

NORTH CAROLINA GENERAL ASSEMBLY
1981 SESSION

CHAPTER 1282
HOUSE BILL 61

AN ACT TO MODIFY CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS FOR NORTH CAROLINA STATE GOVERNMENT FOR THE FISCAL YEAR 1982-83, AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

The General Assembly of North Carolina enacts:

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 are not required to perform these services and accomplish these purposes and, except as allowed by the Executive Budget Act or this act, the savings shall revert 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.

—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.)

PART I.—CURRENT OPERATIONS/GENERAL FUND

Sec. 2.

PART II.—CURRENT OPERATIONS/HIGHWAY FUND

Sec. 3.

PART III.—CAPITAL IMPROVEMENTS/GENERAL FUND

Sec. 4.

PART IV.—CAPITAL IMPROVEMENTS/ HIGHWAY FUND

Sec. 5.

PART V.—APPROPRIATION OF FEDERAL BLOCK GRANT FUNDS

Sec. 6.

PART VI.—SALARY AND FRINGE BENEFITS

—MERIT SALARY INCREMENTS FROZEN/FIVE PERCENT COST-OF-LIVING
INCREASE CONTINUE

Sec. 7.

Sec. 7.1.

Sec. 7.2.

—ONE-TIME PER CAPITA PAYMENTS TO EMPLOYEES

Sec. 7.3.

—ELIMINATION OF VACANT POSITIONS

Sec. 7.4.

—TAX SHELTER FOR TEACHERS AND STATE EMPLOYEES

Sec. 8.

—TAX SHELTER FOR LOCAL GOVERNMENT EMPLOYEES

Sec. 9.

- INTENT TO CAUSE A TAX SHELTERING OF EMPLOYEE RETIREMENT CONTRIBUTIONS FOR LAW ENFORCEMENT OFFICERS, JUDGES, DISTRICT ATTORNEYS AND CLERKS OF SUPERIOR COURT
 - Sec. 10.
- ADDITIONAL COST-OF-LIVING ALLOWANCE IN TEACHERS' AND STATE EMPLOYEE RETIREMENT SYSTEM
 - Sec. 11.
- SALARY-RELATED CONTRIBUTIONS/EMPLOYERS
 - Sec. 12.
- PRIOR SERVICE CREDIT FOR TEMPORARY EMPLOYMENT
 - Sec. 13.
- AUTHORIZATION FOR PAYROLL DEDUCTION FOR THE STATE EMPLOYEES COMBINED CAMPAIGN
 - Sec. 14.
- AUTHORIZATION FOR PAYROLL DEDUCTION FOR CHARITIES APPROVED BY LOCAL BOARDS OF EDUCATION OR COMMUNITY COLLEGES
 - Sec. 15.
- LEAVE FOR INCLEMENT WEATHER
 - Sec. 15.1.
- PART VII.—HUMAN RESOURCES
 - MEDICAID
 - Sec. 16.
 - NONMEDICAID MEDICAL SERVICES /STATE PROGRAMS
 - Sec. 17.
 - COUNTY MEDICAID RELIEF FUNDS
 - Sec. 18.
 - LIMITATION ON AFDC ELIGIBILITY
 - Sec. 19.
 - FUNDS FOR DEINSTITUTIONALIZATION
 - Sec. 20.
 - LIMITATION ON REST HOME BEDS
 - Sec. 20.1.
 - Sec. 20.2.
 - Sec. 20.2A.
 - Sec. 20.2B.
 - Sec. 20.2C.
 - Sec. 20.2D.
 - RECLASSIFICATION OF REST HOME RESIDENTS
 - Sec. 20.3.
 - COMMUNITY PROGRAMS/DEVELOPMENTALLY DISABLED
 - Sec. 21.
 - LIMITATION ON TRANSFER OF ABORTION FUNDS
 - Sec. 21.1.
 - OFFICE OF STATE PERSONNEL STUDY OF EQUAL TREATMENT FOR ALL TEACHERS
 - Sec. 22.
 - Sec. 23.
 - PROCEEDS FROM SALE OF REAL PROPERTY, JOHN UMSTEAD HOSPITAL
 - Sec. 24.
 - FUNDS FOR MEMBERS OF THE CLASS IDENTIFIED IN WILLIE M. et. al. vs. HUNT, et. al.

Sec. 25.

Sec. 26.

—FUNDING FOR COMMISSION ON CHILDREN WITH SPECIAL NEEDS WITHIN BUDGET OF GENERAL ASSEMBLY

Sec. 28.

PART VIII.—EDUCATION

—DELETE REPORTING REQUIREMENT ON FUNDS FOR EXCEPTIONAL CHILDREN

Sec. 29.

