

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 533
HOUSE BILL 50

AN ACT TO MAKE APPROPRIATIONS FOR CURRENT OPERATIONS OF THE STATE
DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.

The General Assembly of North Carolina enacts:

Section 1. The appropriations made herein are intended to be for maximum amounts necessary to provide the services and accomplish the purposes described in The Budget. It is the intent of the General Assembly that savings shall be effected where the total amounts appropriated shall not be required to perform these services and accomplish these purposes, and that, except as allowed by the Executive Budget Act, or as hereinafter provided, such savings shall be reverted to the appropriate fund at the end of the fiscal year.

GENERAL FUND

Sec. 2. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated are hereby made for the fiscal year ending June 30, 1974, according to the following schedule:

	<u>1973-74</u>
I. GENERAL ASSEMBLY	
General Assembly	\$ <u>3,386,756</u>
II. JUDICIAL	
Judicial Department	\$ 34,571,550
Judicial Council	<u>1,276</u>
Subtotal – Judicial	\$ 34,572,826
III. GENERAL GOVERNMENT	
The Governor's Office	\$ 626,132
The Lieutenant Governor	102,190
Department of Administration	9,455,104
Department of Administration – Subsidiary Programs	2,758,384
Department of Secretary of State	454,930
Department of State Auditor	3,728,336
Department of State Treasurer	1,149,015
Department of Justice:	
1. Attorney General	1,807,590
2. State Bureau of Investigation	3,943,636
3. Police Information Network	1,161,376
4. General Statutes Commission	13,230
Department of Revenue	12,831,790
Pensions - Widows of Governors	9,000
Courts Commission	10,000
Commission on Indian Affairs	92,859
Subtotal - General Government	\$ 38,143,572
IV. PUBLIC SAFETY AND REGULATION	
Department of Military and	

Veterans' Affairs	\$ 2,301,583
Department of Commerce	4,011,730
Insurance Department:	
1. Insurance Department	2,116,483
2. State Property Fire Insurance Fund	250,000
3. Firemen's Relief Fund	1,750
4. Building Code Council	2,600
Department of Labor	<u>1,601,583</u>
Subtotal – Public Safety and Regulation	\$ 10,285,729

V. CORRECTION

Department of Social Rehabilitation and Control:	
1. Office of Secretary	\$ 1,684,458
2. Office of Youth Development:	
a. General Administration	222,823
b. Stonewall Jackson School	1,175,879
c. Samarkand Manor	1,183,125
d. Cameron Morrison School	1,280,895
e. Richard T. Fountain School	1,014,214
f. Dobbs School for Girls	834,436
g. Samuel Leonard School	954,435
h. Juvenile Evaluation Center	1,476,374
i. C. A. Dillon School	649,898
3. Office of Correction	37,566,262
4. Office of Probation	4,539,317
5. Office of Paroles	<u>1,986,285</u>
Subtotal - Department of Social Rehabilitation and Control	\$ 54,568,401
The Governor's Office – Fugitives from Justice	<u>6,500</u>
Subtotal – Correction	\$ 54,574,901

VI. EDUCATION

Department of Public Education:	
1. Department of Public Instruction	\$ 3,278,479
2. Nine Months School Fund	648,377,625
3. State Board of Education	2,207,327
4. Occupational Education	31,497,700
5. Purchase of School Buses	13,148,452
6. Program of Education by Television	222,743
7. Advancement School	838,430
8. School Food Service	2,326,541
9. Professional Improvement of Teachers	645,270
10. Planning, Research and Development	388,654
11. Evaluation & Assessment	346,180
12. Vocational Textile School	211,238

