

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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HOUSE BILL 1031\*

Short Title: NC Econ. Dev. Partnership Modifications. (Public)

Sponsors: Representative Murry (Primary Sponsor).

*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: Commerce and Job Development, if favorable, Appropriations.

May 15, 2014

1 A BILL TO BE ENTITLED  
2 AN ACT TO FACILITATE ECONOMIC DEVELOPMENT WITHIN THE STATE.  
3 The General Assembly of North Carolina enacts:  
4

5 **PART I. AUTHORIZE CONTRACTING OF ECONOMIC DEVELOPMENT**  
6 **FUNCTIONS BY THE DEPARTMENT OF COMMERCE**

7 **SECTION 1.1.(a)** Part 1 of Article 10 of Chapter 143B of the General Statutes is  
8 amended by adding a new section to read:

9 **"§ 143B-431A. Department of Commerce – contracting of functions.**

10 (a) Purpose. – The purpose of this section is to establish a framework whereby the  
11 Department of Commerce may support through financial and other means a nonprofit  
12 corporation that will render advisory, research, and recruiting recommendations regarding  
13 incentives or grant awards for fostering and retaining jobs and business development,  
14 marketing, and consultation in the development of a comprehensive, long-range strategic plan  
15 for economic development through public and private means. It is the intent of the General  
16 Assembly that the Department develops a plan to work cooperatively with a nonprofit  
17 corporation for these purposes while safeguarding programmatic transparency and  
18 accountability as well as the fiscal integrity of economic development programs of the State.

19 (b) Contract. – The Department of Commerce is authorized to contract with a North  
20 Carolina nonprofit corporation to perform one or more of the Department's functions, powers,  
21 duties, and obligations set forth in G.S. 143B-431, except as provided in this subsection. If the  
22 Department contracts with a North Carolina nonprofit corporation to promote and grow the  
23 travel and tourism industries, then all funds appropriated to the Department for tourism  
24 marketing purposes shall be used for a research-based comprehensive marketing program  
25 directed toward consumers in key markets most likely to travel to North Carolina and not for  
26 ancillary activities, such as statewide branding and business development marketing. The  
27 Department may not contract with a North Carolina nonprofit corporation regarding any of the  
28 following:

- 29 (1) The obligation or commitment of funds under this Article, such as the One  
30 North Carolina Fund, the Job Development Investment Grant Program, the  
31 Industrial Development Fund, or the Job Maintenance and Capital  
32 Development Fund.  
33 (2) The Division of Employment Security, including the administration of  
34 unemployment insurance.  
35 (3) The functions set forth in G.S. 143B-431(a)(2).



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1           (4)   The administration of funds or grants received from the federal government  
2               or its agencies.

3           (c)   Oversight. – There is established the Economic Development Accountability &  
4           Standards Committee, which is a Board as that term is defined in G.S. 138A-3 of the State  
5           Government Ethics Act. The Committee shall consist of seven members as follows: the  
6           Secretary of Commerce as Chair of the Committee, the Secretary of Transportation, the  
7           Secretary of Environment and Natural Resources, the Secretary of Revenue, one member  
8           appointed by the Speaker of the House of Representatives, one member appointed by the  
9           President Pro Tempore of the Senate, and one member jointly appointed by the Speaker of the  
10           House of Representatives and the President Pro Tempore of the Senate.

11           The members of the Committee who are appointed by the Speaker of the House of  
12           Representatives or by the President Pro Tempore of the Senate may not be members of the  
13           General Assembly. The Committee shall meet at least quarterly upon the call of the chair. The  
14           duties of the Committee shall include all of the following:

15           (1)   Monitoring and oversight of the performance of a contract entered into  
16               pursuant to this section by the Department with a North Carolina nonprofit  
17               corporation.

18           (2)   Receiving, reviewing, and referring complaints regarding the contract or the  
19               performance of the North Carolina nonprofit corporation, as appropriate.

20           (3)   Requesting enforcement of the contract by the Attorney General or the  
21               Department.

22           (4)   Auditing, at least biennially, either by use of the State Auditor or internal  
23               auditors of the Department, of the records of the North Carolina nonprofit  
24               corporation with which the Department has contracted pursuant to this  
25               section during and after the term of the contract to verify data affecting  
26               performance and reports.

27           (5)   Coordination of economic development grant programs of the State between  
28               the Department of Commerce, the Department of Transportation, and the  
29               Department of Environment and Natural Resources.

30           (6)   Any other duties deemed necessary by the Committee.

31           (d)   Limitations. – Prior to contracting with a North Carolina nonprofit corporation  
32           pursuant to this section and in order for the North Carolina nonprofit corporation to receive  
33           State funds, the following conditions shall be met:

34           (1)   At least 45 days prior to entering into or amending in a nontechnical manner  
35               a contract authorized by this section, the Department shall submit the  
36               contract or amendment, along with a detailed explanation of the contract or  
37               amendment, to the Joint Legislative Commission on Governmental  
38               Operations and the Fiscal Research Division.

39           (2)   The nonprofit corporation adheres to the following governance provisions  
40               related to its governing board:

41           a.   The board shall be composed of 17 voting members as follows: eight  
42               members and the chair appointed by the Governor, four members  
43               appointed by the Speaker of the House of Representatives, and four  
44               members appointed by the President Pro Tempore of the Senate. The  
45               Governor, the Speaker of the House of Representatives, and the  
46               President Pro Tempore of the Senate shall each select members so as  
47               to reflect the diversity of the State's geography, and each member  
48               appointed by the Governor shall have expertise in one or more of the  
49               following areas:

50           1.   Agribusiness, as recommended by the Commissioner of  
51               Agriculture.

