

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 1219
SENATE BILL 971

AN ACT TO MAKE SUPPLEMENTAL MODIFICATIONS TO CURRENT OPERATIONS 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:

—SUPPLEMENTAL MODIFICATIONS/1978-79 BUDGET

Section 1. This act provides the text to make supplemental modifications to current operations appropriations for North Carolina State Government for the fiscal year 1978-79, and it makes other changes in the budget operation of the State. The majority of the 1978 legislation on the 1978-79 State Budget is in the 1978-79 Operating and Capital Budget Bill enacted by 1977 Session Laws Chapter 1136.

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.

—CONTENTS/INDEX—

[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.]

—SUPPLEMENTAL MODIFICATIONS/1978-79 BUDGET

Section 1.

PART I.—SPECIAL PROVISIONS—AREA MENTAL HEALTH

—COMMUNITY MENTAL HEALTH CENTERS/INPATIENT SERVICES

Sec. 2.

—INPATIENT MENTAL HEALTH SERVICES/REPORT

Sec. 2.1.

PART II.—[deleted]

Sec. 3. [deleted]

PART III.—SPECIAL PROVISION—JUNIOR HIGH SCHOOLS

—TEACHER CONTACTS REDUCTIONS/GRADES 7, 8, AND 9

Sec. 4.

PART IV.—SPECIAL PROVISION—MEDICAL COST CONTAINMENT

—MEDICAID CLAIMS PROCESSING

Sec. 5.

—MEDICAID RULES/POWERS OF DEPARTMENT OF HUMAN RESOURCES

Sec. 6.

—

through

—

Sec. 28.

—MEDICAID SCHEDULES/COUNTY & STATE SHARES OF NON-FED COSTS

Sec. 29.

—AGED & FAMILY CARE/COUNTY & STATE SHARES OF COSTS

Sec. 29.1.

—COUNTY & STATE SHARES OF COSTS/REPORT

Sec. 30.

PART V.—SPECIAL PROVISIONS—VARIOUS GOVERNMENT SERVICES

—N.C. APPELLATE DIVISION REPORTS TO CRIME CONTROL DEPT.

Sec. 31.

—UTILITIES COMMISSION/TRANSCRIPT FEES

Sec. 32.

—SECRETARY OF STATE/OPTION TO USE CERTIFIED MAIL

Sec. 33.**Sec. 34.****Sec. 35.**

—EXTEND ISSUE TIME PERIOD/LOCAL GOVERNMENT BONDS

Sec. 36.

—BOARD OF EDUCATION/MAINTENANCE AND CUSTODIAL SALARIES

Sec. 37.

—STATE EMPLOYEE INCENTIVE PAY/ELIGIBILITY AND AWARD CHANGES

Sec. 38.

—D.O.T./LOANS AND GRANTS TO AIRPORTS NOT PUBLICLY OWNED

Sec. 39.**Sec. 39.1.****Sec. 39.2.**

—COMMUNITY COLLEGES/REPEAL UNDER ENROLLMENT FUND RECALL

Sec. 40.

—INDIGENT DEFENSE IN CAPITAL CASES/FUND LIMITATIONS

Sec. 41.

—N.C. SCHOOL OF SCIENCE & MATHEMATICS/BOARD OF TRUSTEES

Sec. 42.

—JUDICIAL DEPARTMENT/CHILD SUPPORT PROGRAM

Sec. 43.

—SPLITTING JUDICIAL DISTRICT 27/EFFECTIVE DATE

Sec. 43.1.**Sec. 43.2.****Sec. 43.3.**

—NAT. RESOURCES DEPT./FOREST DEVELOPMENT APPROPRIATION

Sec. 43.4.

—SICK PAY PROGRAM FOR STATE EMPLOYEES/STUDY

Sec. 43.5.

—AGRICULTURAL MEDICATIONS/EXEMPT FROM SALES TAX

Sec. 43.6.

—AUCTIONEERS COMMISSION/FEES

Sec. 43.7.

