

ALERTS

North Carolina Legislative Report - December 20, 2013

December 7 - 20, 2013

HAPPY HOLIDAYS from MVA Public Affairs

The General Assembly has officially completed its business for the 2013 long session. The 2014 short session will begin on Wednesday, May 14, 2014. The MVA Public Affairs Legislative Report on North Carolina will be distributed bi-weekly to keep you up to date on the latest legislative issues facing the state during the interim.

Committee Meetings

The House Education Innovation Committee

The House Education Innovation Committee held its first meeting of the 2013-2014 interim on Wednesday, December 18. The committee is tasked with studying innovative ways to improve student achievement leading to college and career readiness. Following introductions and a review of the committee charge by staff, members heard presentations from NC Virtual School, NC New Schools and UNC General Administration on current programs in place across the state. Members will break for the upcoming holiday season and reconvene to continue its work in early 2014.

Joint Legislative Program Evaluation Oversight Committee

The Joint Legislative Program Evaluation Oversight Committee met on Wednesday, December 18. The Committee began by hearing from the State Auditor. The State Auditor presented some of her concerns with respect to State employees that have management responsibilities with outside vendors that leave State employment to work for those same vendors. She suggested that the legislature should look at, at a minimum, requiring more transparency in these types of situations. The bulk of the meeting, however, dealt with a review of the Program Evaluation Division's examination of operational efficiencies at The University of North Carolina System. The Division found that The University of North Carolina lacks a comprehensive approach to operational efficiency, that improved metrics would allow The University of North Carolina to better manage and track operational efficiency, and that The University of North Carolina does not have a reliable source of funding for operational efficiency efforts. The Division made the five following recommendations: 1) The General Assembly should direct The University of North Carolina Board of Governors to adopt a policy that defines the vision and goals for operational efficiency for the system if the Board does not remedy this issue on its own; 2) The General Assembly should direct The University of North Carolina and its constituent institutions to develop a comprehensive approach to operational efficiency; 3) The General Assembly should direct The University of North Carolina to adopt metrics to track operational performance, use these metrics in funding decisions, and identify appropriate sources of data to monitor operational efficiency; 4) The

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General Assembly should direct The University of North Carolina to link chancellor performance to academic and operational efficiency goals; and 5) The General Assembly should amend State law to allow The University of North Carolina and its constituent institutions to reinvest documented savings generated from operational efficiency efforts.

Legislative Research Commission - Study Committee on Common Core State Standards

The LRC Study Committee on Common Core State Standards met on Tuesday, December 17. The Committee began its substantive work by hearing a presentation from legislative staff on the difference between standards (what a child is expected to learn or be able to do) and curriculum (how a teacher or school district chooses to ensure the child is capable of satisfying a standard). Under state law, content standards are set at the State level, while curriculums are generally developed at the local level. Next, the Committee heard from Michael Brickman with the Fordham Institute. Mr. Brickman praised the Common Core State Standards because they were more rigorous than previous standards in North Carolina and emphasized that under the previous State standards many students that completed high school required remedial instruction at the college level or failed basic military aptitude test, indicating that the standards were not rigorous enough for today's workplace. Finally, three representatives of the State's educational system - Bill Cobey, Chairman, State Board of Education; Dr. June Atkinson, State Superintendent, Department of Public Instruction; and Dr. Rebecca Garland, Chief Academic Officer, Department of Public Instruction - presented on the Common Core State Standards. Chairman Cobey stated it was important to continue to monitor the use of the standards and to make changes where appropriate. Dr. Atkinson stated that State statutes have long required State standards to be aligned with national standards and outlined the history of how North Carolina came to adopt the Common Core State Standards. She briefly described the Common Core State Standards and explained why those standards were copyrighted. She described the training that teachers had received with respect to the standards and argued in defense of maintaining student privacy. Dr. Garland then gave a more in-depth explanation of some of the new standards.

