

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 1136
SENATE BILL 920

AN ACT TO MODIFY CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS FOR NORTH CAROLINA STATE GOVERNMENT FOR THE FISCAL YEAR 1978-79, AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

The General Assembly of North Carolina enacts:

—APPROPRIATIONS FOR MAXIMUMS/REVERT BALANCES

Section 1. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the State budget. Savings shall be effected where the total amounts appropriated shall not be required to perform these services and accomplish these purposes, and except as allowed by the Executive Budget Act or this act, the savings shall be reverted to the appropriate fund at the end of the fiscal year.

An outline of the provisions of the act follows this section. The outline shows the heading "—CONTENTS/INDEX—" and it lists by general category the descriptive captions for the various sections and groups of sections that make up the act.

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[This outline is designed for reference only, and it in no way limits, defines, or prescribes the scope or application of the text of the act.]

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<u>Current Operations—General Fund</u>	<u>1978-79</u>
General Assembly	
01. Operations	6,897,045
02. Salary Increase Reserve	248,417
TOTAL General Assembly	7,145,462
Judicial Department	
01. Operations	54,482,184
02. Salary Increase Reserve	7,316,329
TOTAL Judicial Department	61,798,513
Governor's Office	1,315,596
Lieutenant Governor's Office	201,404
Department of Administration	22,671,628
Department of Secretary of State	501,071

Department of State Auditor	4,561,131
Department of State Treasurer	
01. Operations	1,707,183
02. Hospitalization Reserve-Retired Employees	6,028,000
TOTAL Department of State Treasurer	7,735,183
Department of Justice	16,595,144
Department of Revenue	19,381,146
State Board of Elections	212,447
Department of Crime Control and Public Safety	6,003,957
Department of Commerce	11,336,447
Department of Insurance	3,122,310
Department of Labor	2,998,450
Department of Correction	91,677,710
Department of Public Education	
01. Program Administration & Support	77,170,263
02. Fiscal Administration & Support	910,791,628
03. Salary Increase Reserve-Public School Employees	105,820,659
TOTAL Department of Public Education	1,093,782,550
Department of Community Colleges	
01. Operations	114,987,952
02. Longevity	364,984
03. Merit Salary Increases	3,596,035
04. Equipment	6,070,358
05. Salary Increase Reserve Community College Personnel	14,184,570
TOTAL Community Colleges	139,203,899
The University of North Carolina	
Board of Governors	
01. General Administration	4,926,162
02. Lump Sum Appropriations	32,610,840
03. Related Educational Programs	20,196,342
04. Agricultural Programs	1,266,400
05. Reserve for Merit Increments	
a. Sixteen Constituent Institutions	5,441,496
b. Agricultural Programs	433,992
c. Memorial Hospital	124,512
06. Salary Increase Reserve	
a. Sixteen Constituent Institutions	21,073,953
b. Agricultural Programs	1,675,729
c. Memorial Hospital	489,616
07. University of North Carolina at Chapel Hill	
a. Academic Affairs	42,025,120
b. Division of Health Affairs	28,153,641
c. Area Health Education Centers	10,709,436
08. North Carolina State University at Raleigh	
a. Academic Affairs	43,266,380
b. Agricultural Experiment Station	12,633,090
c. Agricultural Extension Service	9,685,985
09. University of North Carolina at Greensboro	17,328,992
10. University of North Carolina at Charlotte	14,165,941
11. University of North Carolina at Asheville	3,104,751
12. University of North Carolina at Wilmington	6,162,837

13. East Carolina University	22,890,481
14. North Carolina Agricultural & Technical State University	10,245,009
15. Western Carolina University	11,092,421
16. Appalachian State University	14,889,126
17. Pembroke State University	3,889,368
18. Winston-Salem State University	4,612,195
19. Elizabeth City State University	3,568,574
20. Fayetteville State University	4,219,545
21. North Carolina Central University	8,938,073
22. North Carolina School of the Arts	2,222,945
23. North Carolina Memorial Hospital	17,976,650
TOTAL University of North Carolina	380,019,612
Department of Cultural Resources	12,436,202
Department of Transportation	
01. Aid to Airports	1,616,571
02. Mass Transit Aid	1,010,000
TOTAL Department of Transportation	2,626,571
Department of Human Resources	
01. Central Administration	8,509,064
02. Health Services	32,916,794
03. Services for the Blind	3,822,729
04. Vocational Rehabilitation	10,283,275
05. Mental Health Services	
a. Administration and Grant-in-aid	45,137,630
b. Alcoholic Rehabilitation Center, Black Mountain	1,645,860
c. Alcoholic Rehabilitation Center, Butner	1,154,629
d. Walter B. Jones Alcoholic Rehabilitation Center, Greenville	1,188,933
e. Dorothea Dix Hospital	15,744,051
f. Broughton Hospital	13,299,042
g. Western Carolina Center	4,707,324
h. Cherry Hospital	14,729,863
i. O'Berry Center	6,195,186
j. John Umstead Hospital	13,544,260
k. Murdoch Center	13,015,209
l. Caswell Center	14,774,125
m. Wright School	641,908
06. North Carolina Orthopedic Hospital	1,185,000
07. Lenox D. Baker Children's Hospital of North Carolina	265,164
08. Confederate Women's Home	116,173
09. North Carolina Specialty Hospital	
a. General Administrative Office	237,044
b. McCain Hospital	1,643,568
c. Western Carolina Hospital	1,943,504
d. Eastern North Carolina Hospital	1,915,938
10. Division of Youth Services	
a. Operations	10,033,563
b. Salary Increase Reserve-Teachers	204,714
11. North Carolina School for the Deaf	4,545,835
12. Eastern North Carolina School for the Deaf	2,449,020
13. Central North Carolina School for the Deaf	1,620,632
14. Governor Morehead School	2,501,953

15. Facility Services	6,272,643
16. Social Services	144,857,998
17. State Aid to Non-State Health & Welfare Agencies	3,521,048
TOTAL Department of Human Resources	384,623,679
Department of Natural Resources & Community Development	24,031,103
Department of Agriculture	16,885,004
Debt Service-Interest	27,100,000
Debt Service-Redemption	25,900,000
Contingency & Emergency	1,960,000
Salary Adjustments of State Employees	1,300,000
Reserve for Continuation of Hospital Benefits Increases of 1977-78	3,500,000
Reserve for Social Security	2,769,400
Reserve for Continuation of Longevity Increases of 1977-78	647,500
Reserve for Continuation of Seventh Merit Step of 1977-78	5,500,000
Reserve for Travel	700,000
Salary Increase for State Employees Subject to State Personnel Act	57,866,948
Salary Increase for Personnel Exempt from the State Personnel Act & Utilities Commissioners	329,280
GRAND TOTAL CURRENT OPERATIONS— GENERAL FUND	\$2,438,439,347