PART VI.—SPECIAL PROVISIONS—IMPROVE GOVERNMENT OPERATIONS

—EVALUATION OF NEW PROGRAMS

Sec. 44.

—BUDGETING FEDERAL FUNDS

Sec. 45.

—ADVISORY BOARDS/EXECUTIVE DEPARTMENT CREATION

Sec. 46.

—STATE-OWNED OFFICE SPACE/RENTAL

Sec. 47.

Sec. 48.

—STATE OFFICE BLDG. ALTERATION & RENOVATION/A.B.C. APPROVAL

Sec. 49.

—DATA PROCESSING/ANALYSIS BEFORE NEW EQUIPMENT

Sec. 50.

—RETIREMENT PAY IN ADDITION TO SALARY/STUDY

Sec. 51.**Sec. 52.**

—DOBBS & ARCHDALE BUILDINGS ALTERATIONS/REDUCE DEPT. BUDGETS

Sec. 53.**Sec. 54.**

—NEW OFFICE EQUIPMENT/ USE SURPLUS PROPERTY WHERE AVAILABLE

Sec. 55.

PART VII.—SPECIAL PROVISIONS—SUPPLEMENTAL ACT

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

Sec. 56.

—SEVERABILITY CLAUSE

Sec. 57.

—CAPTIONS NOT LIMIT TEXT/ONLY FOR REFERENCE

Sec. 58.

—EFFECTIVE DATE

Sec. 59.

PART I.—SPECIAL PROVISIONS—AREA MENTAL HEALTH

—COMMUNITY MENTAL HEALTH CENTERS/INPATIENT SERVICES

Sec. 2. Section 24 of the 1978-79 Operating and Capital Budget Bill (1977 Session Laws Chapter 1136) is rewritten to read as follows:

"Of the funds appropriated in Section 2 of this act, six million fifty thousand dollars (\$6,050,000) is to provide inpatient and other services delivered by area mental health programs. Of this amount, no more than three million nine thousand seven hundred eighty-two dollars (\$3,009,782) shall be used as grant-in-aid to support special inpatient services for 1978-79. The balance shall be used for area match as authorized by General Statutes.

The grant-in-aid support is for 1978-79, and it is the intent of the General Assembly for these additional funds of six million fifty thousand dollars (\$6,050,000) be continued after 1978-79 as area match for services delivered by area mental health programs."

—INPATIENT MENTAL HEALTH SERVICES/REPORT

Sec. 2.1. The Mental Health Study Commission shall review current programs and funding for inpatient mental health services. The commission shall recommend to the 1979 Session of the General Assembly a method of allocating State funds for inpatient services in area mental health programs.

PART II.—[deleted]

Sec. 3. [deleted]

PART III.—SPECIAL PROVISION—JUNIOR HIGH SCHOOLS

—TEACHER CONTACTS REDUCTION/GRADES 7, 8, AND 9

Sec. 4. The funds appropriated in Section 2 of the 1978-79 Operating and Capital Budget Bill (1977 Session Laws Chapter 1136) to the State Board of Education include five million six hundred eighty-five thousand five hundred sixty-three dollars (\$5,685,563) to provide insofar as possible for a reduction in class size in schools containing grades 7, 8, and 9, or any combination therein, which are departmentalized. School administrative units currently having schools so organized are eligible to participate. It is the intent of this legislation that the teacher contacts in the above schools shall be reduced by an average of six students

PART IV.—SPECIAL PROVISIONS—MEDICAL COST CONTAINMENT

—MEDICAID CLAIMS PROCESSING

Sec. 5. Section 4 of Chapter 123 of the 1975 Session Laws as amended by Section 1 of Chapter 537 of the 1977 Session Laws is amended by striking the words "and shall expire December 31, 1979".

—MEDICAID RULES/POWERS OF DEPARTMENT OF HUMAN RESOURCES

(G.S. citations refer to the 1978 Replacement Part I of G.S. Volume 3A and the 1978 Replacement to G.S. Volume 3C)

Sec. 6. G.S. 108-7 is amended by adding the following sentence at the end:

"Provided, however, county policies for the program of medical assistance shall be established in conformity with the rules and regulations of the Department of Human Resources."

