



2015

North Carolina Rules with Economic Impact

- **Schedule of Anticipated Rule Actions**
- **Rules that Affected Local Governments**

Prepared by the North Carolina Office of State
Budget and Management,
Office of the Governor

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Background

On May 17, 1994, Governor James B. Hunt Jr. issued the Executive Order No. 49 entitled “Fiscal Notes on Administrative Rules Affecting Local Governments.” The Executive Order set forth policies and procedures for state agencies to follow when proposing permanent rules with an impact on local governments. Through Session Law 1995-415, the General Assembly incorporated these policies, as well as other changes, in G.S. 150B-21.28 of the Administrative Procedure Act (APA). The revised APA increases state agencies’ awareness of the effect proposed rules would have on local governments and enables local governments to be more involved in estimating the fiscal impact of permanent rules on local budgets.

According to requirements in the APA, the North Carolina Office of State Budget and Management (OSBM) prepares annually a report containing a schedule of anticipated rule actions in the upcoming fiscal year, as well as a summary of the projected economic impact on local governments of rules adopted in the preceding fiscal year. OSBM provides a copy of this annual report to the Governor, the General Assembly, the North Carolina Association of County Commissioners, and the North Carolina League of Municipalities, as required by the APA.

Outline

I. Summary

The Summary section contains some statistics on anticipated rule actions in the following fiscal year that might have an economic impact and rules adopted in the previous year with projected impact on local governments.

II. Schedule of Anticipated Rule Actions, July 1, 2015 – June 30, 2016

This section contains information on rules state agencies expect to adopt in SFY 2015-16 that would have an impact on: i) state expenditure or distribution of funds; ii) local government revenues or expenditures; or iii) would create a substantial economic impact. Substantial impact is statutorily defined as an aggregate financial impact to all parties involved of \$1,000,000 or greater over a 12-months period. The information in this section is organized by agency and agency division, and it includes the rule title, the North Carolina Administrative Code (NCAC) citation, staff contact information, proposed action, anticipated impact, and a brief description of the rule change.

III. Rules that Affected Local Governments, Adopted July 1, 2013 – June 30, 2014

The last section provides information on rules North Carolina agencies adopted in SFY 2013-14 that have a projected impact on local governments. The information is organized by agency and by adoption date, and it includes the rule title, NCAC citation, staff contact information, and expected net impact on local government revenues and expenditures over a five-year period.

I. Summary

State agencies anticipate taking action on 56 different rules¹ in the following fiscal year, SFY 2015-16, based on reports submitted by more than 90 percent of agencies. The Department of Environmental and Natural Resources (DENR) and Department of Health and Human Services would each account for close to 30 percent of the anticipated rule actions for SFY 2015-16 (see Table 1). A number of agencies reported that they plan to engage in rulemaking in the upcoming fiscal year to address regulatory changes mandated by Session Law 2013-413 (HB 74). Some agencies have also reported rulemaking that will result from the review of existing regulation, as mandated by G.S. 150B-21.3A. However, not all agencies that will be required to readopt their rules know enough details at this time to include those rule actions in this report. Therefore, it is likely for the total number of rule actions taken in the next fiscal year to be significantly higher than 56.

Table 1. Number of Anticipated Rules with Economic Impact in SFY 2014-15, by Agency

<i>Agency</i>	<i>Number of Rules</i>	<i>Percentage of Total</i>
Building Code Council	1	2%
Department of Commerce	5	9%
Department of Environmental and Natural Resources	17	30%
Department of Health and Human Services	16	29%
Department of Justice	2	4%
Department of Labor	3	5%
Department of Transportation	3	5%
Office of Administrative Hearings	1	2%
Office of Information Technology Services	1	2%
Office of State Budget and Management	1	2%
Office of State Human Resources	5	9%
Wildlife Resources Commission	1	2%
Total Anticipated Rules	56	100%

Table 2 below presents the number of anticipated rule actions in the next fiscal year that agencies estimated would have a state government, local government, or substantial economic impact (which is defined as an aggregate economic impact of \$1 million or more over a 12-months period).

¹ This report uses the terms “rule change” or “rule” to refer to a package of permanent individual rules an agency proposes to adopt together that constitute a new policy. Therefore, the number of individual rules the agencies plan taking action on is higher than the number noted above.

Table 2. Number of Anticipated Rules with Economic Impact, by Type of Impact*

<i>Type of Impact</i>	<i>Number of Rules</i>	<i>Percentage of Total Rules</i>
State Government	46	82%
Local Government	31	55%
Substantial Economic Impact	10	18%

* Note the percentages above do not add up to 100% because rules may have more than one type of impact (see Table 5 below for details). Also, unknown (“U” in Table 5) impacts were not included in this table.

In SFY 2013-14, state agencies adopted twelve rule changes estimated to have an impact on local governments, as shown in Table 3.