- 1                                    2. Financial services.
- 2                                    3. Information technology.
- 3                                    4. Biotechnology or life sciences.
- 4                                    5. Energy.
- 5                                    6. Manufacturing.
- 6                                    7. Military or defense.
- 7                                    8. Tourism, as jointly recommended by the North Carolina
- 8                                    Travel and Tourism Coalition and the North Carolina Travel
- 9                                    Industry Association.
- 10                                   9. Retail, distribution, and logistics.
- 11                                   b. No member of the board may take any official action or use the
- 12                                   member's official position to profit in any manner the board
- 13                                   member's immediate family, a business with which the board
- 14                                   member or the board member's immediate family has a business
- 15                                   association, or a client of the board member or the board member's
- 16                                   immediate family with whom the board member or the board
- 17                                   member's immediate family has an existing business relationship for
- 18                                   matters before the board. No board member shall attempt to profit
- 19                                   from a proposed project of the Department if the profit is greater than
- 20                                   that which would be realized by other persons living in the area
- 21                                   where the project is located. If the profit under this sub-subdivision
- 22                                   would be greater for the board member than other persons living in
- 23                                   the area where the project is located, not only shall the member
- 24                                   abstain from voting on that issue, but once the conflict of interest is
- 25                                   apparent, the member shall not discuss the project with any other
- 26                                   board member or other officer or employee of the Department except
- 27                                   to state that a conflict of interest exists. Under this sub-subdivision, a
- 28                                   board member is presumed to profit if the profit would be realized by
- 29                                   a board member's immediate family, a business with which the board
- 30                                   member or the board member's immediate family has a business
- 31                                   association, or a client of the board member or the board member's
- 32                                   immediate family with whom the board member or the board
- 33                                   member's immediate family has an existing business relationship for
- 34                                   matters before the board. No board member, in contemplation of
- 35                                   official action by the board member, by the board, or in reliance on
- 36                                   information that was made known to the board member in the board
- 37                                   member's official capacity and that has not been made public, shall
- 38                                   (i) acquire a pecuniary interest in any property, transaction, or
- 39                                   enterprise or gain any pecuniary benefit that may be affected by such
- 40                                   information or official action or (ii) intentionally aid another to do
- 41                                   any of the above acts. As used in this sub-subdivision, the following
- 42                                   terms mean:
- 43                                   1. Board. – The governing board of the nonprofit corporation
- 44                                   with which the Department contracts pursuant to this section.
- 45                                   2. Board member. – A member of the board.
- 46                                   3. Business association. – A director, employee, officer, or
- 47                                   partner of a business entity, or owner of more than ten percent
- 48                                   (10%) interest in any business entity.
- 49                                   4. Department. – The Department of Commerce.
- 50                                   5. Immediate family. – Spouse, children, parents, brothers, and
- 51                                   sisters.

- 1                                   6.     Official action. – Actions taken while a board member related  
2                                   to or in connection with the person's duties as a board  
3                                   member, including, but not limited to, voting on matters  
4                                   before the board, proposing or objecting to proposals for  
5                                   economic development actions by the Department or the  
6                                   board, discussing economic development matters with other  
7                                   board members or Department staff or employees in an effort  
8                                   to further the matter after the conflict of interest has been  
9                                   discovered, or taking actions in the course and scope of the  
10                                   position as a board member and actions leading to or resulting  
11                                   in profit.
- 12                                   7.     Profit. – Receive monetary or economic gain or benefit,  
13                                   including an increase in value whether or not recognized by  
14                                   sale or trade.
- 15                                   c.     No State officer or employee may serve on the board.
- 16                                   d.     The board shall meet at least quarterly at the call of its chair. Each  
17                                   quarter and upon request, the board shall report to the Chair of the  
18                                   Economic Development Accountability and Standards Committee on  
19                                   the progress of the State's economic development.
- 20                                   e.     The board is required to perform the following duties, if the  
21                                   Department contracts pursuant to G.S. 143B-431A for the  
22                                   performance of the Secretary's responsibilities under  
23                                   G.S. 143B-434.01:
- 24                                   1.     To provide advice concerning economic and community  
25                                   development planning for the State, including a strategic  
26                                   business facilities development analysis of existing, available  
27                                   buildings or shell or special-use buildings and sites.
- 28                                   2.     To recommend economic development policy to the  
29                                   Secretary of Commerce, the General Assembly, and the  
30                                   Governor.
- 31                                   3.     To recommend annually to the Governor biennial and annual  
32                                   appropriations for economic development programs.
- 33                                   4.     To recommend how best to coordinate economic  
34                                   development efforts among the various agencies and entities,  
35                                   including those created by executive order of the Governor,  
36                                   that receive economic development appropriations, including  
37                                   the assignment of key responsibilities for different aspects of  
38                                   economic development and resource allocation and planning  
39                                   designed to encourage each agency to focus on its area of  
40                                   primary responsibility and not diffuse its resources by  
41                                   conducting activities assigned to other agencies.
- 42                                   (3)   The amount of State funds that may be used for the annual salary of any one  
43                                   officer, employee, or member of a governing board of the nonprofit  
44                                   corporation with which the Department contracts pursuant to this section  
45                                   shall not exceed one hundred twenty thousand dollars (\$120,000).
- 46                                   (4)   The nonprofit corporation shall have received from fundraising efforts and  
47                                   sources, other than State funds, an amount totaling at least ten million dollars  
48                                   (\$10,000,000) to support operations and functions of the corporation.
- 49                                   (e)   Mandatory Contract Terms. – Any contract entered into under this section must  
50                                   include all of the following:

- 1           (1) A provision requiring the North Carolina nonprofit corporation provide to  
2 the Joint Legislative Economic Development and Global Engagement  
3 Oversight Committee, the Department of Commerce, and the Fiscal  
4 Research Division a copy of the corporation's annual audited financial  
5 statement within seven days of issuance of the statement.
- 6           (2) A provision requiring the nonprofit corporation to provide, by September 1  
7 of each year, and more frequently as requested, a report to the Department  
8 on prior State fiscal year program activities, objectives, and  
9 accomplishments and prior State fiscal year itemized expenditures and fund  
10 sources. The report shall also include all of the following:
- 11           a. Jobs anticipated to result and actually resulting from efforts of the  
12 nonprofit corporation, itemized by county, by development tier area  
13 designation, as defined by G.S. 143B-437.08, and by Collaboration  
14 for Prosperity Zones created pursuant to G.S. 143B-28.1.
- 15           b. Developed performance metrics of economic development functions,  
16 itemized by county, by development tier area designation, as defined  
17 by G.S. 143B-437.08, and by Collaboration for Prosperity Zones  
18 created pursuant to G.S. 143B-28.1.
- 19           c. Any proposed amendments to the areas of expertise required to be  
20 represented on the governing board of the nonprofit corporation.
- 21           d. A detailed explanation of how annual salaries are determined,  
22 including base pay schedules and any additional salary amounts or  
23 incentives that may be earned as a result of job performance. The  
24 explanation shall include the proportion of State and private funds for  
25 each position and shall include the means used by the nonprofit  
26 corporation to foster employee efforts for economic development in  
27 rural and low-income areas in the State.
- 28           (3) A provision providing that, upon termination of the contract or a request by  
29 the Department for enforcement of the contract by the Attorney General, or  
30 upon repeal of the charter of the nonprofit corporation with which the  
31 Department has contracted under this section by the General Assembly, all  
32 assets and funds of the nonprofit corporation, including interest on funds,  
33 financial and operational records, and the right to receive future funds  
34 pursuant to the contract, will be surrendered to the Department within 30  
35 days of the termination, request, or repeal. During the 30-day period, the  
36 corporation may not further encumber any assets or funds. For funds  
37 surrendered pursuant to this provision that are subject to a written agreement  
38 signed by the board to create a legal and enforceable obligation of the  
39 corporation pursuant to subdivision (8) of this subsection, the Department  
40 shall use the funds for the same purposes for which the funds were  
41 obligated; for all other funds surrendered pursuant to this provision, the  
42 Department shall deposit the funds in the General Fund, and the funds shall  
43 remain unexpended and unencumbered until appropriated by the General  
44 Assembly. For purposes of this subdivision, assets and funds of the nonprofit  
45 corporation include assets and funds of any subsidiary or affiliate of the  
46 nonprofit corporation. An affiliate of the nonprofit corporation exists when  
47 both are directly or indirectly controlled by the same parent corporation or  
48 by the same or associated financial interests by stock ownership,  
49 interlocking directors, or by any other means whatsoever, whether the  
50 control is direct or through one or more subsidiary, affiliated, or controlled  
51 corporations.