Sec. 7. G.S. 108-15(5) is amended by adding after the word "Assembly" on line 1, a comma and the words "the Department of Human Resources".

Sec. 8. G.S. 108-19(3) is amended by deleting the period at the end and substituting the following: "under pertinent rules and regulations."

Sec. 9. G.S. 108-23 is amended by designating the current section as subsection (a), by deleting subdivision (4), and by adding the following subsection at the end:

"(b) The program of medical assistance is hereby established and shall be administered by the county departments of social services under rules and regulations adopted by the Department of Human Resources."

Sec. 10. G.S. 108-24(4) is amended by deleting the words "Social Services Commission" and substituting the words "Department of Human Resources".

Sec. 11. G.S. 108-27(a) and (b) are amended by: deleting the words "of the Social Services Commission" at the end of each subsection, and by inserting between the words "the" and "rules", on line 6 of subsection (a) and line 5 of subsection (b), the word "pertinent".

Sec. 12. G.S. 108-42(c) and (d) are amended by inserting after the words "Social Services Commission" the words "or the Department of Human Resources in the case of medical assistance".

Sec. 13. G.S. 108-43 is amended by deleting the period at the end of the first sentence and substituting the following: "or the Department of Human Resources in the case of medical assistance."

Sec. 14. G.S. 108-44(a) is amended by deleting the comma after the word "Commission" on line 6 and substituting the following: "or the Department of Human Resources,".

Sec. 15. G.S. 108-44(b) is amended by deleting the words "of the Social Services Commission" and inserting between the words "the" and "rules" on line 2, the word "pertinent".

Sec. 16. G.S. 108-44(d) is amended by deleting the period at the end of the first sentence and substituting the following: "or the Department of Human Resources."

Sec. 17. G.S. 108-44(e) is amended by deleting the period at the end of the third sentence and substituting the following: "or the Department of Human Resources."

Sec. 18. G.S. 108-44(f) is amended by inserting between the words "Commission" and "and" on line 9 a comma followed by the words "the Department of Human Resources".

Sec. 19. G.S. 108-45(a) is amended by deleting the period at the end and substituting the following: "or the Department of Human Resources."

Sec. 20. G.S. 108-50 is amended by deleting the comma after the word "Commission" on line 9 and substituting the following: "or the Department of Human Resources,".

Sec. 21. G.S. 108-54 is amended by deleting "Director of the Division of Social Services, as agent for the Department of Human Resources," on lines 9 and 10, and by deleting "Director of the Division of Social Services" on lines 15, 26, 32, and 33 and substituting in

each instance the words "Department of Human Resources". G.S. 108-54 is further amended by deleting the word "he" on line 27 and substituting the word "it".

Sec. 22. G.S. 108-54.1(b) is amended by deleting "Director of the Division of Social Services, as agent for the Department of Human Resources," and substituting the words "Department of Human Resources".

Sec. 23. G.S. 108-56(a) is amended by deleting the comma after the word "Commission" on line 4 and substituting the following: "or the Department of Human Resources,".

Sec. 24. G.S. 108-59 is amended by deleting the words "Social Services Commission" on lines 2 and 3 and substituting the words "Department of Human Resources".

Sec. 25. G.S. 108-60 is amended by deleting the words "Social Services Commission" on lines 2, 10, 11, and 13 and substituting in each instance the words "Department of Human Resources".

Sec. 26. G.S. 143B-153 is amended by adding at the end of the first paragraph the following:

"Provided, however, the Department of Human Resources shall have the power and duty to adopt rules and regulations to be followed in the conduct of the State's medical assistance program."

Sec. 27. G.S. 143B-153(2)a. is amended by deleting the semicolon at the end and substituting the following: "with the exception of the program of medical assistance established by G.S. 108-23(b);".

