from all other persons.

**S219 - Surveyor Licensure & Education Requirements/Construction Contract Revisions. (SL 2022-1)**

Session Law 2022-1 does the following:

* Modifies practical experience requirements applicable to persons seeking licensure as a professional land surveyor and makes technical changes to Chapter 89C of the General Statutes.
* Makes changes to the design-build contracting process.
* Clarifies provisions related to contracts that are deemed to be void as against public policy.
* Modifies the procedure for awarding attorneys' fees in actions to enforce statutory liens.
* Defines the term "supplier" for purposes of a provision prohibiting a supplier of alcoholic beverages from having an ownership interest in its wholesaler.

The act has various effective dates. Please see the full summary for more detail.

**S316 - Gen. Contractors/Plumbing/Electr. Exempt. (SL 2021-122)**

S.L. 2021-122 expands a general contractor, plumbing and heating contractor, and electrical contractor license requirement exception for public building projects to apply to any building projects.

This act became effective August 30, 2021.

**S329 - Bldg. Permit Exempt./Timeshare Eff. Date. (SL 2021-192)**

S.L. 2021-192 modifies exemptions from building permit and professional seal requirements applicable to certain construction projects, and increases the permit exemption threshold for single-family residences and farm building projects to $20K and expands this exemption to commercial building projects.

Except as otherwise provided, this act became effective December 9, 2021. Sections 1, 2, 3, and 4 of this act became effective December 15, 2021. Sections 1, 2(b), and 3 of this act expire December 31, 2024. Section 5 became retroactively effective to October 6, 2021.

**Property, Trusts, and Estates**

**See full summary documents for additional detail**

**H156 - Unclaimed Property Division Amendments/DMV Technical Changes. (SL 2021-13)**

S.L. 2021-13 increases the amount of time the State Treasurer has to hold a public sale for abandoned property from three to five years after receiving the property, provides that a person may file a claim for property paid or delivered to the Treasurer if the amount exceeds $5,000, and extends the Department of Motor Vehicle's (DMV) authority to adopt emergency rules pursuant to S.L. 2020-97, Coronavirus Relief Act 3.0.

The provision that extends DMV's authority to adopt emergency rules pursuant to Section 3.20 of S.L. 2020-97 became effective on March 31, 2021, and the remainder of the act became effective on April 27, 2021.

**H273 - Modify Builders Inventory Tax Exclusion. (SL 2021-113)**

S.L. 2021-113 excludes from property taxation for up to three years any increase in value of residential real property attributable to new townhouse construction when held for sale by a builder.

This act becomes effective for taxes imposed for taxable years beginning on or after July 1, 2022.

**H531 - Timeshare Act Changes/Education Provider Bond Repeal. (SL 2021-163)**

S.L. 2021-163:

* Eliminates bond requirements for applicants seeking certification by the North Carolina Real Estate Commission as a real estate education provider
* Substantially revises the North Carolina Time Share Act
* Makes conforming and technical changes to related statutory provisions

This act became effective October 6, 2021. As amended by S.L. 2021-192, s. 5, this act's revisions to the Timeshare Act do not apply to timeshare transfer service providers before July 1, 2022.

**S50 - Estate Planning Law Changes. (SL 2021-53)**

S.L. 2021-53 does the following:

* Permits the settlor of a revocable trust to seek a judicial determination that the trust is valid.
* Permits the clerk of superior court to authorize single transactions benefiting a minor or other incompetent without appointing a guardian.
* Updates venue and procedural rules governing estate proceedings and trust proceedings.
* Updates the North Carolina Uniform Powers of Appointment Act to broaden the list of permissible appointees for holders of a nongeneral power of appointment.

Parts I, II, and III of the act became effective October 1, 2021, and apply to proceedings initiated on or after that date. The remainder of the act became effective when it became law. Please see the summary for more information on dates of application for Part IV.

**S197 - GSC Trusts & Estates Amendments. (SL 2021-85)**

S.L. 2021-85 removes the location requirement for holographic wills to align North Carolina with all other states recognizing holographic wills, updates definitions of "Terms of a Trust" and "Trust Instrument" and revises the article on power holders of trusts, clarifies the trust exclusion to the rule against perpetuities, and make technical changes in the surrounding language, as recommended by the General Statutes Commission.

The act has multiple effective dates. See the full summary for details.

**S198 - GSC Good Funds Settlement/Comm. Receivership. (SL 2021-93)**

S.L. 2021-93 provides that a settlement agent may disburse settlement proceeds in reliance on a check drawn on the account of or issued by a licensed mortgage lender, makes amendments relating to the North Carolina Commercial Receivership Act, and makes technical changes to various laws regulating financial practices, as recommended by the General Statutes Commission.

This act became effective July 22, 2021.

**Retirement**

**See full summary documents for additional detail**

**H160 - Retirement Service Purchase Rewrite Part II. (SL 2021-57)**

S.L. 2021-57 amends service purchase requirements for the Teachers' and State Employees' Retirement System (TSERS), Local Governmental Employees' Retirement System (LGERS), and the Consolidated Judicial Retirement System (CJRS).

