

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 409
Program Evaluation Committee Substitute Adopted 6/7/11
Third Edition Engrossed 6/8/11
House Committee Substitute Favorable 6/14/11

Short Title: Global TransPark Gov. Reform & Loan Repayment.

(Public)

Sponsors:

Referred to:

March 24, 2011

A BILL TO BE ENTITLED

AN ACT TO REFORM THE GOVERNANCE OF THE NORTH CAROLINA GLOBAL
TRANSPARK AND TO REPAY THE LOAN FROM THE ESCHEAT FUND TO THE
GLOBAL TRANSPARK.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 63A-3(a) reads as rewritten:

"(a) Creation. The North Carolina Global TransPark Authority is created as a body corporate and politic having the powers and jurisdiction as provided under this Chapter or any other law. The Authority is a State agency created to perform essential governmental and public functions. The Authority shall be located within the Department of ~~Transportation~~, but shall exercise all of its powers, including the power to employ, direct, and supervise all personnel, independently of the Secretary of Transportation and, notwithstanding any other provision of law, Transportation and shall be subject to the direction and supervision of the Secretary only with respect to the management functions of coordinating and reporting Secretary."

SECTION 1.(b) G.S. 63A-3(b) reads as rewritten:

"(b) Board of Directors. The Authority shall be governed by a Board of Directors. The Board shall consist of at least the following 20 members:

- (1) ~~Seven~~ Six members appointed by the Governor. One member shall be representative of the economic development industry, two members shall be representative of commercial real estate development industry, two members shall be representative of the banking and finance industry, and one member shall be representative of environmental interests. Of the Governor's six appointments, at least one member shall come from each of the State's three regions: Western, Piedmont, and Eastern.
- (2) Three members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121. One member shall be representative of the aerospace and aviation industry, one member shall be representative of advanced manufacturing industries, and one member shall be representative of the logistics and supply chain management industry.
- (3) Three members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. One member shall be representative of the aerospace and



1 aviation industry, one member shall be representative of the emergency
2 response and disaster relief industries, and one member shall be
3 representative of the defense and security industry.

4 (4) The State Treasurer, who shall serve as an ex officio nonvoting member.

5 (5) The President of the North Carolina System of Community Colleges,
6 provided that the President of the North Carolina Community Colleges may
7 instead appoint to the Board of Directors one member of the board of
8 trustees of a community college or one president of a community college. If
9 such an appointment is made, the appointee shall serve at the pleasure of the
10 President.

11 (6) The President of The University of North Carolina, provided that the
12 President of the University of North Carolina may instead appoint to the
13 Board of Directors one member of the board of trustees of a constituent
14 institution of The University of North Carolina, or one chancellor of a
15 constituent institution of The University of North Carolina. If such an
16 appointment is made, the appointee shall serve at the pleasure of the
17 President.

18 (7) The Chairman of the State Ports Authority.

19 (8) One member appointed by the board of county commissioners of any county
20 in which the cargo airport complex site is located.

21 (9) One member appointed by the city council of the city which is a county seat
22 of any county in which the cargo airport complex site is located.

23 (10) The Commissioner of Agriculture.

24 (11) The Secretary of the Department of Commerce.

25 Within 90 days after the Authority acquires land, either by purchase or condemnation, for
26 development as part of a cargo airport complex site, the board of county commissioners in any
27 county in which a portion of the land is located and the city council of the city which is the
28 county seat of the county shall, by resolution, each appoint a person to serve as a member of the
29 Board. If the board of commissioners or the city council appoints one of its own members to
30 the Board, the county commissioner or the member of the city council who is appointed is
31 considered to be serving on the Board as an ex officio voting member as part of the duties of
32 the office of county commissioner or the office of city council member, in accordance with
33 G.S. 128-1.2, and is not considered to be serving in a separate office. Notwithstanding
34 G.S. 116-31(h), a member of the board of trustees of a constituent institution of The University
35 of North Carolina appointed to the Board of Directors under subdivision (6) of this subsection
36 may concurrently serve on the board of trustees and the Board of Directors. Notwithstanding
37 any other provision of law, the Governor may serve on the Board of Directors by his own
38 appointment on or after July 16, 1991, under subdivision (1) of this subsection.

39 As the holder of an office, each member of the Board shall take the oath required by Article
40 VI, § 7 of the North Carolina Constitution before assuming the duties of a Board member."

41 **SECTION 1.(c)** G.S. 63A-3(c) is repealed.

