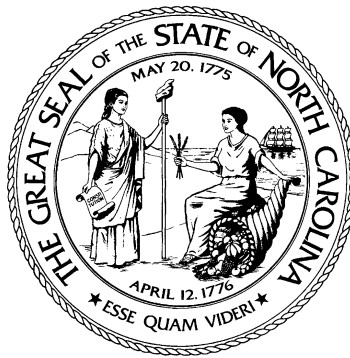


**JOINT LEGISLATIVE
STUDY COMMISSION
ON POVERTY REDUCTION AND
ECONOMIC RECOVERY**



*FINAL REPORT TO THE
2010 SESSION OF THE
2009 GENERAL ASSEMBLY
OF NORTH CAROLINA*

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May 11, 2010

TO THE MEMBERS OF THE 2009 GENERAL ASSEMBLY

The Joint Legislative Study Commission on Poverty Reduction and Economic Recovery herewith submits to you for your consideration its report pursuant to S.L. 2008-181.

Respectfully submitted,

Senator Edward Jones

Representative Garland Pierce

Co-Chairs

Joint Legislative Study Commission on Poverty Reduction and Economic Recovery

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(Revised 3-10-10)

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AUTHORIZING LEGISLATION

**SESSION LAW 2008-181
HOUSE BILL 2431**

AN ACT TO PROVIDE FOR STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION, STATUTORY OVERSIGHT COMMITTEES AND COMMISSIONS, AND OTHER AGENCIES, COMMITTEES, AND COMMISSIONS.

The General Assembly of North Carolina enacts:

PART I. TITLE

SECTION 1. This act shall be known as "The Studies Act of 2008."

. . .

PART XLI. CREATING THE POVERTY REDUCTION AND ECONOMIC RECOVERY LEGISLATIVE STUDY COMMISSION (H.B. 2687 – Pierce, Bryant)

SECTION 41.1. The General Assembly finds that poverty in this State is widespread, especially in rural areas and other areas that have lost significant numbers of agricultural and manufacturing jobs. Further, the General Assembly finds that an understanding of the causes and effects of poverty are critical in the reduction of poverty and the economic recovery of low-wealth areas. To that end, there is created the Poverty Reduction and Economic Recovery Legislative Study Commission.

SECTION 41.2. The Commission shall consist of 20 voting members appointed as follows:

- (1) Ten members appointed by the Speaker of the House of Representatives, to include:
 - a. Seven members of the House of Representatives.
 - b. Three members of the general public, including persons with expertise in the fields of business and economic development, public health, and affordable housing.
- (2) Ten members appointed by the President Pro Tempore of the Senate, to include:
 - a. Seven members of the Senate.
 - b. Three members of the general public, including persons with expertise in the fields of education, public safety, and child welfare.

SECTION 41.3. The President Pro Tempore of the Senate and the Speaker of the House of Representatives may by mutual agreement vary the size and membership of the Commission.

SECTION 41.4. The Commission shall also include the following nonvoting, ex-officio members:

- (1) The Commissioner of Labor, or that officer's designee.
- (2) The Superintendent of Public Instruction, or that officer's designee.
- (3) The Secretary of the Department of Health and Human Services, or that officer's designee.
- (4) The Secretary of the Department of Transportation, or that officer's designee.

- (5) The Secretary of the Department of Juvenile Justice and Delinquency Prevention, or that officer's designee.
- (6) The Secretary of the Department of Commerce, or that officer's designee.
- (7) The Chairman of the Employment Security Commission, or that officer's designee.

SECTION 41.5. The Commission shall:

- (1) Study and develop a coordinated, integrated approach to poverty reduction and economic recovery across the State.
- (2) Examine poverty in each region of the State with an emphasis on the following counties: Alleghany, Avery, Bladen, Columbus, Edgecombe, Graham, Halifax, Hoke, Northampton, Robeson, Scotland, Tyrrell, Warren, Watauga, and Yancey.
- (3) Examine other states' evidenced-based intervention methods and best practices in poverty reduction and economic recovery.
- (4) Study any other matter pertinent to poverty reduction and economic recovery in North Carolina.

SECTION 41.6. The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each appoint a cochair for the Commission. The Commission may contract for consultant services as provided by G.S. 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional and clerical staff to assist in the work of the Commission. Clerical staff shall be furnished to the Commission through the offices of the House of Representatives and the Senate Directors of Legislative Assistants. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission. Members of the Commission shall receive per diem, subsistence, and travel allowances at the rate established in G.S. 120-3.1, 138-5, or 138-6, as appropriate. The appointing authority shall fill vacancies.

The Commission, while in the discharge of its official duties, may exercise all the powers provided under the provisions of G.S. 120-19 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them, and the power to subpoena witnesses.

SECTION 41.7. The Commission shall submit its final report by the 2010 Regular Session of the 2009 General Assembly and may make interim reports it deems necessary. The Commission's final report shall include the results of the Commission's review and specific legislative recommendations. The Commission shall terminate upon filing its final report, or upon the convening of the 2010 Regular Session of the 2009 General Assembly, whichever occurs first.

• • •

PART L. OUT-OF-STATE TRAVEL

SECTION 50.1. For legislative studies authorized by this act, out-of-state travel must be authorized by the President Pro Tempore of the Senate or the Speaker of the House of Representatives, as appropriate.

PART LI. BILL AND RESOLUTION REFERENCES

SECTION 51.1. The listing of the original bill or resolution in this act is for reference purposes only and shall not be deemed to have incorporated by reference any of the substantive provisions contained in the original bill or resolution.

PART LII. EFFECTIVE DATE AND APPLICABILITY

SECTION 52.1. Except as otherwise specifically provided, this act is effective when it becomes law. If a study is authorized both in this act and in the Current Operations and Capital Improvements Appropriations Act of 2008, the study shall be implemented in accordance with the Current Operations and Capital Improvements Appropriations Act of 2008 as ratified.

In the General Assembly read three times and ratified this the 18th day of July, 2008.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ Joe Hackney
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 3:09 p.m. this 4th day of August, 2008

COMMITTEE PROCEEDINGS

The full Joint Legislative Study Commission on Poverty Reduction and Economic Recovery met nine times from December 16, 2008, until April 29, 2010. In addition, the Commission held two public hearings, and its four subcommittees each met at least twice. The committee heard presentations from the following:

December 19, 2008:

- Gene Nichol, Director of the University of North Carolina's Center on Poverty, Work, and Opportunity, addressed poverty from a national perspective.
- Dr. Jesse White, Director of the UNC Office of Economic and Business Development, addressed Poverty from a regional perspective.
- Three speakers addressed poverty in North Carolina. Anne Bacon, Senior Director of Workforce Development for the N.C. Rural Economic Development Center, gave an overview. Yolanda Burwell, Senior Fellow at the N.C. Rural Economic Development Center, addressed N.C. poverty from a rural perspective. Ted Abernathy, Executive Director of the Southern Growth Policies Board, addressed it from an urban perspective.

January 16, 2009:

- Joe Hackney, Speaker of the N.C. House of Representatives and then President of the National Conference of State Legislatures, addressed poverty from a national perspective, as well as the prospects for federal stimulus money.
- The relevant programs of the Department of Health and Human Services were presented by John Price, Director of Rural Health and Community Care, and by Sherry Bradsher, Director of the Division of Social Services.
- Tax credits provided through the Department of Revenue were presented by Nancy Pomeranz, Director of the Personal Tax Division, and by David Baker, Director of the Property Tax Division.
- The work of the Housing Finance Agency was presented by Bob Kucab, its Executive Director.
- The state of the workforce was addressed by Roger Shackleford, Executive Director of Workforce Development in the Department of Commerce.
- Job training in the Community College System was described by Dr. Sandra Williams, its Senior Vice President and Chief of Technology and Workforce Development.
- The thoughts of the N.C. Community Action Association were represented by its Executive Director, Sharon C. Goodson.
- The thoughts of the N.C. Justice Center were represented by its General Counsel, Bill Rowe.
- The Rev. Mac Legerton, a member of the Commission, presented a proposal about best practices of fighting poverty.

September 29, 2009:

- Dempsey Benton, the Governor's Director of Economic Recovery and Investment, gave a report on the economic stimulus package.

- The N.C. Justice Center presented ideas for action by the Commission. Representing the Center were Melinda Lawrence, its Executive Director, and Meg Gray and Elaine Mejia of its Budget and Tax Center.
- Martha Taylor with the North Carolina Dental Hygienists Association was recognized and she clarified the Association's position on several issues.
- William Potter representing the North Carolina Dental Society described how the dental hygienist's exam had been kept artificially low by the Board at the request of the Dental Society for a variety of reasons.
- Patrick L. Boyd, President of Carolina Eye Prosthetics, Inc., addressed the Committee and distributed several handouts. He discussed a proposal to allow accredited ocular proceedings to be eligible for Medicaid reimbursements.

October 27, 2009:

- Bill Rowe, Counsel for the N.C. Justice Center, and Gene Nichol of the UNC Center on Poverty, Work, and Opportunity, presented specific proposals for the Commission's consideration.
- Poverty from a rural perspective was again addressed by Billy Ray Hall, President of the N.C. Rural Economic Development Center.
-

December 1, 2009:

- Commission staff reviewed the Commission's charge.
- The Commission decided upon four subcommittees, Tax Issues, Jobs, State Programs, and Persistent Poverty.

January 5, 2010:

- Subcommittee chairs, having met before the full Commission meeting, had the opportunity to make any reports.