PART II.—CURRENT OPERATIONS—HIGHWAY FUND

Sec. 3. The amounts appropriated from the Highway Fund for the 1978-79 fiscal year in the 1978-79 column of the schedule in Section 3 of 1977 Session Laws Chapter 802 are repealed, and appropriations from the Highway Fund for the expense of collecting revenues, for the service of the highway debt, and for the maintenance of transportation-related activities are made for the fiscal year ending June 30, 1979, according to the following schedule:

<u>Current Operations—Highway Fund</u>	<u>1978-79</u>
Department of Transportation	
01. General Administration	11,163,319
02. Highways	
a. Maintenance & Operations	18,227,446
b. State Construction	
(01) Primary Construction	23,286,000
(02) Secondary Construction	23,427,785
(03) Urban Construction	8,090,000
(04) Access & Public Service Roads	500,000
(05) Bridge Replacements	5,212,300
c. State Funds to Match Federal Highway Aid	
(01) Construction	47,873,400
(02) Planning Survey & Highway Planning Research	1,493,952
d. State Maintenance	
(01) Primary	47,529,381
(02) Secondary	73,343,703
(03) Urban	13,908,202
e. Ferry Operations	4,883,686
f. State Aid to Municipalities	32,957,337
g. Merit Salary Increments for Central Offices and Division of Highways	7,273,243
h. Employers' Contributions for Central Offices and Division of Highways	
(01) Social Security	7,721,126

(02) Retirement	11,122,617
(03) Hospital/Medical Insurance	3,329,066
03. Mass Transit Administration	142,393
04. Aeronautics Administration	34,154
05. Motor Vehicles	25,660,134
06. Salary Increase for Employees Subject to the State Personnel Act	23,719,675
07. Reserve for Continuation of Hospitalization Cost Increases in 1977-78	438,396
08. Salary Adjustment Fund	650,000
09. Reserve for Continuation of Seventh Merit Increment Step	3,010,000
10. Reserve for Continuation of Longevity Reserve	686,162
11. Reserve for Social Security	155,364
12. Travel Reserve	50,000
13. Reserve for Contingencies	250,000
14. Reserve to Correct Occupational Safety and Health Act Deficiencies	500,000
15. Debt Service	29,691,000
Appropriations for Other State Agencies	
01. Crime Control & Public Safety	29,927,994
02. Other Agencies	
a. Department of Agriculture	1,148,243
b. Department of Commerce	487,768
c. Department of Labor	5,387
d. Department of Revenue	804,776
e. Department of State Auditor	914,886
f. Department of Community Colleges	115,566
g. Human Resources	53,894
h. Correction	500,000
GRAND TOTAL—HIGHWAY FUND	\$460,288,355

PART III.—CAPITAL IMPROVEMENTS—GENERAL FUND

Sec. 4. The items and amounts appropriated from the General Fund for the 1978-79 fiscal year in the 1978-79 column in the schedule in Section 4 of 1977 Session Laws Chapter 681 and the total amount appropriated to begin July 1, 1978, in the first paragraph of Section 4 are repealed, and appropriations are made from the General Fund for use by State institutions, departments and agencies to provide for capital improvement projects according to the following schedule:

<u>Capital Improvements—General Fund</u>	<u>1978-79</u>
DEPARTMENT OF ADMINISTRATION (TOTAL)	10,240,000
01. Repairs and Alterations to State Buildings in the State Government Center	150,000
02. Two New Elevators for Justice Building	100,000
03. Land Acquisition - State Government Center	150,000
04. Land Acquisition - State Parks	100,000
Less Receipts-Federal-BOR	500,000
Subtotal, General Fund	500,000
05. Hangar and Fuel Storage Facility for Helicopters	60,000
06. Energy Retro-fitting Measures-State Buildings	500,000
07. Architectural Barriers Removal-State Government Center	50,000
08. Blount Street Historic District-Acquisition, Renovations and Landscaping	150,000

09. Reroof Agriculture Building	80,000
10. Office Building	8,500,000
DEPARTMENT OF AGRICULTURE (TOTAL)	2,646,050
01. Repairs to Dorton Arena	650,000
02. Three Mobile Laboratories - Aflatoxin Testing Services	98,450
03. Supplement for Animal Disease Diagnostic Lab - Union County	40,000
04. Land Acquisition-N.C. State Fairgrounds	1,500,000
05. Animal Disease Diagnostic Laboratory-Rose Hill	300,000
06. Grant-in-Aid: Lenoir County Farmers Market	57,600
BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA (TOTAL)	49,678,700
Funds for Schedule of Priorities-Capital Improvements:	
01. The University of North Carolina at Charlotte, Classroom/Office Building (Phase II)	6,877,000
02. OSHA Compliance; Architectural Barrier Removal; Renovation and Construction; Land Acquisition	2,500,000
03. School of Veterinary Medicine	7,280,000
04. New Facilities, Major Renovation & Facilities Planning	24,183,000
Subtotal, Funds for Schedule of Priorities- Capital Improvements	40,840,000
05. North Carolina Memorial Hospital	
a. Renovations to existing Facilities	3,000,000
06. U.N.C.-General Administration: Expansion of the Educational Television Network	5,838,700
DEPARTMENT OF COMMERCE (TOTAL)	700,000
01. State Ports Authority	
a. Reserve for Capital Construction	700,000
COMMUNITY COLLEGES (TOTAL)	1,000,000
01. Capital Construction Grants	1,222,932
Less Receipts-Federal Funds	222,932
Subtotal, General Fund	1,000,000
DEPARTMENT OF CORRECTION (TOTAL)	45,700,000
01. Replacement of Central Prison	16,150,000
02. Reserve for Repairs and Renovations at Existing Facilities	3,000,000
03. Reserve for Prison Construction	26,250,000
04. Mobile Classrooms	3,000,000
DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (TOTAL)	130,000
01. New Armory, Reidsville/Eden	650,000
Less Receipts-Local Funds	81,250
Less Receipts-Federal Funds	487,500
Subtotal, General Fund	81,250
02. New Armory, Edenton	390,000
Less Receipts-Local Funds	48,750
Less Receipts-Federal Funds	292,500
Subtotal, General Fund	48,750
DEPARTMENT OF CULTURAL RESOURCES (TOTAL)	200,000
01. Reserve for Capital Improvements at Historic Sites	200,000
DEPARTMENT OF HUMAN RESOURCES (TOTAL)	8,585,000
01. Correction of Code Deficiencies	2,000,000