- 1           (4)    A provision providing that any recommendation or advice to the Department  
2           be accompanied by a statement indicating whether the nonprofit corporation  
3           or any affiliated member of the corporation has received, directly or  
4           indirectly, any gift, contribution, or item or service of value for which fair  
5           market value was not paid if such was received from an entity that is the  
6           subject of the recommendation or advice. The statement shall also include  
7           the amount and date of each gift, contribution, or item or service of value  
8           received.
- 9           (5)    A provision providing that the nonprofit corporation maintain a Web site  
10          disclosing, within 30 days of occurrence, each of the following:
- 11          a.     The receipt, including the name of any entity from which the  
12          nonprofit corporation or any affiliated member of the corporation has  
13          received, directly or indirectly, of any gift, contribution, or item or  
14          service of value for which fair market value was not paid. The  
15          statement shall also include the amount and date of each gift,  
16          contribution, or item or service of value received. If the entity listed  
17          on the Web site has a contract with this State, the nonprofit  
18          corporation shall note expressly the existence of contract with the  
19          State.
- 20          b.     The disbursement, including amount, recipient, and purpose and date  
21          of disbursement, of any funds awarded, granted, or loaned by the  
22          corporation.
- 23          (6)    A provision encouraging the nonprofit corporation to seek private funds  
24          from businesses and entities that are unlikely to seek economic development  
25          incentives from or contracts with the State.
- 26          (7)    A provision requiring the nonprofit corporation to maintain separate  
27          accounting records for and separate accounts for State and private funds and  
28          prohibiting any commingling of State and private funds. Records and  
29          accounts must be maintained according to generally accepted accounting  
30          principles.
- 31          (8)    A provision requiring any lending, awarding, or granting of private funds of  
32          the nonprofit corporation be in a written agreement and signed by the Board  
33          in order to create a legal and enforceable obligation of the corporation.
- 34          (9)    A provision limiting the term of the contract to no more than four years. The  
35          term of the contract may be extended in one-year increments up to four  
36          times after no less than three-fourths of the original contract term has passed.  
37          A contract extension may not extend the remaining term of the contract,  
38          including the term of the extension, to more than two years. Nothing in this  
39          subdivision shall be construed as a prohibition against entering into a new  
40          contract with the nonprofit corporation.
- 41          (10)   A provision limiting the severance pay for the chief executive officer and  
42          other officers of the nonprofit corporation to no more than the lesser of the  
43          following:
- 44          a.     The salary limitation contained in subdivision (3) of subsection (d) of  
45          this section.
- 46          b.     The salary limitation contained in subdivision (3) of subsection (d) of  
47          this section multiplied by a fraction, the numerator of which is the  
48          number of whole years the chief officer has been chief officer of the  
49          corporation and the denominator of which is four.
- 50          (11)   A provision requiring annual certification by the nonprofit corporation that it  
51          is in compliance with the following:

- 1           a.     The requirements of Chapter 55A of the General Statutes.  
2           b.     The requirements of each of the provisions listed in subsection (e) of  
3                 this section. For any provision in this subsection that the nonprofit  
4                 corporation did not comply with, the corporation shall provide a  
5                 detailed explanation of the circumstances and time of the  
6                 noncompliance.
- 7           (12) A provision requiring the nonprofit corporation to contract with the Office of  
8                 State Budget Management for performance review, including verifying  
9                 eligibility for disbursement of funds from and reimbursement by the  
10                Department to the corporation. The performance review required by this  
11                section must occur no less than annually and must be according to generally  
12                accepted auditing principles.
- 13           (f) Report. – By September 30 of each year, and more frequently as requested, the  
14                 Department shall submit a report to the Joint Legislative Commission on Governmental  
15                 Operations, the Joint Legislative Economic Development and Global Engagement Oversight  
16                 Committee, and the Fiscal Research Division on any performance for which the Department  
17                 has contracted pursuant to this section. The report shall contain, at a minimum, each of the  
18                 following:
- 19                 (1) A copy of the most recent report required by the Department pursuant to  
20                         subdivision (2) of subsection (e) of this section.
- 21                 (2) An executive summary of the report required by subdivision (1) of this  
22                         subsection.
- 23                 (3) A listing of each entity to which a North Carolina nonprofit corporation with  
24                         which the Department contracts pursuant to this section has recommended  
25                         awarding funds and the amount of funds recommended to be awarded, and  
26                         any other information the Secretary determines is necessary or that is  
27                         specifically requested in writing.
- 28                 (4) An explanation of the response by the Department to any notifications of  
29                         noncompliance submitted to the Department by the nonprofit corporation, as  
30                         required by G.S. 143B-431A(e), including actions taken by the Department  
31                         to prevent repeat or similar instances of noncompliance.
- 32                 (5) For each activity in which the Secretary of Commerce solicits funds for the  
33                         corporation, as permitted by subsection (i) of this section, a listing of each  
34                         activity, including the date and the name of each person or entity from whom  
35                         funds were solicited.
- 36           (g) Public Funds. – A North Carolina nonprofit corporation with which the Department  
37                 contracts pursuant to this section shall comply with the requirements provided in this  
38                 subsection regarding the use of State funds.
- 39                 (1) Interest earned on State funds after receipt of the funds by the nonprofit  
40                         corporation shall be used for the same purposes for which the principal was  
41                         to be used.
- 42                 (2) The travel and personnel policies and regulations of the State of North  
43                         Carolina Budget Manual limiting reimbursement for expenses of State  
44                         employees apply to reimbursements for expenses of officers, employees, or  
45                         members of a governing board of the nonprofit corporation.
- 46           (h) Applicable Laws. – A North Carolina nonprofit corporation with which the  
47                 Department contracts pursuant to this section is subject to the requirements of (i) Chapter 132  
48                 of the General Statutes and (ii) Article 33C of Chapter 143 of the General Statutes. Officers,  
49                 employees, and members of the governing board of the corporation are public servants, as  
50                 defined in G.S. 138A-3, and are subject to the requirements of Chapter 138A of the General  
51                 Statutes. Officers, members of the governing board, and employees of the corporation whose

1 annual compensation is equal to or greater than sixty thousand dollars (\$60,000) are subject to  
2 G.S. 138A-22.

3 (i) Prohibition. – A State officer or employee, other than the Secretary of Commerce,  
4 shall not solicit funds for a North Carolina nonprofit corporation with which the Department  
5 contracts pursuant to this section. The Secretary of Commerce may solicit funds for the  
6 nonprofit corporation pursuant to G.S. 138A-31(b)(5).