February 2, 2010:

- Subcommittee chairs, having met before the full Commission meeting, had the opportunity to make any reports.
- Dan Gerlach, President of the Golden Leaf Foundation, described its relevant work.
- Emila Sutton of the N.C. Assets Alliance, made a presentation representing her organization.

April 6, 2010:

- The four subcommittees presented their recommendations to the full Commission.
- The full Commission gave directions to the staff as to which of the subcommittee recommendations to include as recommendations of the full Commission in the draft final report, which was to be presented at the April 29 meeting.

April 29, 2010:

- The Commission heard a presentation of the draft of the Final Report, which they had received by email six days before.

- The Commission heard reports from the Department of Public Instruction concerning personal finance and parenthood education and about charter schools.
- After making 10 changes to the draft, the Commission approved the Final Report and directed the staff to prepare it for submission to the General Assembly.

Public Hearings of the Commission:

- Lumberton hearing, held at Robeson Community College on March 11. At least 15 people addressed the Commission.
- Roanoke Rapids hearing, held at Halifax Community College on March 16. At least 11 people addressed the Commission.

Subcommittee Work:

Each of the four subcommittees met at least three times to delve into its assigned topic and work out recommendations to the full Commission.

The Subcommittee on Tax Issues, chaired by Sen. Floyd McKissick Jr., heard the following:

- Dan Etefagh, staff counsel, provided background on the Earned Income Tax Credit and on tax-incidence reporting legislation.
- Meg Gray Wiehe of the N.C. Budget and Tax Center spoke in favor making making permanent certain temporary federal enhancements to tax credits. Those enhancements were included in Congress's stimulus package.

The Subcommittee on Jobs, chaired by Rep. Earl Jones, heard the following:

- A report on the state of North Carolina's workforce from Roger Shackleford, Executive Director of Workforce Development in the Department of Commerce.
- Reports on the Community College System's JobsNOW Program, from Willa Dickens, Stephanie Deese, and Barbara Boyce of the Community College System.
- Reports from officials of Edgecombe Community College and Vance-Granville Community College about the JobsNOW programs on their campuses.
- Reports on Work Opportunity Tax Credits from Virginia Terrell and James Korth of the Employment Security Commission.
- Reports on the hiring of ex-offenders from Allison Jourdan and Carlton Joyner of the Department of Correction.
- A report on other hard-to-employ populations from Anita Abrams of Wake County JobLink.

The Subcommittee on State Programs, chaired by Rep. Angela Bryant, heard the following reports:

- On anti-poverty measures and commissions in other states.
- On health care from Dr. Craigan Gray, Director of the Division of Medical Assistance in the Department of Health and Human Services.
- On housing from Bob Kucab, Executive Director of the N.C. Housing Finance Agency.
- On income and asset development from Tina Morris-Anderson, Director of Research and Policy in the Department of Labor.
- On work supports from Sherry Bradsher, Director of the Division of Social Services (DHHS).

- On child education and child care from Ron Byrd of the Division of Child Development (DHHS), Sue Totty of the N.C. Partnership of Children, and Barbara Bradley of Action for Children.
- On fresh food retail in underserved communities from Lee Dixon of the Fiscal Research Division.

The Subcommittee on Persistent Poverty, chaired by Rep. Bill Current, heard the following:

- A report on past efforts to address the problem of poverty and their effects from John Saxon, Professor of Public Law and Government at the UNC School of Government.
- A report on dropouts and delinquency from Jenni Owen, Director of Policy Initiatives at the Center for Child and Family Policy at Duke University.
- A report on the N.C. Tarheel ChalleNGe Academy from Major Robert Carver of the N.C. National Guard.
- A report on couples and poverty from Dennis Orthner, Associate Director of the Jordan Institute for Families at UNC-Chapel Hill.
- A report on annexation and poverty from Sarah Krishnaraj of the UNC Center for Civil Rights.

Materials from reports made to the full Commission and its subcommittees, as well as minutes of the meetings, are available in the Legislative Library.

FINDINGS AND RECOMMENDATIONS

The Joint Legislative Study Commission on Poverty Reduction and Economic Recovery gathered information on a broad range of issues relevant to poverty in North Carolina. Acutely aware of the difficult economic times and their effects both on the victims of poverty and on the capacity of the State of North Carolina to respond, the Commission attempted to focus on four areas of concern and identify feasible courses of action to recommend to the 2010 Session of the General Assembly. Those four areas are reflected in the four subcommittees into which the Commission organized itself. They are Tax Issues, Jobs, State Programs, and Persistent Poverty. In those areas, the Commission makes the following findings and recommendation:

TAX ISSUES

FINDING 1: The Commission finds that under current law, the N.C. Department of Revenue is required to prepare and publish certain reports. Three states (Maine, Minnesota, and Texas) have enacted laws that examine (1) how the tax structure affects taxpayers and (2) how proposed tax changes would affect taxpayers, usually broken down by deciles or quintiles.

RECOMMENDATION 1: The Commission recommends that the General Assembly add two reporting requirements for the Department of Revenue:

1. An incidence report. It would be due March 1 of each odd-numbered year. It would cover income tax, sales tax, excise tax, and property tax.
2. An impact analysis report for certain bills proposing changes to the State taxes if the fiscal impact of the proposed change would be greater than \$20 million and if a request for the report comes from a chair of a finance committee.

(See Legislative Proposal I.)

FINDING 2: The Commission finds that the State Earned Income Tax Credit (EITC) functions to offset the impact of payroll taxes and to lift low-income working families above the poverty level. Most EITC recipients have one or more children under 18 living at home and earn under \$35,000 annually.

RECOMMENDATION 2: The Commission recommends that, in years where there is fiscal availability, the General Assembly should expand the EITC. (See Legislative Proposal II.)

FINDING 3: The Commission finds that the federal government, during the recent fiscal downturn, temporarily expanded certain tax benefits, including the federal EITC, the child tax credit, and the American opportunity tax credit. These enhancements, which include the largest and most effective federal anti-poverty programs, are set to expire 2011.

RECOMMENDATION 3: The Commission recommends that Congress, as a whole, and North Carolina's delegation of federal legislative representatives, specifically, be encouraged to make these temporary enhancements permanent through legislative action. (See Draft Proposal III.)

JOBS

FINDING 4: The Commission finds that if cuts to Medicaid were restored, some 40,000 jobs in the health care industry could be brought back to the State.

RECOMMENDATION 4: The Commission recommends that the General Assembly restore the cuts that have been made to Medicaid.

FINDING 5: The Commission finds that the establishment of regional housing councils would promote the accelerated rebound of the construction sector and assist in home equity opportunities for first-time home buyers.

RECOMMENDATION 5: The Commission recommends that the General Assembly direct the establishment of three regional housing councils, one in the East, one in the Piedmont, and one in the West. (See Legislative Proposal IV.)

FINDING 6: The Commission finds that broadband access promotes entrepreneurship and business development, especially in traditionally under-served rural areas..

RECOMMENDATION 6: The Commission recommends that the General Assembly continue to expand broadband internet access across the State.

FINDING 7: The Commission finds that quality child care is key to developing job opportunities for the poor and to giving poor children a quality start in life.

RECOMMENDATION 7: The Commission recommends that the General Assembly invest in more child care, eliminating waiting lines.

FINDING 8: The Commission finds that the Prison Education Program in the N.C. Community College system prepares many offenders to successfully reintegrate into society through employment. However, funds for the Prison Education Programs were made nonrecurring in the 2009 Budget, and the program was subject to Continuation Review.

RECOMMENDATION 8: The Committee recommends that the General Assembly restore funding for the Prisoner Education Program in the N.C. Community College System. (See Legislative Proposal V.)

FINDING 9: The Commission finds that the Work Opportunity Tax Credit provides incentives to employers to hire hard-to-employ populations. However, the Commission finds that the program is underutilized and that many employers mistakenly believe the process is difficult and not worth the effort.

RECOMMENDATION 9: The Commission recommends that the Employment Security Commission continue to work to promote the Work Opportunity Tax Credit and educate employers about it. (See Legislative Proposal VI.)

FINDING 10: The Commission finds that Halifax and Robeson counties are among the State's poorest counties. Robeson also has one of the most diverse populations.

RECOMMENDATION 10: The Commission recommends that programs to alleviate poverty should be pilot tested in Halifax and Robeson counties to determine their efficacy and to find best practices that can then be applied to the rest of the State.

STATE PROGRAMS

FINDING 11: The Commission finds that there is a need for systematic information about the efforts of the State, present and past, against poverty.

RECOMMENDATION 11: The Commission recommends that the Program Evaluation Division of the General Assembly be directed to do all of the following:

- an inventory of State programs that are aimed at reducing or alleviating the condition of poverty,
- an evaluation of the outcomes and effectiveness of those programs,
- and a history of State efforts to reduce poverty.

(See Legislative Proposal VII.)

FINDING 12: The Commission finds that the health care system of North Carolina needs attention in several ways that will address the problems of poverty.

RECOMMENDATION 12: The Commission recommends the following:

- That, depending upon available resources, the General Assembly raise the enrollment cap for Health Choice to maximize the federal allotment.
- That the State explore federal incentives through the Children's Health Insurance Program Reauthorization Act (CHIPRA) to expand eligibility and ease administrative burdens for Health Choice, which may require raising the enrollment cap. The State should particularly target families of National Guard members.
- That the State explore the extent of medical debt in North Carolina, including debt caused by child illness and predatory lending practices conducted by credit card companies or other credit entities handling debt for hospitals or any other health providers in North Carolina, and consider policies to address the undesirable consequences for poverty reduction.
- That the State, in general, examine the existing healthcare system in North Carolina with the goal of continuing to provide the greatest number of people with the greatest amount of services.