02. Rural Health Clinics: Grant-in-aid	
a. Marshall-Walnut Medical Clinic	80,000
b. Pittsboro Medical Clinic	15,000
03. North Carolina School for the Deaf	
a. Renovation of Hoffmeyer Hall	
(01) Building	590,000
(02) Equipment	25,000
Subtotal	615,000
04. Central North Carolina School for Deaf	
a. Gymnasium	600,000
05. Governor Morehead School	
a. Replacement of Boiler and Renovation of Heating System	250,000
06. Lenox Baker Children's Hospital	
a. Renovation, Phase II	1,250,000
07. Cherry Hospital	
a. Renovation and Air Conditioning of Caswell Annex	
(01) Building	1,450,000
(02) Equipment	40,000
Subtotal	1,490,000
08. Caswell Center	
a. Air Conditioning of Residential Buildings	300,000
b. Completion of Non-Ambulatory Dormitory	
(01) Building	915,000
(02) Equipment	85,000
Subtotal	1,000,000
09. O'Berry Center	
a. Renovation of Primary Electrical and Street Lighting Systems	135,000
10. Western Carolina Center	
a. Construction of Facilities for Educable Program	
(01) Building	800,000
(02) Equipment	50,000
Subtotal	850,000
DEPARTMENT OF JUSTICE (TOTAL)	548,058
01. Renovation Funds for State Bureau of Investigation	
Facilities at Garner Road Campus (Supplement)	357,058
02. Reroofing Buildings at the Criminal Justice Academy	191,000
DEPARTMENT OF NATURAL RESOURCES AND	
COMMUNITY DEVELOPMENT (TOTAL)	4,500,000
01. Division of Environmental Management	
a. Reserve for Civil Works Projects	
(01) Reserve for Civil Works	750,000
(02) Reserve for Wanchese Harbor	500,000
(03) Watershed Projects-Chicod Creek and Swift Creek	300,000
02. Division of Parks and Recreation	
a. Reserve for Capital Improvements at State Parks	
& Water-Based Recreation Areas	1,200,000
03. Forestry	
a. Irrigation System and Other Facilities	100,000
04. North Carolina Zoological Park	
a. New Construction	2,250,000
Less Private Gifts, Donation	600,000

Subtotal, General Fund	1,650,000
GRAND TOTAL—CAPITAL IMPROVEMENTS	
GENERAL FUND APPROPRIATION	\$ 123,927,808
PART IV.—CAPITAL IMPROVEMENTS—HIGHWAY FUND	

Sec. 5. The items and amounts appropriated from the Highway Fund for the 1978-79 fiscal year in the 1978-79 column in the schedule in Section 5 of 1977 Session Laws Chapter 681 and the total amount appropriated to begin July 1, 1978, in the first paragraph of Section 5 are repealed, and appropriations are made from the Highway Fund for use of the Departments of Transportation and Crime Control and Public Safety to provide for capital improvements projects according to the following schedule:

<u>Capital Improvements—Highway Fund</u>	<u>1978-79</u>
DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY (TOTAL)	\$ 400,600
01. Highway Patrol	
a. Renovation-Garner Road Campus	400,600
DEPARTMENT OF TRANSPORTATION (TOTAL)	1,133,395
01. Highways	
a. Reserve for Capital Improvement Projects	300,000
b. Renovation of Marine Repair Facility	500,000
02. Governor's Highway Safety	
a. Purchase of Thompson Building	575,000
Less Federal Receipts	241,605
Subtotal, Highway Fund	333,395
GRAND TOTAL—CAPITAL IMPROVEMENTS— HIGHWAY FUND	\$ 1,533,995

PART V.—GENERAL PROVISIONS
—HIGHWAY FUND UNRESERVED BALANCES

Sec. 6. Any unreserved credit balances in the Highway Fund on June 30, 1978, shall be available for 1978-79 appropriations in Section 3 and Section 5 of this act.

—FEDERAL REVENUE SHARING/CAPITAL APPROPRIATION

Sec. 7. The allocations from the General Revenue Sharing Trust Fund of the State for the 1978-79 fiscal year in the 1978-79 column of the schedule in Section 5.5 of 1977 Session Laws Chapter 681 are repealed, and allocations are made from the General Revenue Sharing Trust Fund of the State for the fiscal year ending June 30, 1979, according to a new substituted schedule to read as follows:

<u>Capital Improvements</u>	<u>1978-79</u>
Administration	
04. Elevators - Justice Building	\$ 100,000
05. Land Acquisition - Government Center	150,000
06. Land Acquisition - State Parks	500,000
Subtotal	750,000
Agriculture	
06. Repairs to Dorton Arena	650,000
Subtotal	650,000
Correction	
01. Central Prison Replacement, Phase I	16,150,000
02. New Single Cell Construction	10,450,000
Subtotal	26,600,000
Cultural Resources	
01. Capital Reserve for Historic Sites	200,000
Subtotal	200,000

Crime Control & Public Safety	
01. Armories	130,000
Subtotal	130,000
Natural Resources and Community Development	
01. State Parks Capital Reserve	1,200,000
Subtotal	1,200,000
Commerce	
01. Reserve for State Ports	700,000
Subtotal	700,000
Human Resources	
01. Code Deficiencies Reserve	2,000,000
Subtotal	2,000,000
GRAND TOTAL—REV. SHAR./CAPITAL	\$ 32,230,000
—FEDERAL ANTIRECESSION FUNDS	

Sec. 8. The appropriations from antirecession funds for fiscal year 1978-79 in Section 12.5 of 1977 Session Laws Chapter 802 (to the Department of Correction—Adult Prisons Custody and Security in the amount of one million eight hundred thousand dollars (\$1,800,000)) are repealed.

PART VI.—SPECIAL PROVISIONS—SALARIES AND BENEFITS
—MOST STATE WORKERS/SIX PERCENT SALARY INCREASE ADMIN.

Sec. 9. The Director of the Budget is authorized to transfer from the appropriations in Sections 2 and 3 of this act for legislative salary increases of State employees paid from the General Fund and the Highway Fund, respectively, such amounts, including the employer's retirement and social security contributions, as may be required to increase salaries in effect on June 30, 1978, for all permanent employees by an average of six percent (6%) commencing July 1, 1978, rounded to conform to the steps in such salary ranges as may be adopted by the State Personnel Commission. For an employee whose salary in effect on June 30, 1978, is not equal to a specific pay rate within the salary schedule effective on that date, the annual increase will be the amount applicable to the next lower pay rate.