7 (j) Benefits. – An officer, employee, or member of a governing board of a North  
8 Carolina nonprofit corporation with which the Department contracts pursuant to this section is  
9 not a State employee, is not covered by Chapter 126 of the General Statutes, and is not entitled  
10 to State-funded employee benefits, including membership in the Teachers' and State  
11 Employees' Retirement System and the State Health Plan for Teachers and State Employees."

12 **SECTION 1.1.(b)** G.S. 143B-431A(i), as enacted by this act, does not apply to  
13 employees of the Department of Commerce, other than employees involved in the  
14 recommendation and administration of State economic development incentive programs, prior  
15 to the time the Department contracts with a North Carolina nonprofit corporation pursuant to  
16 this act.

17 **SECTION 1.2.(a)** G.S. 143B-434 is repealed.

18 **SECTION 1.2.(b)** G.S. 143B-434.01 reads as rewritten:

19 **"§ 143B-434.01. Comprehensive Strategic Economic Development Plan.**

20 (a) Definitions. – The following definitions apply in this section:

21 ~~(1) Board. – The Economic Development Board.~~

22 ...

23 (6) Secretary. – The Secretary of Commerce or the governing board of a North  
24 Carolina nonprofit corporation with which the Department contracts  
25 pursuant to G.S. 143B-431A for the performance of the Secretary's  
26 responsibilities under this section.

27 ~~(b) Board to Prepare Plan. – The Board Secretary shall prepare review and update the~~  
28 ~~existing Plan by April 1, 1994, on or before April 1 of each year. The Board shall review and~~  
29 ~~update this Plan by April 1 of each year. The original Plan shall cover a period of four years~~  
30 ~~and each annual update shall extend the time frame by one year so that a four-year plan is~~  
31 ~~always in effect. The Board Secretary shall provide copies of the Plan and each annual update~~  
32 ~~to the Governor and the Joint Legislative Commission on Governmental Operations. The Plan~~  
33 ~~shall encompass all of the components set out in this section.~~

34 (c) Purpose. – The purpose of this section is to require the ~~Board Secretary~~ to apply  
35 strategic planning principles to its economic development efforts. This requirement is expected  
36 to result in:

37 (1) The selection of a set of priority development objectives that recognizes the  
38 increasingly competitive economic environment and addresses the changing  
39 needs of the State in a more comprehensive manner.

40 (2) The effective utilization of available and limited resources.

41 (3) A commitment to achieve priority objectives and to sustain the process.

42 (d) (1) Public and Private Input. – At each stage as it develops and updates the Plan,  
43 the ~~Board Secretary~~ shall solicit input from all parties involved in economic  
44 development in North Carolina, including:

45 a. Each of the programs and organizations that, for State budget  
46 purposes, identifies economic development as one of its global goals.

47 b. Local economic development departments and regional economic  
48 development organizations.

49 c. The Board of Governors of The University of North Carolina.

- 1           (2)    The ~~Board~~Secretary shall also hold hearings in each of the Regions to solicit  
2           public input on economic development before the initial Plan is completed.  
3           The purposes of the public hearings are to:  
4           a.     Assess the strengths and weaknesses of recent regional economic  
5           performance.  
6           b.     Examine the status and competitive position of the regional resource  
7           base.  
8           c.     Identify and seek input on issues that are key to improving the  
9           economic well-being of the Region.

10           The ~~Board~~Secretary shall hold additional hearings from time to time to  
11           solicit public input regarding economic development activities.

- 12           (3)    Each component of the Plan shall be based on this broad input and, to the  
13           extent possible, upon a consensus among all affected parties. The ~~Board~~  
14           Secretary shall coordinate its planning process with any State capital  
15           development planning efforts affecting State infrastructure such as roads and  
16           water and sewer facilities.

17           (e)    Environmental Scan. – The first step in developing the Plan shall be to develop an  
18           environmental scan based on the input from economic development parties and the public and  
19           on information about the economic environment in North Carolina. To prepare the scan, the  
20           ~~Board~~Secretary shall gather the ~~following~~ information required in this subsection and ensure  
21           that the information is updated periodically. The updated information may be provided in  
22           whatever format and through whatever means is most efficient. The information required to  
23           prepare the scan includes all of the following:

24           ...

25           (f)    Repealed by Session Laws 2012-142, s. 13.4(a), effective July 1, 2012.

26           (g)    Vision and Mission Statements. – The ~~Board~~Secretary shall develop a vision  
27           statement for economic development that would describe the preferred future for North  
28           Carolina and what North Carolina would be like if all economic development efforts were  
29           successful. The ~~Board~~Secretary shall then develop a mission statement that outlines the basic  
30           purpose of each of North Carolina's economic development programs. Because special purpose  
31           nonprofit organizations are uniquely situated to conduct the entrepreneurial and high-risk  
32           activity of investing in and supporting new business creation in the State, they should be  
33           assigned a dominant role in this key component of economic development activity.

34           (h)    Goals and Objectives. – The ~~Board~~Secretary, using data from the public input and  
35           the environmental scan, shall formulate a list of goals and objectives. Goals shall be  
36           long-range, four years or more, and shall address both needs of economically distressed  
37           Regions and counties as well as opportunities for Regions and counties not distressed. The  
38           goals shall be developed with realism but should also be selected so as to encourage every  
39           Region and county within the State to develop to its maximum potential. Objectives shall be  
40           one year or less in scope and shall, if achieved, lead to the realization of the goals formulated  
41           by the ~~Board~~Secretary as provided in this section.

42           Both goals and objectives should be stated largely in economic terms, that is, they should  
43           be related to specific population, employment, demographic targets, or economic sector targets.  
44           Both efficiency and equity considerations are to be addressed and balanced with special  
45           emphasis placed on the needs of disadvantaged or economically distressed populations and  
46           communities. The goals and objectives should not state how the economic targets are to be  
47           reached, but rather what the economic conditions will be if they are obtained. So that the  
48           progress of North Carolina's economic development efforts can be monitored, the ~~Board~~  
49           Secretary shall set objectives for each goal that allow measurement of progress toward the goal.  
50           Objectives should be quantifiable and time-specific in order to serve as performance indicators.

51           ...

1 (j) Implementation Plan. – Based upon all of the foregoing steps, the ~~Board~~Secretary  
2 shall establish an implementation plan assigning to the appropriate parties specific  
3 responsibilities for meeting measurable objectives. The implementation plan shall contain all  
4 necessary elements so that it may be used as a means to monitor performance, guide  
5 appropriations, and evaluate the outcomes of the parties involved in economic development in  
6 the State.

7 (k) Annual Evaluation. – The ~~Board~~Secretary shall annually evaluate the State's  
8 economic performance based upon the statistics listed in this subsection and upon the ~~Board's~~  
9 Secretary's stated goals and objectives in its Plan. The statistics upon which the evaluation is  
10 made should be available to policymakers. The information may be provided in whatever  
11 format and through whatever means is most efficient.