These changes became effective January 1, 2022 and apply to the purchase of creditable service occurring on or after that date.

The act also repeals duplicative statutes or those that are no longer necessary in TSERS and LGERS and these changes become effective July 1, 2022.

**H168 - Retirement Administrative Changes Act of 2021. (SL 2021-75)**

S.L. 2021-75 amends the Teachers' and State Employees' Retirement System (TSERS) and the Local Governmental Employees' Retirement System (LGERS) regarding contribution-based benefit cap liabilities, withdrawal liabilities, terminology, and the requirement to adopt written policies on special separation buyouts; it also provides authorization for Department of State Treasurer and the Supplemental Retirement Board to adopt fees; it amends the Optional Retirement Program with regard to Disability Income Plan overpayments; addresses the process for the special retirement allowance payments upon the death of a beneficiary; and contains a severability clause.

This act became effective July 1, 2021.

**H278 - Sunset ABC Board Participation in LGERS. (SL 2021-59)**

S.L. 2021-59 sunsets eligibility for participation in the Local Governmental Employees' Retirement System (LGERS) by Alcohol Control Boards. This act became effective June 28, 2021.

**S105 - 2021 Appropriations Act.
Sec. 39.23: One-Time Cost of Living Supplements for Retirees of the TSERS, CJRS, and the LRS. (SL 2021-180)**

Section 39.23 of S.L. 2021-180 amended the statutes for the Teachers' and State Employees' Retirement System (TSERS), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS), to provide on or before December 31, 2021, a one-time 2% cost-of-living supplement payment to beneficiaries who are living as of September 1, 2021, and whose retirement commenced on or before September 1, 2021.

The section also provides that after September 1, 2022, but on or before October 31, 2022, a one-time 3% cost-of-living supplement payment must be made to beneficiaries who are living as of September 1, 2022, and whose retirement commenced on or before September 1, 2022.

The Retirement Systems Division of the Department of State Treasurer is authorized to increase receipts from the retirement assets of the corresponding retirement system or pay costs associated with the administration of the payment directly from the retirement assets.

This section became law July 1, 2021.

**S277 - Retirement & Treasury Technical Corrections Act of 2021. (SL 2021-60)**

Senate Bill 277 makes various technical and clarifying changes to the Teachers' and State Employees' Retirement System, the Local Government Commission, and the statutes allowing a limited license to practice law by out-of-state attorneys. It also removes the requirement that the treasurer report on university improvement general obligation bonds. The act became effective July 1, 2021.

**S668 - Anti-Pension Spiking Amds & Litig. Moratorium. (SL 2021-72)**

S.L. 2021-72 authorizes an additional payment option for a contribution-based benefit cap (CBBC) liability, outlines responsibilities for CBBC liabilities when the final employer of a member is not the member's employer for average final compensation calculations, provides an adjustment to the formula for reduced retirements with CBBC liabilities, provides for a litigation pause and establish a workgroup that may provide a report on the anti-pension spiking contribution-based benefit cap to the Joint Legislative Oversight Committee on General Government, and provides early notification to the Local Government Commission on proposed financing arrangements.

The full summary of the act outlines various effective dates, otherwise the act became effective July 2, 2021.

**State Government**

**See full summary documents for additional detail**

**H163 - Treasury Administrative Changes. (SL 2021-58)**

S.L. 2021-58 makes clarifying and administrative changes to statutes pertaining to the State Treasurer's Investment Programs, to the Local Government Commission, and to reports submitted to the Council of State. For specific information, please refer to the Bill Analysis.

The section of the act that pertains to public-private partnership construction contracts became effective July 1, 2021, and applies to contracts entered into, renewed, or modified on and after that date. The remainder of the act became effective June 28, 2021.

**H366 - Regulatory Reform Act of 2021.
Sec. 1: Increase Limits on Public Employees Benefitting from Public Contracts. (SL 2021-117)**

Section 1 of S.L. 2021-117 raises the dollar threshold for contracts exempted from the conflict-of-interest prohibition for public employees from $40,000 to $60,000 for goods and services that are not medically related. This section also increases the municipal population limits from 15,000 to 20,000.

This section became effective August 23, 2021, and applies to contracts executed on or after that date.

**H366 - Regulatory Reform Act of 2021.
Sec. 5: Revenue Laws Study. (SL 2021-117)**

Section 5 of S.L. 2021-117 requires the Department of Revenue (Department) to provide to the Revenue Laws Study Committee, information related to the property taxation of outdoor advertising signs, and any other issues deemed relevant by the Department. The requested information must be provided no later than March 31, 2022.

This section became effective August 23, 2021.

**H366 - Regulatory Reform Act of 2021.
Sec. 7: Division of Emergency Management Study. (SL 2021-117)**

Section 7 of S.L. 2021-117 requires the Division of Emergency Management (Division) of the Department of Public Safety to study the needs of law enforcement and first responders to improve access to the interstate system. The Division can consult with the Department of Transportation, the Office of State Fire Marshal of the Department of Insurance, the Office of Emergency Medical Services of the Department of Health and Human Services, or any other governmental organizations the Division deems necessary. The Division must report its findings to the Joint Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative Emergency Management Oversight Committee, and the Joint Legislative Transportation Oversight Committee no later than March 1, 2022.

