

ALERTS

North Carolina Legislative Report - December 6, 2013

November 30 - December 6, 2013

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

Joint Legislative Economic Development and Global Engagement Oversight Committee

The Joint Legislative Economic Development and Global Engagement Oversight Committee met on Thursday, December 5. The Committee began by hearing two presentations from the Department of Commerce dealing with the particular challenges faced by counties in North Carolina with unemployment rates higher than 10% and by rural counties. The Committee then heard from a legislative staffer regarding the effectiveness of incentives. The staffer summarized academic research that suggests incentives have no measureable impact on employment or growth at the macroeconomic level. He further stated, however, that incentives can be important with respect to luring particular projects if the underlying fundamentals are in place. After a great bit of discussion on the relative value of incentives, the Committee heard from several representatives from the North Carolina Community College System about their efforts with respect to economic development. These presentations highlighted colleges' work with customized training programs, with providing career certification and readiness programs for high school students, and with particular challenges faced by community colleges serving high-unemployment areas. Finally, the Committee heard two updates from the Department of Commerce on the establishment of the Rural Infrastructure Authority and on the Department's continued efforts to establish a public-private partnership to oversee many economic development and recruitment functions. Committee members had a number of questions about the Department's plans for the partnership and about the legal authority of the Department to pursue this proposal.

Joint Legislative Oversight Committee on Unemployment Insurance and Joint Legislative Workforce Development System Reform Oversight Committee

The Joint Legislative Oversight Committee on Unemployment Insurance and the Joint Legislative Workforce Development System Reform Oversight Committee met jointly on Wednesday, December 4. The Committees received updates from the Governor's administration on appointments to the Board of Review and on a memorandum of understanding between the Division of Employment Security and the Division of Workforce Solutions. The Board of Review was created by the General Assembly as an independent body to review disputed cases with respect to unemployment insurance benefits. Several deadlines for appointing members to that Board have passed. The Governor's legislative liaison reported that two of three appointees have been

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submitted to the State Ethics Commission for review and that the credentials of the third should be submitted later this week. Next, the Committees heard from the Director of the Division of Workforce Solutions about the implementation of an integrated service delivery system. Under the new system, the Division will assign staff and provide services based on function areas rather than through a fragmented system that was broken down largely by funding source. The new delivery method should help alleviate duplication and reduce or eliminate transferring clients from one service provider to another within the Division. Finally, the Committees heard from the President of the North Carolina Community College System about the role community colleges play in workforce development. He highlighted community colleges' efforts to provide more focused training at a lower cost. He also emphasized the work of the community colleges in helping students obtain career certifications and credentials, even when those students are not enrolled in a traditional degree-granting program.

Joint Legislative Education Oversight Committee

On Tuesday, December 3, the Joint Legislative Education Oversight Committee held its last meeting of the year in Raleigh. Representative Bryan Holloway (R-Rockingham) chaired the meeting. Dr. Tammy Howard, Accountability Services Director at NC Department of Public Instruction (DPI), gave an update on 2012-2013 end-of-grade and end-of-course scores. Katie Cornetto, NC State Board of Education attorney, gave an update on model teachers' contracts. Donna Brown, Federal Program Monitoring and Support Division for NC DPI, gave a presentation on 21st Century learning grants. Finally, Dr. Ben Matthews, Safe and Healthy School Support Division Director for NC DPI, gave an update on school safety. The next Joint Legislative Education Oversight Committee meeting will take place on January 7, 2014 at 10 am.

North Carolina Lottery Commission

The North Carolina Lottery Commission held its quarterly meeting in Raleigh on Tuesday, December 3. The Commission began by hearing a progress report on a compensation study being undertaken by the North Carolina Education Lottery (NCEL). A consultant described the process to date and outlined the remaining steps to be taken. The study should be completed early next year. Next, the Commission heard reports from the Finance and Audit Committees. The NCEL received a clean audit for the fiscal year ending June 30, 2013. The Finance Committee also reported a fairly dramatic increase in year-to-date sales this year. Through October, total revenues have been 16.8% higher than at the same point in the previous fiscal year and net revenue year-to-date is running 14% above budget. The Executive Director noted that all product categories, other than the MegaMillions game, had demonstrated year-over-year growth with the highest growth in scratch-off tickets. The Commission next approved a recommendation to enter into a contract to provide greater sales force automation. Currently, sales representatives have very limited access to sales data when in the field. The Executive Director reported on NCEL's plans to offer an online-subscription service, which launched December 5, and on potential new products that could be offered in the future, including the potential for a \$5-national draw (similar to Powerball or MegaMillions but with a higher ticket price).

Joint Legislative Administrative Procedure Oversight Committee

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The Joint Legislative Administrative Procedure Oversight Committee met Tuesday, December 3. The Committee heard four reports from industry, including a review of objections to recently adopted rules of the Funeral Services Board, a presentation from the NC Board of Cosmetic Arts Examiners outlining the practical distinctions between cosmetologists and barbers, a presentation on issues related to the Board of Dietetics/ Nutrition, and an update on the PED study performed by the Occupational Licensing Board.