12 ...

13 (l) Accountability. – The ~~Board~~Secretary shall make all data, plans, and reports  
14 available to the General Assembly, the Joint Legislative Commission on Governmental  
15 Operations, the Joint Legislative Economic Development and Global Engagement Oversight  
16 Committee, the Senate Appropriations Committee on Natural and Economic Resources, and the  
17 House of Representatives Appropriations Subcommittee on Natural and Economic Resources at  
18 appropriate times and upon request. The ~~Board~~Secretary shall prepare and make available on  
19 an annual basis public reports on each of the major sections of the Plan and the Annual Report  
20 indicating the degree of success in attaining each development objective."

21 **SECTION 1.2.(c)** G.S. 143B-437.03 is repealed.

22 **SECTION 1.3.** The Department of Commerce shall study and develop a plan for  
23 contracting with a North Carolina nonprofit corporation pursuant to G.S. 143B-431A, as  
24 enacted by this act, for the performance of economic development activities and duties of the  
25 Department. The study shall include each of the following:

26 (1) The Department shall develop a plan for private fundraising efforts for the  
27 nonprofit corporation for the performance of economic development  
28 functions. The study shall include the creation of a budget for the nonprofit  
29 corporation that provides for the performance of core functions of the  
30 corporation, including economic development functions, in the absence of  
31 private funds. The study shall compare the budget of the Department and  
32 budget developed for the nonprofit corporation according to Department  
33 division and budget category, including personal services; purchased  
34 services; supplies; property, plant, and equipment; other expenses and  
35 adjustments; aid and public assistance; and other budget categories used by  
36 the Department. The study shall include a measurement and estimation of  
37 expected private fundraising potential, and the Department shall examine the  
38 efforts of other states that have permitted public-private partnerships for  
39 economic development activities and report on the source or sources of  
40 funds for those partnerships, separately accounting for funds provided by the  
41 state and private funds.

42 (2) The Department shall report on each performance metric listed in this  
43 subdivision. The report shall analyze the Department's performance for each  
44 metric for (i) the last full year prior to contracting for performance of the  
45 metric, (ii) the annual average for the five-year period preceding contracting  
46 for performance of the metric, and (iii) the annual average for the 10-year  
47 period preceding contracting for performance of the metric. The  
48 performance metrics to be reported upon are as follows:

49 a. For business and industry:

50 1. Number of projects announced by the Department.

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2. Number of projects pursued by the Department that were not subsequently announced.
  3. The originating source of and number of projects identified in sub-sub-subdivisions 1. and 2. of this sub-subdivision, including a designation of whether the project was identified by Departmental staff, local economic development partner, business source, or other source.
  4. Percentage of projects pursued by the Department that resulted in announcement.
  5. Number of jobs anticipated to be created at the time the projects are announced.
  6. Cost per job in incentives awarded or granted.
  7. Average number of years required for recoupment by the State of incentives awarded and authorized by the Department through increased State tax revenues.
  8. Any foreign direct investment resulting from departmental activities or expenditures or both.
- b. For marketing:
1. Advertising and marketing budget for the State. Expenditures shall be itemized by print media, radio, television, Internet, business trade shows and conventions, and other communication media.
  2. Efficacy and means of evaluating efficacy of marketing efforts in promoting the State as a business destination, including instances of positive mentions of the State or the business environment of the State resulting from marketing efforts.
- c. For international trade:
1. Expenditures of the Department, itemized by departmental staff, independent entities with which the Department contracts, marketing and communication, trade shows, trade missions, and conventions.
  2. Information on additional exports generated as a result of departmental activities or expenditures or both.
- d. For small business:
1. List of each service and support offered for small businesses in or exploring expansion in or into the State.
  2. Number of small businesses to which services or support has been provided.
  3. Number of jobs created or retained as a result of services or support provided.
- e. For tourism:
1. Advertising and marketing budget for the State. Expenditures shall be itemized by print media, radio, television, Internet, industry shows and conventions, and other communication media.
  2. Efficacy and means of evaluating efficacy of marketing efforts in promoting the State as a tourism destination, including instances of positive mentions of the State or the tourism environment of the State resulting from marketing efforts.

3. Number of tourists attracted as a result of departmental efforts.

f. Any other information or performance metrics allowing comparison between departmental and corporate performance for any other economic development division in the Department for which the Department contracts for performance with a North Carolina nonprofit corporation pursuant to this act.

g. Any other information or performance metrics deemed useful or necessary by the Department in the listed areas or other areas.

The Department shall make a report to the Office of State Budget Management, to the Joint Legislative Commission on Governmental Operations, to the Joint Legislative Economic Development and Global Engagement Oversight Committee, and to the Fiscal Research Division no later than December 1, 2014.

The Department shall require the nonprofit corporation to include in each report mandated by G.S. 143B-431A(e)(2) an analysis of the corporation's performance and a comparison to departmental performance using the same performance metrics studied and reported by the Department, as required by subdivision (2) of this section.

**SECTION 1.4.** G.S. 126-5 reads as rewritten:

**"§ 126-5. Employees subject to Chapter; exemptions.**

...  
(c2) The provisions of this Chapter shall not apply to:

...  
(5) Officers, employees, and members of the governing board of a North Carolina nonprofit corporation with which the Department of Commerce has contracted pursuant to the authority granted in G.S. 143B-431A.

...  
(d) (1) Exempt Positions in Cabinet Department. – Subject to the provisions of this Chapter, which is known as the State Personnel Act, the Governor may designate a total of 1,000 exempt positions throughout the following departments:

...  
(2b) Designation of Liaison Positions. – Liaisons to the Collaboration for Prosperity Zones set out in G.S. 143B-28.1 for the Departments of Commerce, Environment and Natural Resources, and Transportation are designated as exempt.

...."

**SECTION 1.5.** Section 15.7A of S.L. 2013-360 is repealed.

**SECTION 1.6.** Section 1.5 of this act is effective when it becomes law. The remainder of this Part becomes effective July 1, 2014.

**PART II. MODIFY NORTH CAROLINA BOARD OF SCIENCE AND TECHNOLOGY**

**SECTION 2.1.** Part 18 of Article 10 of Chapter 143B of the General Statutes reads as rewritten:

"Part 18. North Carolina Board of ~~Science and Technology~~. Science, Technology, and Innovation.

**"§ 143B-472.80. North Carolina Board of ~~Science and Technology~~; Science, Technology, and Innovation; creation; powers and duties.**

The North Carolina Board of ~~Science and Technology~~ Science, Technology, and Innovation of the Department of Commerce is created. The Board has the following powers and duties:

...

- 1 (4) To advise and make recommendations to the Governor, the General  
2 Assembly, the Secretary of Commerce, and ~~the Economic Development~~  
3 ~~Board~~ any North Carolina nonprofit corporation with which the Department  
4 of Commerce contracts pursuant to G.S. 143B-431A on the role of science  
5 and technology ~~science, technology, and innovation~~ in the economic growth  
6 and development of North Carolina.