FINDING 13: The Commission finds that the State's approach to housing needs attention in several ways that will address the problems of poverty.

RECOMMENDATION 13: The Commission recommends the following:

- That the General Assembly maintain the existing \$10 million in funding for the N.C. Housing Trust fund, and dependent on available resources, consider increasing funding for the N.C. Housing Trust Fund.
- That the State examine the feasibility of new policies to aid low-income utility consumers and to promote access to utility services (e.g. expanded shut-off protections and rate discounts for low-income customers).
- That the State explore the possibility of extending new private home mortgage foreclosure protections to public (tax) foreclosures.

FINDING 14: The Commission finds that Individual Development Accounts (IDAs) show promise as a means of expanding income.

RECOMMENDATION 14: The Commission recommends that the State explore adequate funding for IDAs and continue to use Community Development Block Grants (CBDGs) and Temporary Aid for Needy Families (TANF) funds for IDAs.

FINDING 15: The Commission finds that the State can take several actions, general and specific, to support poor people who are working or trying to work.

RECOMMENDATION 15: The Commission recommends the following:

- That the State explore improving transportation services in rural areas
- That the State continue to create opportunities for work experience through subsidized employment using American Recovery and Reinvestment Act (ARRA) Temporary Assistance for Needy Families (TANF) funds.
- That the State continue to enhance work skills through training opportunities such as the 12 and 6 Program through community colleges.
- That the General Assembly, depending upon available resources, increase payment rate for Work First tied to meeting the work and personal responsibility requirements of the program.
- That the State explore supporting efforts to maximize participation in federal programs, including Food and Nutrition Services, Supplemental Nutrition for Women, Infants, and Children (WIC), weatherization programs, TANF, Medicaid, etc. through community outreach and utilization of efforts such as the NC Benefits Bank.
- That, in addition, the General Assembly and other appropriate agencies of State government enact or adopt the necessary policies or provisions to ensure that the public, policy makers, advocates and agency leaders understand and make explicit the interconnection of these funding programs in terms of the impact that maximizing participation in one program can have on automatically triggering eligible funds to the state for other programs.

FINDING 16: The Commission finds that parents in poverty need special support for themselves and their children.

RECOMMENDATION 16: The Commission recommends that the General Assembly, the extent that funds are available,:

- Continue to extend the current 30 to 60 day job search policy up to 6 months when child care subsidy recipients experience a loss of employment.
- Continue to provide child care subsidy applicants upfront job search up to 6 months that lost employment on or after October 1, 2008.
- Continue to provide job search child care subsidy benefits for recipients who completed school and are entering the job market.
- Continue to extend the 24-month post-secondary education time limit for child care subsidy to 36 months for recipients who lost employment since October 1, 2008, or otherwise need additional training to enhance marketable skills for job placement and who have depleted the 24-month allowable time for education.
- Maintain and support investments to increase and maintain high-quality, early learning programs

FINDING 17: The Commission finds that the State can have a role in encouraging the provision of fresh food in underserved communities.

RECOMMENDATION 17: The Commission recommends that the State continue to analyze the impact of the lack of fresh food retail in underserved communities, with a focus on developing policies and recommendations that do the following:

- Target State economic development programs and public incentives to the supermarket industry to maximize their impact on supermarket site location decisions.
- Develop a business financing program to support local supermarket development, renovation, and expansion projects.

- Prioritize assembling land at the local level for supermarket and grocery store development.
- Reduce unnecessary regulatory barriers to supermarket and grocery store investment and streamline the development process.
- Increase/prioritize transportation services to supermarkets.
- Develop up-to-date and data-driven market information on unmet market demand for food in underserved areas.
- Promote green supermarket development and renovation through incentives for energy-efficient equipment and systems and environmentally sustainable building materials.

PERSISTENT POVERTY

FINDING 18: The Commission finds that the N.C. National Guard's Tarheel Challenge Academy is a federal/State program in Salemburg in Eastern North Carolina that has been successful in remediating the consequences of high school dropouts, but that the effort should be expanded to provide access to people in other parts of the State.

RECOMMENDATION 18: The Commission recommends that the State should assist the National Guard in opening a second Tarheel Challenge Academy in Badin in the Piedmont. (See Legislative Proposal VIII.)

FINDING 19: The Commission finds that the State does not teach personal finance and parenting skills for both mother and father encourage the maintenance of homes with both parents, which correlate with more successful child-rearing, but those efforts should be enhanced.

RECOMMENDATION 19: The Commission recommends that the Departments of Health and Human Services and Public Instruction be directed to continue to include personal finance and parenthood training in North Carolina's public school curriculum, emphasizing fatherhood as well as motherhood. This should be made a specific requirement in the middle schools. (See Legislative Proposal IX.)

FINDING 20: The Commission finds that charter schools, if inclusive of low-income students, can be a force to lift children from the cycle of poverty.

RECOMMENDATION 20: The Commission recommends that the General Assembly lift the existing cap on charter schools. This should be done with a specified minimum within the school for students eligible for free and reduced-price lunches. (See Legislative Proposal X.)

FINDING 21: The Commission finds that current municipal annexation practices are too often characterized by "underbounding," in which municipalities annex but leave gaps and donut holes for low-wealth areas, contributing to deterioration.

RECOMMENDATION 21: The Commission recommends that the laws on annexation be amended to do the following:

- Reduce the signature requirement for voluntary annexation for communities in which 50% or more of the residents live below the poverty threshold.
- Permit the involuntary annexation of "donut holes" without regard to the statutory use and density requirements.
- Give priority consideration to publicly funded Community Development Block Grant (CDBG) projects located in areas annexed by municipalities to provide water and sewer services to low-income residents.

(See Legislative Proposal XI.)

In addition to the findings and recommendations in the subject areas of the subcommittees, the Commission has a final general finding and recommendation.

FINDING 22: The Commission finds that the attempt to address the problems of poverty needs to be comprehensive and ongoing, and should include a target and timeline for reduction of poverty.

RECOMMENDATION 22: The Commission recommends the following:

- That the House and Senate establish standing committees on poverty reduction and economic recovery.
- That the General Assembly establish a permanent statutory commission on poverty reduction and economic recovery.
- That the permanent commission be given, among other things, the task of setting a reasonable target and timeline for poverty reduction, including alternative measures for poverty.
- That the permanent commission be given, among other things, the task of establishing regional commissions on poverty reduction and economic recovery in the high poverty regions of the State.

(See Legislative Proposal XII.)

LEGISLATIVE PROPOSAL I

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

U

D

BILL DRAFT 2009-MCz-231 [v.1] (02/12)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
2/12/2010 12:57:02 PM

Short Title: Poverty Reduction: Tax Incidence Reports. (Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE CERTAIN TAX INCIDENCE REPORTS BY THE DEPARTMENT
OF REVENUE, AS RECOMMENDED BY THE JOINT LEGISLATIVE STUDY
COMMISSION ON POVERTY REDUCTION AND ECONOMIC RECOVERY..

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-256(a) is amended by adding the following subdivision to read:

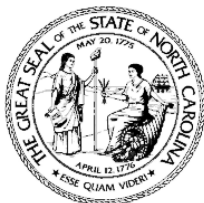
"(a) Publications. – The Secretary shall prepare and publish the following:

...

(2a) By March 1 of each odd-numbered year, a report on the overall incidence of the income tax, sales and excise taxes, and property tax. In addition, the Secretary shall prepare for a finance committee, within 15 days of a request of a chair of the committee, an impact analysis report of a bill to change the tax system that would increase, decrease, or redistribute tax by more than twenty million dollars (\$20,000,000). In a report required by this subdivision, the report shall present information on the distribution of the tax burden for the overall income distribution, using a systemwide incidence measure that appropriately measures equality and inequality, and by income classes broken down by quintiles. A report required by this subdivision shall use the broadest measure of economic income for which reliable data is available.

..."

SECTION 2. This act becomes effective January 1, 2011.



LEGISLATIVE PROPOSAL I: Poverty Reduction: Tax Incidence Reports

BILL ANALYSIS

Committee:	Poverty Reduction and Economic Recovery - Subcommittee on Tax Issues	Date:	March 1, 2010
Introduced by:		Summary by:	Dan Ettefagh
Version:	2009-MCz-231		Committee Counsel

SUMMARY: *This bill would require two additional reporting requirements by the Department of Revenue: a tax incidence report and impact analysis reports.*

CURRENT LAW: Under current law, the Department of Revenue is required to prepare and publish certain reports as required under G.S. 105-256.

BILL ANALYSIS: This bill would add two additional reports to those the Department must prepare and publish. The first of these reports is an incidence report, which would be due March 1 of each odd-numbered year. The incidence report would cover income tax, sales tax, excise taxes, and property tax.

The second report would be an impact analysis report for certain bills proposing changes to the State taxes if (1) requested by a chair of a finance committee and (2) the fiscal impact of the proposed change would be greater than \$20 million. The report would be due within 15 days of a request from a finance committee chair.

Both of the reports required by this bill would have the following requirements:

- The report must present information on the distribution of the tax burden for the overall income distribution, using a system measure appropriate for determining equality.
- The report must be broken down by quintiles.
- The report must use the broadest measure of economic income for which reliable data is available.

EFFECTIVE DATE: This bill would become effective January 1, 2011.

BACKGROUND: Three other states, Maine, Minnesota, and Texas, require tax incidence reporting with a \$20 million threshold for triggering an impact analysis report. Two of the three states have the state revenue department make both reports, while Texas has a Legislative Budget Board prepare the impact analysis report.