13. Department of Community Colleges	83,638,766
14. Department of Community Colleges – Equipment	14,219,595
The University of North Carolina – Board of Governors:	
1. General Administration	2,293,384
2. Institutional Programs and Facilities:	
a. Institutional Programs and Facilities	29,495,008
b. Academic Salary Increases	6,335,206
3. Related Educational Programs	6,294,460
4. University of North Carolina at Chapel Hill:	
a. Academic Affairs	26,466,634
b. Division of Health Affairs	16,484,576
5. North Carolina State University at Raleigh:	
a. Academic	23,530,126
b. Industrial Extension Service	505,340
6. University of North Carolina at Greensboro	9,447,808
7. University of North Carolina at Charlotte	6,699,927
8. University of North Carolina at Asheville	1,647,445
9. University of North Carolina at Wilmington	2,743,995
10. East Carolina University	11,580,733
11. North Carolina Agricultural and Technical State University	4,782,695
12. Western Carolina University	6,192,138
13. Appalachian State University	7,869,620
14. Pembroke State University	2,048,698
15. Winston-Salem State University	2,019,085
16. Elizabeth City State University	1,843,129
17. Fayetteville State University	1,889,932
18. North Carolina Central University	4,339,567
19. North Carolina School of the Arts	1,275,953
Department of Administration – Reserve for Educational Benefits – Children of Veterans	1,200,000
Department of Art, Culture and History:	
1. Department of Art, Culture and History	7,682,523
2. State Art Society	8,000
3. North Carolina Symphony Society, Inc.	420,471
Historical – Educational Grants- in-aid	<u>242,600</u>

Subtotal – Education \$986,686,053

VII. TRANSPORTATION

Department of Transportation
and Highway Safety:

1. State Ports Authority \$ 272,096
2. Office of Motor Vehicles –
Automobile Financial
Responsibility Program 1,018,491
Subtotal – Transportation \$ 1,290,587

VIII. HEALTH, WELFARE AND REHABILITATION

Department of Human Resources:

1. Administrative Support Services:
a. Administration \$ 213,072
b. Miscellaneous Programs 127,938
c. Employment of the
Handicapped 44,666
d. Council on Developmental
Disabilities 436,770
2. Office of Health Services:
a. Board of Health 15,417,074
3. Office of Mental Health
Services:
a. Office of Mental Health 16,710,373
b. Alcoholic Rehabilitation
Center - Black Mountain 805,977
c. Alcoholic Rehabilitation
Center – Butner 806,566
d. Walter B. Jones Alcoholic
Rehabilitation Center –
Greenville 789,867
e. Dorothea Dix Hospital 12,547,095
f. Broughton Hospital 9,879,806
g. Western Carolina Center 7,147,473
h. Cherry Hospital 11,286,815
i. O'Berry Center 6,482,492
j. John Umstead Hospital 8,441,058
k. Murdoch Center 8,611,726
l. Caswell Center 8,466,729
m. Wright School 301,830
4. Office of Social Services:
a. Office of Social Services 32,544,405
b. Child Welfare and Day Care
Services 1,844,219
c. Medical Assistance Programs 36,997,486
5. Office of Rehabilitation Services:
a. Commission for the Blind 3,459,236
b. Vocational Rehabilitation 4,517,880
6. Office of Medical Care and
Institutional Services:
a. Medical Care Commission:
Administration 296,961

Student Loan Fund –	
Medical Education	733,743
b. North Carolina Orthopedic Hospital	1,013,172
c. North Carolina Cerebral Palsy Hospital	555,009
d. North Carolina Sanatorium System:	
General Administration	116,857
North Carolina Sanatorium	2,176,625
Western North Carolina Sanatorium	2,128,566
Eastern North Carolina Sanatorium	2,525,853
Gravelly Sanatorium	1,180,105
e. Schools for the Blind and the Deaf:	
North Carolina School for the Deaf	2,805,047
Eastern North Carolina School for the Deaf	1,691,326
Central North Carolina School for the Deaf	749,123
Governor Morehead School	2,046,539
f. Confederate Women's Home	94,494
Department of Administration – Child Day Care Licensing Board	148,765
Child-Caring Institutions	625,907
Children's Home Society	25,000
The University of North Carolina – Memorial Hospital	11,682,705
North Carolina Cancer Institute	26,000
Orthopedic Hospital and Rehabilitation Center	<u>375,832</u>
Subtotal - Health, Welfare and Rehabilitation	\$218,878,182

IX. RESOURCE DEVELOPMENT AND PRESERVATION

Department of Natural and Economic Resources	\$ 20,988,772
Department of Administration – North Carolina Zoological Authority	<u>91,931</u>
Subtotal - Resource Development and Preservation	\$ 21,080,703

X. AGRICULTURE

Department of Agriculture	\$ 7,715,282
The University of North Carolina: Agricultural Experiment Station – North Carolina State University at Raleigh	8,155,460
Cooperative Agricultural Extension	