—UPDATE OBSOLETE REFERENCE TO DEPARTMENT OF CORRECTION SCHOOLS

Sec. 30.

—TRANSPORTATION OF EXCEPTIONAL CHILDREN

Sec. 31.

—AVAILABILITY OF RECORDS FOR SPECIAL EDUCATION COST STUDY

Sec. 32.

—TEACHER EVALUATION

Sec. 32.1.

—SALARY SCHEDULE/SCHOOL TRANSPORTATION SUPERVISORS

Sec. 33.

—DEVELOPMENTAL DAY CENTER RATES

Sec. 34.

—STAFF DEVELOPMENT REDUCTION FOR PUBLIC SCHOOLS

Sec. 35.

—MODIFY FUNDING LEVEL FOR ADULT BASIC EDUCATION PROGRAMS

Sec. 36.

—HEARING IMPAIRED FUNDS TO COMMUNITY COLLEGES

Sec. 37.

—LONGEVITY PAYMENTS/ UNIVERSITY PERSONNEL

Sec. 38.

PART IX.—CULTURAL RESOURCES

—FUNDS FOR AMERICA'S 400th ANNIVERSARY

Sec. 39.

—ALLOCATION TO ROANOKE ISLAND HISTORICAL ASSOCIATION, INCORPORATED

Sec. 40.

—SYMPHONY SPECIAL RESERVE ACCOUNT

Sec. 41.

PART X.—INSURANCE

—TRAVEL MONEY FOR FIRE AND RESCUE DIVISION

Sec. 42.

—CONTINGENCY AND EMERGENCY RESERVE FOR DEPARTMENT OF INSURANCE

Sec. 43.

—LIGHTNING ROD AGENT PRIVILEGE TAX REPEALED

Sec. 44.

PART XI.—GENERAL ASSEMBLY

—PERSONNEL SERVICE CREDIT FOR FORMER LEGISLATIVE EMPLOYEES

Sec. 46.

—PRINTING OF RESOLUTIONS AND JOURNALS OF 1982 EXTRA SESSIONS

Sec. 47.

PART XII.—NATURAL RESOURCES AND COMMUNITY DEVELOPMENT

—EXTENSION OF MARINE FISHERIES STUDY COMMISSION

- Sec. 48.
- RESERVE FOR STATE ECONOMIC OPPORTUNITY DIVISION
 - Sec. 49.
- TRANSFER OF FUNDS TO THE WILDLIFE RESOURCES COMMISSION
 - Sec. 50.
- PART XIII.—JUSTICE**
 - CONSENT JUDGMENTS
 - Sec. 51.
 - PERMIT SBI TO DISPOSE OF SURPLUS WEAPONS
 - Sec. 52.
- PART XIV.—GOVERNOR**
 - RESERVE FOR ELECTRONIC DATA PROCESSING
 - Sec. 53.
 - DATE OF CLEAN WATER BOND REFERENDUM
 - Sec. 54.
- PART XV.—ADMINISTRATION**
 - REPAIRS, RENOVATIONS, RETROFIT, ASBESTOS CONTROL AND ARCHITECTURAL BARRIER REMOVAL PROJECTS – STATEWIDE FUND
 - Sec. 55.
 - PROJECT RESERVE FUNDS MODIFICATION
 - Sec. 56.
 - METHODIST HOME FUNDS TO REVERT
 - Sec. 57.
 - USE OF MOUNTAIN EXPERIENCE CENTER FUNDS
 - Sec. 58.
 - LICENSE TAGS ON STATE-OWNED CARS
 - Sec. 59.
 - Sec. 60.
 - Sec. 61.
 - PERMANENT ASSIGNMENT OF STATE-OWNED CARS AND STATE COMMUTING POLICY
 - Sec. 62.
 - COMPENSATION FOR GOVERNORS' SPOUSES
 - Sec. 63.
- PART XVI.—TRANSPORTATION**
 - RESURFACED ROADS MAY BE WIDENED
 - Sec. 64.
- PART XVII.—GENERAL GOVERNMENT**
 - STATE TREASURER TO REPORT ON INVESTMENTS
 - Sec. 65.
 - OVERREALIZED AGENCY RECEIPTS
 - Sec. 66.
 - BUDGETING OF PILOT PROGRAMS
 - Sec. 67.
 - Sec. 68.
 - PROPERTY TAX ASSISTANCE
 - Sec. 69.
 - Sec. 70.
 - HOMESTEAD EXEMPTION REIMBURSEMENT
 - Sec. 70.1.
 - REVERSION OF AIRCRAFT FUNDS

Sec. 71.

PART XVIII.—JUDICIAL BRANCH

Sec. 71.1.

Sec. 71.2.

—PUBLIC DEFENDER FOR 15B

Sec. 72.

Sec. 73.

Sec. 74.