7 ...  
8 "**§ 143B-472.81. North Carolina Board of ~~Science and Technology~~; Science, Technology,**  
9 **and Innovation; membership; organization; compensation; staff services.**

10 (a) The North Carolina Board of ~~Science and Technology~~ Science, Technology, and  
11 Innovation consists of the Governor, the Secretary of Commerce, and ~~17-23~~ members  
12 appointed as follows: the Governor shall appoint one member from the University of North  
13 Carolina at Chapel Hill, one member from North Carolina State University at Raleigh, and two  
14 members from other components of the University of North Carolina, one of which shall be  
15 from a historically black college or university, all nominated by the President of the University  
16 of North Carolina; one member from Duke University, nominated by the President of Duke  
17 University; one member from a private college or university, other than Duke University, in  
18 North Carolina, nominated by the President of the Association of Private Colleges and  
19 Universities; one member of the North Carolina Community College System; one member  
20 representing K-12 public education; ~~one member from the Research Triangle Institute,~~  
21 ~~nominated by the executive committee of the board of that institute;~~ ~~one member from the~~  
22 ~~Microelectronics Center of North Carolina, nominated by the executive committee of the board~~  
23 ~~of that center;~~ ~~one member from the North Carolina Biotechnology Center, nominated by the~~  
24 ~~executive committee of the board of that center;~~ ~~four~~ six members from private industry in  
25 North Carolina, at least one of whom shall be a professional engineer registered pursuant to  
26 ~~Chapter 89C of the General Statutes or a person who holds at least a bachelors degree in~~  
27 ~~engineering from an accredited college or university;~~ and two members from public agencies in  
28 ~~North Carolina~~. Carolina; and seven at-large members. Two members shall be appointed by the  
29 General Assembly, one shall be appointed upon the recommendation of the President Pro  
30 Tempore of the Senate, and one shall be appointed upon the recommendation of the Speaker of  
31 the House of Representatives in accordance with G.S. 120-121. The nominating authority for  
32 any vacancy on the Board among members appointed by the Governor shall submit to the  
33 Governor two nominations for each position to be filled, and the persons so nominated shall  
34 represent different disciplines.

35 ...."

36 **SECTION 2.2.** G.S. 143B-437.80 reads as rewritten:

37 "**§ 143B-437.80. North Carolina SBIR/STTR Incentive Program.**

38 (a) Program. – There is established the North Carolina SBIR/STTR Incentive Program  
39 to be administered by the North Carolina Board of ~~Science and Technology~~. Science,  
40 Technology, and Innovation. In order to foster job creation and economic development in the  
41 State, the Board may provide grants to eligible businesses to offset costs associated with  
42 applying to the United States Small Business Administration for Small Business Innovative  
43 Research (SBIR) grants or Small Business Technology Transfer Research (STTR) grants. The  
44 grants shall be paid from the One North Carolina Small Business Account established in  
45 G.S. 143B-437.71.

46 ...  
47 (c) Grant. – The North Carolina Board of ~~Science and Technology~~ Science, Technology,  
48 and Innovation may award grants to reimburse an eligible business for up to fifty percent (50%)  
49 of the costs of preparing and submitting a SBIR/STTR Phase I proposal, up to a maximum of  
50 three thousand dollars (\$3,000). A business may receive only one grant under this section per  
51 year. A business may receive only one grant under this section with respect to each federal

1 proposal submission. Costs that may be reimbursed include costs incurred directly related to  
2 preparation and submission of the grant such as word processing services, proposal consulting  
3 fees, project-related supplies, literature searches, rental of space or equipment related to the  
4 proposal preparation, and salaries of individuals involved with the preparation of the proposals.  
5 Costs that shall not be reimbursed include travel expenses, large equipment purchases, facility  
6 or leasehold improvements, and legal fees.

7 (d) Application. – A business shall apply, under oath, to the North Carolina Board of  
8 ~~Science and Technology~~ Science, Technology, and Innovation for a grant under this section on  
9 a form prescribed by the Board that includes at least all of the following:

10 ...."

11 **SECTION 2.3.** G.S. 143B-437.81 reads as rewritten:

12 **"§ 143B-437.81. North Carolina SBIR/STTR Matching Funds Program.**

13 (a) Program. – There is established the North Carolina SBIR/STTR Matching Funds  
14 Program to be administered by the North Carolina Board of ~~Science and Technology~~ Science,  
15 Technology, and Innovation. In order to foster job creation and economic development in the  
16 State, the Board may provide grants to eligible businesses to match funds received by a  
17 business as a SBIR or STTR Phase I award and to encourage businesses to apply for Phase II  
18 awards.

19 ...  
20 (c) Grant. – The North Carolina Board of ~~Science and Technology~~ Science,  
21 Technology, and Innovation may award grants to match the funds received by a business  
22 through a SBIR/STTR Phase I proposal up to a maximum of one hundred thousand dollars  
23 (\$100,000). Seventy-five percent (75%) of the total grant shall be remitted to the business upon  
24 receipt of the SBIR/STTR Phase I award and application for funds under this section.  
25 Twenty-five percent (25%) of the total grant shall be remitted to the business upon submission  
26 by the business of the Phase II application to the funding agency and acceptance of the Phase I  
27 report by the funding agency. A business may receive only one grant under this section per  
28 year. A business may receive only one grant under this section with respect to each federal  
29 proposal submission. Over its lifetime, a business may receive a maximum of five awards  
30 under this section.

31 (d) Application. – A business shall apply, under oath, to the North Carolina Board of  
32 ~~Science and Technology~~ Science, Technology, and Innovation for a grant under this section on  
33 a form prescribed by the Board that includes at least all of the following:

34 ...."

35  
36 **PART III. CREATION OF COLLABORATION FOR PROSPERITY ZONES**

37 **SECTION 3.1.** Intent to create Collaboration for Prosperity Zones. – It is the intent  
38 of the General Assembly to establish geographically uniform zones in this State to facilitate  
39 collaborative and coordinated planning and use of resources, to improve cooperation with other  
40 governmental and nonprofit entities at the local and regional level, to facilitate administrative  
41 efficiencies within State government, to receive advice on economic development issues by  
42 local boards established by a North Carolina nonprofit corporation with which the Department  
43 of Commerce contracts, and, to the extent feasible, to establish one-stop sources in each region  
44 for citizens and businesses seeking State services at a regional level.