Table 3. Number of Rules Adopted in SFY 2013-2014 with Local Government Impact, by Agency

<i>Agency</i>	<i>Number of Rules</i>	<i>Percentage of Total</i>
Department of Environment and Natural Resources	5	42%
Department of Health and Human Services	4	33%
Department of Justice	1	8%
Department of Public Instruction	2	17%
Total Adopted Rules	12	100%

Table 4 below presents the estimated impact on local governments over a five-year period resulting from the rules adopted in SFY 2013-14. The net present value of the impact of these rule changes on local governments over five years is about \$2.2 million in welfare costs (computed using a 7% discount rate as mandated in the APA for fiscal note analyses).

Table 4. Estimated Impact on Local Governments of Rules Adopted in SFY 2013-2014, by Agency (thousands of \$)*

<i>Agency</i>	<i>SFY 2013- 14</i>	<i>SFY 2014- 15</i>	<i>SFY 2015- 16</i>	<i>SFY 2016- 17</i>	<i>SFY 2017- 18</i>
Department of Environment and Natural Resources	\$65	\$119	\$193	\$129	\$131
Department of Health and Human Services	\$0	\$50	\$50	-\$4	-\$4
Department of Justice	-\$160	-\$160	\$0	\$0	\$0
Department of Public Instruction	-\$625	-\$552	-\$552	-\$552	-\$552
Total Impact of Adopted Rules	-\$721	-\$543	-\$309	-\$427	-\$425

* Note that positive values constitute a benefit to local governments and negative values are costs.

II. Schedule of Anticipated Rules Actions in SFY 2015-2016

Table 5. Schedule of Anticipated Rule Actions between July 1, 2015 and June 30, 2016

Division	Rule Title and Description*	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:**		
			Name	Phone			S/	L/	SE
Building Code Council									
N/A	2014 NC Electrical Code The agency plans to adopt the 2014 National Electrical Code with North Carolina amendments to include national industry updates from the 2011 National Electrical Code. Changes related to AFCI receptacles and \$80/dwelling threshold may create a substantial increase. However, changes related to PV systems and 600 volt systems may create a substantial decrease.	N/A	Barry Gupton	919-661-5880	Adopt	No	-	-	U
Total Anticipated Rule Actions for Building Code Council:									1
Department of Commerce									
Credit Union	Surety Bond and Insurance Coverage The change is aimed at making the rule similar to NCUA Rule for Federal Charters, and it will allow higher deductibles. There will be a state impact regarding the man hours for training, review and approval of new policies, printing, and postage expense.	04 NCAC 06C .0311	Tony Knox	919-571-4888	Amend	No	S	U	-
Credit Union	Prohibited Fees The change will clarify the rule and update the section with changes in industry standards.	04 NCAC 06C .0410	Tony Knox	919-571-4888	Adopt	No	S	U	-
Credit Union	Liquidity Reserves There is consideration being given to legislative changes on the national level which would impact state credit unions, and would require changes to the rule.	04 NCAC 06C .1301-.1302	Tony Knox	919-571-4888	Amend	No	S	U	-
Industrial Commission	Forms The Industrial Commission is required to use the rulemaking process to create any new forms or make substantive changes to existing forms. The scope of this project is not yet defined enough to know whether one or more form rules might have relevant economic impacts.	N/A	Meredith Henderson	919-807-2575	Adopt	No	U	U	U

* Several agencies may engage in additional rulemaking in SFY 2015-16 that is not listed in the table as a result of either the provisions in G.S. 150B-21.3A or legislation the General Assembly is currently considering.

** S = State Impact, L = Local Impact, SE = Substantial Economic Impact of \$1,000,000 or greater in a 12-months period, U = Impact Unknown.

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Division	Rule Title and Description*	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:**		
			Name	Phone			S/	L/	SE
Industrial Commission	Request for Preauthorization of Medical Treatment Form This form is required by a rule that became effective November 1, 2014. The only possible economic impact the NCIC foresees is the impact on employers, carriers, and health care providers who have to complete and exchange the form or engage third party administrators to complete and exchange the form for each preauthorization request. Whether this potential cost would amount to an aggregate \$1M impact is uncertain at this time.	N/A	Meredith Henderson	919-807-2575	Adopt	No	U	U	U
Total Anticipated Rule Actions for Department of Commerce:									5
Department of Environmental and Natural Resources									
Air Quality	Revision of Ambient Standard for Particulate Matter (PM2.5) The Division is planning to update the rule to reflect the December 2012 PM2.5 National Ambient Air Quality Standard; additional near-road monitoring component accommodated through EPA network plan approval of moving equipment from other sites on of which is operated by a local air quality program.	15A NCAC 02D .0410	Joelle Burleson	919-707-8720	Amend	Yes	S	L	-
Air Quality	Clarification of Applicability of Prevention of Significant Deterioration (PSD) Rule for Greenhouse Gases and Title V Applicability Rule The change replaces temporary rule action on Prevention of Significant Deterioration (PSD) Rule for Greenhouse Gases and Title V Applicability Rule.	15A NCAC 02D .0544	Joelle Burleson	919-707-8720	Amend	Yes	U	U	-
Air Quality	Revision of Sewage Sludge Incinerator Standards The change would update state rules to reflect federal air emissions guidelines for Sewage Sludge Incinerators. Affected facilities, which may be owned by local governments, would be required to meet more stringent emission standards that may require upgrading of controls by the federal backstop deadline in effect prior to state adoption of the requirements. Due to possible reprioritization, this rule may be adopted beyond SFY 2015-16.	15A NCAC 02D .1204	Joelle Burleson	919-707-8720	Amend	Yes	S	L	SE