Sec. 28. All standards, rules, regulations, determinations, and decisions relating to medical assistance and the medical assistance program adopted before July 1, 1978, by the Social Services Commission and its predecessors shall remain in full force and effect unless and until repealed or superseded by action of the Department of Human Resources.

—MEDICAID SCHEDULES/COUNTY & STATE SHARES OF NON-FED. COSTS

Sec. 29. The second paragraph of Section 23 of the 1978-79 fiscal year Operating and Capital Budget Bill (1977 Session Laws Chapter 1136) is rewritten to read as follows:

"The State shall pay eighty-five percent (85%) and the counties shall pay fifteen percent (15%) of the non-federal costs of all applicable services listed in this section, except as otherwise provided below. The same eighty-five percent(85%) State and fifteen percent (15%) county participation shall be used for any prepaid premium if Medicaid services and related administrative costs are paid for by a health-insuring contractor.

The State shall pay sixty-five percent (65%) and the counties shall pay thirty-five percent (35%) of the non-federal costs of those Skilled Nursing Facilities and Intermediate Care Facilities services which are not owned by the State.

The eighty-five percent (85%) State and fifteen percent (15%) county participation shall remain in effect for all Intermediate Care Facilities for the Mentally Retarded."

—AGED & FAMILY CARE/COUNTY & STATE SHARES OF COSTS

Sec. 29.1. The State shall pay seventy percent (70%) and the counties shall pay thirty percent (30%) of the cost of Home for the Aged, and the cost of Family Care Home Services.

—COUNTY & STATE SHARES OF COSTS/REPORT

Sec. 30. The Department shall submit a preliminary report to the 1979 Session of the General Assembly and a full report to the 1980 and 1981 Sessions of the General Assembly evaluating the effect of the change in participation rate between the State and the counties in the provision of Skilled Nursing Services, Intermediate Care Services, Home for the Aged, and Family Care Home Services. This report shall detail changes in the utilization of the various facilities and cost savings, if any, to the State as a result of the change in participation rates.

PART V.—SPECIAL PROVISIONS—VARIOUS GOVERNMENT SERVICES

—N.C. APPELLATE DIVISION REPORTS TO CRIME CONTROL DEPT.

Sec. 31. G.S. 7A-343.1, as it appears in the 1977 Cumulative Supplement to Volume 1B of the General Statutes, is amended by adding immediately before "State Library" in the distribution schedule, the following:

"Crime Control and Public Safety, Department of 2".

—UTILITIES COMMISSION/TRANSCRIPT FEES

Sec. 32. G.S. 62-300(9), as it appears in the 1977 Cumulative Supplement to Volume 2B of the General Statutes, is amended at the beginning of the subsection by changing "one dollar (\$1.00)" to "fifty cents (\$.50)".

—SECRETARY OF STATE/OPTION TO USE CERTIFIED MAIL

Sec. 33. G.S. 55-15(b) is amended by inserting in line 10 the words "or certified" after the word "registered" and before the word "mail".

Sec. 34. G.S. 55-146 is amended as follows:

(a) by inserting in line 7 of subdivision (a) the words "or certified" after the word "registered" and before the word "mail".

(b) by inserting in lines 2 and 3 of subdivision (b) the words "or certified" after the word "registered" and before the word "mail".

(c) by inserting in lines 3 and 6 of subdivision (c) the words "or certified" after the word "registered" and before the word "mail".

(d) by inserting in lines 3, 6, 8, 10 and 11 of subdivision (d) the words "or certified" after the word "registered" and before the word "mail".

Sec. 35. G.S. 55A-13(b) is amended by inserting in line 10 the words "or certified" after the word "registered" and before the word "mail".

—EXTEND ISSUE TIME PERIOD/LOCAL GOVERNMENT BONDS

Sec. 36. G.S. 159-64, as it appears in 1976 Replacement Volume 3D of the General Statutes, is amended by inserting immediately before the last sentence of the first paragraph, the following:

"When the issuance of bonds under any bond order, to finance public improvements in an area to be annexed, is prevented or prohibited by reason of litigation respecting the annexation and the Local Government Commission shall certify to such effect, the period of time within which bonds may be issued under the bond order shall be extended by the length of time elapsing between the date of institution of the litigation and the date of its final disposition."