Service – North Carolina State University at Raleigh	<u>6,613,466</u>
Subtotal – Agriculture	\$ 22,484,208
XI. DEBT SERVICE	
Interest on Bonds	\$ 16,522,042
Redemption of Bonds	<u>31,625,000</u>
Subtotal - Debt Service	\$ 48,147,042
XII. RESERVES	
Contingency and Emergency:	
To provide for contingency and emergency expenditures for any purpose authorized by law for which no specific appropriation has been made, or for which inadvertently an insufficient appropriation has been made. Allotments are to be made from this appropriation under the provisions of G.S. 143-12, or such other statutes as may be applicable.	\$ 2,000,000
Salary Increases of State Employees	29,057,248
Salary Adjustments of State Employees	4,200,000
Reserve for Social Security Increases	4,128,331
Reserve for Unemployment Compensation	100,000
Teachers' and State Employees' Retirement System:	
Reserve for Hospitalization – Medical Insurance and Disability	
Salary Continuation Benefits	20,903,448
Reserve for Travel	300,000
Reserve for Longevity, SPA Employees	<u>1,811,115</u>
Subtotal – Reserves	<u>\$ 62,500,142</u>
TOTAL GENERAL FUND	\$1,502,030,701

HIGHWAY FUND

Sec. 3. Appropriations from the Highway Fund of the State for the expense of collecting revenues, for the service of the highway debt, and for the maintenance of the highway activities, are hereby made for the fiscal year ending June 30, 1974, according to the following schedule:

IV. PUBLIC SAFETY AND REGULATION

Transportation Inspection:	
Department of Commerce	\$ 302,581

VI. EDUCATION

Driver Training and Safety Education	\$ 3,119,695
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VII. TRANSPORTATION

Department of Transportation

and Highway Safety:	
1. Office of Secretary	\$ 220,000
2. Office of Motor Vehicles	34,332,574
3. Governor's Highway Safety Program	2,137,963
4. State Highway Commission:	
a. Merit Salary Increments	3,647,960
b. Reserve for Contingencies	500,000
c. General Administration	4,593,941
d. Engineering Administration and Supervision	10,403,112
e. State Maintenance and Construction:	
(1) Primary System	96,178,138
(2) Secondary System	69,609,938
(3) Urban System	26,814,054
(4) Public Service Roads	1,635,451
f. State Funds to Match Federal Aid Highway Planning Survey and Highway Planning Research	832,828
g. State Funds to Match Federal Aid Construction	32,815,929
h. State Aid to Municipalities	28,500,000
i. Employer's Contribution – Retirement	7,842,332
j. Employer's Contribution – Social Security	<u>5,321,690</u>
Subtotal – Highway	<u>\$288,695,373</u>
Subtotal – Transportation	\$325,385,910
	X. AGRICULTURE
Department of Agriculture:	
Gasoline and Oil Inspection Service	\$ 535,865
	XI. DEBT SERVICE
Bond Fund Act of 1965 – Interest and Redemption	\$ 25,083,000
	XII. RESERVES
Salary Adjustments of State Employees	\$ 2,095,944
Salary Increases of State Employees	13,156,327
Longevity Pay — Highway Fund Employees	850,000
Reserve for Hospitalization – Medical Insurance and Disability Salary Continuation Benefits – Highway Fund Employees	2,751,432
Reserve for Social Security Increases	447,493
Reserve for Travel — Highway Fund Employees	<u>50,000</u>

Subtotal – Reserves	<u>\$ 19,351,196</u>
TOTAL HIGHWAY FUND	\$373,778,247

Transfers and changes may be made in the Highway Fund from Salary Increases, Salary Adjustments, Longevity Pay, Reserve for Social Security, and Hospitalization-Medical and Disability Insurance Benefits to other appropriations in the Highway Fund by authorization of the Director of the Budget. Transfers and changes may be made from the Reserve for Contingencies to other appropriations in the Highway Fund by authorization of the Governor and Council of State. Transfers may be made by authorization of the Director of the Budget from Merit Salary Increments to other appropriations from the Highway Fund for the State Highway Commission. Transfers may be made by authorization of the Director of the Budget from Title VII - 4.c. and d. to Title VII - 4.e(1), e(2), e(3), e(4), 4.f. and 4.g. Transfers may be made by authorization of the Director of the Budget from Title VII - 4.e(1), e(3), e(4), 4.f., and 4.g. to Title VII - 4.c. and 4.d., provided that the original appropriation from which the transfer is made shall not be reduced by more than 10%, and provided further that transfers to Title VII - 4.c. and d. for the purpose of providing new personnel positions, shall be approved by the Advisory Budget Commission. Transfers of appropriations within subparagraphs 4.e.(1)(2)(3)(4), f, and g, of Title VII shall be governed by the provisions of G.S. 136-17(c).