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Air Quality	Revision of Permitting Exemptions Rule The change would update, simplify, and clarify exemptions from the permitting rule; state and local affected facilities could have potentially exempt sources.	15A NCAC 02Q .0102	Joelle Burleson	919-707-8720	Amend	No	S	L	U
Air Quality	Startup, Shutdown, Malfunction (SSM) SIP Call Rulemaking NC was one of 36 states identified by an EPA proposal for a rule as having a deficiency as to how startup, shutdown, and malfunction excess emissions are treated in its rule. If the final EPA rule contains the same conclusion, rulemaking would be necessary to address the deficiency. EPA final rule is currently due May 22, 2015. This rulemaking could extend into SFY 2016-17 depending on EPA's final action.	15A NCAC 02D .0535	Joelle Burleson	919-707-8720	Amend	Yes	U	U	U
Coastal Management	AECs within Ocean Hazard Areas The proposed rule would eliminate a special beachfront jurisdiction that overlaps and is redundant with state and local floodplain regulations. State and local economic impacts are tied to the loss of a limited amount of permit income.	15A NCAC 07H .0304	Mike Lopazanski	252-808-2808	Amend	No	S	L	-
Coastal Management	Use Standards for Ocean Hazard Areas The proposed rule would change beachfront development setback measurements by allowing local governments to establish a "development line." Economic impacts are unknown at this time.	15A NCAC 07H .0306	Mike Lopazanski	252-808-2808	Amend	No	U	U	U
Coastal Management	Single Family Residence Exemption The proposed rule better aligns application notification requirements with other permitting procedures. State and local economic impacts are tied to the loss of a limited amount of permit income.	15A NCAC 07K .0208	Mike Lopazanski	252-808-2808	Amend	No	S	L	-
Coastal Management	Single Family Residence Exemption HHF AEC The proposed rule would eliminate a special beachfront jurisdiction that overlaps and is redundant with state and local floodplain regulations. State and local economic impacts are tied to the loss of a limited amount of permit income.	15A NCAC 07K .0213	Mike Lopazanski	252-808-2808	Repeal	No	S	L	-

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Division	Rule Title and Description*	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:**		
			Name	Phone			S/	L/	SE
Energy, Mineral and Land Resources	Former Dept. of Administration Rules for Energy Programs These rules are being amended to depict DENR contact and other information as well statutory changes since the Energy Programs moved from Department of Administration to Commerce to DENR. Also numerous rules will be repealed as they are no longer applicable. These rules will then be transferred to Title 15A.	01 NCAC 41	Star Hodge	919-707-9240	Repeal and Amend	No	U	U	U
Energy, Mineral and Land Resources	Stormwater Rules Readoption Process pursuant to HB74 The readoption of these rules is pursuant to HB74 from 2013 and includes reorganizing the 02H rules and moving some of 02B into 02H subchapter for better organization. This rulemaking will include the Built Upon Definition and would also add fast tracking rules to 02H (see mode details below).	15A NCAC 02B and 02H	Bradley Bennett	919-807-6378	Amend	Yes	S	L	U
Energy, Mineral and Land Resources	Stormwater management fast track permitting rules The Division is planning to adopt rules to fast track permitting for stormwater management systems pursuant to G.S. 143-214.7B. There will be a significant positive impact for the regulated public by lessening their costs. A fiscal note is currently in the process of being written.	15A NCAC 02H	Annette Lucus	919-8076381	Adopt	No	S	L	SE
Energy, Mineral and Land Resources	Sedimentation Rules Readoption Process The readoption of these rules is pursuant to HB74 from 2013. We are anticipating amending or repealing current rules. At this time there are not any substantive changes expected to have a substantial fiscal impact.	15A NCAC 04	Ashley Rodgers	919-707-9220	Repeal and Amend	No	S	L	U
Water Resources	Mitigation Program Requirements for Protection and Maintenance of Riparian Buffers Pursuant to S.L. 2014-95, the Environmental Management Commission adopted a temporary rule, 15A NCAC 02B .0295, which became effective on October 24, 2014, and is now going through rulemaking to adopt a permanent rule. This rulemaking is authorized pursuant to G.S. 143-214.20.	15A NCAC 02B .0295	Sue Homewood	336-771-4964	Amend	No	S	L	SE