This section became effective August 23, 2021.

**H461 - State Auditor Clarifying Amendments. (SL 2021-112)**

S.L. 2021-112 makes various clarifying and technical changes to the laws that relate to the North Carolina State Auditor, as follows:

* Clarify that the definition of State agency includes political subdivisions
* Clarify the State Auditor's authority to conduct audits and investigate allegations of improper governmental activity under the policy guidance of the State Auditor, and define the term "investigation" for the purposes of the State Auditor's office
* Enhance the State Auditor's authority to request information as part of a verification audit by treating organizations that fail to provide requested information as if the organization failed to meet the qualifying standard subject to the verification audit

This act became effective August 23, 2021, except the enhanced authority for verification audits became effective October 1, 2021.

**S126 - Clean Up Obsolete Boards. (SL 2021-90)**

S.L. 2021-90 abolishes a number of boards and commissions and makes other changes to boards and commissions. The act has various effective dates. Please see the full summary for more information.

**S159 - State Health Plan Administrative Changes. (SL 2021-125)**

S.L. 2021-125 makes technical and clarifying changes to the State Health Plan. This act became effective August 30, 2021.

**S308 - Various Building Code Amend. (SL 2021-183)**

S.L. 2021-183:

* Prohibits inspection departments from delaying the issuance of a temporary certificate of occupancy when additional violations are found, on items already approved, during reinspection.
* Clarifies electric wiring requirement references.
* Modifies one- or two- family dwelling residential development fire apparatus access road requirements where conformance is technically infeasible.

Except as otherwise provided, this act became effective November 23, 2021. Section 1 of this act became effective January 1, 2022. Section 3 became effective November 23, 2021, and will expire the date rules adopted, as required by that section, become effective.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 12: Broaden Access to Department of Natural and Cultural Resources Library for the Blind and Physically Handicapped. (SL 2021-158)**

Section 12 of S.L. 2021-158 broadens access to the North Carolina Library for the Blind and Physically Handicapped to include all people who are unable to use standard print materials due to reading challenges beyond visual or physical handicaps.

This section became effective September 16, 2021.

**S389 - Department of Environmental Quality/Department of Natural and Cultural Resources Omnibus.
Sec. 12.5: Clarify Department of Natural and Cultural Resources Naming Rights. (SL 2021-158)**

Section 12.5 of S.L. 2021-158 clarifies that the Department of Natural and Cultural Resources (DNCR) may recognize gifts by naming exhibits, features, or programs administered by DNCR.

This section became effective September 16, 2021.

**Transportation**

**See full summary documents for additional detail**

**H165 - Department of Transportation Legislative Changes. (SL 2021-185)**

S.L. 2021-185 makes various changes to the transportation laws of this State, and more specifically:

* Requires the North Carolina Department of Transportation (NCDOT) to study right-of-way planning and acquisition procedures.
* Repeals the Map Act damages monetary cap enacted by S.L. 2019-251.
* Modifies the fiscal-year look back period for Transportation Investment Strategy Formula variance.
* Expands application of division need project alternate quantitative criteria within the Transportation Investment Strategy Formula for time-critical job creation opportunities.
* Increases cost threshold for the NCDOT small project informal bidding authority.
* Amends non-State dollar cost-share exemption under the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund for certain channel dredging projects, as enacted by
S.L. 2021-108.
* Modifies and clarifies requirements for NCDOT litter removal coordination with right-of-way mowing.
* Requires all insurers to submit certain motor vehicle liability policy notifications to the Division of Motor Vehicles (DMV) electronically.
* Clarifies the DMV must offer in person and online renewals for handicapped credentials.
* Requires the DMV to disqualify persons from operating a commercial motor vehicle for certain convictions of severe forms of trafficking in persons to comply with federal law.
* Clarifies DMV dealer and inspection license hearing transfer feasibility study requirements enacted by S.L. 2021-134.
* Delays the implementation date of certain implied consent offense revocation timing modifications enacted by S.L. 2021-134.
* Extends DMV's authority, as enacted by S.L. 2021-13, to promulgate emergency rules to modify road test requirements during the coronavirus emergency.
* Modifies DMV procedures that relate to motor vehicle insurance lapse and requires the DMV to submit a plan to create a system to allow electronic submission of certain insurance documentation.
* Clarifies NCDOT and Turnpike Authority designated managed lane use violations are punishable as infractions.
* Amends passenger bus length restrictions to authorize longer articulated buses.
* Authorizes commercial driver training schools to administer Level 2 provisional license road tests.
* Authorizes Durham charter schools meeting certain conditions to utilize on-street right-of-way for temporary student loading and unloading.
* Eliminates the notarized signature requirement for an owner-retained salvage form.

Except as otherwise provided, this act became effective November 23, 2021. The provision regarding the DMV road test rule making authority became effective September 30, 2021. The provisions regarding managed lanes and commercial driver training schools became effective December 1, 2021.