2009-MCz-231-SMMC

LEGISLATIVE PROPOSAL II

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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D

BILL DRAFT 2009-MCz-235 [v.4] (02/19)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
3/1/2010 3:49:43 PM**

Sponsors: .

Referred to:

1 A LEGISLATIVE STUDY COMMISSION ON POVERTY REDUCTION AND ECONOMIC
2 RECOVERY RESOLUTION ENCOURAGING THE LEGISLATURE TO INCREASE THE
3 STATE EARNED INCOME TAX CREDIT AS FISCAL AVAILABILITY ALLOWS, AS
4 RECOMMENDED BY THE JOINT LEGISLATIVE STUDY COMMISSION ON
5 POVERTY REDUCTION AND ECONOMIC RECOVERY.

6 Whereas, the federal earned income tax credit was created in 1975 to lessen the impact
7 of federal payroll taxes that fall disproportionately on low-income workers, to supplement low-
8 and moderate-income families' incomes, and to lift working families above the poverty level; and

9 Whereas, the federal earned income tax credit, being available only to those families
10 with earnings from work, has helped to raise labor force participation levels; and

11 Whereas, the federal earned income tax credit now benefits more than twenty-four
12 million people with almost fifty billion dollars (\$50,000,000,000) in credits nationwide and more
13 than 825,000 households in this State; and

14 Whereas, the federal earned income tax credit annually lifts over five million
15 Americans above the poverty line each year; and

16 Whereas, most earned income tax credit recipients have one or more children under 18
17 living at home and earn under thirty-five thousand dollars (\$35,000) annually; and

18 Whereas, this State acknowledged the important economic benefits and incentives for
19 low- and moderate-income families by enacting in 2007 a State earned income tax credit; and

20 Whereas, this State expanded the State earned income tax credit in 2008 by increasing
21 the calculation for the maximum credit amount; and

22 Whereas, the current economic downturn has increasingly made it difficult for low- and
23 moderate- income families to continue to meet the expenses for basic needs for survival; and

1 Whereas, this increased difficulty makes both the federal and State earned income tax
2 credits more necessary and of greater assistance; Now, therefore,
3 Be it resolved by the Legislative Study Commission on Poverty Reduction and Economic
4 Recovery:

5
6 **SECTION 1.** The Legislative Study Commission on Poverty Reduction and Economic
7 Recovery encourages the members of the full Commission to express its support of the State
8 earned income tax credit.

9 **SECTION 2.** The Legislative Study Commission on Poverty Reduction and Economic
10 Recovery urges the members of the General Assembly to continue to study the goals and benefits
11 of the State earned income tax credit and to expand the credit as fiscal availability allows to
12 insure that the credit meaningfully continues to assist low- and moderate-income workers
13 economically.

LEGISLATIVE PROPOSAL III

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

U

D

BILL DRAFT 2009-MCz-236 [v.2] (02/19)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
3/1/2010 3:49:22 PM**

Sponsors: .

Referred to:

1 A JOINT RESOLUTION URGING THE CONGRESS OF THE UNITED STATES TO MAKE
2 CERTAIN TEMPORARY FEDERAL TAX CREDIT CHANGES PERMANENT, AS
3 RECOMMENDED BY THE JOINT LEGISLATIVE STUDY COMMISSION ON
4 POVERTY REDUCTION AND ECONOMIC RECOVERY.

5 Whereas, the current economic recession disproportionately affects low- and moderate-
6 income working families and low-wage workers; and

7 Whereas, the American Recovery and Reinvestment Act expanded certain tax credits in
8 2009, thereby benefitting hundreds of thousands of North Carolina's low- and moderate-income
9 families; and

10 Whereas, the expanded tax benefits included enhancements to the earned income tax
11 credit, the child tax credit, and the American opportunity tax credit; and

12 Whereas, Congress enacted the earned income tax credit in 1975 and, through various
13 expansions, lifted approximately 6.6 million Americans, including 3.3 million children, out of
14 poverty in 2009; and

15 Whereas, more than 825,000 North Carolina families benefit from the federal earned
16 income tax credit; and

17 Whereas, Congress created the child tax credit in 1997 to help families meet the costs
18 of raising children and expanded the credit in 2009 to reach many low-income working families;
19 and

20 Whereas, the earned income tax credit and the child tax credit offer low- and moderate-
21 wealth individuals and parents an incentive to seek work and higher wages and are the largest and
22 most effective federal anti-poverty programs, collectively reducing the overall poverty rate by
23 twenty percent (20%) and the child poverty rate by thirty-three percent (33%) in 2009; and

1 Whereas, the American opportunity tax credit was expanded by Congress to provide
2 education benefits for the first time to 3.8 million low- and moderate-income college students and
3 is one of the best long-term investments to expand the skills of unemployed workers and to
4 enable low- and moderate-income prospective students to enroll in college; and

5 Whereas, these enhanced tax credits are scheduled to expire in 2011 without
6 Congressional action, thereby reducing or eliminating the credit for millions of low- or moderate-
7 wealth children, individuals, and families at a time of increased financial hardship; Now,
8 therefore,

9 Be it resolved by the Senate, the House of Representatives concurring:

10

11 **SECTION 1.** The General Assembly of North Carolina urges the members of the
12 Congress of the United States from North Carolina to support the introduction and passage of
13 legislation making the enhancements to the earned income tax credit, the child tax credit, and the
14 American opportunity tax credit permanent.

15 **SECTION 2.** The General Assembly of North Carolina urges Congress to pass the
16 legislation making the enhancement of the tax credits permanent.

17 **SECTION 3.** This resolution is effective upon ratification.

LEGISLATIVE PROPOSAL IV

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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D

BILL DRAFT 2009-RRz-70 [v.5] (04/15)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
4/23/2010 3:39:07 PM**

Short Title: Regional Economic Recovery Housing Alliances. (Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

AN ACT TO DIRECT THE DEPARTMENT OF COMMERCE TO WORK WITH LOCAL GOVERNMENTS AND REGIONAL COUNCILS OF GOVERNMENT TO CONVENE AND ORGANIZE REGIONAL ECONOMIC RECOVERY HOUSING ALLIANCES, AS RECOMMENDED BY THE JOINT LEGISLATIVE STUDY COMMISSION ON POVERTY REDUCTION AND ECONOMIC RECOVERY.

The General Assembly of North Carolina enacts:

SECTION 1. The Department of Commerce shall work with local governments through the regional councils of government to establish Regional Economic Recovery Housing Alliances in each of the three geographic regions of the State, mountains, central and coastal. The Department of Commerce shall assist the regional councils of governments in identifying activities that will help local governments develop and manage housing-related economic stimulus projects, thereby increasing economic activity, stimulating investment, and improving job retention and economic growth. The regional councils shall convene and organize regional housing recovery alliances, bringing together stakeholders including local governments, homebuilders, real estate professionals, community oriented banks, mortgage lenders, local economic developers, nonprofit community development organizations, housing counseling agencies, chambers of commerce, and major employers.

The councils of government shall use available funds to make pilot grants to an eligible local government in each of the three geographic regions, based on the presentation of a proposed work plan, to carry out the work plan, consistent with the purposes of this act.

1 **SECTION 2.(a)** The Regional Economic Recovery Housing Alliances created in
2 accordance with Section 1 of this act shall mobilize housing related economic stimulus efforts at a
3 regional level tailored to market conditions and the needs of local governments in the region. The
4 Alliances may pursue any of the following purposes:

- 5 (1) Organize projects and financing that will put homebuilders, crews, and trades
6 people back to work building and renovating homes.
- 7 (2) Keep families that are facing foreclosure in their homes.
- 8 (3) Prepare families for equity building homeownership.
- 9 (4) Assemble financing for economic development projects, including affordable
10 housing projects, from federal, State and other sources.
- 11 (5). Promote construction projects that will meet regional needs and foster sound,
12 sensible growth.

13 **SECTION 2.(b)** The Regional Economic Recovery Housing Alliances shall build on
14 work currently under way in many regions through the federal EDA, HOME, CDBG, and
15 Weatherization programs, as well as programs of the North Carolina Housing Finance Agency,
16 Department of Environment and Natural Resources, the North Carolina Rural Economic
17 Development Center, and the Department of Commerce in order to leverage the use of public
18 investments.

19 **SECTION 3.** This act is effective when it becomes law.
20
21



LEGISLATIVE PROPOSAL IV: Regional Economic Recovery Housing Alliances.

2009-2010 General Assembly

Committee:	Date:	April 22, 2010
Introduced by:	Prepared by:	William R. Gilkeson
Analysis of: 2009-RRz-70		Committee Counsel

SUMMARY: *This Legislative Proposal would direct the Department of Commerce to work with regional councils of government to establish Regional Economic Recovery Housing Alliances in each of the State's 3 major regions.*

BILL ANALYSIS: This Legislative Proposal would direct the Department of Commerce to work with regional councils of government to establish Regional Economic Recovery Housing Alliances in each of the State's three regions, mountains, Piedmont, and coastal.

The regional councils of government would be directed to use available funds to make pilot grants to a local government in each of the regions to carry out a work plan consistent with the purposes of the act.

The Regional Economic Recovery House Alliances would be directed to mobilize housing-related economic stimulus efforts at a regional level tailored to market conditions and needs of local governments in the region. They could pursue any of the following purposes:

- (1) Organize projects and financing that will put homebuilders, crews, and trades people back to work building and renovating homes.
- (2) Keep families that are facing foreclosure in their homes.
- (3) Prepare families for equity building homeownership.
- (4) Assemble financing for economic development projects, including affordable housing projects, from federal, State and other sources.
- (5). Promote construction projects that will meet regional needs and foster sound, sensible growth.