42 **SECTION 1.(d)** G.S. 63A-3 is amended by adding a new subsection to read as
43 follows:

44 "(d1) Notwithstanding the terms of board members appointed by the General Assembly as
45 specified in subsection (d) of this section, terms of board members appointed by the General
46 Assembly shall end June 30, 2011. After June 30, 2011, the six members appointed by the
47 General Assembly shall be divided into two classes. The first class shall consist of three
48 persons, two of whom shall be appointed upon recommendation of the Speaker of the House of
49 Representatives and one of whom shall be appointed upon recommendation of the President
50 Pro Tempore of the Senate, to serve an initial term expiring June 30, 2013, with subsequent
51 terms expiring each fourth June 30th thereafter. The second class shall consist of three persons,

1 two of whom shall be appointed upon recommendation of the President Pro Tempore of the
 2 Senate and one of whom shall be appointed upon recommendation of the Speaker of the House
 3 of Representatives, to serve an initial term expiring June 30, 2015, with subsequent terms
 4 expiring each fourth June 30th thereafter."

5 **SECTION 1.(e)** G.S. 63A-23 reads as rewritten:

6 "**§ 63A-23. Annual and quarterly reports.**

7 The Authority shall, promptly following the close of each fiscal year, submit an annual
 8 written report of its activities for the preceding year to the Governor, the General Assembly,
 9 and the Local Government Commission. Each report shall be accompanied by an audit of its
 10 books and ~~accounts~~, accounts, as well as quarterly and annual financial statements. The audit
 11 shall be conducted by the State Auditor. The costs of all audits shall be paid from funds of the
 12 Authority.

13 As part of the report, the Authority shall include the following performance measures of the
 14 private sector jobs within the Global TransPark:

15 (1) The number, type, and wage level of jobs created or retained.

16 (2) The actual full-time equivalent jobs employed, as well as the median and
 17 average salaries for those jobs.

18 The Authority shall submit ~~quarterly reports~~ its annual report to the General Assembly to
 19 both the Joint Legislative Commission on Governmental ~~Operations~~. Operations and the
 20 Program Evaluation Division. The ~~reports shall summarize the Authority's activities during the~~
 21 ~~quarter and contain~~ Authority shall also submit any information about the Authority's activities
 22 that is requested by the Commission.

23 The Authority shall also provide a copy of its annual report on its public Web site."

24 **SECTION 1.(f)** G.S. 63A-24(3) reads as rewritten:

25 "(3) Except for G.S. 146-29.1, 146-79, and 146-80, Chapter 146 of the General
 26 Statutes does not apply to the Authority. Notwithstanding this exemption
 27 from Chapter 146 of the General Statutes, the Secretary of Transportation
 28 may designate employees of the Authority as subject to Chapter 146 of the
 29 General Statutes."

30 **SECTION 2.(a)** There is appropriated to Statewide Reserves the sum of seventeen
 31 million five hundred thousand dollars (\$17,500,000) for payment to the Escheat Fund. The
 32 Office of State Budget and Management shall remit to the Escheat Fund the sum of seventeen
 33 million five hundred thousand dollars (\$17,500,000) as payment on the outstanding loan from
 34 the Escheat Fund to the Global TransPark Authority authorized under G.S. 63A-4(a)(22) and
 35 G.S. 147-69.2(b)(11).

36 **SECTION 2.(b)** If House Bill 200 of the 2011 Regular Session becomes law, then
 37 Section 9.8(a) of that act reads as rewritten:

38 "**SECTION 9.8.(a)** There is appropriated from the Escheat Fund income to the Board of
 39 Governors of The University of North Carolina the sum of ~~thirty-two million one hundred~~
 40 ~~twenty-two thousand two hundred forty-two dollars (\$32,122,242)~~ forty-nine million six
 41 hundred twenty-two thousand two hundred forty-two dollars (\$49,622,242) for the 2011-2012
 42 fiscal year and the sum of thirty-two million one hundred twenty-two thousand two hundred
 43 forty-two dollars (\$32,122,242) for the 2012-2013 fiscal year to be used for The University of
 44 North Carolina Need-Based Financial Aid Program."