The Controller of the Department of Transportation and Highway Safety is hereby directed to allocate at the beginning of each fiscal year from the appropriation "State Maintenance and Construction" herein made to the State Highway Commission, sufficient funds to eliminate all overdrafts on State maintenance and construction projects, and such allocations may not be diverted to other purposes.

In the event the rate of Federal matching under the Federal Aid Construction program is reduced effective during any part of fiscal year 1973-74, the Board of Transportation may transfer to Title VII-4-g, State Funds to Match Federal Aid Construction, sufficient funds from Title VII-4-e(1) and e(3) to provide adequate matching for Federal Aid Construction funds.

Sec. 4. There is hereby appropriated out of funds available in the various Special Funds sufficient amounts to carry on required activities included under each fund's operations subject to provisions of the Executive Budget Act, Chapter 143, Article 1, General Statutes of North Carolina.

GENERAL PROVISIONS

Sec. 5. All insurance and all official fidelity and surety bonds authorized for the several departments, institutions, and agencies shall be effected and placed by the Insurance Department, and the cost of such placement shall be paid by the department, institution, or agency involved upon bills rendered to and approved by the Insurance Commissioner.

Sec. 6. The Director of the Budget is authorized and empowered to transfer, as between the offices, institutions or agencies under a principal department, any appropriations made herein to any of them, when in his opinion it shall be deemed to be in the best interest of the State.

SPECIAL PROVISIONS

Sec. 7. Services herein provided for under Title XIX of the Social Security Act (Medicaid) are intended for both the categorically needy and the medically needy. Funds appropriated for such services are to be expended in accordance with the following schedule of services and payment rates.

<u>Services</u>	<u>Payment Rate</u>
In-Patient Hospital	Allowable costs
Out-Patient Hospital	Pay 90% of allowable costs
State Mental and TB Hospitals	Allowable costs (non-federal share to be funded 100% by the State)
Nursing Homes	Pay allowable costs up to

	\$18.50 per day with non-federal share paid 85% by State and 15% by counties and counties to pay all non-federal cost above \$18.50 as may be authorized by the General Assembly
Drugs	Pay \$2.00 service fee per prescription plus actual drug cost
Physicians	Pay 90% of allowable usual and customary charges
Chiropractors	Pay 90% of allowable usual and customary charges
Dental	Pay 90% of allowable usual and customary charges
Home Health	Allowable costs
Optical Services	Pay 90% of allowable usual and customary charges
Medicare Buy-In	Actual cost
Public Health Clinics	Allowable costs
Ambulance Services	Allowable costs
Pre-21 Screening	Allowable costs
Hearing Aids	Allowable costs
Mental Health Clinics	Allowable costs (Federal portion only; non-federal share covered by State /local operating funds)

It is the intent of the General Assembly that the State will pay eighty-five percent (85%) and the counties will pay fifteen percent (15%) of the non-federal costs of applicable services herein listed except as specified otherwise.

It is the further intent of this General Assembly that, as allowed by federal regulations, recipient co-payments shall be implemented for services under Medicaid as follows:

<u>Service</u>	<u>Eligibility</u>		<u>Co-Payment for Each Occasion of Service</u>
	<u>Categorically Needy</u>	<u>Medically Needy</u>	
In-Patient Hospital		x	\$ 2.00
Out-Patient Hospital		x	2.00
Physicians		x	2.00
Drugs	x	x	1.00
Dental	x	x	2.00
Chiropractors	x	x	2.00
Optical Services	x	x	3.00
Public Health Clinics	x	x	1.00
Mental Health Clinics	x	x	2.00

Sec. 8. Providers of medical services under the various State programs offering medical care to citizens of the State shall be reimbursed at the same rates as those provided under the Medicaid program. This provision relates specifically to the Crippled Children and Maternal and Child Health programs and the Chronic Disease Section of the State Board of Health, services under Vocational Rehabilitation and the Commission for the Blind, and the school health program under the Department of Public Instruction. Income eligibility

requirements for services shall be those requirements existing as of January 1, 1973. Any changes must be approved by the Advisory Budget Commission.