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Waste Management	Classifications and Water Quality Standards Applicable to the Groundwaters of North Carolina By petition process, 15A NCAC 02L is being amended by the addition of a new section, to include Risk Based Corrective Actions for petroleum contamination from non-underground storage tank (UST) sources. The addition of these rules will allow clean-ups of petroleum spills to be consistently and equitably regulated through similar processes and standards as petroleum USTs. The total statewide estimate of the proposed changes is \$825,000. This rule making effort is in the early stages and may or may not be adopted by end of SFY 2015-16.	15A NCAC 02L .0501-.0515	Linda Smith	919-707-8150	Adopt	No	S	L	-
Waste Management	Criteria and Standards Applicable to Underground Storage Tanks Changes to 15A NCAC 02N required by S.L. 2011-394 will provide new options to UST Owners and Operators for meeting system upgrade requirements by allowing additional types of hardware, extending deadline dates, and providing for rule variances opportunities. These changes will have a limited economic impact. The total statewide estimate of the proposed changes is \$357,000.	15A NCAC 02N .0304, .0903, .0904	Ruth Strauss	919-707-8299	Amend	Yes	S	L	-
Waste Management	Definition of Solid Waste The new Definition of Solid Waste includes a verified recycler exclusion and codification of the sham recycling prohibition and generator-controlled exclusions in order to encourage recycling and discourage material mismanagement. Impacts to regulated entities and local governments will be to decrease costs; there will be an increase in cost to state governments to review variance requests.	15A NCAC 13A .0102, .0103, .0106(a)	Julie Woosley	919-707-8203	Amend and Adopt	Yes	S	L	U
Total Anticipated Rule Actions for Department of Environmental and Natural Resources:									17
Department of Health and Human Services									
Child Development and Early Education	License The proposal would change the hours of operation for Developmental Day Centers and require that they operate 12 months per year. This rule change would affect centers licensed within public schools and may have a positive impact on private centers. It is unclear whether the impact would be substantial as the agency is revising the language for the proposal.	10A NCAC 09 .2902	Dedra Alston	919-527-6502	Amend	No	S	L	U

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Health Service Regulation	Transparency in Health Care Costs Permanent Rules This is part of the rule package for permanent rulemaking for temporary rules related to the Transparency in Health Care Costs Act. Hospitals and Ambulatory Surgical Facilities would be required to submit cost data quarterly for posting on the Department's website. Due to the costs incurred from all the licensed hospitals, licensed ambulatory surgical facilities, and DHSR staff to implement this quarterly reporting and continue with the quarterly reporting, the costs are substantial. Costs are due to staff time to collect and submit data, the contract with Truven Health Analytics to collect the data and to develop and maintain the website.	10A NCAC 13B .2101, .2102; 13C .0103, .0206	Nadine Pfeiffer	919-855-3811	Amend and Adopt	No	S	L	SE
Health Service Regulation	OEMS and Trauma rules The agency is revising these rules to make them consistent with national guidelines for Emergency Medical Services (EMS) education and credentialing levels and to adopt national standards for trauma criteria. The rules will also expand operational policies for EMS Systems, address licensure for EMS Providers with non-transport vehicles at the AEMT or paramedic levels, clarify weapons that are prohibited on permitted vehicles, require patients be transported by stretcher in a permitted ambulance and require disclosure for EMS providers for any criminal or civil offenses involving fiduciary issues. Additionally, the management of the chemical dependency program is moved in house with OEMS to ensure complete confidentiality for those enrolled in the program. The enforcement authority sanctions have been expanded and revised. These changes effect either the EMS individual credentialed personnel, the EMS System (made up of local and county governments) and OEMS. None of these changes are predicted to be of a substantial fiscal impact.	10A NCAC 13P .0102, .0103, .0125, .0201, .0203, .0204, .0209, .0214, .0216, .0219, .0221-.0223, .0301, .0302, .0403, .0409, .0501-.0504, .0506-.0508, .0510-.0512, .0601-.0603, .0605, .0901-.0905, .1101, .1102, .1401-.1403, .1405, .1502, .1505, .1507, .1510, .1511	Nadine Pfeiffer	919-855-3811	Amend, Repeal, and Adopt	No	S	L	-

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Health Service Regulation	Radiation Protection Industrial and Analytical X-ray rules	15A NCAC 11 .0104, .0111, .0117, .0304, .0305, .0309, .0310, .0312, .0315, .0317, .0318, .0322, .0328-.0330, .0332, .0338, .0352-.0355, .0359, .0366, .0367, .0521, .1004, .1613, .1653 (these will be recodified to 10A NCAC 15)	Nadine Pfeiffer	919-855-3811	Amend, Repeal, and Adopt	Yes	S	L	U
The bulk of these changes are driven by the changes to the federal regulations that NC needs to comply with. The agency is still drafting the proposed rule changes. It is anticipated they state and local government owned facilities will be affected by these changes.									
Health Service Regulation	Radiation Protection Industrial and Analytical X-ray rules	15A NCAC 11 .0502, .0518, .0801, .0802, .0804-.0808 (these will be recodified to 10A NCAC 15)	Nadine Pfeiffer	919-855-3811	Amend, Repeal, and Adopt	No	S	L	-
These rules clarify and update the use of electronic and analytical industrial x-ray machines. These amendments were based on the most current draft of the Suggested State Regulations for these machines, which intends to provide the framework for uniformity of radiation control laws and regulations among states. The rules also clarify requirements for the use of permanent radiographic installations, industrial radiography machines, and bomb detection x-ray machines. The amendments simplify compliance and result in improved safety for radiation workers and state's citizens. The most significant impacts are from a new requirement for registrants to perform safety checks on most machines on an annual basis. Registrants would also be required to use a meter for radiation surveys and to calibrate this meter. There will also be cost savings to facilities with regulations that decrease the amount of radiation exposure which decreases the number of investigations and reports of incidents. The time to inspect the facilities should be decreased due to annual surveys which is a cost savings to the Section.									
Mental Health, Developmental Disabilities, and Substance Abuse Services	Involuntary Administration of Psychotropic Medication	10A NCAC 26D .1104, .1202-.1204, .1206	Denise Baker	919-715-2780	Amend	No	S	L	U
These rules will likely be readopted pursuant to the requirements of G.S. 150B-21.3A. However, we anticipate amending the rules to reflect current practices. Those amendments will likely require the hiring of additional staff and the purchase of additional equipment by DPS. The amendments will likely impose additional monitoring and notification requirements by the Local Management Entities which will involve staff time at the local level.									