Study Committee on Health Care Provider Practice Sustainability and Training/Additional Transparency in Health Care

The Study Committee on Health Care Provider Practice Sustainability and Training met Monday, December 17 to discuss provider rural health care access, health care provider supply, state spending on recruitment and retention of providers, and telemedicine. Members heard from DHHS staff, The NC Medical Society Foundation, as well as academic administrators from UNC-Chapel Hill and East Carolina University. Following the reports, members inquired mostly about state financial investment in loan repayment programs and recruitment programs. Members wanted to ensure that the money is being used to recruit in-state students that have ties to North Carolina so that the investment will be staying in the state and NC sees a return on the investment. Members wanted to ensure that money had required service attached to it - either requiring time served or by serving in underserved/rural areas. Legislators want to ensure that medical providers to leave NC for surrounding states of other countries after receiving state loans for their education.

Revenue Laws Study Committee

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The Revenue Laws Study Committee met on Tuesday, December 10. The Committee first heard a presentation from the Department of Revenue with respect to the distribution of local sales tax revenues. David Baker discussed some of the problems faced by the Department in making the monthly allocations. Next the Committee heard an update on the "Tax and Tag" program. This program was implemented earlier this year and requires the owner of a motor vehicle to pay the personal property taxes due on the vehicle at the time the owner renews the vehicle's registration with the DMV. To date, implementation of the program has gone exceedingly well. Third, the Committee heard an overview of the corporate income tax from staff in the Fiscal Research Division. Staff highlighted several areas for consideration by the Committee, including issues dealing with how North Carolina apportions income for multi-jurisdictional corporations and whether North Carolina should transition from allowing a deduction for net economic losses to conforming with federal practice and allowing a deduction for net operating losses. The Committee next received two pieces of proposed legislation making technical or clarifying changes to the revenue laws. These changes were largely necessitated by changes made during the 2013 session. In large part, these two bills were very similar to a draft presented at the last meeting. Finally, legislative staff gave an overview of the personal income tax changes that will take effect in 2014.

Joint Legislative Committee on Local Government

The Joint Legislative Committee on Local Government met on Monday, December 9. The Committee began by hearing a presentation from the State Treasurer's Office about the role of the Local Government Commission in authorizing and monitoring local government debt issues. Next, the Committee heard from several public bond attorneys active in the State about the types of local government debt that are used within the State. The Committee then heard from several banks about their activities with respect to private lending to local governments. Representatives from the Association of County Commissioners and the City of Raleigh then provided the local government perspective on debt issuance. Finally, as required by statute, the Committee received an update on all local government debt that must be reviewed and monitored by the Committee (debt that must be approved by the LGC and whose issuance exceeds \$1 million). There were seven projects that were presented to the Committee for review, none of which generated questions by Committee members.

LRC Assessment of Regulated and Non-Regulated Industry Utility Fees

During the committee meeting, Timothy Dale with Fiscal Research gave a regulatory fee overview presentation. Dwight Allen with the NC Telecommunications Association gave a presentation on regulatory fee history from an industry perspective. Chairman Ed Finley with the NCUC then gave a regulatory fee use and history presentation from the regulator perspective. Finally, Chris Ayers with NCUC Public Staff gave a presentation on regulatory fee use and history from the consumer advocate perspective.

A bill draft was passed out during the committee meeting and Heather Fennell with NCGA Research Division staff gave a brief explanation on the draft bill. The draft seeks to adjust the utility regulatory fee to reflect the changing regulatory climate for the telecommunications industry. The committee did not take any action on the draft, but the committee chairs wanted to circulate it for members to review. The draft will be discussed at the next meeting in February.