Joint Legislative Commission on Energy Policy

The Joint Legislative Commission on Energy Policy met on Tuesday, December 3. The first half of the meeting dealt with threats to the electric grid, and thereby national security and welfare, by electromagnetic pulse. James Woolsey, a former Director of the CIA highlighted some of the threats, both natural and manmade, to the security of the electric grid and potential consequences. Presenters suggested options that might be available to North Carolina to better protect the electric grid. After a number of questions were raised, the Committee agreed to hear from representatives of electric power companies on this issue, and the costs of protecting the grid, at a later meeting. The remainder of the meeting provided an in-depth background on the histories, structures, and functions of municipal electric systems, electric cooperatives, the North Carolina Utilities Commission, and the Public Staff of the Utilities Commission.

Joint Legislative Oversight Committee on Information Technology

The Joint Legislative Oversight Committee on Information Technology met on Monday, December 2. First, the Committee received an update on the implementation of the PowerSchool/Home Base project launched by the Department of Public Instruction. The system is designed for multiple capabilities, including features that can assist teachers with curriculum development, evaluate the progress of teachers, and allow parents and students to have more ready access to data about student performance. There have been some concerns with implementation of the system (particularly with respect to data migration or entry), but DPI believes that those problems are being addressed. Next, the Committee heard a report from the 911 Board. The Executive Director of the Board described the use of 911 fees and suggested areas for improvement – such as requiring 911 centers to meet higher redundancy standards in order to reduce instances of 911 outages. The Committee then heard an update on the work of the Center for Geographic Information and Analysis and the Geographic Information Coordinating Council. Those groups have worked to provide public access to a significant amount of geographical information through an online portal and map. This presentation was followed by presentations from the State's Chief Information Officer on initiatives to better align IT projects throughout State government and to reduce costs. Finally, the Committee heard from several providers about continuing problems with NC Tracks, the State's new computer system for processing and paying Medicaid claims.

In the News

News & Observer: Importance of NC incentives debated

NC Political News: Tabor City businessman Brenden Jones to run for N.C. House District 46

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News & Observer: Oil lobby: NC to gain 55,000 jobs, nearly \$4B in revenue from offshore drilling

News & Observer: Medicaid overhaul shifts to regional managed care plans

News & Observer: McCrory raises NC's profile in offshore drilling push

News & Observer: NC among states faulted for lax financial disclosure rules for Supreme Court justices

News & Record: Skip Alston challenging Sen. Gladys Robinson in 2014 election

News & Observer: Teacher turnover in North Carolina reaches five-year high

News & Record: Change coming Jan. 1 for what's taxed in N.C.

AP: Supreme Court refuses challenge by online retailers to NY sales-tax law

News & Observer: The top 5 state House races in 2014

News & Observer: Top 5 state Senate races to watch in North Carolina

Charlotte Observer: Patrick Cannon sworn in as Charlotte mayor, focuses on city's economy

Star-News: N.C. commerce secretary listens to ideas, questions during tour

News & Observer: GOP lawmaker in key swing district gets Democratic challenger

News & Observer: Democrat Hanchette to announce for state House race

News & Observer: Hearing highlights woes with NC Medicaid claims system

News & Observer: Chemtex biofuels refinery to make ethanol from NC crops in Sampson County

News & Observer: New medical director for state Medicaid office named

News & Observer: Josh Stein eyeing NC Attorney General race

Sun Journal: New Bern attorney plans run for State House

News & Observer: Analyst: Brace for super spending in NC next year

Calendar

Mon, December 09, 2013

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

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10:00 AM Joint Legislative Committee on Local Government 643 LOB

Tue, December 10, 2013

9:30 AM Revenue Laws Study Committee 544 LOB

10:00 AM - 4:00 PM Joint Legislative Oversight Committee on Health and Human Services 643 LOB

Thu, December 12, 2013

1:00 PM Joint Legislative Oversight Committee on Justice and Public Safety 643 LOB

Mon, December 16, 2013

1:00 PM Committee on Health Care Provider Practice Sustainability and Training/Additional Transparency in Health Care (LRC)(2013) 643 LOB

Tue, December 17, 2013

1:00 PM Committee on Common Core State Standards (LRC)(2013) 643 LOB

Wed, December 18, 2013

1:00 PM Joint Legislative Program Evaluation Oversight Committee 544 LOB

1:00 PM House Study Committee on Education Innovation (2013) 643 LOB

Thu, December 19, 2013

9:30 AM Committee on the Assessment of Regulated and Non-Regulated Industry Utility Fees (LRC)(2013) 544 LOB

Mon, January 06, 2014

10:00 AM Perinatal Health Committee 1027/1128 LB

Tue, January 07, 2014

10:00 AM Joint Legislative Education Oversight Committee 643 LOB

Wed, January 15, 2014

9:30 AM Environmental Review Commission 643 LOB

Thu, January 16, 2014

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

Mon, February 03, 2014

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

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