They would be directed to build on the work already under way through other programs and agencies, which are listed in the bill.

EFFECTIVE DATE: When it becomes law.

2009-RRz-70-SMRR-178 v2

LEGISLATIVE PROPOSAL V

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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D

BILL DRAFT 2009-RRz-68 [v.1] (04/05)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

4/20/2010 4:42:27 PM

Short Title: Restore Prison Education Funds.

(Public)

Sponsors: .

Referred to:

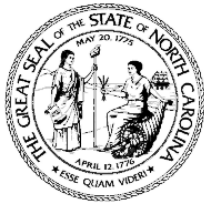
A BILL TO BE ENTITLED

**AN ACT TO RESTORE FUNDING TO THE PRISON EDUCATION PROGRAM IN THE
NORTH CAROLINA COMMUNITY COLLEGE SYSTEM, AS RECOMMENDED BY
THE JOINT LEGISLATIVE STUDY COMMISSION ON POVERTY REDUCTION AND
ECONOMIC RECOVERY.**

The General Assembly of North Carolina enacts:

SECTION 1. There is appropriated to the Community College System the sum of thirty-two million eight hundred ninety-nine thousand seven hundred fifteen dollars (\$32,899,715) for the 2010-11 fiscal year to provide educational programs for inmates in the custody of the Department of Correction.

SECTION 2. This act becomes effective July 1, 2010.



LEGISLATIVE PROPOSAL V: Restore Prison Education Funds.

2009-2010 General Assembly

Committee:		Date:	April 22, 2010
Introduced by:		Prepared by:	William R. Gilkeson
Analysis of:	2009-RRz-68		Committee Counsel

SUMMARY: *This Legislative Proposal would restore funding for the Prison Education Program in the N.C. Community College System.*

CURRENT LAW: In the 2009-2010 budget, the roughly \$32.9 million recurring appropriation for the Prison Education Program in the N.C. Community College System was replaced with non-recurring funds. Restoration of recurring funding was made subject to the findings of a continuation review of the effectiveness of the program.

BILL ANALYSIS: The Legislative Proposal would appropriate \$32,899,715 to the Community College System for the 2010-2011 fiscal year to provide educational programs for inmates in the custody of the Department of Correction..

EFFECTIVE DATE: July 1, 2010.

2009-RRz-68-SMRR-177 v1

LEGISLATIVE PROPOSAL VI

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

U

D

BILL DRAFT 2009-RRz-69 [v.1] (04/05)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
4/20/2010 4:45:37 PM**

Short Title: Promote Work Oppy. Tax Credit. (Public)

Sponsors: .

Referred to:

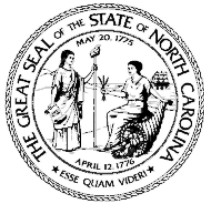
A BILL TO BE ENTITLED

**AN ACT TO DIRECT THE EMPLOYMENT SECURITY COMMISSION TO PROMOTE THE
WORK OPPORTUNITY TAX CREDIT AND EDUCATE EMPLOYERS ABOUT IT, AS
RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON POVERTY
REDUCTION AND ECONOMIC RECOVERY.**

The General Assembly of North Carolina enacts:

SECTION 1. The Employment Security Commission shall promote the Work
Opportunity Tax Credit as provided by G.S. 105-129.16G and educate employers about it.

SECTION 2. This act is effective when it becomes law.



LEGISLATIVE PROPOSAL VI: Promote Work Oppy. Tax Credit.

2009-2010 General Assembly

Committee:	Date:	April 23, 2010
Introduced by:	Prepared by:	William R. Gilkeson
Analysis of: 2009-RRz-69		Committee Counsel

SUMMARY: *This Legislative Proposal would require the Employment Security Commission to promote the Work Opportunity Tax Credit and educate employers about it.*

CURRENT LAW: North Carolina, under GS 105-129.16G, provides a State income tax credit to a taxpayer who is allowed a Work Opportunity tax credit (WOTC) under the Internal Revenue Code. The amount of the credit is equal to 6% of the amount of credit allowed under the Code. The credit may be claimed against the franchise tax or the income tax. The taxpayer must elect the tax against which a credit will be claimed when filing the return; the election is binding. The credit allowed may not exceed 50% of the tax against which it is claimed. Any unused portion of the credit may be carried forward for five years. The carryforwards must be claimed against the same tax.

The federal WOTC is designed to help move people from welfare into gainful employment and obtain on-the-job experience.

The new employee must belong to one of the following nine target groups:

- A member of a family that is receiving or recently received Temporary Assistance to Needy Families (TANF) for at least 18 consecutive months ending on the hiring date.
- A member of a family that is receiving or recently received TANF benefits for any 9-month period during the 18-month period ending on the hiring date.
- An 18 to 39 year old member of a family that is receiving or recently received food stamps.
- An 18 to 24 year old resident of one of the federally designated Empowerment Zones (EZ), Enterprise Communities (EC), or Renewal Communities (RC).
- A 16 to 17 year old EZ/EC/RC resident hired between May 1 and September 15 as a Summer Youth Employee.
- A veteran who is a member of a family that is receiving or recently received food stamps.
- A Vocational Rehabilitation Referral who completed or is completing rehabilitation services from a State certified agency, an Employment Network, or the U.S. Department of Veterans Affairs.
- An ex-felon who has been convicted of a felony and has a hiring date which is not more than one year after the last date on which he was so convicted or released from prison.
- A recipient of Supplemental Security Income benefits.

The State credit was enacted in 2007 with an expiration date of 2008. In 2008 the General Assembly extended the sunset to 2012 and provided that the State credit would be for "positions located in this State."

BILL ANALYSIS: The Legislative Proposal would require the Employment Security Commission to promote the Work Opportunity Tax Credit and educate employers about it.

EFFECTIVE DATE: When it becomes law.

2009-RRz-69-SMRR-181 v1

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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D

BILL DRAFT 2009-RRz-73 [v.2] (04/29)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
4/29/2010 4:59:43 PM**

Short Title: Inventory of Anti-poverty Efforts.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

AN ACT TO DIRECT THE PROGRAM EVALUATION DIVISION OF THE GENERAL ASSEMBLY TO INVENTORY AND EVALUATE ANTI-POVERTY EFFORTS IN THE STATE AND TO WRITE A HISTORY OF THE STATE'S EFFORTS TO REDUCE POVERTY, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON POVERTY REDUCTION AND ECONOMIC RECOVERY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 120-36.12 reads as rewritten:

"§ 120-36.12. Duties of Program Evaluation Division.

The Program Evaluation Division of the Legislative Services Commission has the following powers and duties:

- (1) To examine a program or an activity of a State agency and evaluate the merits of the program or activity and the agency's effectiveness in conducting the program or activity.
- (2) To develop quantitative indicators for measuring the activities performed and services provided by a State agency and the extent to which the activities and services are achieving desired results.
- (3) To develop unit cost measures to determine the cost of activities performed and services provided by a State agency.
- (4) To determine if a program or an activity of a State agency complies with the agency's mission, as established by law.
- (5) To make unannounced visits to a State agency when needed to evaluate a program or an activity of the agency.
- (6) To make recommendations to improve the efficiency and effectiveness of a State agency.

- 1 (7) To determine the extent to which a State agency has implemented any of the
2 Division's recommendations concerning the agency.
- 3 (8) To require a State agency to submit a written response to a proposed or final
4 recommendation of the Division and to submit a written explanation of the
5 extent to which the agency has implemented the Division's recommendations.
- 6 (9) To make periodic reports of the activities and recommendations of the Division
7 and of any savings achieved by the implementation of its recommendations.
- 8 (10) To receive reports alleging improper activities or matters of public concern
9 listed in G.S. 126-84. The individual making the report may, at the individual's
10 discretion, remain anonymous. Any report received under this subdivision, in
11 whatever form, shall not be a "public record" as defined by G.S. 132-1 and
12 becomes available to the public only as provided in G.S. 120-131.
- 13 (11) To conduct and update an inventory of State programs that are aimed at reducing or
14 alleviating the condition of poverty, to evaluate the outcomes and effectiveness of those
15 programs, and to write and update a history of State efforts to reduce poverty."

16 **SECTION 2.** This act is effective when it becomes law.



LEGISLATIVE PROPOSAL VII: Inventory of Anti-poverty Efforts.

2009-2010 General Assembly

Committee:	Date:	April 29, 2010
Introduced by:	Prepared by:	William R. Gilkeson
Analysis of: 2009-RRz-73		Committee Counsel

1
2 **SUMMARY:** *This Legislative Proposal would direct the Program Evaluation Division of the*
3 *Legislative Services Office to inventory and evaluate anti-poverty efforts in the State and write a history*
4 *of the State's efforts against poverty.*

5 **CURRENT LAW:** The Program Evaluation Division was established by statute in 2007 to "assist the
6 General Assembly in fulfilling its responsibility to oversee government functions by providing an
7 independent, objective source of information to be sued in evaluating whether public services are
8 delivered in an effective and efficient manner and in accordance with law."

9 **BILL ANALYSIS:** The bill would add to the statutory duties of the Program Evaluation Division the
10 following:

- To conduct and update an inventory of State programs that are aimed are reducing or alleviating the condition of poverty,
- To evaluate the outcomes and effectiveness of those programs,
- To write and update a history of State efforts to reduce poverty.

The duty would be a continuing one.

11 **EFFECTIVE DATE:** When it becomes law.