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Mental Health, Developmental Disabilities, and Substance Abuse Services	Intractable Epilepsy These rules set forth the requirements associated with the Intractable Epilepsy Alternative Treatment Pilot Study Program and Registry for the scientific investigation of the safety and efficacy of hemp extract treatment for intractable epilepsy. The Department was mandated to create a database registry for research studies, neurologists, caregivers, and patients; and issue a caregiver registration card to individuals who satisfy criteria. The University of North Carolina at Chapel Hill and East Carolina University are permitted to conduct research on hemp development, production, and use for the treatment of intractable epilepsy. The state funds anticipated relate to the creation and maintenance of the database registry and the state universities staff time involved in developing and conducting research of this matter. Staff of Duke University and Wake Forest University are encouraged to conduct research on the use of intractable epilepsy as well.	10A NCAC 26E .0701-.0703	Denise Baker	919-715-2780	Adopt	No	S	L	U
Mental Health, Developmental Disabilities, and Substance Abuse Services	Schedule II and IV The substances to be scheduled at the state level are already scheduled by the federal government. In the past, there was no fiscal impact realized with drug scheduling at the state level since the costs of storage, monitoring, and enforcement were already imposed because of the federal requirements. That may be the case with these substances as well.	10A NCAC 26F .0103, .0105	Denise Baker	919-715-2780	Amend	No	S	L	U
Mental Health, Developmental Disabilities, and Substance Abuse Services	Forensic Evaluators The rules will require implementation of continuing education requirements for forensic evaluators. The training/continuing education will be developed and provided by staff of Central Regional Hospital (state employees); they will provide the training annually. The proposed amendments will also require the Local Management Entities to develop a mechanism to monitor compliance with the continuing education requirements as well as monitor the quality of the reports prepared by the evaluators who contract with them.	10A NCAC 27G .6702; 27H .0201-.0207	Denise Baker	919-715-2780	Amend	No	S	L	U
Public Health	Sanitation of Public, Private, and Religious Schools The agency plans to update the sanitation rules to conform to recently updated food sanitation rules. This would result in an impact to state for training and to local health inspectors, and an impact to local school districts to comply with updated regulations.	15A NCAC 18A	Bob Martin	919-707-5179	Amend	No	S	L	U
Public Health	Permitting and Inspection of Private Drinking Water Wells The agency plans to change the rules to comply with S.L. 2013-413, which requires the agency to provide notice and information about known contaminants to private well owners. This would lead to a State impact to develop informational material; and there would be an impact on local health department for the dissemination of this information.	15A NCAC 02C	Bob Martin	919-707-5179	Amend	No	S	L	U

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Public Health	Method of Reporting The rule change would require electronic reporting of communicable disease lab test results. The state cost resulting from the opportunity costs for technical resources would be offset by staff time savings from eliminating paper-based manual processes.	10A NCAC 41A .0102	Bob Martin	919-707-5179	Amend	No	S	-	U
Public Health	Ryan White Program The agency will update the rules to conform to amended federal regulations, which may result in opportunity costs of state staff time.	10A NCAC 39A	Bob Martin	919-707-5179	Amend	Yes	S	-	-
Public Health	HIV Medications Program The agency will update the rules to conform to amended federal regulations, which may result in opportunity costs of state staff time.	10A NCAC 39A	Bob Martin	919-707-5179	Amend	Yes	S	-	-
Social Services	Controlled Substances S.L. 2013-417, Section 4, as amended by S.L. 2014-115, requires a drug test to screen each applicant or recipient of Work First Program assistance for whom there is a reasonable suspicion that the individual is engaged in the illegal use of controlled substances. The agency is in the process of adopting permanent rules to fully implement this new eligibility requirement. Initial drug test are paid for by the state. Applicants or recipients would be entitled to a retest, if they so choose, at their own expense. There may be an opportunity cost of the additional administrative time spent per case by Work First Program staff.	10A NCAC 73A	Carlotta Dixon	919-527-6421	Adopt	No	S	L	-
Social Services	Community Services Block Grant The NC Division of Social Services is currently unable to contract and expend the full amount of the Community Services Block Grant (CSBG) allocation due to specifications of 10A NCAC 97C .0108. As a result, North Carolina's low-income residents do not have access to all potential benefits afforded through the Community Services Block Grant. The Division is proposing rule amendments to minimize the amount of funds reverted to the Federal Government and maximize the use of five percent of the annual allocation by aligning state rules with all allowable purposes for those funds, as specified in 42 U.S.C. 9907. Further, the proposed amendments would update the rule to be consistent with the federal provision that allows the carry forward of funds and would eliminate the mandate of funding Limited Purpose Agencies.	10A NCAC 97B and 97C	Carlotta Dixon	919-527-6421	Amend	No	S	-	-