In the News

News & Observer: Morning Memo: Election law attorneys ask for rules to clarify new voting laws

News & Observer: Atkinson defends data-dump response to Lt. Gov. Forest's questions

News & Observer: Troxler endorses Tillis

Observer: Jerry Orr to retire from Charlotte Airport Commission

News & Observer: State Rep. John Blust won't run for Coble's seat

News & Observer: Crisco forms campaign committee for Ellmers' seat

Release: Governor McCrory Announces Appointments

WRAL: AG: Tax changes should flow to NC utility customers

News & Observer: NC legislators want to examine 'revolving door' of state employees working for vendors

Observer: Mayor Patrick Cannon extends olive branches

News & Observer: In video message, McCrory touts state's improving economy

Observer: Race on for Thom Tillis' House seat

Citizen-Times: Counties could take a hit with federal budget deal

News & Observer: McCrory touts film industry's presence in North Carolina

News & Observer: Common Core education standards get legislative scrutiny

News & Observer: NC leads nation in nationally certified teachers

News & Observer: Lawyer wants to replace McManus in House

News & Observer: Rouzer hires campaign manager

Charlotte Business Journal: NC regulators consider Duke Energy's green-power pilot

Star-News: Cold storage facility project gets boost with grant

News & Observer: Lawsuit challenges vouchers for NC private schools

Citizen-Times: Businessman says he will challenge Moffitt

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AP: Group challenges Duke Energy merger settlement

AP: DHHS staff defends troubled NC Medicaid software

News & Observer: Tillis urges agricultural industry short session should focus on immigration reform

Observer: US Airways, American complete merger; now, the work starts

News-Record: Win or lose, Brandon likely done at N.C. legislature

News & Observer: 'Middle of the road' Mountcastle to run for state House

WRAL: Ellmers draws primary challenger

N.C. Insider: Speed, sweep of NC Commerce restructuring raise concerns

News & Observer: NC fracking commission considers putting chemical data in 'electronic lock box'

Salisbury Post: Sunset on history? Loss of N.C. preservation tax credits could deal blow to Salisbury, other towns

Observer: Boeing bidding war: How far will NC go?

Calendar

Mon, January 06, 2014

10:00 AM Perinatal Health Committee 1027/1128 LB

Tue, January 07, 2014

10:00 AM Joint Legislative Administrative Procedure Oversight Committee -- CANCELLED 544 LOB

10:00 AM Joint Legislative Education Oversight Committee 643 LOB

1:30 PM Joint Legislative Commission on Energy Policy 544 LOB

Wed, January 08, 2014

10:00 AM Joint Legislative Oversight Committee on Unemployment Insurance 544 LOB

Thu, January 09, 2014

9:00 AM Joint Legislative Oversight Committee on Information Technology 544 LOB

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1:30 PM Joint Legislative Oversight Committee on Information Technology 100 Sas Campus Drive, Cary, NC

Tue, January 14, 2014

9:30 AM Revenue Laws Study Committee 544 LOB

10:00 AM Joint Legislative Oversight Committee on Health and Human Services 643 LOB

Wed, January 15, 2014

9:30 AM Environmental Review Commission 643 LOB

Thu, January 16, 2014

9:30 AM Joint Legislative Emergency Management Oversight Committee 544 LOB

Wed, January 22, 2014

1:00 PM Agriculture and Forestry Awareness Study Commission 643 LOB

Thu, January 23, 2014

1:00 PM Committee on Cultural and Natural Resources (LRC)(2013) 643 LOB

Mon, February 03, 2014

10:00 AM Child Fatality Task Force 1027/1128 LB

Tue, February 04, 2014

1:00 PM Joint Legislative Workforce Development System Reform Oversight Committee 544 LOB

Thu, February 06, 2014

10:00 AM Joint Legislative Economic Development and Global Engagement Oversight Committee 643 LOB

Wed, February 12, 2014

10:00 AM Perinatal Health Committee 1027/1128 LB

Mon, February 24, 2014

10:00 AM Intentional Death Health Committee 1027/1128 LB

Mon, March 10, 2014

10:00 AM Unintentional Death Committee 1027/1128 LB