12

13 2009-RRz-73-SMRR-182 v1

LEGISLATIVE PROPOSAL VIII

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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D

BILL DRAFT 2009-RRz-74 [v.2] (04/29)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
4/29/2010 4:58:57 PM**

Short Title: Second Tarheel ChalleNGe Academy. (Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

**AN ACT TO DIRECT THE DEPARTMENT OF PUBLIC INSTRUCTION TO ASSIST THE
NATIONAL GUARD IN ESTABLISHING A SECOND TARHEEL CHALLENGE
ACADEMY IN BADIN, AS RECOMMENDED BY THE JOINT LEGISLATIVE
COMMISSION ON POVERTY REDUCTION AND ECONOMIC RECOVERY.**

The General Assembly of North Carolina enacts:

SECTION 1. The Department of Public Instruction shall use available means to assist the North Carolina National Guard in establishing a second Tarheel ChalleNGe Academy in Badin, North Carolina.

SECTION 2. This act becomes effective July 1, 2010.



LEGISLATIVE PROPOSAL VIII: Second Tarheel ChalleNGe Academy.

2009-2010 General Assembly

Committee:	Date:	April 29, 2010
Introduced by:	Prepared by:	William R. Gilkeson
Analysis of: 2009-RRz-74		Committee Counsel

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SUMMARY: *This Legislative Proposal would direct the Department of Public Instruction to use available means to assist the North Carolina National Guard in establishing a second Tarheel ChalleNGe Academy at Badin, N.C.*

CURRENT LAW: Currently, the N.C. National Guard, using federal and State funds, conducts a program in Salemburg called the Tarheel ChalleNGe Academy. It is a quasi-military program for high school dropouts, or expellees designed to provide them with the discipline and life skills necessary to be productive members of society.

Salemburg, in Sampson County near Clinton, is in the eastern part of the State. The National Guard has been planning to open a second academy in Badin. Badin, in Stanly County near Albemarle, is in the Piedmont.

BILL ANALYSIS: The Legislative Proposal would direct the Department of Public Instruction to use available means to assist the National Guard in establishing the second academy in Badin.

EFFECTIVE DATE: July 1, 2010.

BACKGROUND:

2009-RRz-74-SMRR-183 v2

LEGISLATIVE PROPOSAL IX

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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D

BILL DRAFT 2009-RRz-71 [v.1] (04/05)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
4/22/2010 7:33:12 PM

Short Title: Parenthood/Financial Education.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE INCLUSION OF PERSONAL FINANCE AND PARENTHOOD TRAINING IN NORTH CAROLINA'S MIDDLE-SCHOOL CURRICULUM, AS RECOMMENDED BY THE JOINT LEGISLATIVE STUDY COMMISSION ON POVERTY REDUCTION AND ECONOMIC RECOVERY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-81(e1)(1) reads as rewritten:

"(1) A comprehensive school health education program shall be developed and taught to pupils of the public schools of this State from kindergarten through ninth grade. This program includes age-appropriate instruction in the following subject areas, regardless of whether this instruction is described as, or incorporated into a description of, "family life education", "family health education", "health education", "family living", "health", "healthful living curriculum", or "self-esteem":

- a. Mental and emotional health;
- b. Drug and alcohol abuse prevention;
- c. Nutrition;
- d. Dental health;
- e. Environmental health;
- f. Family ~~living~~; living, which in the middle schools shall include training for parenthood, both fathers and mothers;

- 1 g. Consumer ~~health~~;health; which in the middle schools shall include
2 training in personal finance.
3 h. Disease control;
4 i. Growth and development;
5 j. First aid and emergency care, including the teaching of cardiopulmonary
6 resuscitation (CPR) and the Heimlich maneuver by using hands-on
7 training with mannequins so that students become proficient in order to
8 pass a test approved by the American Heart Association, or American
9 Red Cross;
10 k. Preventing sexually transmitted diseases, including HIV/AIDS, and other
11 communicable diseases;
12 l. Reproductive health and safety education; and
13 m. Bicycle safety.

14 As used in this subsection, "HIV/AIDS" means Human Immunodeficiency
15 Virus/Acquired Immune Deficiency Syndrome."

16 **SECTION 2.** The Department of Public Instruction and the Department of Health and
17 Human Services shall cooperate in the development of curricula to implement Section 1 of this
18 act.

19 **SECTION 3.** This act is effective when it becomes law. Section 1 of this act shall be
20 implemented by the beginning of the 2012-2013 school year.
21



LEGISLATIVE PROPOSAL IX: Parenthood/Financial Education.

2009-2010 General Assembly

Committee:	Date:	April 29, 2010
Introduced by:	Prepared by:	William R. Gilkeson
Analysis of: 2009-RRz-71		Committee Counsel

SUMMARY: *This Legislative Proposal would require the inclusion in the middle school curriculum training in personal finance and parenthood.*

CURRENT LAW: Currently, G.S. 115C-81 requires that a comprehensive school health education program shall be developed and taught to pupils of the public schools from kindergarten through ninth grade. It is required to be age appropriate, and it must include "family living" and "consumer health." But there is no specific mention of either personal finance or parenthood, although the Department of Public Instruction does include both topics in its curriculum.

BILL ANALYSIS: The Legislative Proposal would specifically require that personal finance and parenthood be taught in middle schools. Middle-school training in parenthood, including both mothers and fathers, would be made a specific part of the "family living" requirement. Middle-school training in personal finance would be made a specific part of the "consumer health" requirement.

The Department of Public Instruction and the Department of Health and Human Services would be required to cooperate in the development of the new parts of the curriculum.

EFFECTIVE DATE: When it becomes law. The new curriculum would be required to be in place by the beginning of the 2012-2013 school year.

2009-RRz-71-SMRR-180 v2

LEGISLATIVE PROPOSAL X

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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D

BILL DRAFT 2009-RRz-62 [v.4] (04/05)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

4/29/2010 5:44:13 PM

Short Title: Lift Charter Cap/Lunch Requirements.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

AN ACT TO RAISE THE CAP ON THE NUMBER OF CHARTER SCHOOLS FROM 100 TO 106; TO GIVE PREFERENCE TO SCHOOLS IN CERTAIN LOW-WEALTH COUNTIES; TO REQUIRE NEW CHARTER SCHOOLS TO PROVIDE A FREE AND REDUCED PRICE LUNCH PROGRAM; AND TO REQUIRE EACH NEW CHARTER SCHOOL TO ACCEPT A MINIMUM NUMBER OF STUDENTS ELIGIBLE FOR THE FREE AND REDUCED PRICE LUNCH PROGRAM, AS RECOMMENDED BY THE JOINT LEGISLATIVE STUDY COMMISSION ON POVERTY REDUCTION AND ECONOMIC RECOVERY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-238.29D(b) reads as rewritten:

"(b) The State Board shall authorize no more than five charter schools per year in one local school administrative unit. The State Board shall give priority to new applications for schools that focus on expanded learning experiences for students (i) who are identified as at risk of academic failure or (ii) who are low income and qualify for free and reduced price lunch programs and to new applications for schools in the following counties: Alleghany, Avery, Bladen, Columbus, Edgecombe, Graham, Halifax, Hoke, Northampton, Robeson, Scotland, Tyrrell, Warren, Watauga, and Yancey. The State Board shall authorize no more than ~~100~~106 charter schools statewide. If more than five charter schools in one local school administrative unit or more than ~~100~~ 106 schools statewide meet the standards for final approval, the State Board shall give priority to applications that are most likely to further State education policies and to strengthen

1 the educational program offered in the local school administrative units in which they are
2 located."

3 **SECTION 2.** Part 6A of Article 16 of Chapter 115C of the General Statutes is
4 amended by adding the following new section to read:

5 **""§ 115C-238.29L. Additional requirements for certain charter schools.**

6 In addition to all of the other charter school requirements in Part 6A of Article 16 of this
7 Chapter, any charter school that opens on or after July 1, 2012 shall meet all of the following
8 additional requirements:

9 (1) The charter school shall accept a minimum number of students who are eligible
10 for free and reduced price lunch programs. The minimum shall be determined
11 according to criteria set by the State Board of Education.

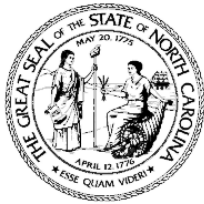
12 (2) Admission policies and procedures shall include a description of how the school
13 will comply with subdivision (1) of this section.

14 (3) During each period of enrollment, the charter school shall enroll an eligible
15 student who submits a timely application, unless the number of applications
16 exceeds the capacity of a program, class, grade level, or building. In this case,
17 students shall be accepted by lot, except for students required to be granted
18 admission under subdivision (1) of this section. Once enrolled, students are not
19 required to reapply in subsequent enrollment periods.

20 (4) The charter school shall participate in the National School Lunch Program
21 established by the federal government. At the request of the charter school and if
22 the local board of the local school administrative unit in which the charter
23 school is located operates a free and reduced price lunch program, that local
24 board may contract with the charter school to provide lunch. A local board may
25 charge the charter school a reasonable charge that is sufficient to cover the cost
26 of providing this lunch program."

27 **SECTION 3.** This act becomes effective when it becomes law and shall apply to all
28 charter schools that open after July 1, 2012.

29
30



LEGISLATIVE PROPOSAL X: Lift Charter Cap/Lunch Requirements.