Total Anticipated Rule Actions for Department of Health and Human Services: 16

Department of Justice

Criminal Justice Training and Standards	Military and Military Spouse Transferees This rule is proposed for adoption in order to incorporate G.S. 93B-15.1 for the certification of military trained individuals and military spouses. It is anticipated that state funds may be affected in that the Division may need to hire a position to process applicants of this type.	12 NCAC 09B .0701	Trevor Allen	919-779-8205	Adopt	Yes	S	-	-
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** S = State Impact, L = Local Impact, SE = Substantial Economic Impact of \$1,000,000 or greater in a 12-months period, U = Impact Unknown.

II. Schedule of Anticipated Rules Actions in SFY 2015-2016

Division	Rule Title and Description*	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:**		
			Name	Phone			S/	L/	SE
Sheriffs' Education and Training Standards	In-Service Training for Justice Officers The proposed change constitutes an annual revision of mandated in-service training requirements for deputy sheriffs, detention officers, and telecommunicators.	12 NCAC 10B	Julia Lohman	919-662-4370	Amend	No	S	L	SE

Total Anticipated Rule Actions for Department of Justice: 2

Department of Labor

Boiler Division	Fee Increase The North Carolina Department of Labor's Boiler and Pressure Vessel Bureau is fully receipt supported. Fees associated with inspections of boilers and pressure vessels have not changed since 2006, however, operating costs have increased since that time. A modest increase in these fees is now necessary to sustain operations and help achieve a balanced budget while continuing to perform statutory duties. Any state or local government agency that has a boiler or pressure vessel will be required to pay an increased fee. The total impact of the fee is \$260,000, which includes state, local, and privately owned boilers and pressure vessels.	13 NCAC 13 .0101, .0203, .0205, .0210, .0213, .0303	Jane Ammons Gilchrist	919-733-0844	Amend	No	S	L	-
Elevator Division	Maintenance and Periodic Inspections and Tests The proposed rule amendment eliminates the requirement for re-inspection of devices that are cited for non-compliance issues that have no bearing on or do not compromise the safety of the general public. It establishes a process for the owner of a regulated device to notify the Elevator and Amusement Device Bureau that non-compliance has been corrected. The change also establishes payment of a follow-up inspection fee if the owner fails to provide notice of abatement and a follow-up inspection is required to determine status of abatement. In the event that a state or local government agency fails to provide notice of abatement and a follow-up inspection is required to determine status of abatement, payment of a follow-up inspection fee will be required.	13 NCAC 15 .0307	Jane Ammons Gilchrist	919-733-0844	Amend	No	S	L	-
OSH Division	Antineoplastic Agents The rules will address occupational exposure to antineoplastic and other hazardous drugs in the workplace. S.L. 2014-76 requires the Commissioner of Labor to adopt rules to establish requirements for the handling of antineoplastic agents in facilities where there is occupational exposure to antineoplastic agents. Rules adopted pursuant to this section are not subject to G.S. 150B-19.1(e), 150B-19.1(f), 150B-19.1(h), and 150B-21.4. Any state or local government agency that handles antineoplastic agents in its facilities, such as a state or local hospital, will be required to comply with these rules. It is unknown what the economic impact will be.	13 NCAC 07F	Jane Ammons Gilchrist	919-733-0844	Adopt	No	S	L	U

Total Anticipated Rule Actions for Department of Labor: 3

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II. Schedule of Anticipated Rules Actions in SFY 2015-2016

Division	Rule Title and Description*	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:**		
			Name	Phone			S/	L/	SE
Department of Transportation									
N/A	Driver's License Examination and Online Renewal Pursuant to G.S. 20-7(f)(6)d, as ratified by the NC General Assembly in Senate Bill 744, the Division may implement an electronic remote driver license renewal system. The Division has chosen to implement this service in an effort to reduce customer wait times and provide customers with more convenient alternatives to in-office services. Pursuant to G.S. 20-7(f)(6)d, the Division is required to adopt rules.	19A NCAC 03B .0201	Helen Landi	919-707-2842	Amend	No	S	-	SE
N/A	Display Of License Plate Renewal Sticker This rule is proposed to be amended to allow one sticker to be displayed on license plates that indicates the month and year of expiration, instead of the current practice of two stickers - one for month and one for year. The State should experience substantial savings resulting from only printing and issuing a single sticker.	19A NCAC 03C .0237	Helen Landi	919-707-2842	Amend	No	S	-	SE
N/A	Outdoor Advertising Regulations Modernization This package of rule amendments and adoption is proposed to modernize definitions and terms within the entire spectrum of Outdoor Advertising Regulations. Additionally, it will re-codify existing rules in a more user-friendly format and make changes required by recent legislation to the industry's ability to repair and reconstruct signs.	19A NCAC 02E .0201, .0203, .0206, .0207, .0208, .0209, .0210, .0212, .0213, .0215, .0225, .0226, .0227	Helen Landi	919-707-2842	Amend	No	S	-	SE
Total Anticipated Rule Actions for Department of Transportation:									3
Office of Administrative Hearings									
Hearings	E-Filing The agency is proposing to adopt rules to implement electronic filing as directed by the General Assembly. See G.S. 150B-23.3, which would require the expenditure of state funds appropriated for this purpose.	26 NCAC 03	Bill Culpepper	919-431-3000	Adopt	No	S	-	-
Total Anticipated Rule Actions for Office of Administrative Hearings:									1