**H297 - DMV Deployed Armed Forces Exemptions. (SL 2021-89)**

OVERVIEW: S.L. 2021-89 provides for the remote conversion of a full provisional license to a regular drivers license, creates an additional defense to driving with an expired license, and waives the late fee for renewing an expired license for deployed active-duty servicemembers.

The provision that provides a defense to driving with an expired license became effective on December 1, 2021, and applies to offenses committed on or after that date. The remainder of the act became effective on October 1, 2021, with the provision on remote license conversion applicable to any application to remotely convert a full provisional license submitted on or after that date.

**H366 - Regulatory Reform Act of 2021.
Sec. 11: Disallow Certain Transportation Rules from Becoming Effective. (SL 2021-117)**

Section 11 of S.L. 2021-117 prevents three rules adopted by the Department of Transportation on August 28, 2020, and approved by the Rules Review Commission on February 18, 2021, from becoming effective. These rules would have regulated the zoning, use, and repair of outdoor advertising signs.

This section became effective August 23, 2021.

**H403 - Clarify Motor Vehicle Franchise Laws. (SL 2021-147)**

S.L. 2021-147 makes the following changes to North Carolina's Motor Vehicle Dealers and Manufacturers Licensing Law:

* Prohibits conditioning approval of dealership transfers on dealer's willingness to renovate, relocate, or enter into a right of first refusal.
* Clarifies provisions regulating franchise agreements and changes to established plans and to facilitate dealers' ability to sell electric vehicles.
* Prohibits manufacturers from requiring dealers to purchase pre-owned vehicles.
* Requires manufacturer to buy a dealer's existing facility if it does not sell if the manufacturer or distributor required the dealer to relocate.
* Extends existing grandfather provisions allowing certain manufacturer incentive programs.
* Requires information be provided to dealers regarding how vehicle allocations are made by manufacturers.
* Clarifies provisions regarding reimbursement to dealers who provide loaner vehicles to customers having vehicles serviced when required by the manufacturer.
* Provides that certain dealer facility improvements required by a manufacturer in the 10 years preceding an incentive program comply with program requirements; addresses programs that are discontinued or revised.
* Makes clarifying changes to existing law regarding warranty obligations.
* Clarifies the definition of motor vehicle dealer includes one who leases vehicles or offers new vehicles as part of a subscription program.
* Prohibits manufacturers from requiring dealers to provide financial statements specific to a franchise or line-make if the dealer operates more than one franchise or sells more than one line-make.
* Creates a framework for online vehicle reservations or requests to purchase or lease.
* Allows electronic signatures on various documents for manufacturer vehicle loaner programs.
* Clarifies vehicle inspection requirements for transfer of vehicles between affiliated dealerships.
* Clarifies delivery and execution of prepared documents at a customer's home or place of business do not violate the requirement conducting motor vehicle sales at an established salesroom.

Provisions related to dealer and manufacturer partnerships for online sales became effective January 1, 2022. The remainder of the act became effective September 10, 2021.

**H650 - Omnibus Division of Motor Vehicles Bill. (SL 2021-134)**

S.L. 2021-134 makes various changes to laws related to motor vehicles and motor vehicle dealers, including:

* Making clarifying changes to motor vehicle sales representative licensing provisions and modifying how and when civil penalties apply for violations of the dealer licensing law.
* Modifying the grounds for denying and revoking licenses under the dealer licensing law, providing affirmative defenses for certain grounds, and limiting the ability to deny or revoke the license of a business entity under certain circumstances.
* Directing the Division of Motor Vehicles to study the feasibility of transferring licensing hearings under the dealer licensing law and hearings related to safety and emissions inspection licensing and violations from the Division to the Office of Administrative Hearings.
* Providing an exemption from the prohibition on making color copies of drivers licenses for licensed lenders, motor vehicle dealers with regard to loan applications, and federally insured depository institutions.
* Requiring replacement of dealer registration plates every three years.
* Permitting surviving military spouses to renew special plates based on military service.
* Requiring the Division to send a temporary license to a dealer for display during the time a license continues to be valid while an application for renewal is being reviewed.
* Clarifying laws related to satisfaction, release, and renewal of security interests in manufactured homes.
* Modifying requirements for applications for notations of security interests submitted by regulated lenders – makes permanent the same modifications that were put into place temporarily last year.
* Requiring electronic lien system contractors to have specific experience.
* Changing effective dates for certain license revocations by the Division from the tenth day after mailing of the order to the thirtieth day after mailing.
* Clarifying that used vehicles sold by an auctioneer pursuant to court proceedings are not required to be inspected prior to sale, as is required for used vehicles being sold at retail by a dealer.
* Exempting up to five Division technology modernization projects from Department of Information Technology requirements.
* Extending a temporary modification, enacted this year, reducing the amount of time a person must hold a Level 1 permit before applying for a Level 2 license under graduated driver licensing until December 31, 2022.