Except for salaries specifically established in this act, State department secretaries and other exempt positions whose salaries are recommended by the Governor or the Governor and the Advisory Budget Commission and set by the General Assembly shall be granted the same approximately six percent (6%) salary increases as provided for other State employees under this section, commencing July 1, 1978.

The Director of the Budget is authorized to allocate, out of special operating funds or from sources other than tax revenues under which personnel are employed, sufficient funds to allow increases in salaries paid from those sources to conform with the increases authorized for other State employees under the provisions of this section, provided necessary funds are made available by sponsoring agencies.

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 interagency receipts, where payments for the services of such employees originate from State appropriations, to the end that the effective purchasing power of such appropriations is not 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 granting of the legislative salary increases under this section shall not affect the status of eligibility for automatic or merit salary increments or both for which employees may be eligible.

The salary ranges for all employees under the State Personnel Act shall be increased, so far as the maximums are concerned by amounts corresponding to those of the legislative salary increase so 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, 1978, shall not apply to persons separated from State service due to resignation, dismissal, reduction in force, death or retirement, whose last work day is prior to July 1, 1978.

Within regular executive Budget Act procedures as limited by this act, all State agencies and departments are authorized to increase the rate of pay of temporary State employees, subject to availability of funds in the particular agency or department and on an equitable basis, by pro rata amounts approximately equal to the six percent (6%) increase provided for other State employees.

—LEGISLATIVE EMPLOYEES/SIX PERCENT SALARY INCREASE

Sec. 10. The Legislative Services Officer is authorized to increase the salaries of permanent non-elected employees of the General Assembly in effect on June 30, 1978, by six percent (6%) commencing July 1, 1978, rounded to the nearest whole dollar figure divisible by 12 and otherwise adjusted to conform with the relative levels of the Legislative Services Commission salary schedule. The granting of this legislative percentage salary increase shall not affect the status of employees' eligibility for automatic or merit increments.

—JUDICIAL BRANCH OFFICIALS/SALARIES

Sec. 11. The annual salary, in fiscal year 1978-79, of the specified judicial branch official shall be as follows:

<u>Judicial Branch Officials</u>	<u>1978-79</u>
Chief Justice, Supreme Court	\$48,000
Associate Justice, Supreme Court	47,000
Chief Judge, Court of Appeals	45,500
Judge, Court of Appeals	44,500
Judge, Superior Court	39,500
Chief Judge, District Court	33,250
Judge, District Court	32,000
District Attorney	36,750
Assistant District Attorney—an average of	23,750
Administrative Officer of the Courts	42,000
Assistant Administrative Officer of the Courts	30,000
Public Defender	36,750
Assistant Public Defender—an average of	23,750

The minimum salary of any assistant district attorney, and any assistant public defender shall be twelve thousand dollars (\$12,000) per annum; provided, that on recommendation of the district attorney or the public defender with the approval of the Administrative Officer of the Courts, the salaries of assistant district attorneys and assistant public defenders may be adjusted so long as the average salaries of assistant district attorneys and assistant public defenders in a judicial district do not exceed twenty-three thousand seven hundred fifty dollars (\$23,750).

Funds appropriated in Section 2 of this act for salary increases and related employer's retirement and social security contributions for permanent employees of the Judicial Department, except for those itemized in this act, are to provide salary increases commencing

July 1, 1978, of the same percentage as that authorized in Section 9 of this act (approximately 6%) for State employees subject to the Personnel Act, rounded to conform to the steps in the salary ranges adopted by the Judicial Department.

—ASSISTANT DISTRICT ATTORNEYS/CLASSIFICATION AND PAY PLAN

Sec. 11.1. Section 41.6 of Chapter 802 of the 1977 Session Laws is repealed.

The Administrative Office of the Courts is requested to study the salaries of the Assistant District Attorneys in the Court System and prepare a report on a classification and pay plan that conforms generally with the recommendations contained in a like study conducted by the Office of State Personnel of the salaries for attorneys in the Department of Justice. This report is to be presented to the 1979 Session of the General Assembly.

—MAGISTRATES/INCREASE MAXIMUM SALARY

Sec. 12. The maximum salary of magistrates in G.S. 7A-172 is changed by deleting "Eleven thousand four hundred seventy-six dollars (\$11,476)" and inserting in lieu thereof "twelve thousand one hundred sixty-eight dollars(\$12,168)".

—CLERKS OF COURT/SALARIES

Sec. 13. The schedule of salaries of clerks of superior courts beginning on line 5 of G.S. 7A-101, as it appears in the 1977 Cumulative Supplement to Volume 1B of the General Statutes, is deleted and in lieu thereof the following schedule is substituted:

<u>Population</u>	<u>Salary</u>
Less than 10,000	\$13,000
10,000 to 19,999	16,500
20,000 to 49,999	19,500
50,000 to 99,999	22,500
100,000 to 199,000	25,500
200,000 and above	31,000

—PUBLIC SCHOOL PERSONNEL/LONGEVITY

Sec. 14. The funds appropriated in Section 2 of this act to the State Board of Education include nine million five thousand four hundred fifty-four dollars (\$9,005,454) for the fiscal year beginning July 1, 1978, to provide a schedule of longevity payments for State-allotted public school personnel. These longevity payments shall be based on the same payment rates as allowed for State employees subject to the State Personnel Act and for service intervals beginning with 10 years for superintendents, associate and assistant superintendents, and classified principals and with 15 years for supervisors, teachers, property cost clerks, and school bus mechanics.

The longevity payments described in this section shall not exceed the longevity appropriation made to the State Board of Education plus any available legislative salary increase funds for public school employees. Eligibility requirements for public school employees to receive these lump sum payments shall be those adopted by the State Personnel Commission for the State employees as of January 1, 1976. The State Board of Education is directed to formulate rules and regulations necessary to carry out the provisions of this section.

—PUBLIC SCHOOL DRIVER TRAINING/SUMMER SALARY SCHEDULE

Sec. 15. The State Board of Education is authorized, within driver training funds available, to increase the summer salary schedule for driver training personnel by approximately six percent (6%) annually as provided in this act for other school personnel.

—PUB. SCHOOL MAIDS & JANITORS, & PRINCIPALS' CLERKS/SALARIES

Sec. 16. Superintendents of the State's local public school units shall use funds appropriated for salary increases for State-funded janitor and maid employees, and also for State-funded clerical assistants in the offices of principals and superintendents, to assure that such employees shall receive salary increases of approximately six percent (6%) (subject to the provisions of this act that apply to salary increases for teaching personnel) on that portion of their salaries which is State-funded.