45 **SECTION 3.2.** Article 1 of Chapter 143B of the General Statutes is amended by  
46 adding a new section to read:

47 **"§ 143B-28.1. Create Collaboration for Prosperity Zones.**

48 For purposes of enhanced collaboration and cooperation between governmental agencies,  
49 planning, use of resources, and improved efficiency at a regional level, the State is hereby  
50 divided into eight permanent zones as follows:

- (1) Western Region, consisting of Buncombe, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, Polk, Rutherford, Swain, and Transylvania Counties.
- (2) Northwest Region, consisting of Alleghany, Ashe, Alexander, Avery, Burke, Caldwell, Catawba, McDowell, Mitchell, Watauga, Wilkes, and Yancey Counties.
- (3) Southwest Region, consisting of Anson, Cabarrus, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly, and Union Counties.
- (4) Piedmont-Triad (Central) Region, consisting of Alamance, Caswell, Davidson, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, Surry, and Yadkin Counties.
- (5) North Central Region, consisting of Chatham, Durham, Edgecombe, Franklin, Granville, Harnett, Johnston, Lee, Nash, Orange, Person, Vance, Wake, Warren, and Wilson Counties.
- (6) Sandhills (South Central) Region, consisting of Bladen, Columbus, Cumberland, Hoke, Montgomery, Moore, Richmond, Robeson, Sampson, and Scotland Counties.
- (7) Northeast Region, consisting of Beaufort, Bertie, Camden, Chowan, Currituck, Dare, Gates, Halifax, Hertford, Hyde, Martin, Northampton, Pasquotank, Perquimans, Pitt, Tyrrell, and Washington Counties.
- (8) Southeast Region, consisting of Brunswick, Carteret, Craven, Duplin, Greene, Jones, Lenoir, New Hanover, Onslow, Pamlico, Pender, and Wayne Counties."

**SECTION 3.3.** Agencies shall, by January 1, 2015, report to the Joint Legislative Commission on Governmental Operations and the Study Commission on Collaboration for Prosperity on how they plan to establish Collaboration for Prosperity Zones as defined by this act.

**SECTION 3.4.** G.S. 115C-65 reads as rewritten:

**"§ 115C-65. State divided into districts.**

The State of North Carolina shall be divided into eight educational ~~districts~~ districts, which shall match the composition of the zones set forth in G.S. 143B-28.1. ~~embracing the counties herein set forth:~~

**FIRST DISTRICT**

~~Beaufort, Bertie, Camden, Chowan, Currituck, Dare, Gates, Hertford, Hyde, Martin, Pasquotank, Perquimans, Pitt, Tyrrell, Washington.~~

**SECOND DISTRICT**

~~Brunswick, Carteret, Craven, Duplin, Greene, Jones, Lenoir, New Hanover, Onslow, Pamlico, Pender, Sampson, Wayne.~~

**THIRD DISTRICT**

~~Durham, Edgecombe, Franklin, Granville, Halifax, Johnston, Nash, Northampton, Vance, Wake, Warren, Wilson.~~

**FOURTH DISTRICT**

~~Bladen, Columbus, Cumberland, Harnett, Hoke, Lee, Montgomery, Moore, Richmond, Robeson, Scotland.~~

**FIFTH DISTRICT**

~~Alamance, Caswell, Chatham, Davidson, Forsyth, Guilford, Orange, Person, Randolph, Rockingham, Stokes.~~

**SIXTH DISTRICT**

~~Anson, Cabarrus, Cleveland, Gaston, Lincoln, Mecklenburg, Stanly, Union.~~

**SEVENTH DISTRICT**

~~Alexander, Alleghany, Ashe, Avery, Burke, Caldwell, Catawba, Davie, Iredell, Rowan, Surry, Watauga, Wilkes, Yadkin.~~

**EIGHTH DISTRICT**

~~Buncombe, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Yancey."~~

**SECTION 3.5.** Section 3.4 of this act becomes effective April 1, 2015. Members of the State Board of Education appointed by the Governor and confirmed by the General Assembly prior to 2015 with terms ending in 2017, 2019, and 2021 shall be designated as the appointees of the following districts for the remainder of the member's current term:

- a. Western Region: Wayne McDevitt
- b. Southwest Region: Gregory Alcorn
- c. Piedmont Triad (Central) Region: A.L. Collins
- d. Sandhills (South Central) Region: Olivia Oxendine
- e. Northeast Region: Rebecca Taylor
- f. Southeast Region: Reginald Kenan

The remainder of this Part becomes effective July 1, 2014.

**PART IV. REQUIRE AT LEAST ONE LIAISON IN EACH COLLABORATION FOR PROSPERITY ZONE**

**SECTION 4.1.** No later than January 1, 2015, the Departments of Commerce, Environment and Natural Resources, and Transportation shall have at least one employee physically located in the same office in each of the Collaboration for Prosperity Zones set out in G.S. 143B-28.1 to serve as that department's liaison with the other departments and with local governments, schools and colleges, planning and development bodies, and businesses in that zone. The departments shall jointly select the office. For purposes of this Part, the Department of Commerce may contract with a North Carolina nonprofit corporation pursuant to G.S. 143B-431A, as enacted by this act, to fulfill the departmental liaison requirements for each office in each of the Collaboration for Prosperity Zones.

No later than January 1, 2015, the Community Colleges System Office shall designate at least one representative from a community college or from the Community Colleges System Office to serve as a liaison in each Collaboration for Prosperity Zone for the community college system, the community colleges in the zone, and other educational agencies and schools within the zone. A liaison may be from a business center located in a community college. These liaisons are not required to be collocated with the liaisons from the Departments of Commerce, Environment and Natural Resources, and Transportation.

1 No later than January 1, 2015, the State Board of Education shall designate at least  
2 one representative from a local school administrative unit or from the Department of Public  
3 Instruction to serve as a liaison in each Collaboration for Prosperity Zone for the local school  
4 administrative units and other public schools within the zone. These liaisons are not required to  
5 be collocated with the liaisons from the Departments of Commerce, Environment and Natural  
6 Resources, and Transportation.

7 **SECTION 4.2.** In addition to other related tasks assigned by their respective  
8 agencies, liaisons in each Collaboration for Prosperity Zone shall work to enhance  
9 collaboration and cooperation between their departments and other State agencies, local  
10 governmental agencies, and other regional public and nonprofit entities. The liaisons from the  
11 Departments of Environment and Natural Resources and Transportation shall work to  
12 consolidate and simplify the process for citizens and businesses seeking permits from their  
13 respective agencies. The liaisons from the Department of Commerce shall be used to support  
14 local economic development efforts, to coordinate such efforts, and to coordinate the  
15 Department of Commerce's activities within each Collaboration for Prosperity Zone. The  
16 liaisons from the community college system and local school administrative units shall work  
17 closely with the Department of Commerce and other State and local governmental agencies and  
18 local businesses in the zone to promote job development through career technical education.