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II. Schedule of Anticipated Rules Actions in SFY 2015-2016

Division	Rule Title and Description*	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:**		
			Name	Phone			S/	L/	SE
Office of Information Technology Services									
911 Board	911 Board Rules Package	09 NCAC 06C Sections .0100 - .0400	Teresa Bank	919-754-6285	Adopt	Yes	-	L	SE
	The rules proposed for adoption by the 911 Board incorporate some existing policies, which have been in place for over 15 years, relating to disbursements from the 911 Fund to local governments. Some of the rules aid to implement federal law relating to 911 services and therefore are required for federal law purposes while others are not. Requirements in the rules that may create an economic impact for some Public Safety Answering Points (PSAPs) include: continuation of PSAP annual reporting to the 911 Board for disbursement of 911 Funds; establishment of a back-up plan by all PSAPs in the event of communications center failure; minimum standards for PSAPs personnel and their training and for PSAP facilities; testing of equipment; 5-year record retention; CMRS (cell phone) service providers registration with the 911 Board prior to providing service in NC; and requirements for service charges based on prepaid wireless service sales.								
Total Anticipated Rule Actions for Office of Information Technology Services:									1
Office of State Budget and Management									
N/A	Uniform Administration of State Grants	09 NCAC 03M .0102, .0205, .0401, .0601, .0704	Erin Matteson	919-807-4758	Amend	No	S	-	U
	The agency plans to amend the existing rule to reflect the transfer of grant oversight from the Office of State Auditor to the Office of State Budget & Management and to improve accountability and oversight of state grant funds. Amendments include possible changes in definitions, reporting requirements, and procedures, as well as additional requirements to standardize grant applications, contracts, and monitoring policies across state agencies. The change would impact state agencies by requiring changes to reporting procedures and establishing more specific requirements for agency monitoring policies. There is no expected impact on local governments, and no expected substantial economic impact.								
Total Anticipated Rule Actions for Office of State Budget and Management:									1
Office of State Human Resources									
Classification and Compensation	Adverse Weather and Emergency Closings	25 NCAC 01E .1005, .1901-.1906, .2001-.2007	Shari Howard	919-807-4881	Repeal and Adopt	No	S	-	-
	The proposed change is a result of Governor McCrory's direction to implement improvements to ensure fair and consistent application of the policy including work expectations for employees. The rules implement changes in accounting for lost time for work and make-up provisions for adverse weather absences that will result in cost savings and increased efficiencies in recouping lost time for work in a more timely and efficient manner.								

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** S = State Impact, L = Local Impact, SE = Substantial Economic Impact of \$1,000,000 or greater in a 12-months period, U = Impact Unknown.

II. Schedule of Anticipated Rules Actions in SFY 2015-2016

Division	Rule Title and Description*	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:**		
			Name	Phone			S/	L/	SE
Employee Relations	Employee Assistance Program This change would implement amendments to provide uniform EAP services in all agencies to increase efficiencies in how each agency budgets for participation in EAP contract services. Increased and efficient use of EAP should result in increased employee productivity and lower instance of lost time from work and a decrease in disciplinary activity.	25 NCAC 01J .1012	Nancy Lipscomb	919-807-4804	Amend	No	S	-	-
Local Government Services	Service to Local Government The change would update the Administrative Code applicable to SPA employees of local governments to ensure State and Local SPA employees have policies and procedures similarly applied based on change the General Assembly made to G.S. 126 in past years.	25 NCAC 01I	Nancy Lipscomb	919-807-4804	Amend, Repeal, and Adopt	No	-	L	-
Safety and Workers' Compensation	Longevity Employees out on Worker's Compensation continue to receive annual longevity pay as if they are working. In addition, longevity pay is included in the formula to determine their workers' compensation pay. This results in an employee receiving increased longevity benefits above what is allowed for most state employees. The proposed rule change would rectify this situation.	25 NCAC 01D .1204	Cynthia Leeks	919-807-4855	Amend	No	S	-	-
Talent Management	Performance Management The proposed rule change is a result of State Audit Report and Governor McCrory's direction to implement improvements in the program to ensure accountability and monitoring and better align performance planning and expectations to meet Statewide goals. The current system wastes thousands of hours of staff time with no measurable results. Proposed changes will reflect standardization, automation, formal training, and increased monitoring and reporting.	25 NCAC 01O .1010-.1015, .0207-.2011	Jennifer McGinnis	919-733-8340	Repeal and Adopt	No	S	-	SE

Total Anticipated Rule Actions for Office of State Human Resources: 5

* Several agencies may engage in additional rulemaking in SFY 2015-16 that is not listed in the table as a result of either the provisions in G.S. 150B-21.3A or legislation the General Assembly is currently considering.