—PUBLIC SCHOOLS ADM ALLOCATED EMPLOYEES/SALARY INCREASES

Sec. 17. Funds have been appropriated to the Department of Public Education in Section 2 of this act to provide the appropriate salary increase of approximately six percent (6%) for public school employees paid from State Average Daily Membership (ADM) allocations for instructional personnel in the areas of math, reading, and cultural arts; support personnel in the areas of psychological and guidance counseling, health, and social services; and personnel in the area of physical education in grades K-6.

—RETIRED TEACHERS AND STATE EMPLOYEES/HOSPITALIZATION

Sec. 18. There is appropriated in Section 2 of this act the sum of six million twenty-eight thousand dollars (\$6,028,000) to the Department of State Treasurer for the purpose of supporting hospital-medical premiums for retired members and surviving spouses who are eligible for coverage in the State's Hospital-Medical Benefits Program to be effective October 1, 1978. Payments from the appropriation shall be made at the rate of sixteen dollars and forty-four cents (\$16.44) per month for those eligible for Medicare and at the rate of twenty-four dollars and forty-eight cents (\$24.48) per month for those not eligible for Medicare.

Sec. 18.1. G.S. 135-33, as it appears in the 1977 Cumulative Supplement to Volume 3B of the General Statutes, is amended by inserting in line 19 after the word "employees" at the end of the sentence, the words and punctuation: ", adjusted for any appropriation by the General Assembly for qualified individuals"; and further amended by inserting in line 27 after the word "benefits" at the end of the sentence, the words and punctuation: ", adjusted for any appropriation by the General Assembly for qualified individuals".

—COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

Sec. 19. Funds are appropriated in Section 2 of this act to provide an annual average salary increase of six percent (6%) in 1978-79 for all community college institutional personnel. These funds are to be allocated to individuals according to rules and regulations established by the State Board of Education and may not be used to establish any new positions.

—HIGHER EDUCATION ACADEMIC PERSONNEL/SALARY INCREASES

Sec. 20. Funds are appropriated in Section 2 of this act to provide an annual average salary increase of six percent (6%) in 1978-79 for employees exempt from the State Personnel Act in the constituent institutions of The University of North Carolina. These funds are to be allocated to individuals in accordance with rules and regulations established by the Board of Governors and may not be used to establish any new positions.

—SALARY-RELATED CONTRIBUTIONS/EMPLOYERS

Sec. 21. Required employer salary-related contributions for employees whose salaries are paid from department, office, institution, or agency receipts (other than gifts, including foundation funds), 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 salary-related 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 the employee for hospital-medical insurance, longevity, and unemployment insurance, except that where the employee's salary is paid in whole or in part from gifts, including foundation funds, the source of such gifts must bear its proportional share of the employer's requirement for these purposes.

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.

—SALARY ADJUSTMENT APPROPRIATIONS/AUTHORIZED TRANSFERS

Sec. 22. The Director of the Budget is authorized 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 made necessary by difficulties in recruiting and holding qualified employees in State government. The funds are to be transferred only when the use of salary reserve funds in individual operating budgets is not feasible.

PART VII.—SPECIAL PROVISIONS—HUMAN RESOURCES

—MEDICAID SCHEDULES

Sec. 23. Appropriations in Section 2 of this act for services provided in accordance with Title XIX of the Social Security Act (Medicaid) are 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 basis:

Services

Hospital – Inpatient

Hospital – Outpatient

Mental and Specialty Hospitals

Skilled Nursing Facilities, Intermediate Care Facilities,
and Intermediate Care Facilities for the Mentally Retarded

Drugs

Physicians

Chiropractors

Dental

Payment Basis

Allowable costs, but administrative days for any period of hospitalization shall be limited to a maximum of 3 days.

90 percent of allowable costs.

Allowable costs.

As prescribed under the State Plan for Reimbursing Long Term Care Facilities.

Drug cost as allowed by federal regulation plus \$2.50 professional service fee per month excluding refills for same drug or generic equivalent during the same month. (Payments for drugs are subject to the language on drugs at the end of this section.)

90 percent of allowable usual and customary charges.

90 percent of allowable usual and customary charges.

90 percent of allowable usual and customary charges. (Payments for dental services are subject to the language on dental services at the end of this section.)

Home Health	Allowable costs.
Optical Services	90 percent of allowable usual and customary charges.
Medicare Buy-In	Social Security. Administration premium.
Clinics - Public Health	Allowable costs.
Ambulance Services	100 percent of allowable, reasonable, usual and customary charges.
Pre-21 Screening	See specific services, i.e., Physician and Clinic.
Hearing Aids	80 percent usual, customary, and reasonable charges (including dispensing fee).
Clinics - Mental Health	Allowable costs (federal portion only; nonfederal share covered by State/local operating funds).
Family Planning	See specific services, i.e., Hospital, Physician, and Clinic.
Independent Laboratory and X-Ray Services	90 percent of allowable usual and customary charges.
Optical Supplies	100 percent of reasonable wholesale cost of materials.

Any changes in services or basis of payment in the Medicaid Program must be approved by the Governor and the Advisory Budget Commission.

The State shall pay eighty-five percent (85%) and the counties shall pay fifteen percent (15%) of the nonfederal costs of applicable services listed in this section. These same State and county percentages shall be used for any prepaid premium if Medicaid services and related administrative costs are paid for by a health-insuring contractor.

As allowed by federal regulations, recipient co-payments shall be required 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>	
Hospital – Inpatient		X	\$ 2.00
Hospital - Outpatient		X	1.00
Physicians		X	1.00
Optometrists		X	1.00
Drugs	X	X	.50
Dental	X	X	2.00
Chiropractors	X	X	.50
Optical Supplies and Services	X	X	2.00
Mental Health Centers	X	X	1.00
Health Departments	X	X	1.00

Maximum net family annual income eligibility standards for Medicaid shall be as follows:

<u>Family Size</u>	<u>Categorically Needy</u>		<u>Medically Needy</u>
	<u>AFDC*</u>	<u>AA,AB,AD*</u>	
1	\$ 1,452	\$ 1,700	\$ 1,700
2	1,908	2,200	2,200
3	2,196	2,500	2,500
4	2,400	2,800	2,800
5	2,628	3,000	3,000
6	2,832	3,200	3,200
7	3,036	3,400	3,400
8	3,168	3,600	3,600
9	3,300	3,800	3,800
10	3,480	4,000	4,000
11	3,660	4,200	4,200
12	3,840	4,400	4,400
13	4,020	4,600	4,600

[*Aid to Families with Dependent Children (AFDC); Aid to the Aged (AA); Aid to the Blind (AB); and Aid to the Disabled (AD).]