Sec. 9. Appropriations made herein to the State Board of Health are intended to provide for the purchase of medical services for a full twelve month period for eligible recipients under certain programs; namely. Cancer, Crippled Children, and Maternal and Child Health. If during the fiscal year, expenditures in these programs indicate that the funds may be insufficient for a full twelve months, the State Board of Health shall adjust the eligibility requirements for participation in these programs to the end that the appropriations are sufficient.

Sec. 10. Appropriations made herein to the Department of Mental Health for Community Mental Health Programs, as authorized by G.S.122-35.1, are intended to be for both out-patient and in-patient services.

Sec. 11. It is the intent and purpose of this act that funds appropriated herein to replace federal receipts expected to be lost shall be expended only for the specific program or activity intended. Should federal funds which were not expected to be available and which were replaced by appropriations actually be received, the appropriations so made shall revert.

Sec. 12. It is the intent of this General Assembly that the Richard T. Fountain School at Rocky Mount shall be converted from its present custodial function to a reception and diagnostic center for students admitted to the Youth Development System from central and eastern North Carolina. Should sufficient reductions in the population of the schools be effected, the Department of Social Rehabilitation and Control shall have the authority, subject to approval of the Advisory Budget Commission, to close one or more of the remaining schools, and to redirect the resources to other programs within the Department.

Sec. 13. It is the intention of this act that it shall be the announced policy of the Department of Community Colleges that, as to capital improvement projects, no construction contracts may be let until it has been clearly established that funds are available for the related permanent equipment.

Funds appropriated herein to the State Department of Public Education, Department of Community Colleges, to purchase equipment and library books for the community colleges institutions shall be permanent appropriations, and unexpended portions of these appropriations shall not revert to the General Fund at the end of the fiscal year.

Sec. 14. Funds appropriated herein to the State Department of Public Education, Department of Community Colleges, for allocation to the institutions comprising the Community College System as operating expenses shall not be used to support general adult education extension courses. The financing of such courses by any institution shall be in accordance with the State Board of Education's Policy #3.0222 - Extension - self-supported, which reads:

"An institution in the Community College System shall have the authority to sponsor self-supporting programs, seminars, cultural exhibits, and the like, as differentiated from normal organized class instruction, deposit income, if any, to a local account, and pay all expenses from such local account. (6-2-66) However, contact hours produced from such activities shall not be counted for inclusion when computing FTE for use in budget-funding formulas at the State level.(2-1-68) Institutions may also offer self-supporting organized class instruction in recreational or avocational areas by making special request to the Department of Community Colleges, showing income to offset expenditures, and justifying same. Such income will be State funds, and deposited accordingly. Expenditures will be made from an allocation of State funds made to the institution on the basis of the increased receipts shown in the application. (6-2-66)."

Sec. 15. Funds appropriated herein to the State Department of Public Education, Department of Community Colleges, for operating costs of the community colleges and technical institutes are intended to support student enrollment at the per student rate provided

by the formula adopted by the State Board of Education for 1972-73 for allocation of these operating funds and shall not be used to increase the formula by which the fund allocations will be determined.

Sec. 16. Funds appropriated herein to the State Department of Public Education for the purchase of Elementary Basic Textbooks shall be permanent appropriations, and unexpended portions of these appropriations shall not revert to the General Fund at the end of the fiscal year.

Sec. 17. Funds appropriated herein to the State Board of Education to provide financial assistance to hospital programs of nursing education leading to diplomas in nursing which are fully accredited by the North Carolina Board of Nursing and operated under the authority of a public or nonprofit hospital licensed by the North Carolina Medical Care Commission shall be distributed, upon application for financial assistance, on the basis of eight hundred fifty dollars (\$850.00) for each student duly enrolled in the program as of December 1 of the preceding year and on condition that accreditation is maintained. The State Board of Education shall make such rules and regulations as are necessary to ensure that this financial assistance is used directly for faculty and instructional needs of diploma nursing programs.