—BOARD OF EDUCATION/MAINTENANCE & CUSTODIAL SALARIES

Sec. 37. From funds appropriated to the Department of Public Education during the 1978-79 fiscal year, four hundred sixty thousand five hundred eighty-eight dollars (\$460,588) is to be allotted by the State Board of Education to school administrative units for salaries of leadership positions for maintenance and custodial operations of the public schools.

—STATE EMPLOYEE INCENTIVE PAY/ELIGIBILITY AND AWARD CHANGES

Sec. 38. Chapter 1031 of the 1977 Session Laws (as it appears on pages 1339 through 1341 of the Session Laws of North Carolina, 1977 General Assembly, First Session 1977) is amended on page 1339 by rewriting lines 18 through 20 of Section 1, to read as follows:

"the State Auditor, any unit of State Government (a) having an identifiable self-contained budget, or (b) having its financial records maintained according to an accounting system which identifies to the satisfaction of the State Auditor the expenditures and receipts properly attributable to that unit, may make application to the Committee for selection as a candidate for the award of incentive pay to its employees. Such applications".

Chapter 1031 is further amended on page 1341 by rewriting lines 20 through 23 of the page, to read as follows:

"the 1978-79 fiscal year shall receive only a pro rata share based on the fraction of the year worked for that unit. Funds for this incentive pay shall be drawn from the unit's ending balance for the 1978-79 fiscal year."

—D.O.T./LOANS & GRANTS TO AIRPORTS NOT PUBLICLY OWNED

Sec. 39. G.S. 113-28.5(a), as it appears in 1978 Replacement Part II to G.S. Volume 3A, is amended by inserting the words "or controlled" between the word "owned" and the word "airport" in line five.

Sec. 39.1. G.S. 113-28.7, as it appears in 1978 Replacement Part II to G.S. Volume 3A, is amended by substituting the word "or" for the word "and" between the word "owned" and the word "controlled" in line four.

Sec. 39.2. G.S. 113-28.8(1) is rewritten to read as follows:

- "(1) Loans and grants may be for such projects, activities, or facilities as would in general be eligible for approval by the Federal Aviation Administration or its successor agency or agencies with the exception that the requirement that the airport be publicly owned shall not be applicable. Further, airport terminal and security areas, seaplane bases, and heliports are also eligible for State financial aid."

—COMMUNITY COLLEGES/REPEAL UNDERENROLLMENT FUND RECALL

Sec. 40. Section 35.10 of 1977 Session Laws, Chapter 802, is repealed.

—INDIGENT DEFENSE IN CAPITAL CASES/FUND LIMITATIONS

Sec. 41. The funds appropriated in the amount of five hundred thousand dollars (\$500,000) in Section 2 of the 1978-79 fiscal year Operating and Capital Budget Bill (1977 Session Laws Chapter 1136) to the Judicial Department to provide a second attorney as legal counsel for indigent defendants charged with capital crimes shall be used only when a case is actually tried as a capital case. Any of these funds not required for this purpose shall revert to the General Fund.

—N.C. SCHOOL OF SCIENCE & MATHEMATICS/BOARD OF TRUSTEES

Sec. 42. The sum of one hundred fifty thousand dollars (\$150,000) which is appropriated to the Department of Public Education for the North Carolina School of Science and Mathematics in Section 2 of the 1978-79 fiscal year Operating and Capital Budget Bill (1977 Session Laws Chapter 1136) shall be used to establish the North Carolina School of Science and Mathematics which shall operate under the general auspices of the State Board of Education, but which shall be governed by the following new Article which is inserted in Chapter 115 of the General Statutes:

"ARTICLE 38E.

"North Carolina School of Science and Mathematics.