The provision permitting surviving military spouses to renew special registration plates became effective December 1, 2021. The provision regarding electronic lien system contractor experience became effective January 15, 2022. As amended by S.L. 2021-185, the provision regarding license revocation effective dates became effective February 1, 2022. The remainder of the act became effective October 1, 2021.

**H692 - Restrict Certain Vehicle Modifications. (SL 2021-128)**

S.L. 2021-128 prohibits operation of a private passenger automobile on a highway or public vehicular area if the suspension, frame, or chassis has been altered so that the front fender is four or more inches above the height of the rear fender. The act requires a drivers license to be revoked for at least one year for a third or subsequent conviction in the same 12-month period.

This act became effective on December 1, 2021, and applies to offenses committed on or after that date.

**H814 - Neighborhood Occupantless Vehicle. (SL 2021-179)**

S.L. 2021-179 defines neighborhood occupantless vehicle as a type of fully autonomous vehicle used to transport goods without a human occupant and authorizes its operation on highways with certain restrictions and equipment requirements.

The act became effective December 1, 2021.

**S69 - Division of Motor Vehicles Licensing Requirements. (SL 2021-24)**

S.L. 2021-24, as amended by S.L. 2021-134, amends graduated drivers licensing requirements by temporarily reducing the amount of time an applicant must hold a Level 1 limited learner's permit before applying for a Level 2 limited provisional license. The modification to requirements was set to expire on December 31, 2021, but S.L. 2021-134 extended the expiration date to December 31, 2022.

This act became effective May 24, 2021.

**S183 - Ignition Interlock and Various Changes. (SL 2021-182)**

S.L. 2021-182 does the following:

* Amends certain driving privilege restrictions.
* Allows an individual who owns multiple vehicles to designate certain vehicles for operation with an ignition interlock system.
* Expands the current waiver for undue financial hardship to equip a vehicle with a required ignition interlock system.
* Creates a study focused on expanded uses and supervision of ignition interlock systems.
* Makes technical and conforming changes related to S.L. 2021-138.
* Changes "Sheriff's Department" to "Sheriff's Office" in various sections of the General Statutes.

This act has various effective dates. Please see the full summary for more detail.

**S241 - Modified Utility Vehicle Definition/Use of Funds. (SL 2021-33)**

S.L. 2021-33 broadens the definition of modified utility vehicle and amends restrictions and requirements applicable to modified utility vehicles that may be registered and operated on highways. It also directs the Department of Transportation to use funds to lease a passenger ferry for operation between Hatteras and Ocracoke.

Provisions of the act related to modified utility vehicles became effective October 1, 2021. The remainder of the act became effective June 14, 2021.

**S379 - Issuance of Unregisterable Cert. of Title. (SL 2021-126)**

S.L. 2021-126 requires the Division of Motor Vehicles (DMV) to create and issue an unregisterable certificate of title for certain eligible motor vehicles and create an application process for insurance companies or their agents and contractors to apply for an unregistrable certificate of title under certain circumstances.

This act became effective October 1, 2021.

**S425 - Guaranteed Asset Protection and Vehicle Value Protection Agreement Changes. (SL 2021-172)**

S.L. 2021-172 modifies the law governing the regulation of guaranteed asset protection waivers and regulates vehicle value protection agreements. This act became effective January 1, 2022, and applies to agreements entered into on or after that date.

**Utilities**

**See full summary documents for additional detail**

**H217 - Utilities Commission Technical and Additional Changes. (SL 2021-23)**

S.L. 2021-23 makes several technical, clarifying, conforming, and administrative changes to the laws related to public utilities, as recommended by the Utilities Commission.

Except as otherwise provided, this act became effective May 17, 2021.

**H243 - Budget Technical Corrections.
Sec. 20.13: Utilities/Landlord Water Reseller Changes. (SL 2022-6)**

Section 20.13 of S.L. 2022-6 authorizes the Utilities Commission (Commission) to adopt procedures to allow a lessor of any leased residential premises to equally divide the amount of a water and sewer bill for a unit among all the lessees in the unit and bill each lessee accordingly.

This section became effective March 17, 2022.

**H344 - System Development Fees Update. (SL 2021-76)**

S.L. 2021-76 does the following:

* Clarifies certain minimum standards incorporated into the generally accepted accounting, engineering, and planning methodologies used to calculate system development fees imposed by local governments for public water and sewer systems.
* Provides that the system development fee also applies to service provided under a wholesale arrangement between a water and sewer authority and a local governmental unit.
* Provides that water and wastewater public utilities are solely responsible for funding the income taxes due on taxable contributions made to the utility by a developer and that the taxes be recovered through the rate base over the life of the asset.

This act became effective July 2, 2021.