45 **SECTION 2.(c)** If House Bill 200 of the 2011 Regular Session becomes law, then
 46 Section 2.1 of that act reads as rewritten:

47 "**SECTION 2.1.** Appropriations from the General Fund of the State for the maintenance of
 48 the State departments, institutions, and agencies, and for other purposes as enumerated, are
 49 made for the fiscal biennium ending June 30, 2013, according to the following schedule:

50
 51 **Current Operations – General Fund**

2011-2012

2012-2013

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EDUCATION

Community Colleges System Office	\$ 985,000,000	\$ 985,000,000
Department of Public Instruction	7,464,492,057	7,450,000,000
University of North Carolina – Board of Governors		
Appalachian State University	145,563,319	145,680,676
East Carolina University		
Academic Affairs	247,397,807	247,397,807
Health Affairs	65,196,439	65,196,439
Elizabeth City State University	38,226,042	38,398,361
Fayetteville State University	56,925,951	56,925,951
NC A&T State University	105,355,805	105,794,754
NC Central University	94,342,683	94,342,683
NC State University		
Academic Affairs	434,563,241	434,677,423
Agricultural Research	59,239,461	59,239,461
Agricultural Extension	43,539,609	43,539,609
UNC-Asheville	42,004,444	42,004,444
UNC-Chapel Hill		
Academic Affairs	309,481,584	312,843,120
Health Affairs	219,507,009	222,570,732
AHEC	49,747,851	49,747,851
UNC-Charlotte	216,455,073	217,471,216
UNC-Greensboro	173,180,926	173,180,926
UNC-Pembroke	61,534,005	62,277,254
UNC-School of the Arts	27,796,473	27,796,473
UNC-Wilmington	105,943,181	107,138,757
Western Carolina University	90,591,556	91,070,460
Winston-Salem State University	76,496,951	76,496,950
General Administration	38,186,863	27,628,722
University Institution Programs	(375,153,400)	(383,808,914)
Related Educational Programs	85,679,060	68,179,060
UNC Financial Aid Private Colleges	91,635,664	86,534,065
NC School of Science & Math	18,937,535	18,937,535
UNC Hospitals	18,000,000	18,000,000
Total University of North Carolina – Board of Governors	\$ 2,540,375,132 <u>2,522,875,132</u>	\$ 2,551,672,698

HEALTH AND HUMAN SERVICES

Department of Health and Human Services		
Division of Central Management and Support	\$ 50,177,377	\$ 44,577,987
Division of Aging and Adult Services	37,019,667	37,019,667
Division of Services for Blind/Deaf/Hard of Hearing	8,389,110	8,372,886
Division of Child Development	266,102,933	266,102,933
Division of Health Service Regulation	16,133,031	16,133,031
Division of Medical Assistance	2,958,388,184	2,907,276,302
Division of Mental Health,		

1	Developmental Disabilities, and		
2	Substance Abuse Services	665,712,232	710,712,232
3	NC Health Choice	79,452,317	83,717,865
4	Division of Public Health	190,443,245	157,538,834
5	Division of Social Services	186,183,068	186,183,068
6	Division of Vocational Rehabilitation	37,125,788	37,528,128
7	Total Health and Human Services	\$ 4,495,126,952	\$ 4,455,162,933
8			
9	NATURAL AND ECONOMIC RESOURCES		
10			
11	Department of Agriculture and Consumer Services	\$ 65,460,864	\$ 62,198,634
12			
13	Department of Commerce		
14	Commerce	50,852,340	33,250,463
15	Commerce State-Aid	32,851,025	30,151,984
16	NC Biotechnology Center	17,551,710	17,551,710
17	Rural Economic Development Center	25,376,729	25,376,729
18			
19	Department of Environment and Natural Resources	165,784,887	148,148,105
20			
21	DENR Clean Water Management Trust Fund	11,250,000	11,250,000
22			
23	Department of Labor	15,836,887	15,836,887
24			
25	Wildlife Resources Commission	18,000,000	17,221,179
26			
27	JUSTICE AND PUBLIC SAFETY		
28			
29	Department of Correction	\$ 1,337,816,346	\$ 1,348,410,793
30			
31	Department of Crime Control and Public Safety	225,258,795	215,164,518
32			
33	Judicial Department	438,920,048	435,141,107
34	Judicial Department – Indigent Defense	110,091,526	112,748,733
35			
36	Department of Justice	80,704,013	80,864,138
37			
38	Department of Juvenile Justice and Delinquency Prevention	135,593,692	131,140,565
39			
40	GENERAL GOVERNMENT		
41			
42	Department of Administration	\$ 63,607,330	\$ 65,511,460
43			
44	Department of State Auditor	11,857,574	10,676,035
45			
46	Office of State Controller	28,368,957	28,368,957
47			
48	Department of Cultural Resources		
49	Cultural Resources	63,524,857	61,697,001
50	Roanoke Island Commission	1,805,236	1,203,491
51			