"§ 115-315.30. **Establishment of North Carolina School of Science and Mathematics.** — The North Carolina School of Science and Mathematics is established to be governed by a board of trustees described in this Article.

"§ 115-315.31. **Board of Trustees; appointment; terms of office.** — (a) The Board of Trustees of the North Carolina School of Science and Mathematics consists of the following members:

- (1) Five ex officio nonvoting members: the Chairman of the State Board of Education; the Superintendent of Public Instruction; the President of the Community College System; the President of the Association of Independent Colleges and Universities; and one member of the Board of Governors of The University of North Carolina designated by the Chairman of that Board.
- (2) Two members appointed by the Superintendent of Public Instruction: a science teacher; and a mathematics teacher; both of whom are from within the State.
- (3) Two members appointed by the Lieutenant Governor: a member of the Senate; and a superintendent of a local school system.
- (4) Two members appointed by the Speaker of the House of Representatives: a member of the House; and a principal of a local school system.

- (5) Fifteen members appointed by the Governor, at least 12 of whom shall be scientists and mathematicians. One of these scientists or mathematicians shall be designated by the Governor as Chairman of the Board of Trustees.

(b) The terms of the appointments of the Lieutenant Governor and of the Speaker of the House shall coincide with the terms of the particular appointing officer. The two initial appointments of the Superintendent of Public Instruction shall be for terms of four years. Five of the initial appointments of the Governor shall be for terms of two years; five shall be for terms of four years; and five shall be for terms of six years. With the exception of the appointments of the Lieutenant Governor and Speaker of the House, at the expiration of the terms of the initial appointees, their successors shall be appointed for terms of six years, beginning July 1 in the year of the respective appointments.

(c) Vacancies in appointive terms shall be filled for the unexpired portion of the terms by appointment of the officer who appointed the person causing each vacancy.

"§ 115-315.32. Budget; preparation; submission. — The Board of Trustees, assisted by administrative staff, shall prepare budgets for the School and shall submit these budgets directly to the Governor."

—JUDICIAL DEPARTMENT/CHILD SUPPORT PROGRAM

Sec. 43. Section 50.51 (Child Support Programs /Funds) of 1977 Session Laws Chapter 802 is amended in the first line by deleting the words "is directed to" and substituting the word "may" in lieu thereof, and is further amended in the fourth line by deleting the words "is directed to" and substituting the word "may" in lieu thereof.

—SPLITTING JUDICIAL DISTRICT 27/EFFECTIVE DATE

Sec. 43.1. Section 2 of Session Laws 1977, Chapter 1130 is amended by substituting the date "July 1, 1978," in place of the date, "January 1, 1979."

Sec. 43.2. Section 5 of Session Laws 1977, Chapter 1130 is amended by substituting the date "July 1, 1978," in place of the date, "January 1, 1979."

Sec. 43.3. Section 6 of Session Laws 1977, Chapter 1130 is amended by substituting the date, "July 1, 1978," in place of the date, "January 1, 1979."

—NAT. RESOURCES DEPT./FOREST DEVELOPMENT APPROPRIATION

Sec. 43.4. Of the funds appropriated in Section 2 of the 1978-79 fiscal year Operating and Capital Budget Bill (1977 Session Laws, Chapter 1136) to the Department of Natural Resources and Community Development for transfer to budget code 26725—Forest Development Fund, one hundred thousand dollars (\$100,000) is designated specifically for the purchase of equipment.

—SICK PAY PROGRAM FOR STATE EMPLOYEES/STUDY

Sec. 43.5. The Director of the Budget is authorized to utilize existing appropriations in 1978-79, not to exceed five thousand dollars (\$5,000), to investigate the effects of establishing an official "sick pay" program for North Carolina State Government employees. The investigation should consider the establishment of a "sick pay" policy whereby an employee's sick pay would be distinguished from wages and not subject to Social Security payments. The Director of the Budget shall also investigate the possibilities of the State paying the State employees' share of Social Security payments. The Director of the Budget shall report the findings to the 1979 General Assembly.