**H951 - Energy Solutions for North Carolina. (SL 2021-165)**

S.L. 2021-165 does the following:

* Requires the Utilities Commission (Commission) to take all reasonable steps to achieve a 70% reduction in emissions of carbon dioxide from electric public utilities from 2005 levels by the year 2030, and carbon neutrality by the year 2050.
* Authorizes the Commission to use "performance-based regulation" for the electric public utilities operating in the State, meaning an alternative ratemaking approach that includes decoupling revenue from electricity consumption, one or more performance incentive mechanisms, and a multi-year rate plan, including an earnings sharing mechanism, or such other alternative regulatory mechanisms as can be proposed by an electric public utility.
* Requires the Commission to adopt rules on various matters, including to require an electric public utility to use bond financing (securitization) of costs associated with early retirement of subcritical coal fired electric generating facilities, with such costs to be securitized at 50% of the remaining net book value of all subcritical coal fired electric generating facilities to be retired to achieve the authorized carbon reduction goals set forth in the act.
* Authorizes the Commission to allow potential modification of certain existing power purchase agreements with eligible small power producers.

This act became effective October 13, 2021.

**S105 - 2021 Appropriations Act.
Secs. 11.19(f1) and (f2): Modify Renewable Energy Procurement Program for Major Military Installations, Public Universities, and Large Customers. (SL 2021-180)**

Secs. 11.19(f1) and (f2) of S.L. 2021-180 modify the "Green Source Advantage Program" (Program), which is a renewable energy procurement program for large energy users, the military, and The University of North Carolina system. The sections provide that 350 megawatts (MW) of new renewable energy facility capacity that had been reserved for participation by major military installations and The University of North Carolina under the Program that remain unsubscribed by August 5, 2022, must be made available to a customer of an electric public utility that locates a new manufacturing facility at a project site that is subject to an agreement with the Department of Commerce for a qualifying project in Randolph County.

These sections became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 38.1: Amendments to the Growing Rural Economies with Access to Technology (GREAT) Program. (SL 2021-180)**

Section 38.1 of S.L. 2021-180 amends the Growing Rural Economies with Access to Technology (GREAT) Program, a broadband infrastructure grant program operated by the Broadband Infrastructure Office (Office) of the Department of Information Technology (Department) to provide grants to broadband providers and cooperatives for projects designed to extend broadband service to unserved areas in economically distressed counties of the State, by making the following changes:

* Clarifies that project area protection can be maintained for the duration of a project that is in good standing.
* Modifies the requirements relating to the protest period, including a reduction of the period to 20 days, and detailing the eligibility of protests and the evidence and criteria used by the Department to evaluate a protest.
* Enables the Office to evaluate applications that utilize a partnership, and clarifies the types of partnerships that are eligible under the program.
* Modifies the scoring metrics, matching requirements, and grant thresholds.

This section became effective November 18, 2021.

**S105 - 2021 Appropriations Act.
Sec. 38.6: Completing Access to Broadband Program. (SL 2021-180)**

Section 38.6 of S.L. 2021-180 establishes the Completing Access to Broadband Program (CAB) to supplement federal American Rescue Plan Act (ARPA) funding received by counties with State ARPA funds to expand broadband infrastructure to unserved and underserved areas.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 38.7: Fixed Wireless and Satellite Broadband Grants. (SL 2021-180)**

Section 38.7 of S.L. 2021-180 directs the Broadband Infrastructure Office in the Department of Information Technology (Office) to provide grants to eligible broadband service providers for providing satellite broadband equipment or fixed wireless broadband equipment to households lacking access to broadband service from a wireline or wireless service provider. The Office may utilize up to $1 million in funds appropriated to the Growing Rural Economies with Access to Technology (GREAT) Fund for grants under this section.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 38.8: Broadband Mapping. (SL 2021-180)**

Section 38.8 of S.L. 2021-180 directs the Department of Information Technology (Department) to prepare and maintain statewide broadband maps and serve as the sole provider for broadband mapping for State agencies.

This section became effective July 1, 2021.

**S105 - 2021 Appropriations Act.
Sec. 38.10: Broadband Acceleration. (SL 2021-180)**

Section 38.10 of S.L. 2021-180 authorizes counties to provide grants to private or nonprofit providers of broadband service; establishes the Broadband Pole Replacement Program within the Department of Information Technology (Department); expands the definition of the term "city utility pole" for purposes of wireless telecommunication facilities; prohibits municipalities from imposing certain fees and recurring charges for the collocation of small wireless facilities; and makes various other related changes.

This section became effective November 18, 2021. The provisions related to the Broadband Pole Replacement Program expire December 31, 2024.

**S211 - Amend Water/Sewer Rate Adjustment Mechanisms. (SL 2021-149)**

S.L. 2021-149 does the following:

* Authorizes the State's Utilities Commission (Commission) to approve a "Water and Sewer Investment Plan" (Plan) for water or sewer utilities. Under a Plan, the Commission can:
	+ Set water or sewer base rates, to include authorization of annual rate changes for a three-year period based on reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the plan without the need for a base rate proceeding during the plan period.
	+ Set revenue requirements through banding of authorized returns.

**S323 - Joint Municipal Power Agencies/Investments. (SL 2021-73)**

S.L. 2021-73 allows moneys deposited in certain decommissioning funds established by North Carolina Municipal Power Agency Number 1, as well as funds deposited in the Swain County Settlement Trust Fund, to be invested through the State Treasurer's Ancillary Governmental Participant Investment Program.