1	State Board of Elections	5,186,603	5,126,603
2			
3	General Assembly	53,259,495	50,104,208
4			
5	Office of the Governor		
6	Office of the Governor	4,741,157	4,741,157
7	Office of State Budget and Management	5,848,663	5,848,663
8	OSBM – Reserve for Special Appropriations	1,940,612	440,612
9	Housing Finance Agency	9,673,051	9,673,051
10			
11	Department of Insurance		
12	Insurance	36,393,921	36,393,921
13	Insurance – Volunteer Safety Workers' Compensation	2,294,000	2,623,654
14			
15	Office of Lieutenant Governor	695,324	695,324
16			
17	Office of Administrative Hearings	4,983,871	4,983,871
18			
19	Department of Revenue	78,199,538	78,199,538
20			
21	Department of Secretary of State	10,654,563	10,654,563
22			
23	Department of State Treasurer		
24	State Treasurer	6,657,031	6,621,750
25	State Treasurer –		
26	Retirement for Fire and Rescue Squad Workers	17,812,114	17,812,114
27			
28	RESERVES, ADJUSTMENTS, AND DEBT SERVICE		
29			
30	Contingency and Emergency Fund	\$ 5,000,000	\$ 5,000,000
31			
32	State Retirement System Contribution	248,100,000	336,000,000
33			
34	Judicial Retirement System Contribution	6,800,000	7,800,000
35			
36	Firemen's & Rescue Squad Workers' Pension Fund	4,318,042	5,366,928
37			
38	State Health Plan	7,119,541	102,151,104
39			
40	Information Technology Fund	4,458,142	6,158,142
41			
42	Reserve for Job Development Investment Grants (JDIG)	15,400,000	27,400,000
43			
44	Continuation Review Reserve	0	35,576,758
45			
46	Comprehensive Review of Compensation Plans	2,000,000	0
47			
48	Compensation Adjustment and Performance Pay Reserve	0	121,105,840
49			
50	Severance Expenditure Reserve	69,000,000	0
51			

1	Automated Fraud Detection Development	1,000,000	7,000,000
2			
3	Controller – Fraud Detection Development	500,000	500,000
4			
5	Debt Service		
6	General Debt Service	688,957,188	759,984,974
7	Federal Reimbursement	1,616,380	1,616,380
8			
9	<u>Payment to Escheat Fund</u>	<u>17,500,000</u>	
10			
11	TOTAL CURRENT OPERATIONS –		
12	 GENERAL FUND	\$ 19,678,116,193	\$ 19,943,327,275."
13			

14 **SECTION 3.** Any monies received from a grant made on or after July 1, 2011, by
15 The Golden Leaf (Long-Term Economic Advancement Foundation), Inc., to the Global
16 TransPark Authority shall be first applied to the payment of any outstanding loan from the
17 Escheat Fund to the Global TransPark Authority authorized under G.S. 63A-4(a)(22) and
18 G.S. 147-69.2(b)(11).

19 **SECTION 4.(a)** If House Bill 200 of the 2011 Regular Session becomes law, then
20 Section 6.10 of that act is repealed.

21 **SECTION 4.(b)** G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144,
22 Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, Section 27.7 of S.L. 2007-323,
23 and Section 25.2 of S.L. 2009-451, reads as rewritten:

24 "(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated
25 in subsection (a) of this section in excess of the amount required to meet the current needs and
26 demands on such funds, selecting from among the following:

27 ...

- 28 (11) With respect to assets of the Escheat Fund, obligations of the North Carolina
29 Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed
30 twenty-five million dollars (\$25,000,000), that have a final maturity not later
31 than October 1, ~~2011~~2012. The obligations shall bear interest at the rate set
32 by the State Treasurer. No commitment to purchase obligations may be
33 made pursuant to this subdivision after September 1, 1993, and no
34 obligations may be purchased after September 1, 1994. In the event of a loss
35 to the Escheat Fund by reason of an investment made pursuant to this
36 subdivision, it is the intention of the General Assembly to hold the Escheat
37 Fund harmless from the loss by appropriating to the Escheat Fund funds
38 equivalent to the loss.

39 If any part of the property owned by the North Carolina Global
40 TransPark Authority now or in the future is divested, proceeds of the
41 divestment shall be used to fulfill any unmet obligations on an investment
42 made pursuant to this subdivision."

43 **SECTION 5.** This act becomes effective July 1, 2011.