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II. Schedule of Anticipated Rules Actions in SFY 2015-2016

Division	Rule Title and Description*	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:**		
			Name	Phone			S/	L/	SE
Wildlife Resources Commission									
N/A	No Wake Zone (Lake Wylie) No wake zones are established for safety reasons. In July 2015, we anticipate Commissioners voting on permanent amendments. These may result in minor costs for local government entities, as well as increased safety for the public.	15A NCAC 10 .0333	Kate Pipkin	919-707-0065	Adopt	No	-	U	-
Total Anticipated Rule Actions for Wildlife Resources Commission:									1

Total Anticipated Rules for ALL Agencies: 56

* Several agencies may engage in additional rulemaking in SFY 2015-16 that is not listed in the table as a result of either the provisions in G.S. 150B-21.3A or legislation the General Assembly is currently considering.

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III. Rules with Local Government Impact Adopted in SFY 2013-2014

Table 6. Rules Affecting Local Governments Adopted Between July 1, 2013 and June 30, 2014

Division	Title of Rule Change	Citation(s)	Contact	Date Adopted	Impact on Local Government by FY (thousands):*				
					2013- 14	2014- 15	2015- 16	2016- 17	2017- 18
Department of Environment and Natural Resources									
Air Quality	Air Toxics	15A NCAC 02D .1104; 15A NCAC 02Q .0701- .0706, .0709, .0711, .0714	Patrick Knowlson 919-707-8711	10/14/13	\$8	\$3	\$5	\$6	\$5
Air Quality	Car Emission Inspection	15A NCAC 02D .1002- .1003, .1005, .1006, .1009	Glenn Sappie 919-707-8705	10/14/13	\$39	\$80	\$84	\$87	\$91
Coastal Management	Technical Standards for Beach Fill Projects	15A NCAC 07H .0312	Tancred Miller 252-808-2808	7/11/13	\$18	\$18	\$86	\$18	\$18
Coastal Management	Technical Standards for Beach Fill Projects (2)	15A NCAC 07H .0312	Matt Slagel 252-808-2808	3/16/14	\$0	\$18	\$18	\$18	\$18
Water Resources	Jordan Lake	15A NCAC 02B .0265- .0267, .0270-.0271	Rich Gannon 919-807-6440	11/14/13	\$0	\$0	\$0	\$0	\$0
Total for Department of Environment and Natural Resources:					\$65	\$119	\$193	\$129	\$131
Department of Health and Human Services									
Child Development and Early Education	General Safety and Criminal Checks	10A NCAC 09 .0302, .1702, 2506, .2701-.2704	Dedra Alston 9198907060	12/16/13	\$0	\$0	\$0	\$0	\$0
Child Development and Early Education	Emergency Preparedness and Response, Others	10A NCAC 09 .0102, .0302, .604, .0607, .0707, .0804, .1003, .1701, .1705, .1720-.1721, .1723, .2318, .2408, .2829	Dedra Alston 919-890-7060	11/17/14	\$0	\$60	\$60	\$6	\$6
Public Health	Immunization	10A NCAC 41A .0401	Bob Martin 919-707-5179	5/14/14	\$0	\$0	\$0	\$0	\$0
Public Health	Reporting Communicable Diseases	10A NCAC 41A .0101	Bob Martin 919-707-5179	5/28/14	\$0	-\$10	-\$10	-\$10	-\$10
Total for Department of Health and Human Services:					\$0	\$50	\$50	-\$4	-\$4

* Note that positive values are benefits to local governments and negative values are costs.

III. Rules with Local Government Impact Adopted in SFY 2013-2014

Division	Title of Rule Change	Citation(s)	Contact	Date Adopted	Impact on Local Government by FY (thousands):*				
					2013- 14	2014- 15	2015- 16	2016- 17	2017- 18
Department of Justice									
Sheriffs' Education and Training Standards	In-service Training 2014	12 NCAC 10B .0301, .0502, .0601, .0603, .0605, .1004, .1005, .1204, .1205, .1604, .1605, .1901, .2005	Julia Lohman 919-662-4370	12/3/13	-\$160	-\$160	\$0	\$0	\$0
Total for Department of Justice:					-\$160	-\$160	\$0	\$0	\$0
Department of Public Instruction									
N/A	High School Accreditation	16NCAC 06G .0203	Jeani Allen 919-807-3447	12/5/13	\$14	\$14	\$14	\$14	\$14
N/A	Read to Achieve	16 NCAC 06D .0508	Jeani Allen 919-807-3447	12/5/13	-\$639	-\$566	-\$566	-\$566	-\$566
Total for Department of Public Instruction:					-\$625	-\$552	-\$552	-\$552	-\$552
Total for ALL Agencies:					-\$721	-\$543	-\$309	-\$427	-\$425

* Note that positive values are benefits to local governments and negative values are costs.