—AGRICULTURAL MEDICATIONS/EXEMPT FROM SALES TAX

Sec. 43.6. G.S. 105-164.13(2) is rewritten to read as follows:

- "(2) Seeds; remedies, vaccines, medications, and feeds for livestock and poultry; rodenticides, insecticides, herbicides, fungicides, and pesticides for livestock, poultry, and agriculture; defoliants for use on cotton or other crops; plant growth inhibitors, regulators, or stimulators for agriculture including systemic and contact or other sucker control agents for tobacco and other crops."

—AUCTIONEERS COMMISSION/FEEES

Sec. 43.7. G.S. 85B-6, as it appears in the 1977 Cumulative Supplement to G.S. Volume 2C, is amended by deleting the words "the following fees"(which follow the words "State Treasurer") and inserting in lieu thereof: "fees in an amount not to exceed the following:" in the first sentence of the first paragraph.

PART VI.—SPECIAL PROVISIONS—IMPROVE GOVERNMENT OPERATIONS

—EVALUATION OF NEW PROGRAMS

Sec. 44. G.S. 143A-17 is rewritten to read as follows:

"§ 143A-17. Plans and reports. — Each principal department shall submit an annual plan of work to the Governor and the Advisory Budget Commission prior to the beginning of each fiscal year. Each department which plans to include in its budget request for the ensuing fiscal period a request for (i) the establishment of a new program regardless of the source of the supporting funds, or (ii) the State funding of a program which was previously supported from non-state sources, shall provide in its annual plan of work measurement criteria for the determination of the success or failure of each such program requested. Each principal department shall submit an annual report covering programs and activities to the Governor and Advisory Budget Commission at the end of each fiscal year. These plans of work and annual reports shall be made available to the General Assembly. These documents will serve as the base for the development of budgets for each principal department of the State government to be submitted to the Governor, Advisory Budget Commission, and to the Appropriations Committees of the General Assembly for consideration and approval."

—BUDGETING FEDERAL FUNDS

Sec. 45. A new G.S. 143-16.1 is added to G.S. Chapter 143, to read as follows:

"§ 143-16.1. Federal funds. — All federal funds shall be expended and reported in accordance with provisions of the Executive Budget Act. Proposed budgets recommended to the General Assembly by the Governor and Advisory Budget Commission shall include all appropriate information concerning the federal expenditures in State agencies, departments and institutions."

—ADVISORY BOARDS/EXECUTIVE DEPARTMENT CREATION

Sec. 46. G.S. 143B-10(d) is rewritten to read as follows:

"(d)` The head of each principal department may create and appoint committees or councils to consult with and advise the department. Except as required by State or federal law, such committees or councils shall consist of no more than 10 members unless the approval of the Advisory Budget Commission is obtained to exceed that number. The members of any committee or council created by the head of a principal department shall serve at the pleasure of the head of the principal department and may be paid per diem and necessary travel and subsistence expenses within the limits of appropriations and in accordance with the provisions of G.S. 138-5, when approved in advance by the Advisory Budget Commission. Per diem, travel, and subsistence payments to members of the committees or councils created in connection with federal programs shall be paid from federal funds unless otherwise provided by law.

An annual report listing these committees or councils, the total membership on each, the cost in the last 12 months and the source of funding, and the title of the person who made the appointments shall be made to the Advisory Budget Commission and the Joint Legislative Commission on Governmental Operations by March 31 of each year."

—STATE-OWNED OFFICE SPACE/RENTAL

Sec. 47. Section 15.5 of 1977 Session Laws, Chapter 802 is repealed.

Sec. 48. A new G.S. 143-342.1 is added to the G.S. Chapter 143, Article 36, sections concerning the Department of Administration, to read as follows:

"§ 143-342.1. State-owned office space; fees for use by self-supporting agencies. — The Department shall determine equitable fees for the use of State-owned and -operated office

space, and it shall assess all self-supporting agencies using any of this office space for payment of these fees. For the purposes of this section, self-supporting agencies are those agencies designated by the Advisory Budget Commission as being primarily funded from sources other than State appropriations. Fees assessed under this section shall be paid to the Department.