2009-2010 General Assembly

Committee:	Date:	April 29, 2010
Introduced by:	Prepared by:	William R. Gilkeson
Analysis of:		Committee Counsel

1 **SUMMARY:** *This Legislative Proposal would raise the cap on the number of charter schools from 100*
2 *to 106. It would require any charter school that opens after July 1, 2012, to provide a free and reduced*
3 *lunch program and to accept a minimum number of students eligible for that program.*

4 **CURRENT LAW:** Currently, the State Board of Education may authorize no more than five charter
5 schools per year in each local school administrative unit. There is an overall cap of 100 charter schools
6 statewide.

7 To be authorized as a public charter school, a school must complete an application with a mission
8 statement, but charter schools are not required to offer a free and reduced lunch program or even to have
9 eating facilities at all.

10 **BILL ANALYSIS:** Section 1 of the proposal would allow the State Board to authorize 106 statewide
11 rather than 100. The State Board would be required to give priority to new applications for schools that
12 focus on expanded learning experiences for students who are identified as at risk for academic failure or
13 who are low income and qualify for free and reduced lunch programs. It would also require that priority
14 be given to schools in the following low-wealth counties: Alleghany, Avery, Bladen, Columbus,
15 Edgecombe, Graham, Halifax, Hoke, Northampton, Robeson, Scotland, Tyrrell, Warren, Watauga, and
16 Yancey.

17 Section 2 of the proposal would add the following requirements for any charter school that opens on or
18 after July 1, 2012:

- 19 1. To accept a minimum number of students who are eligible for free and reduced lunch program.
20 The minimum is to be determined according to criteria set by the State Board.
- 21 2. To have admission policies and procedures that spell out how it will comply with the first
22 requirement.
- 23 3. To follow a random enrollment procedure set forth in the bill.
- 24 4. To participate in the National School Lunch Program. The local school board may contract with
25 the charter school to provide lunch, but is not required to accommodate the charter school in this
26 way.

27 **EFFECTIVE DATE:** The provisions of the bill would apply only to schools that open after July 1,
28 2012.

29 2009-RR-62-SMRR-175 v4

LEGISLATIVE PROPOSAL XI

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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D

BILL DRAFT 2009-RRz-58 [v.3] (04/13)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
4/21/2010 5:55:56 PM

Short Title: Annexing Low-Income Areas. (Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AMEND REQUIREMENTS FOR VOLUNTARY AND INVOLUNTARY ANNEXATION AS THEY RELATE TO LOW-INCOME COMMUNITIES, AS RECOMMENDED BY THE JOINT LEGISLATIVE STUDY COMMISSION ON POVERTY REDUCTION AND ECONOMIC RECOVERY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-31 reads as rewritten:

"§ 160A-31. Annexation by petition.

(a) The governing board of any municipality may annex by ordinance any area contiguous to its boundaries upon presentation to the governing board of a petition signed by the owners of all the real property located within such area. The petition shall be signed by each owner of real property in the area and shall contain the address of each such owner.

(b) The petition shall be prepared in substantially the following form:

DATE:

To the _____ (name of governing board) of the (City or Town) of _____

1. We the undersigned owners of real property respectfully request that the area described in paragraph 2 below be annexed to the (City or Town) of _____

2. The area to be annexed is contiguous to the (City or Town) of _____ and the boundaries of such territory are as follows:

1 (b1) Notwithstanding the provisions of subsections (a) and (b) of this section, if fifty percent
2 (50%) or more of the households in an area petitioning for annexation pursuant to this section
3 have incomes that are two hundred percent (200%) or less than the most recently published
4 United States Census Bureau poverty thresholds, the governing board of any municipality shall
5 annex by ordinance any area one-eighth of the aggregate external boundaries of which are
6 contiguous to its boundaries upon presentation to the governing board of a petition signed by the
7 owners of at least seventy-five percent (75%) of the parcels of real property in that area.

8 (b2) The petition under subsection (b1) of this section shall be prepared in substantially the
9 following form:

10 DATE:

11 To the _____ (name of governing board) of the (City or Town) of
12 _____.

13 1. We the undersigned owners of real property believe that the area described in
14 paragraph 2 below meets the requirements of G.S. 160A-31(b1) and respectfully
15 request that the area described in paragraph 2 below be annexed to the (City or
16 Town) of _____.

17 2. The area to be annexed is contiguous to the (City or Town) of
18 _____ and the boundaries of such territory are as follows:
19

20 (c) Upon receipt of the petition, the municipal governing board shall cause the clerk of the
21 municipality to investigate the sufficiency thereof and to certify the result of his investigation.
22 Upon receipt of the certification, the municipal governing board shall fix a date for a public
23 hearing on the question of annexation, and shall cause notice of the public hearing to be published
24 once in a newspaper having general circulation in the municipality at least 10 days prior to the
25 date of the public hearing; provided, if there be no such paper, the governing board shall have
26 notices posted in three or more public places within the area to be annexed and three or more
27 public places within the municipality.

28 (d) At the public hearing all persons owning property in the area to be annexed who allege
29 an error in the petition shall be given an opportunity to be heard, as well as residents of the
30 municipality who question the necessity for annexation. The governing board shall then
31 determine whether the petition meets the requirements of this section. Upon a finding that the
32 petition meets the requirements of this section, the governing board shall have authority to pass
33 an ordinance annexing the territory described in the petition. The governing board shall have
34 authority to make the annexing ordinance effective immediately or on any specified date within
35 six months from the date of passage of the ordinance.

36 (e) From and after the effective date of the annexation ordinance, the territory and its
37 citizens and property shall be subject to all debts, laws, ordinances and regulations in force in
38 such municipality and shall be entitled to the same privileges and benefits as other parts of such
39 municipality. Real and personal property in the newly annexed territory on the January 1
40 immediately preceding the beginning of the fiscal year in which the annexation becomes effective
41 is subject to municipal taxes as provided in G.S. 160A-58.10. If the effective date of annexation
42 falls between June 1 and June 30, and the effective date of the privilege license tax ordinance of

1 the annexing municipality is June 1, then businesses in the area to be annexed shall be liable for
2 taxes imposed in such ordinance from and after the effective date of annexation.

3 (f) For purposes of this section, an area shall be deemed "contiguous" if, at the time the
4 petition is submitted, such area either abuts directly on the municipal boundary or is separated
5 from the municipal boundary by a street or street right-of-way, a creek or river, or the
6 right-of-way of a railroad or other public service corporation, lands owned by the municipality or
7 some other political subdivision, or lands owned by the State of North Carolina. In describing the
8 area to be annexed in the annexation ordinance, the municipal governing board may include
9 within the description any territory described in this subsection which separates the municipal
10 boundary from the area petitioning for annexation.

11 (g) The governing board may initiate annexation of contiguous property owned by the
12 municipality by adopting a resolution stating its intent to annex the property, in lieu of filing a
13 petition. The resolution shall contain an adequate description of the property, state that the
14 property is contiguous to the municipal boundaries and fix a date for a public hearing on the
15 question of annexation. Notice of the public hearing shall be published as provided in subsection
16 (c) of this section. The governing board may hold the public hearing and adopt the annexation
17 ordinance as provided in subsection (d) of this section.

18 (h) A city council which receives a petition for annexation under this section may by
19 ordinance require that the petitioners file a signed statement declaring whether or not vested
20 rights with respect to the properties subject to the petition have been established under G.S.
21 160A-385.1 or G.S. 153A-344.1. If the statement declares that such rights have been established,
22 the city may require petitioners to provide proof of such rights. A statement which declares that
23 no vested rights have been established under G.S. 160A-385.1 or G.S. 153A-344.1 shall be
24 binding on the landowner and any such vested right shall be terminated."

25 (i) For purposes of determining whether the percentage of households in the area
26 petitioning for annexation meets the poverty thresholds under subsections (b1) of this section, the
27 petitioners shall submit to the municipal governing board any reasonable evidence that
28 demonstrates the area in fact meets the income requirements of that subsection. The evidence
29 presented may include data from the most recent federal decennial census, other official census
30 documents, signed affidavits by at least one adult resident of the household attesting to the
31 household size and income level, or any other documentation verifying the incomes for a majority
32 of the households within the petitioning area. Petitioners may select to submit name, address, and
33 social security number to the clerk, who shall in turn submit the information to the Department of
34 Revenue. Such information shall be kept confidential and is not a public record. The Department
35 shall provide the municipality with a summary report of income for households in the petitioning
36 area. Information for the report shall be gleaned from income tax returns, but the report
37 submitted to the municipality shall not identify individuals or households."

38 **SECTION 2.(a)** G.S. 160A-36(a) reads as rewritten:

39 "(a) A municipal governing board may extend the municipal corporate limits to include any
40 area which meets the general standards of subsection (b), and which meets the requirements of
41 subsection ~~(e)~~ (c), or that is completely surrounded by the municipality's primary corporate
42 limits."

43 **SECTION 2.(b)** G.S. 160A-48(a) reads as rewritten:

- 1 "(a) A municipal governing board may extend the municipal corporate limits to include any
2 area that complies with all of the following:
3 (1) ~~Which meets the~~ The area meets the general standards of subsection ~~(b), and (b)~~
4 of this section.
5 (2) Every part of ~~which the area meets the requirements of either subsection (e) or~~
6 ~~subsection (d).~~ complies with all of the following:
7 a. Meets the requirements of subsection (c) of this section.
8 b. Meets the requirements of subsection (d) of this section.
9 c. Is completely surrounded by the municipality's primary corporate limits."