Sec. 18. Funds appropriated herein to the Board of Governors of the University of North Carolina for continuation of financial assistance to the medical schools of Duke University and Wake Forest University shall be disbursed on certification of the respective school of medicine showing the number of North Carolina residents enrolled as first, second, third and fourth year students in the school as of November 1, 1973. To the extent of the appropriation made herein, disbursement shall be made to the school in the amount of five thousand dollars (\$5,000) for each such student, five hundred dollars (\$500.00) of which shall be placed by the school in a fund to be used to provide for tuition remission to financially needy North Carolina students who are enrolled in the school, provided that no individual student shall be awarded assistance from this fund in excess of one thousand five hundred dollars (\$1,500) per year. The Board of Governors shall prescribe regulations consistent with acts of the General Assembly for determining which students are residents of North Carolina. The Board shall also make such regulations as it may deem desirable to ensure that these funds are used directly for instruction in the medical programs of the schools and not for religious or other non-public purposes. The Board shall encourage the two schools to orient students toward personal health care in North Carolina giving special emphasis to family and community medicine.

Sec. 19. Funds appropriated in this act to the Board of Governors of the University of North Carolina for aid to private colleges shall be disbursed in accordance with the provisions of G.S. 116-19, 116-21, and 166-22. These funds are intended to provide up to two hundred dollars (\$200.00) per full-time equivalent North Carolina student enrolled at a private institution as of October 1, 1973. These funds shall not be used for the provision of G.S. 116-20 and any funds not required to fulfill the intent of the General Assembly shall revert to the General Fund as of June 30, 1974.

Sec. 20. Appropriations made herein to the Board of Governors of the University of North Carolina - Institutional Programs (Code 18106) include three million five hundred thousand dollars (\$3,500,000) in a Reserve for Possible Loss of Federal Funds. It is the intent of the General Assembly that these funds be utilized only for existing programs that suffer a loss in federal funding, and that transfers or allocations of funds from this Reserve may not be made until approved by the Board of Governors, the Advisory Budget Commission, and the Standing Interim Joint Appropriations Committee. Funds remaining in this Reserve as of June 30, 1974, shall revert to the General Fund.

Sec. 21. All appropriations for grants-in-aid to private non-profit organizations in the areas of history, art and culture shall be placed in the State fund entitled Historical -

Educational Grants-in-Aid. This fund is assigned to the Department of Art, Culture and History for allocation of the funds as directed by the Director of the Budget.

The appropriation of Highlands Biological Station shall be transferred on July 1, 1973, from the fund Historical - Educational Grants-in-Aid to the Board of Governors of the University of North Carolina.

It is the intent of the General Assembly that the designated State agencies and institutions make regular and timely reviews, studies and recommendations relating the actual operations of the recipients of grants-in-aid to their needs for and use of State funds. The designated State agencies and institutions may request operating statements, audit reports and other information they deem appropriate from the grantees. Appropriation requests for all non-State organizations in these areas for the fiscal year 1974-75 shall be transmitted Old Burying Ground Richmond Hill Law School through the designated agencies and institutions for their recommendations to the Governor and the Advisory Budget Commission.

Sec. 22. Funds appropriated in Section 2 of this act herein to the Office of Archives and History of the Department of Art, Culture and History, for grants-in-aid to assist in the restoration of significant historic sites owned by private non-profit organizations shall be expended only in accordance with Sections 121-7.5 and 143-31.2 of the General Statutes. All expenditures of State appropriated funds are contingent upon matching dollar-for-dollar by non-State funds raised by the designated recipient organizations for the same purposes on or after July 1, 1973.

The sites, amounts of State appropriations, and organizations are:

<u>Site</u>	<u>Appropriation</u>	<u>Organization</u>
John Wheeler House	\$35,000	Historic Murfreesboro Commission
Old Burying Ground	15,000	Beaufort Historical Association
Richmond Hill Law School	20,000	Richmond Hill Law School Association
Historic Hope	7,000	Historic Hope Foundation
Hezekiah Alexander Homeplace	32,500	Hezekiah Alexander Foundation, Inc.
Fort Defiance	35,000	Fort Defiance, Inc.
Joel Lane House	20,000	Joel Lane House, Inc.
Old Wilkes County Jail	11,000	Old Wilkes, Inc.
Newbold-White House	25,000	Perquimans County Restoration Association
Wright Tavern	15,000	Rockingham County Historical Society, Inc.
Barker and Cupola Houses	9,000	Historic Edenton, Inc.
Bernard Franklin House	30,000	Surry County Historical Society

Sec. 23. It is the intent of this act that expenditures of funds appropriated herein as reserves shall not be scheduled in amounts or in such manner as to create an increased annual obligation in the succeeding year, except as provided by statute.