—STATE OFFICE BLDG. ALTERATION & RENOVATION/A.B.C. APPROVAL.

Sec. 49. The expenditure of any funds available to and under the use and control of any of the several State agencies, departments, institutions, boards, or commissions for the purpose of alterations and renovations of any office buildings owned or occupied by the State shall require prior approval of the Advisory Budget Commission; however, in implementing this section the Advisory Budget Commission may promulgate rules and policies regarding any delegations of such approval, any minimum or maximum total project cost requiring the Commission's approval, and the applicability of such approval by the Commission on capital renovations and alterations funded out of any capital improvement funds.

—DATA PROCESSING/ANALYSIS BEFORE NEW EQUIPMENT

Sec. 50. Before a request for appropriations for additional data processing equipment, services, or systems reaches the General Assembly, an analysis of the request shall have been completed which shows that the equipment, services, or system to be funded is the most efficient alternative in keeping with an overall State plan for data processing. This analysis shall be conducted by qualified personnel independent of the requesting agency or department, and shall be provided to the Advisory Budget Commission and the Appropriations Committees of the General Assembly.

—RETIREMENT PAY IN ADDITION TO SALARY/STUDY

Sec. 51. A special study commission is established to examine the situation of retirees returning to work in government jobs and drawing both retirement benefits and salaries (or consultant income). The membership of the commission shall be: three Senators appointed by the President of the Senate, three Representatives appointed by the Speaker of the House, the two legislative members of the Board of Trustees of the Teachers' and State Employees' Retirement System, the Director of the Teachers' and State Employees' Retirement System, the Director of the Law Enforcement Officers' Retirement System, the State Treasurer, the State Auditor, and the Director of the State Personnel Commission (13 members). The first meeting of the commission shall be called by the legislative members of the Teachers' and State Employees' Retirement System, and the chairman of the commission shall be elected by the membership. Members of the commission shall be reimbursed for commission-related expenses under G.S. 138-6 and G.S. 120-3.1. The commission shall report to the 1979 General Assembly, by February 15, 1979. Within the limits of funds appropriated in Section 52 of this act, the commission shall have authority to employ part-time clerical staff and to contract for professional consultants from the Institute of Government of the University of North Carolina at Chapel Hill or from other sources.

Sec. 52. Ten thousand dollars (\$10,000) is appropriated from the General Fund to the General Assembly to be administered by the Legislative Services Office for the 1978-79 fiscal year to cover the reasonable expenses of the commission created in Section 51 of this act.

—DOBBS & ARCHDALE BUILDINGS ALTERATIONS/REDUCE DEPT. BUDGETS

Sec. 53. The 1978-79 operating budget appropriations made in Section 2 of the 1978-79 fiscal year Operating and Capital Budget Bill (1977 Session Laws Chapter 1136) are reduced according to the following schedule:

Department of Commerce, deduct	\$11,265
Department of Insurance, deduct	1,027
Department of Natural Resources and Community Development, deduct	<u>3,758</u>
	\$16,050

These amounts reflect the cost of repairs and alterations made to the Dobbs and Archdale Buildings for the particular State department.

Sec. 54. The budget of the Wildlife Resources Commission is reduced by five hundred sixty-eight dollars (\$568.00), which represents the cost of new building repairs and alterations for the commission, and the amount of the reduction shall be placed in the fund balance of the Wildlife Resources Fund.

—NEW OFFICE EQUIPMENT/USE SURPLUS PROPERTY WHERE AVAILABLE

Sec. 55. Section 15.10 of 1977 Session Laws Chapter 802 is amended in the last sentence by substituting "60 days" for "30 days".

PART VII.—SPECIAL PROVISIONS—SUPPLEMENTAL ACT

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

Sec. 56. 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. 57. 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. 58. 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. 59. This act shall become effective July 1, 1978.

In the General Assembly read three times and ratified, this the 16th day of June, 1978.