This act became effective July 2, 2021.

**Vetoed Legislation**

**See full summary documents for additional detail**

**H220 - Choice of Energy/Additional Provisions. (Ratified)**

House Bill 220 would: (1) prohibit local governments from adopting any ordinance that prohibits connection, reconnection, modification, or expansion of an energy service based on the type or source of energy to be delivered to the end-user of the energy service; and (2) expand an exemption from public records for detailed plans and drawings of public buildings and infrastructure facilities, and add a new exemption for specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure for energy, water, and wastewater utilities.

House Bill 220 was ratified by the General Assembly on November 30, 2021, and vetoed by the Governor on December 9, 2021.

**H264 - Emergency Powers Accountability Act. (Ratified)**

House Bill 264 would create a definition of "concurrence of the Council of State" under the North Carolina Emergency Management Act, which would clarify how the Governor is to seek such a concurrence when exercising certain authorities and would require the Governor to seek concurrence of the Council of State in additional instances.

House Bill 264 was ratified by the General Assembly on October 21, 2021, and vetoed by the Governor on November 1, 2021.

**H294 - Sale of Salvage Vehicles. (Ratified)**

House Bill 294 would allow a motor vehicle dealer to sell a used vehicle that has been issued a salvage certificate of title without inspection if the dealer has no knowledge of vehicle alterations or repairs and discloses that the vehicle was not inspected by the dealer.

This bill was ratified by the General Assembly on November 30, 2021, and vetoed by the Governor on December 9, 2021.

**H324 - Ensuring Dignity & Nondiscrimination/Schools. (Ratified)**

OVERVIEW: HB 324 would do the following:

* State the General Assembly's intent that students, teachers, administrators, and other school employees recognize the equality and rights of all persons.
* Prohibit public school units from promoting certain concepts that are contrary to the equality and rights of all persons
* Require public school units to provide at least 30 days advance notice to the Department of Public Instruction (DPI) and members of the public prior to taking certain actions regarding the identified concepts.
* Exempt certain activities from the restrictions and advance notice requirements related to the identified concepts.

HB 324 was ratified by the General Assembly on September 3, 2021, and vetoed by the Governor on September 10, 2021.

**H352 - Hotel Safety Issues. (Ratified)**

House Bill 352 would have provided that the rental of an accommodation in an inn, hotel, motel, recreational vehicle park, campground, or similar lodging to the same person for fewer than 90 consecutive days does not create a tenancy or a residential tenancy subject to Chapter 42 of the General Statutes. The bill was ratified by the General Assembly on August 19, 2021, and vetoed by the Governor on August 30, 2021.

**H398 - Pistol Purchase Permit Repeal. (Ratified)**

House Bill 398 would have repealed the requirement to obtain a pistol purchase permit from the sheriff prior to the purchase or transfer of a pistol.

House Bill 398 was ratified by the General Assembly August, 19, 2021, and vetoed by the Governor on August 30, 2021.

**H453 - Human Life Nondiscrimination Act/No Eugenics. (Ratified)**

House Bill 453 would have prohibited individuals from performing an abortion unless a physician has confirmed the abortion is not being sought because of the actual or presumed race or sex of the unborn child or the presence or presumed presence of Down syndrome. Physicians would have been required to report whether the race or sex of the unborn child or the presence of Down syndrome had been detected and to affirm that the report was accurate.

House Bill 453 was ratified by the General Assembly on June 14, 2021, and vetoed by the Governor on June 25, 2021.

**H605 - 2022 Primary Date. (Ratified)**

HB 605 would set Tuesday, June 7, 2022, as the date of the primary in 2022, and would reschedule the delayed municipal elections from 2021 to be held in 2022, depending on the affected municipality's method of election.

HB 605 was ratified by the General Assembly on January 19, 2022, and vetoed by the Governor on January 28, 2022. HB 605 would have become effective when it became law.

**H729 - Charter Schools Omnibus. (Ratified)**

The ratified version of House Bill 729 makes the following changes:

* Authorizes all governing boards of public school units to request residency licenses rather than just local boards of education.
* Modifies the North Carolina Charter Schools Advisory Board to add the State Superintendent of Public Instruction, or designee, as a voting member of the Board, eliminate one of the State Board of Education's appointees to the Board, and staggers the terms of office for those members appointed by the General Assembly.

House Bill 729 was ratified by the General Assembly on August 12, 2021, and vetoed by the Governor on August 23, 2021.

**H805 - Prevent Rioting and Civil Disorder. (Ratified)**

House Bill 805 would have made the following changes:

* Clarified that active conduct is required for criminal prosecution of riot offenses.
* Increased some penalties for current offenses and create new offenses related to rioting.
* Authorized a specific civil action for injury to person or property stemming from rioting, looting or trespass during an emergency.
* Included members of the National Guard in a prohibition on certain assaults on emergency personnel.
* Increased the penalty for certain assaults on emergency personnel.
* Created requirements for bail and pretrial release for defendants charged with rioting, and looting or trespass during an emergency.