Sec. 24. Subject to a recommendation of the Director of the Budget, funds not to exceed one hundred fifty thousand dollars (\$150,000) for the fiscal year 1973-74 may be allotted out of the Contingency and Emergency Appropriation for use by the State Department of Agriculture, North Carolina Agricultural Experiment Station, and the U.S. Department of Agriculture, for a witch weed control program and/or for payment of hog cholera indemnities.

Sec. 25. Appropriations are provided in Section 2 of this act for required employer contributions to the Teachers' and State Employees' Retirement Fund, the Law Enforcement

Officers' Benefit and Retirement Fund, and the Social Security Agency, for employees whose salaries are paid from the General Fund; in Section 3 of this act, for required employer contributions for employees whose salaries are paid from the Highway Fund; and in Section 4 of this act, for required employer contributions for employees whose salaries are paid from Special Funds. For employees whose salaries are paid from department, office, institution, or agency receipts (other than gifts, including foundation funds), the employer requirement shall be paid from the same source as the source of the employee's salary. In those instances in which an employee's salary is paid in part from the General Fund and in part from department, office, institution, or agency receipts (other than gifts, including foundation funds), required employer contributions shall be paid from the General Fund only to the extent of the proportionate part paid from the General Fund in support of the salary of such employee, and the remainder of the employer's requirement shall be paid from the same source which supplies the remainder of such employee's salary. The requirements of this section as to source of payment are also applicable to payments on behalf of employees for Hospital-Medical Insurance, Disability Salary Continuation Benefits, Longevity, and Unemployment Insurance, except that where the employee's salary is paid in whole or in part from gifts, including foundations, the source of such gifts must bear its proportional share of the employer's requirement for these purposes.

Notwithstanding the restrictions in this section, the Director of the Budget is authorized and empowered to promulgate special rules and regulations to apply to employer requirements with respect to employees whose salaries are paid from inter-agency receipts, where payments for the services of such employees originate from State appropriations, to the end that the effective purchasing power of such appropriations shall not be materially reduced as a result of payment of the employer's requirement.

Any questions as to the applicability of the provisions of this section shall be resolved by the Director of the Budget and the Advisory Budget Commission.

SALARIES AND WAGES

Sec. 26. The Director of the Budget is authorized and empowered to transfer from the appropriations in Section 2 of this act for Salary Increases of State Employees, such amounts, including the employer's retirement and social security contributions, as may be required to increase salaries in effect on June 30, 1973, for all permanent employees subject to the Personnel Act whose salaries are paid from the General Fund, and from the appropriations in Section 3 of this act for Salary Increases of State Employees, such amounts, including the employee's retirement and social security contributions, as may be required to increase salaries in effect on June 30, 1973, for all permanent employees subject to the Personnel Act whose salaries are paid from the Highway Fund, by an average of five percent (5%) commencing July 1, 1973, and for those employees whose salaries as of June 30, 1973, are two dollars and sixty-three cents (\$2.63) or less per hour by an additional average of five percent (5%), rounded to conform to the steps in such salary ranges as may be adopted by the State Personnel Board. For an employee whose salary in effect on June 30, 1973, is not equal to a specific pay rate within the present salary schedule, the annual increase will be the amount applicable to the next lower pay rate.

The Director of the Budget is further authorized to transfer any unexpended balances which may remain, after the provisions of this section have been fully met, from the appropriations for Salary Increases of State Employees to the appropriations for Salary Adjustments of State Employees.

The Director of the Budget is authorized and empowered to allocate, out of special operating funds under which personnel are employed or from sources other than tax revenues, sufficient funds to conform with the provisions of this section, provided necessary funds are available or made available by sponsoring agents. The Director of the Budget is further authorized to promulgate special rules and regulations to apply to salary increases for employees whose salaries are paid from inter-agency receipts, where payments for the services

of such employees originate from State appropriations, to the end that the effective purchasing power of such appropriations shall not be materially reduced as a result of these salary increases. Any question as to the applicability of the provisions of this paragraph shall be resolved by the Director of the Budget and the Advisory Budget Commission.