Any change in these standards must be approved by the Governor and the Advisory Budget Commission.

Funds appropriated to the Department of Human Resources for dental services shall be dispersed only with prior approval as required by this paragraph. No prior approval shall be required for emergency services or routine services. Routine services are defined as examinations, x-rays, prophylaxis, nonsurgical tooth extractions, amalgam fillings, and fluoride treatments. Prior approval shall be required for all other services and for routine services performed more than two times during a consecutive 12-month period. The Department of Human Resources shall establish rules and regulations, as provided by the Administrative Procedures Act, for obtaining prior approval as required by this section.

Notwithstanding any provision of G.S. 90-76 to the contrary, during the 1978-79 fiscal year, under the Medical Assistance program (Title XIX of the Social Security Act) a prescription order for a drug designated by a trade or brand name shall be considered to be an order for the drug by its established or generic name, except when the prescriber personally indicates, either orally or in his own handwriting on the prescription order, "dispense as written" or words of similar meaning. As used in this paragraph "brand name" means the proprietary name the manufacturer places upon a drug product or on its container, label or wrapping at the time of packaging; and "established name" shall have the same meaning as assigned that term by the Federal Food, Drug and Cosmetic Act as amended, Title 21 U.S.C. 301 et seq.

Sec. 23.1. Section 17 of 1977 Session Laws Chapter 802 is repealed.

—COMMUNITY MENTAL HEALTH CENTERS

Sec. 24. Of the funds appropriated in Section 2 of this act to the Department of Human Resources, one million two hundred fifty thousand dollars (\$1,250,000) in fiscal year 1978-79 is for the Division of Mental Health Services for inpatient services in community mental health centers. These funds are to be distributed to the area mental health boards to assist in the start-up phase of inpatient units on the basis of Rules and Regulations adopted by the Department of Human Resources. The funds for start-up costs are to be distributed in addition to any other State moneys to community mental health centers.

To qualify for funds under this section, area mental health boards shall submit a plan to the Department of Human Resources that details how these funds are to be expended

and the procedures that will be employed to collect patient fees and various forms of third-party reimbursements.

PART VIII.—SPECIAL PROVISIONS—PUBLIC EDUCATION

—SCHOOL BUS TRANSPORTATION/AREAS OF DANGEROUS WALKING COND.

Sec. 25. The sum of one million five hundred thousand dollars(\$1,500,000) has been appropriated to the Department of Public Education in Section 2 of this act to assist local school units with certain school bus operational costs. These funds are specifically provided for transportation of pupils living within one and one-half miles of schools who must walk through dangerous conditions. The State Board of Education shall adopt rules and regulations for the distribution of these funds to the local school units having the greatest need to provide this type of school bus transportation and willing to purchase the necessary buses.

—EXCEPTIONAL CHILDREN PROGRAM

Sec. 26. In Section 2 of this act, funds have been appropriated to expand education and related services to approximately 153,000 children with special needs between the ages of five and eighteen. These increased funds shall be used: (1) to provide the appropriate educational and related services to children between the ages of five and eighteen identified and unserved in the categories covered by P.L. 94-142 and Chapter 927 of the 1977 Session Laws; (2) to continue efforts to identify and serve those children who have not been previously identified using personnel in the Department of Human Resources and the Department of Public Instruction and private diagnostic services when those State agencies cannot evaluate on a timely basis, those children between the ages of five and eighteen who are suspected of having special needs covered by P.L. 94-142 and Chapter 927 of the 1977 Session Laws; and (3) to ensure that all children between the ages of five and eighteen in the categories covered by P.L. 94-142 and Chapter 927 of the 1977 Session Laws who are currently receiving an inadequate education will have available a free appropriate public education.

In addition to the State funds appropriated for these services, there are anticipated federal funds which may be used in accordance with federal law. All federal funds received during the 1978-79 fiscal year are to be used to the maximum extent possible.

These State and federal funds will provide additional teachers' aides, special materials and equipment, staff development, diagnostic services and other needed services as approved by the State Board of Education for handicapped children as defined by P.L. 94-142, and for children identified as children with special needs in Chapter 927 of the 1977 Session Laws.

The funds will allow the State Board of Education to implement standards as required by the federal and State laws to all children with special needs as defined by State Board rules. The standards must be provided to all children with special needs by September 1, 1978.

When additional funds are required to provide diagnostic services and to provide educational and related services for those identified as having special needs according to State Board rules, budget transfers within the Department of Public Instruction during the 1977-79 biennial budget can be made or a special emergency appropriations bill can be considered in January 1979 at the beginning of the 1979 General Assembly.

It is essential that diagnostic evaluations be made in a timely manner so that children with special needs may be appropriately placed in school early in the academic year. The Department of Human Resources is qualified to conduct these evaluations and is encouraged to give priority to evaluate a child suspected of needing special education if the evaluation cannot be done by public education personnel.

In order that all available funds can be allocated as needed, all categorical funds to the Division of Exceptional Children of the Department of Public Instruction shall become noncategorical funds for children with special needs.

All programs of educational and related services for children with special needs shall be reviewed by staff of the Division for Exceptional Children for compliance with State Board rules, to prevent duplication of services and to make sure that programs are provided for all children with special needs.

PART IX.—SPECIAL PROVISIONS—COMMUNITY COLLEGES
—FULL-TIME EQUIVALENT TEACHING POSITIONS

Sec. 27. For the purpose of determining the Community College system-wide number of full-time equivalent (FTE) teaching positions each year, the total curriculum and extension full-time equivalent student enrollment shall be divided by 22.

Sec. 27.1. Section 34 of 1977 Session Laws Chapter 802 is repealed.

PART X.—SPECIAL PROVISIONS—HIGHER EDUCATION
—EDUCATIONAL TELEVISION NETWORK IMPROVEMENTS/APPRN. & REPORT

Sec. 28. Funds are provided in Section 4 of this act (Capital Improvements—General Fund) to The University of North Carolina—General Administration to operate new television facilities (provided in item 06. under Board of Governors of The University of North Carolina) aimed at extending and improving the broadcast capabilities of the UNC Television Network.

Any additional moneys which may be received by The University through federal or private grants to aid in constructing or operating the improvements referred to in this section shall, to the extent possible, be used to supplant the General Fund appropriations provided for such improvements. Appropriations which are supplanted will revert to the General Fund.