Sec. 75.

Sec. 76.

PART XIX.—SPECIAL PROVISIONS /APPROPRIATIONS ACT

—EXECUTIVE BUDGET ACT REFERENCE

Sec. 77.

—EFFECT OF MOST LIMITATIONS AND DIRECTIONS IN TEXT/ONLY – 1982-83

Sec. 78.

—RETAIN APPROPRIATIONS LIMITATIONS AND DIRECTIONS

Sec. 79.

Sec. 80.

—SEVERABILITY CLAUSE

Sec. 81.

—GENERAL REPEALER

Sec. 82.

—EFFECTIVE DATE

Sec. 83.

PART I.—CURRENT OPERATIONS/GENERAL FUND

Sec. 2. The items and amounts appropriated from the General Fund for the 1982-83 fiscal year in the 1982-83 column of the schedule in Section 2 of Chapter 859 of the 1981 Session Laws are repealed, and appropriations from the General Fund for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated are made for the fiscal year ending June 30, 1983, according to the following schedule:

<u>Current Operations – General Fund</u>	<u>1982-83</u>
General Assembly	\$ 10,489,682
Judicial Department	87,123,849
Department of The Governor	
01. Office of The Governor	1,505,407
02. Office of Citizens Affairs	710,407
03. Office of State Budget and Management	2,886,472
Total Department of The Governor	5,102,286
Lieutenant Governor's Office	304,474
Department of Secretary of State	787,317
Department of State Auditor	8,014,905
Department of State Treasurer	
01. Operations	1,560,926
02. Retiree Benefits	15,736,900
03. Law Enforcement Officers' Retirement-Local's Share	6,795,900
04. Temporary Retirement Credit Purchases	100,000
Total Department of State	

Treasurer	24,193,726
Department of Public Education	
01. Program Administration and Support	16,453,521
02. Fiscal Administration and Support	1,422,282,249
Total Department of Public Education	1,438,735,770
Department of Community Colleges	193,502,513
Department of Justice	25,067,795
Department of Agriculture	21,559,941
Department of Labor	4,493,932
Department of Insurance	4,010,663
Department of Administration	33,520,933
Reserve for Microelectronics	
Center of North Carolina	21,482,000
Department of Transportation	
01. Public Transportation	1,340,000
02. Aeronautics	3,616,571
03. Aid to Railroads	100,000
Total Department of Transportation	5,056,571
Department of Natural Resources and Community Development	38,023,600
Department of Human Resources	
01. Alcoholic Rehabilitation Center – Black Mountain	2,330,702
02. Alcoholic Rehabilitation Center – Butner	1,723,832
03. Alcoholic Rehabilitation Center – Greenville	1,509,128
04. N.C. Special Care Center	2,795,799
05. DHR – Administration and Support Program	13,373,152
06. N.C. School for the Deaf	5,828,715
07. Eastern N.C. School for the Deaf	3,687,216
08. Central N.C. School for the Deaf	2,216,979
09. Governor Morehead School	3,596,982
10. Division of Health Services	49,605,209
11. Lenox Baker Hospital	389,055
12. McCain Hospital	3,136,334
13. Social Services	63,733,294
14. Medical Assistance	171,022,246
15. Social Services – State Aid to Non-State Agencies	3,823,750
16. Division of Services for the Blind	4,481,393
17. Division of Mental Health and Mental Retardation Services	64,677,847

18. Wright School	911,610
19. Dorothea Dix Hospital	23,565,281
20. Broughton Hospital	22,205,728
21. Cherry Hospital	20,483,315
22. John Umstead Hospital	21,984,700
23. Western Carolina Center	1,272,099
24. O'Berry Center	1,549,136
25. Murdoch Center	17,382,876
26. Caswell Center	10,916,842
27. Division of Facility Services	7,510,975
28. Division of Vocational Rehabilitation Services	14,961,125
29. Division of Youth Services	22,932,400
Total Department of Human Resources	563,607,720
Department of Correction	163,320,634
Department of Commerce	16,304,082
Department of Revenue	26,778,510
Department of Cultural Resources	20,541,725
Department of Crime Control and Public Safety	8,251,713
University of North Carolina – Board of Governors	
01. General Administration	7,451,791
02. University Operations – Lump Sum	43,784,363
a. Agricultural Programs	500,000
03. Related Educational Programs	26,858,898
04. Center for Alcoholic Studies	175,000
05. University of North Carolina at Chapel Hill	
a. Academic Affairs	70,581,871
b. Division of Health Affairs	48,639,799
c. Area Health Education Centers	18,216,991
06. North Carolina State University at Raleigh	
a. Academic Affairs	72,594,620
b. Agricultural Research Service	19,535,517
c. Agricultural Extension Service	14,969,173
07. University of North Carolina at Greensboro	27,237,105
08. University of North Carolina at Charlotte	21,743,879
09. University of North Carolina at Asheville	5,092,628
10. University of North Carolina at Wilmington	11,615,921
11. East Carolina University	50,126,264
12. North Carolina Agricultural and Technical State University	18,282,160