Salaries for positions which are paid partially from the General Fund and partially from sources other than the General Fund shall be increased from the General Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund.

The salary increases shall not affect the status of eligibility for automatic and/or merit salary increments for which the employee may be eligible for the fiscal year 1973-74 notwithstanding the granting of the legislative salary increase.

The salary ranges for all employees under the Personnel Act shall be increased, so far as the maximums are concerned, by amounts corresponding to those of this legislative salary increase to the end that, after the salary increases provided for in this act are made, every employee will continue to have the same relative position with respect to salary increases and future increments as he would have had if the salary increases provided by this act had not been made.

The salary increases provided in this act to be effective July 1, 1973, shall not apply to persons separated from the State service due to resignation, dismissal, reduction in force, death or retirement, whose last work day is prior to July 1, 1973.

Sec. 27. The Director of the Budget is authorized and empowered to transfer to General Fund budget codes from the General Fund Salary Adjustment appropriation, and to Highway Fund budget codes from the Highway Fund Salary Adjustment appropriation, such amounts as may be required to support approved salary adjustments, including premium pay, made necessary by difficulties in recruiting and holding qualified employees in State Government. These funds are intended to be transferred only when the use of salary reserve funds in individual operating budgets is not feasible.

Sec. 28. The salary of the Chief Justice of the Supreme Court shall be thirty-nine thousand dollars (\$39,000) per annum, and the salary of each of the Associate Justices of the Supreme Court shall be thirty-eight thousand dollars (\$38,000) per annum; the salary of the Chief Judge of the Court of Appeals shall be thirty-six thousand five hundred dollars (\$36,500) per annum, and the salaries of the Judges of said Court shall be thirty-five thousand five hundred dollars (\$35,500) per annum; the salaries of the Judges of the Superior Court shall be thirty thousand five hundred dollars (\$30,500) per annum; the salary of the Chief Judge of each District Court shall be twenty-four thousand five hundred (\$24,500) per annum, and the salary of each District Court Judge shall be twenty-three thousand five hundred dollars (\$23,500) per annum; the salary of each Solicitor shall be twenty-seven thousand dollars (\$27,000) per annum, and the salaries of the Assistant Solicitors shall average seventeen thousand five hundred dollars (\$17,500) per annum. The salary of the Administrative Officer of the Courts shall be thirty-two thousand five hundred dollars (\$32,500) per annum, and the salary of the Assistant Administrative Officer of the Courts shall be twenty-four thousand dollars (\$24,000) per annum. The salary of each Public Defender shall be twenty-seven thousand dollars (\$27,000) per annum, and the salaries of the Assistant Public Defenders shall average seventeen thousand five hundred dollars (\$17,500) per annum. The salary of the Clerk of the Court of Appeals shall be twenty-one thousand and fifty-two dollars (\$21,052) per annum, the salary of the Clerk of the Supreme Court shall be twenty-two thousand one hundred and eight dollars (\$22,108) per annum, and the salary of the Marshall-Librarian of the Supreme Court shall be twenty-one thousand one hundred and sixty dollars (\$21,160) per annum.

The beginning salary of any Assistant Solicitor and Assistant Public Defender shall be twelve thousand dollars (\$12,000) or less per annum, unless said employee has more than one year of criminal trial experience.

Sec. 29. The requirements of paragraph five (5) of Chapter 864 of 1971, which requires each department to submit an Annual Plan of Work, is waived for fiscal year 1973-74.

EFFECTIVE

Sec. 30. The provisions of the Executive Budget Act, Chapter 143, Article 1, of the General Statutes, are re-enacted and shall remain in full force and effect, and are incorporated in this act by reference.

Sec. 31. If any section or provision of this act be declared unconstitutional or invalid by the courts, the same shall not affect the validity of the act as a whole or any part other than the part so declared to be unconstitutional or invalid.

Sec. 32. All laws and clauses of laws in conflict with this act are hereby repealed.

Sec. 33. This act shall become effective July 1, 1973.

In the General Assembly read three times and ratified, this the 16th day of May, 1973.