19 **SECTION 4.3.(a)** The Departments of Transportation and Environment and  
20 Natural Resources shall jointly report to the Office of State Budget and Management, the Joint  
21 Legislative Commission on Governmental Operations, the Joint Legislative Transportation  
22 Oversight Committee, the Environmental Review Commission, and the Study Commission on  
23 Interagency Collaboration for Prosperity, as follows:

- 24 (1) No later than January 1, 2015, on the establishment of collocated liaisons  
25 within each Collaboration for Prosperity Zone and a description of the  
26 activities the liaisons have been assigned to perform.
- 27 (2) No later than April 1, 2015, on the activities of the liaisons, specifically any  
28 activities undertaken that resulted in enhanced collaboration and  
29 coordination with the other Department and with other governmental  
30 agencies, improved administrative efficiencies, and any steps taken to make  
31 services to citizens and businesses within each zone more efficient,  
32 economical, and user-friendly.

33 **SECTION 4.3.(b)** The Community Colleges System Office and the State Board of  
34 Education shall each report to the Office of State Budget and Management, the Joint  
35 Legislative Commission on Governmental Operations, the Joint Legislative Education  
36 Oversight Committee, and the Study Commission on Interagency Collaboration for Prosperity,  
37 as follows:

- 38 (1) No later than January 1, 2015, on the establishment of liaisons within each  
39 Collaboration for Prosperity Zone and a description of the activities the  
40 liaisons have been assigned to perform.
- 41 (2) No later than April 1, 2015, on the activities of the liaisons, specifically any  
42 activities undertaken that resulted in enhanced collaboration and  
43 coordination with other governmental agencies, improved planning on use of  
44 educational resources, and improved administrative efficiencies.

45 **SECTION 4.3.(c)** The Department of Commerce shall include in its first report  
46 under G.S. 143B-431(c1), as enacted by this act, a report on the establishment and activities of  
47 its liaisons in each Collaboration for Prosperity Zone. The Department of Commerce shall send  
48 a copy of this report to the Office of State Budget and Management and to the Study  
49 Commission on Interagency Collaboration for Prosperity.

50 **SECTION 4.4.** The Departments of Commerce, Environment and Natural  
51 Resources, and Transportation, the Community Colleges System Office, and the State Board of

1 Education shall use funds available to carry out the requirements of this section. Nothing in this  
2 act shall be construed as an authorization for payment of additional compensation for persons  
3 serving as liaisons.

4 **SECTION 4.5.** This Part becomes effective July 1, 2014, and expires July 1, 2018.

5  
6 **PART V. STUDY COMMISSION ON INTERAGENCY COLLABORATION FOR**  
7 **PROSPERITY**

8 **SECTION 5.1.(a)** Creation of Commission. – The Study Commission on  
9 Interagency Collaboration for Prosperity is established in the General Assembly.

10 **SECTION 5.1.(b)** Membership. – The Study Commission on Interagency  
11 Collaboration for Prosperity shall consist of eight members, four members of the Senate  
12 appointed by the President Pro Tempore of the Senate and four members of the House of  
13 Representatives appointed by the Speaker of the House of Representatives.

14 **SECTION 5.1.(c)** Cochairs; Vacancies; Quorum. – The Study Commission on  
15 Interagency Collaboration for Prosperity shall have two cochairs, one designated by the  
16 President Pro Tempore of the Senate and one designated by the Speaker of the House of  
17 Representatives from among their respective appointees. The Commission shall meet upon the  
18 call of the cochairs. Any vacancy on the Commission shall be filled by the original appointing  
19 authority. A majority of the members of the Commission constitutes a quorum.

20 **SECTION 5.1.(d)** Compensation; Administration. – Members of the Study  
21 Commission on Interagency Collaboration for Prosperity shall receive per diem, subsistence,  
22 and travel allowances in accordance with G.S. 120-3.1. The Commission, while in the  
23 discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and  
24 G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet in the Legislative Building or  
25 the Legislative Office Building.

26 With approval of the Legislative Services Commission, the Legislative Services  
27 Officer shall assign professional staff to assist the Study Commission on Interagency  
28 Collaboration for Prosperity in its work. The House of Representatives' and the Senate's  
29 Directors of Legislative Assistants shall assign clerical staff to the Study Commission on  
30 Interagency Collaboration for Prosperity, and the expenses relating to the clerical employees  
31 shall be borne by the Commission. The Study Commission on Interagency Collaboration for  
32 Prosperity may contract for professional, clerical, or consultant services, as provided by  
33 G.S. 120-32.02.

34 **SECTION 5.2.(a)** Duties. – The Study Commission on Interagency Collaboration  
35 for Prosperity shall review the reports submitted by the Departments of Commerce,  
36 Environment and Natural Resources, and Transportation, the Community Colleges System  
37 Office, and the State Board of Education pursuant to Part IV of this act and any other  
38 information the Commission deems relevant. The Commission may also study and recommend  
39 to the 2015 Regular Session of the General Assembly legislation on the following topics:

- 40 (1) Enhancing collaboration and cooperation between State and other  
41 governmental agencies in order to streamline and improve services to  
42 citizens and businesses, to make such services more user-friendly, and to  
43 implement collaborative and cooperative interagency measures to enhance  
44 access to services.
- 45 (2) Reducing barriers faced by citizens and businesses in accessing services that  
46 are unnecessarily caused by agency specialization (which may produce a  
47 "silo mentality").
- 48 (3) Additional recommendations regarding liaison personnel, including  
49 expanding the requirement to other State departments.

- 1           (4)    Ways to integrate collaboration between educational institutions in each  
2            Collaboration for Prosperity Zone on the one hand and other governmental  
3            agencies and local businesses on the other.  
4           (5)    Requiring the establishment of interagency one-stop shops in each  
5            Collaboration for Prosperity Zone.  
6           (6)    Consolidation of programs or services.  
7           (7)    Cross-training of employees.  
8           (8)    Identification of offices, equipment, and support services that may be  
9            efficiently and economically shared between agencies in each Collaboration  
10           for Prosperity Zone.  
11          (9)    The grouping of counties within each Collaboration for Prosperity Zone to  
12            determine whether there is a better configuration while keeping the same  
13            overall number of zones.

14   The report containing the recommendations shall identify any savings or costs identified by the  
15   Commission as likely to result from its recommendations.

16           **SECTION 5.2.(b)** Report. – The Study Commission on Interagency Collaboration  
17   for Prosperity shall report its recommendations under this section to the 2015 Regular Session  
18   of the General Assembly.

19           **SECTION 5.2.(c)** Agency Cooperation. – All State departments and agencies and  
20   local governments and their subdivisions shall furnish the Study Commission on Interagency  
21   Collaboration for Prosperity with any information in their possession or available to them.

22           **SECTION 5.2.(d)** Commission Termination. – The Study Commission on  
23   Interagency Collaboration for Prosperity shall terminate on the filing of its report or on July 1,  
24   2015, whichever is later.

## 25   **PART VI. EFFECTIVE DATE AND CONSTRUCTION**

26           **SECTION 6.1.** Nothing in this act shall be construed to obligate the General  
27   Assembly to appropriate funds to implement this act.

28           **SECTION 6.2.** Except as otherwise provided, this act is effective when it becomes  
29   law.  
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