House Bill 805 was ratified by the General Assembly on September 1, 2021, and vetoed by the Governor on September 10, 2021.

**S37 - In-Person Learning Choice for Families. (Ratified)**

Senate Bill 37 would have required all local school administrative units to offer in-person instruction to students in grades kindergarten through 12 for the remainder of the 2020-2021 school year.

Senate Bill 37 was ratified by the General Assembly on February 17, 2021, and vetoed by the Governor on February 26, 2021.

**S43 - Protect Religious Meeting Places. (Ratified)**

Senate Bill 43 would:

* Authorize carrying a handgun in a place of religious worship that is also educational property if:
	+ The property is not owned by a local board of education or county commission.
	+ The property is not a public or private institution of higher education.
	+ The property is not posted with a notice prohibiting carrying a concealed handgun on the premises.
	+ The handgun is only possessed and carried on the property outside of the school operating hours. School operating hours are defined as any time a curricular or extracurricular activity takes place on the premises, any time when the premises are used for educational, instructional, or school-sponsored activities, and any time the premises are being used for programs for minors by entities not affiliated with the religious institution.
* Authorize certain law enforcement facility employees to carry a concealed handgun in the facility.

Senate Bill 43 was ratified by the General Assembly on June 9, 2021, and vetoed by the Governor on June 18, 2021.

SECTIONS 1-4

**S116 - Putting North Carolina Back to Work Act. (Ratified)**

Senate Bill 116 would:

* Withdraw from the Federal Pandemic Unemployment Compensation program (FPUC) and the Mixed Earners Unemployment Compensation program (MEUC) that provide additional federal benefits to unemployment insurance claimants.
* If FPUC and MEUC programs end before August 14, 2021, appropriate $250 million to the Department of Health and Human Services, Division of Child Development and Early Education, to subsidize child care for eligible children.
* Require claimants seeking unemployment insurance benefits to respond to employer interview requests:
	+ Claimants must respond to interview requests by an employer offering suitable work within 48 hours using the contact information provided by the employer.
	+ Claimants must schedule an interview with an employer within seven days of the interview request.

Senate Bill 116 was ratified by the General Assembly on June 24, 2021, and vetoed by the Governor on July 2, 2021.

**S173 - Free the Smiles Act. (Ratified)**

SB 173 would have done the following:

* Allow parents to opt their children out of face covering requirements in public school units.
* Prohibit children not wearing face coverings from being treated differently than children wearing face coverings.
* Limit the liability for public school units when allowing parental opt-out of face covering requirements, unless the act or omission amounts to gross negligence, willful or wanton conduct, or intentional wrongdoing.
* Repeal the requirement for monthly votes on face covering policies in public school units for the current school year.

SB 173 was ratified by the General Assembly on February 17, 2022, and was vetoed by the Governor on February 24, 2022.

**S326 - Election Day Integrity Act. (Ratified)**

Senate Bill 326 would do the following:

* Provide that all marked mail-in absentee ballots other than military-overseas ballots must be returned to the county board of elections no later than one of the following, unless federal law requires otherwise:
	+ 7:30 P.M. on the date of the election.
	+ By the close of polls in the county, if the State Board of Elections (State Board) extends the closing time of the polls for every poll in the county.
* Require county boards of elections and the State Board to publish the date mail-in absentee ballots are available for voting and the date completed request forms for mail-in absentee ballots must be received by a county board of elections for that election.
* Require county boards of elections to submit reports on the number of spoiled absentee ballots, outstanding absentee ballots, counted absentee ballots, and voted provisional ballots to the State Board, and require the State Board to publish the reports on its website.

Senate Bill 326 was ratified by the General Assembly on November 22, 2021, and vetoed by the Governor on December 2, 2021.

**S360 - Prohibit Collusive Settlements by the Attorney General. (Ratified)**

Senate Bill 360 would require that when the Speaker of the House of Representatives (Speaker) and the President Pro Tempore of the Senate (President Pro Tempore) have jointly intervened as a party on behalf of the General Assembly, or are jointly named in their official capacities as parties to a dispute, claim, or controversy, both must approve any consent judgment or settlement agreement prior to the Attorney General entering into the judgment or agreement.

Senate Bill 360 was ratified by the General Assembly on September 16, 2021, and vetoed by the Governor on September 27, 2021. The substantive contents of Senate Bill 360 became law in subsequent legislation, effective November 18, 2021. See Section 18.7 of S.L. 2021-180.

**S636 - Donor Privacy. (Ratified)**

Senate Bill 636 would protect the identity of persons giving money or tangible goods to nonprofits for furthering that nonprofit's charitable purpose. As ratified on August 26, 2021, the bill would have become effective October 1, 2021. The Governor vetoed the bill on September 3, 2021.

**S725 - Prohibit Private Money in Elections Administration. (Ratified)**

Senate Bill 725 would have prohibited the State Board of Elections, county boards of elections, and county boards of commissioners from accepting private monetary donations, directly or indirectly, for conducting elections or employing individuals on a temporary basis. This bill was ratified by the General Assembly on November 30, 2021, and vetoed by the Governor on December 9, 2021.