10 **SECTION 3.** G.S. 143B-437.04(a) reads as rewritten:

- 11 "(a) The Department of Commerce shall adopt guidelines for the awarding of Community
12 Development Block Grants to ensure that:
13 (1) No local match is required for grants awarded for projects located in counties
14 that have one of the 25 highest rankings under G.S. 143B-437.08 or counties
15 that have a population of less than 50,000 and more than nineteen percent (19%)
16 of its population below the federal poverty level according to the most recent
17 federal decennial census.
18 (2) To the extent practicable, priority consideration for grants is given to projects
19 located in counties that have met the conditions of subdivision (a)(1) of this
20 section or in urban progress zones that have met the conditions of subsection (b)
21 of this section.
22 (3) Priority consideration is given to projects located in areas annexed by a
23 municipality under Article 4A of Chapter 160A of the General Statutes in order
24 to provide water or sewer services to low-income residents."

25 **SECTION 4.** This act becomes effective October 1, 2010, and applies to annexations
26 for which a resolution of intent has been adopted under Part 2 or Part 3 of Article 4A of Chapter
27 160A of the General Statutes on or after that date and to annexation for which a petition has been
28 received under Part 1 or Part 4 of Article 4A of Chapter 160A of the General Statutes on or after
29 that date.



LEGISLATIVE PROPOSAL XI: Annexing Low-Income Areas.

2009-2010 General Assembly

Committee:	Date:	April 13, 2010
Introduced by:	Prepared by:	William R. Gilkeson
Analysis of: 2009-RR-58		Committee Counsel

SUMMARY: *Legislative Proposal would make changes to the law concerning annexation of low-wealth areas. It would affect both voluntary and involuntary annexation.*

CURRENT LAW: Currently, to be eligible for voluntary annexation, an area must present a petition signed by "each owner of real property in the area." G.S. 160A-31(a).

To be eligible for involuntary annexation, an area must comply with a list of use and density requirements that are listed in G.S. 160A-36 and 160A-48.

The State Department of Commerce is required to adopt guidelines for the awarding of Community Development Block Grants (CDBGs), which make federal money available for water and sewer and other basic services. G.S. 143B-437.04.

BILL ANALYSIS: This Legislative Proposal makes three changes to current law:

1. Carves out an exception in the voluntary annexation laws to the rule that all property owners must sign the petition. The exception would be for areas in which 50% or more of the households have incomes that are 200% or less than the most recently published U.S. Census poverty thresholds, and the area has one-eighth of its aggregate external boundaries are contiguous to the city's boundaries. For such areas, the petition would have to be signed by no less than 75% of the owners of the real property parcels. **Section 1.**
2. Exempts from the statutory use and density requirements any area that is completely surrounded by the municipality's corporate limits. **Section 2.**
3. Gives priority for CDBGs any annexed area to provide water and sewer to low-income residents. **Section 3.**

EFFECTIVE DATE: Effective October 1, 2010, and applies to petitions filed and resolutions of intent adopted on or after that date.

LEGISLATIVE PROPOSAL XII

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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D

BILL DRAFT 2009-RRz-59 [v.2] (04/05)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
4/21/2010 5:54:14 PM

Short Title: Permanent Poverty Study. (Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE JOINT LEGISLATIVE COMMISSION ON POVERTY
REDUCTION AND ECONOMIC RECOVERY, AS RECOMMENDED BY THE JOINT
LEGISLATIVE STUDY COMMISSION ON POVERTY REDUCTION AND ECONOMIC
RECOVERY.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 120 of the General Statutes is amended by adding a new article
to read:

" Article 12Q.

Joint Legislative Commission on Poverty Reduction and Economic Recovery.

"§ 120-70.150. Creation and membership of Joint Legislative Commission on Poverty
Reduction and Economic Recovery.

(a) Findings and Establishment of Commission. – The General Assembly finds that
poverty in this State is widespread, especially in rural areas and other areas that have lost
significant numbers of agricultural and manufacturing jobs. Further, the General Assembly finds
that an understanding of the causes and effects of poverty are critical in the reduction of poverty
and the economic recovery of low-wealth areas. To that end, there is created the Joint Legislative
Poverty Reduction and Economic Recovery Commission.

(b) Voting Members. – The Commission shall consist of 20 voting members appointed as
follows:

(1) Ten members appointed by the Speaker of the House of Representatives, to
include:

- 1 a. Seven members of the House of Representatives.
2 b. Three members of the general public, including persons with expertise in
3 the fields of business and economic development, public health, and
4 affordable housing.
5 (2) Ten members appointed by the President Pro Tempore of the Senate, to include:
6 a. Seven members of the Senate.
7 b. Three members of the general public, including persons with expertise in
8 the fields of education, public safety, and child welfare.

9 Terms on the Commission are for two years and begin on January 15 of each odd-numbered
10 year, except the terms of the initial members, which begin on appointment and end on January 15
11 of the next odd-numbered year. Members who are members of the General Assembly may
12 complete a term of service on the Commission even if they do not seek reelection or are not
13 reelected to the General Assembly, but resignation or removal from service in the General
14 Assembly constitutes resignation or removal from service on the Commission.

15 A member continues to serve until his or her successor is appointed. A vacancy shall be filled
16 within 30 days by the officer who made the original appointment.

17 (c) Nonvoting Members. – The Commission shall also include the following nonvoting,
18 ex-officio members:

- 19 (1) The Commissioner of Labor, or that officer's designee.
20 (2) The Superintendent of Public Instruction, or that officer's designee.
21 (3) The Secretary of the Department of Health and Human Services, or that officer's
22 designee.
23 (4) The Secretary of the Department of Transportation, or that officer's designee.
24 (5) The Secretary of the Department of Juvenile Justice and Delinquency
25 Prevention, or that officer's designee.
26 (6) The Secretary of the Department of Commerce, or that officer's designee.
27 (7) The Chairman of the Employment Security Commission, or that officer's
28 designee.

29 (d) The Commission shall:

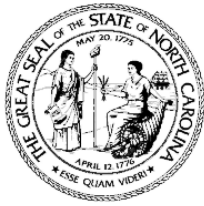
- 30 (1) Study and develop a coordinated, integrated approach to poverty reduction and
31 economic recovery across the State.
32 (2) Examine poverty in each region of the State with an emphasis on the following
33 counties: Alleghany, Avery, Bladen, Columbus, Edgecombe, Graham, Halifax,
34 Hoke, Northampton, Robeson, Scotland, Tyrrell, Warren, Watauga, and Yancey.
35 (3) Examine other states' evidenced-based intervention methods and best practices
36 in poverty reduction and economic recovery.
37 (4) Identify a reasonable target and timeline for poverty reduction, including
38 alternative measures for poverty.
39 (5) Establish regional commissions on poverty reduction and economic recovery in
40 the high poverty regions of the State.
41 (6) Study any other matter pertinent to poverty reduction and economic recovery in
42 North Carolina.

1 (e) Administrative Matters. – The Speaker of the House of Representatives and the
2 President Pro Tempore of the Senate shall each appoint a cochair for the Commission. The
3 Commission may contract for consultant services as provided by G.S. 120-32.02. Upon approval
4 of the Legislative Services Commission, the Legislative Services Officer shall assign professional
5 and clerical staff to assist in the work of the Commission. Clerical staff shall be furnished to the
6 Commission through the offices of the House of Representatives and the Senate Directors of
7 Legislative Assistants. The Commission may meet in the Legislative Building or the Legislative
8 Office Building upon the approval of the Legislative Services Commission. Members of the
9 Commission shall receive per diem, subsistence, and travel allowances at the rate established in
10 G.S. 120-3.1, 138-5, or 138-6, as appropriate. The appointing authority shall fill vacancies.

11 The Commission, while in the discharge of its official duties, may exercise all the powers
12 provided under the provisions of G.S. 120-19 through G.S. 120-19.4, including the power to
13 request all officers, agents, agencies, and departments of the State to provide any information,
14 data, or documents within their possession, ascertainable from their records, or otherwise
15 available to them, and the power to subpoena witnesses.

16 (f) Reports. – The Commission may make interim reports to the General Assembly on
17 matters for which it may report to a regular session of the General Assembly. A report to the
18 General Assembly may contain any legislation needed to implement a recommendation of the
19 Commission."

20 **SECTION 2.** This act is effective when it becomes law.



LEGISLATIVE PROPOSAL XII: Permanent Poverty Study.

2009-2010 General Assembly

Committee:	Date:	April 29, 2010
Introduced by:	Prepared by:	William R. Gilkeson
Analysis of: 2009-RR-59		Committee Counsel

1 **SUMMARY:** *This Legislative Proposal would create a permanent, statutory Joint Legislative*
2 *Commission on Poverty Reduction and Economic Recovery.*

3 **CURRENT LAW:** The 2007 General Assembly created the Joint Legislative Study Commission on
4 Poverty Reduction and Economic Recovery, and set it to expire by the convening of the 2010 Short
5 Session. That session convenes May 11, 2009.

6 **BILL ANALYSIS:** This Legislative Proposal would take the Joint Legislative Study Commission on
7 Poverty Reduction and Economic Recovery and, using roughly the same membership pattern and duties,
8 make the Commission a permanent statutory body.

9 The 20 voting members would be appointed half by the Speaker of the House and half by the President
10 Pro Tem of the Senate, and there would be executive branch ex officio nonvoting members. Members
11 would have 2-year terms.

12 The charge would be the same as the Study Commission, with two additions:

- 13 • As recommended by the Study Commission's State Programs subcommittee, the permanent
14 Commission would be charged with identifying a reasonable target and timeline for poverty
15 reduction, including alternative measures for poverty.
- 16 • The Commission would also be charged with establishing regional commissions on poverty
17 reduction and economic recovery in the high poverty regions of the State.

18 **EFFECTIVE DATE:** When it becomes law.