The Board of Governors is hereby directed to submit progress reports to the Governor, Lt. Governor, Speaker of the House of Representatives, and each member of the Advisory Budget Commission at six-month intervals to cover not only the physical and operational aspects of the new and improved facilities, but also the number of school pupils and other persons added to the educational television network audience or gaining improved reception.

—AID TO PRIVATE COLLEGES

Sec. 29. Funds are appropriated in Section 2 of this act to grant each full-time North Carolina undergraduate student attending an approved private educational institution located within the State, as defined in G.S. 116-22, the sum of four hundred dollars (\$400.00) per academic year in 1978-79. These funds shall be distributed in accordance with Section 38.1 of Chapter 802 of the 1977 Session Laws.

In the event it is determined that there are not sufficient funds to provide each eligible student with a full grant, each eligible student shall receive a reduced but equal share of funds then available for the remainder of the academic year within the fiscal period covered by the current appropriation. Any remaining funds shall revert to the General Fund.

—INSTITUTIONAL TRUST FUNDS/UNIVERSITY OF NORTH CAROLINA

Sec. 30. Chapter 116 of the General Statutes is amended by inserting a new section as follows:

"§ 116-36.1. Regulation of institutional trust funds. — (a) The board is responsible for the custody and management of the trust funds of The University of North Carolina and of each institution. The board shall adopt uniform policies and procedures applicable to the administration of these funds which shall assure that the receipt and expenditure of such funds is properly authorized and that the funds are appropriately accounted for. The board may delegate authority, through the president, to the respective chancellors of the institutions when such delegation is necessary or prudent to enable the institution to function in a proper and expeditious manner.

(b) Trust funds shall be deposited with the State Treasurer who shall hold them in trust in separate accounts in the name of The University of North Carolina and of each institution. The cash balances of these accounts may be pooled for investment purposes, but investment

earnings shall be credited pro rata to each participating account. For purposes of distribution of investment earnings, all trust funds of an institution shall be deemed a single account.

(c) Moneys deposited with the State Treasurer in trust fund accounts pursuant to this section, and investment earnings thereon, are available for expenditure by each institution without further authorization from the General Assembly.

(d) Trust funds are subject to the oversight of the State Auditor pursuant to G.S. 147-58 but are not subject to the provisions of the Executive Budget Act except for capital improvements projects which shall be authorized and executed in accordance with G.S. 143-18.1.

(e) Each institution shall submit such reports or other information concerning its trust fund accounts as may be required by the Director of the Budget.

(f) Trust funds or the investment income therefrom shall not take the place of State appropriations or any part thereof, but any portion of these funds available for general institutional purposes shall be used to supplement State appropriations to the end that the institution may improve and increase its functions, may enlarge its areas of service, and may become more useful to a greater number of people.

(g) As used in this section, 'trust funds' means:

- (1) moneys, or the proceeds of other forms of property, received by an institution as gifts, devises, or bequests that are neither presumed nor designated to be gifts, devises, or bequests to the endowment fund of the institution;
- (2) moneys received by an institution pursuant to grants from, or contracts with, the United States Government or any agency or instrumentality thereof;
- (3) moneys received by an institution pursuant to grants from, or contracts with, any State agencies, any political subdivisions of the State, any other states or nations or political subdivisions thereof, or any private entities whereby the institution undertakes, subject to terms and conditions specified by the entity providing the moneys, to conduct research, training or public service programs, or to provide financial aid to students;
- (4) moneys collected by an institution to support extracurricular activities of students of the institution;
- (5) moneys received from or for the operation by an institution of activities established for the benefit of scholarship funds or student activity programs;
- (6) moneys received from or for the operation by an institution of any of its self-supporting auxiliary enterprises except student auxiliary services identified in Section 116-36.3;
- (7) moneys received by an institution in respect to fees and other payments for services rendered by medical, dental or other health care professionals under an organized practice plan approved by the institution or under a contractual agreement between the institution and a hospital or other health care provider.

(h) Notwithstanding the provisions of subsection (b) of this section, the board may designate as the official depository of the funds identified in subsection (g)(7) of this section one or more banks or trust companies in this State. The amount of funds on deposit in an official depository shall be fully secured by deposit insurance, surety bonds, or investment securities of such nature, in such amounts, and in such manner as is prescribed by the State Treasurer for the security of public deposits generally. The available cash balance of funds deposited pursuant to this subsection shall be invested in interest-bearing deposits and investments so that the rate of return equals that realized from the investment of State funds generally.

(i) The cash balances on hand as of June 30, 1978, and all future receipts accruing thereafter, of funds identified in this section are hereby appropriated to the use of The University of North Carolina and its constituent institutions."

—SPECIAL FUNDS/UNIVERSITY OF NORTH CAROLINA

Sec. 31. Chapter 116 of the General Statutes is amended by inserting a new section as follows:

"§ 116-36.2. Regulation of special funds of individual institutions. — (a) Notwithstanding any provisions of law other than G.S. 147-58, the chancellor of each institution is responsible for the custody and management of the special funds of that institution. The board shall adopt uniform policies and procedures applicable to the administration of these funds which shall assure that the receipt and expenditure of such funds is properly authorized and that the funds are appropriately accounted for.

(b) As used in this section, 'special funds of individual institutions' means:

- (1) moneys received from or for the operation by an institution of its program of intercollegiate athletics;
- (2) moneys held by an institution as fiscal agent for individual students, faculty, staff members, and organizations."

—STUDENT AUXILIARY ENTERPRISE FUNDS/UNIV. OF NORTH CAROLINA

Sec. 32. Chapter 116 of the General Statutes is amended by inserting a new section as follows:

"§ 116-36.3. Regulation of institutional student auxiliary enterprise funds. — (a) The chancellor of each institution, subject to uniform policies and procedures adopted by the Board of Governors, is responsible for the custody and management of the institutional student auxiliary enterprise funds of that institution. The custody and management of such funds is subject to the provisions of the Executive Budget Act and to the oversight of the State Auditor pursuant to G.S. 147-58.

(b) Institutional student auxiliary enterprise funds shall be deposited with the State Treasurer who shall hold them in trust in separate accounts in the name of The University of North Carolina and of each institution. The cash balances of these accounts may be pooled for investment purposes, but investment earnings shall be credited pro rata to each participating account. For the purpose of distribution of investment earnings, all student auxiliary enterprise funds of an institution shall be deemed a single account.

(c) As used in this section, "institutional student auxiliary enterprise funds" means moneys received from or for the operation by an institution of the following self-supporting student auxiliary services: housing; food; health and laundry."

—DEPOSIT OF FEDERAL FUNDS/UNIVERSITY OF NORTH CAROLINA

Sec. 33. Section 15.26 of 1977 Session Laws Chapter 802 is amended by placing a comma at the end of the next to last sentence and adding the phrase, "except as otherwise provided by G.S. 116-36.1".

Sec. 33.1. The last sentence of Section 15.26 of 1977 Session Laws Chapter 802 is repealed.

—ABC APPROPRIATIONS MODIFICATIONS/N.C. MEMORIAL HOSPITAL

Sec. 34. Section 9 of 1977 Session Laws Chapter 681 is rewritten to read as follows:

"The Advisory Budget Commission may, when in its opinion it is in the best interest of the State to do so, and upon the request of the pertinent department, agency, or institution, authorize an increase or decrease in size and scope of a direct or self-liquidating capital appropriation. Changes to a project or projects enumerated in this act may come from gifts, federal or private grants, excess patient receipts collected above those budgeted by the North Carolina Memorial Hospital, special fund receipts, or, from within the funds appropriated for capital improvements in this act to that department, agency, or institution."

Sec. 35. Section 10 of 1977 Session Laws Chapter 681 is rewritten to read as follows:

"The Governor and the Advisory Budget Commission may, when in their opinion it is in the best interest of the State to do so, and upon the request of a department, institution, or agency, authorize the construction of a capital improvement project not specifically provided for or authorized by the General Assembly. Funds which become available by gifts, excess patient receipts collected above those budgeted by the North Carolina Memorial Hospital, federal or private grants, or receipts becoming a part of special funds by act of the General Assembly may be used for this purpose. No funds appropriated under this act for a specific capital improvement shall be used or expended for any capital improvement not specifically provided for or authorized by the General Assembly."

PART XI.—SPECIAL PROVISIONS—GEN. GOVT. & TRANS., & OTHER
—STATE AUDITOR/AUDITS PERFORMED FOR FEDERAL AGENCIES

Sec. 36. G.S. 147-58 is amended by adding a new subsection to be designated subsection (24) to read as follows:

"(24) The Auditor is authorized to contract with federal audit agencies, or any governmental agency, on a cost reimbursable basis, for the Auditor to perform audits of federal grants and programs administered by the State departments and institutions in accordance with agreements negotiated between the Auditor and the contracting federal audit agencies or any governmental agency. In instances where the grantee State agency shall subgrant these federal funds to local governments, regional councils of government and other local groups or private or semi-private institutions or agencies, the Auditor shall have the authority to examine the books and records of these subgrantees to the extent necessary to determine eligibility and proper use in accordance with State and federal laws and regulations.

The Auditor shall charge and collect from the contracting federal audit agencies, or any governmental agencies, the actual cost of all the audits of the grants and programs contracted by him to do. Amounts collected under these arrangements shall be deposited in the State Treasury and be budgeted in the Department of State Auditor and shall be available to hire sufficient personnel to perform these contracted audits and to pay for related travel, supplies and other necessary expenses."

—JUVENILE PROBATION AND AFTERCARE/FUNDING DELETED

Sec. 37. Section 50.50 (Juvenile Probation and Aftercare/Funds) of 1977 Session Laws Chapter 802 is repealed.

—TRAVEL ALLOWANCE FOR STATE EMPLOYEES

Sec. 38. To increase the travel allowance per mile for State employees there is appropriated in Section 2 of this act seven hundred thousand dollars (\$700,000) from the General Fund, and in Section 3 of this act fifty thousand dollars (\$50,000) from the Highway Fund. These funds may be transferred to travel subheads based upon need as determined by the Director of the Budget.

Sec. 38.1. G.S. 138-6(a)(1), as it appears in the 1977 Cumulative Supplement to Volume 3C of the General Statutes, is amended by deleting the words and figures "fifteen cents (15¢) " and inserting in lieu thereof the words and figures "seventeen cents (17¢)".

—EXPENSE ALLOWANCE/GOVERNOR

Sec. 39. G.S. 147-11, as it appears in 1974 Replacement Volume 3C of the General Statutes, is amended by deleting in the second sentence the words and figures "five thousand dollars (\$5,000)" and inserting in lieu thereof the words and figures "ten thousand dollars (\$10,000)".

—EXPENSE ALLOWANCE/LIEUTENANT GOVERNOR

Sec. 40. G.S. 147-33, as it appears in the 1977 Cumulative Supplement to Volume 3C of the General Statutes, is amended by deleting in the second sentence the words and figures "four thousand dollars (\$4,000)" and inserting in lieu thereof the words and figures "ten thousand dollars (\$10,000)".

PART XII.—SPECIAL PROVISIONS—APPROPRIATIONS ACT

—RETAIN 1977 APPROPRIATIONS LIMITATIONS AND DIRECTIONS

Sec. 41. Except where expressly repealed by this act, the provisions of 1977 Session Laws Chapter 681, and the provisions of 1977 Session Laws Chapter 802, shall remain in effect.

Sec. 42. Notwithstanding any modifications by this act in the amounts appropriated, except where expressly repealed, the limitations and directions in 1977 Session Laws Chapter 681 and Chapter 802 that applied to 1978-79 appropriations to particular agencies or for particular purposes shall apply to the newly enacted appropriations of this act to those same particular agencies and for those same particular purposes.

—EXECUTIVE BUDGET ACT REFERENCE

Sec. 43. The provisions of the Executive Budget Act, Chapter 143, Article 1, of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

—EFFECT OF MOST LIMITATIONS AND DIRECTIONS IN TEXT/ONLY 78-79

Sec. 44. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1978-79 fiscal year, the textual provisions of this act shall apply only to funds appropriated for, and activities occurring during, the 1978-79 fiscal year.

—SEVERABILITY CLAUSE

Sec. 45. If any section or provision of this act is declared unconstitutional or invalid by the courts, the decision of the court shall not affect the validity of the act as a whole or the validity of any part other than the part declared to be unconstitutional or invalid.

—CAPTIONS NOT LIMIT TEXT/ONLY FOR REFERENCE

Sec. 46. The series of captions used in this act (the descriptive phrases in all capital letters identified by parts numbered with Roman numerals or preceded by five hyphens) are inserted for convenience and reference only, and they in no way define, limit, or prescribe the scope or application of the text of the act.

—EFFECTIVE DATE

Sec. 47. This act shall become effective July 1, 1978.

In the General Assembly read three times and ratified, this the 14th day of June, 1978.