13. Western Carolina University	17,519,963
14. Appalachian State University	25,319,711
15. Pembroke State University	6,617,705
16. Winston-Salem State University	7,681,759
17. Elizabeth City State University	6,347,448
18. Fayetteville State University	7,077,492
19. North Carolina Central University	15,040,235
20. North Carolina School of the Arts	4,261,504
21. North Carolina Memorial Hospital	23,478,814
Total University of North Carolina	570,750,611
State Board of Elections	212,023
Contingency and Emergency Reserve for Legislative	1,255,000
Cost-of-Living Increase	126,262,445
Reserve for Salary Adjustments	1,896,882
Reserve for Ninth Salary Step	6,114,430
Reserve for Retirees' Formula Change	1,653,000
Reserve for Cost-of-Living Adjustment for Retirees	4,376,300
Reserve for Law Enforcement Officers' Retirement	154,470
Reserve for Travel	2,000,000
Reserve for Hospital-Medical Benefits	30,100,000
Reserve for Electronic Data Processing	1,030,000
Reserve for Office Furniture and Equipment	500,000
Reserve for Unreduced Retirement Allowance	229,000
Reserve for "Willie M."	10,000,000
Debt Service – Interest	33,220,500
Debt Service – Redemption	41,800,000
GRAND TOTAL CURRENT OPERATIONS – GENERAL FUND	\$3,551,829,002

PART II.—CURRENT OPERATIONS/HIGHWAY FUND

Sec. 3. The amounts appropriated from the Highway Fund for the 1982-83 fiscal year in the 1982-83 column of the schedule in Section 3 of Chapter 859 of the 1981 Session Laws, 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, 1983, according to the following schedule:

<u>Current Operations – Highway Fund</u>	<u>1982-83</u>
Department of Transportation	
01. Administration	\$ 15,653,820
02. Highways	

a. Administration and Operations	19,809,974
b. State Construction	
(01) Primary Construction	1,500,000
(02) Secondary Construction	41,783,000
(03) Urban Construction	5,700,000
(04) Access and Public Service Roads	2,525,000
(05) Bridge Replacements	225,000
c. State Funds to Match	
Federal Highway Aid	
(01) Construction	14,190,732
(02) Planning Survey and Highway Planning Research	1,837,289
d. State Maintenance	
(01) Primary	58,488,515
(02) Secondary	107,678,127
(03) Urban	15,075,498
(04) Contract Resurfacing	71,014,244
e. Ferry Operations	10,114,459
f. State Aid to Municipalities	41,383,000
g. Fringe Benefits for Central Offices, Division of Motor Vehicles, and Equipment Unit	
(01) Merit Salary Increments	166,367
(02) Social Security	4,194,087
(03) Retirement	5,378,217
(04) Hospital/Medical Insurance	1,165,075
03. Division of Motor Vehicles	29,894,693
04. Governor's Highway Safety Program	114,431
05. Reserve for Cost-of-Living Adjustments for Retirees	371,900
06. Reserve for Unreduced Retirement Allowance	18,400
07. Salary Adjustments for Highway Fund Employees	200,000
08. Reserve for Retirees' Formula Change	140,800
09. Debt Service	39,166,500
10. Reserve to Correct Occupational Safety & Health Act Deficiencies	350,000
11. Reserve for Hospital/Medical Benefits	2,530,000
12. Reserve for Law enforcement Officers' Retirement	452,855
13. Reserve for Ninth Salary Step	1,265,000
14. Reserve for Legislative Cost-of-Living Salary Increase	4,242,465
15. Reserve for Law Enforcement	

Officers' Liability Insurance	37,000
16. Reserve for Law Enforcement	
Officers' Salary Adjustment	2,765,016
17. Appropriations for Other State Agencies	
01. Crime Control & Public Safety	45,708,993
02. Other Agencies	
a. Department of Agriculture	1,611,306
b. Department of Commerce	624,918
c. Department of Revenue	1,059,652
d. Department of Human Resources	244,992
e. Department of Correction	1,750,000
Contingencies and Emergency Fund	100,000
GRAND TOTAL CURRENT OPERATIONS – HIGHWAY FUND	\$ 550,531,325

PART III.—CAPITAL IMPROVEMENTS/GENERAL FUND

Sec. 4. The items and amounts appropriated for the 1982-83 fiscal year from the General Fund in the schedule in Section 4 of Chapter 860 of the 1981 Session Laws are reenacted, and additional 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</u>	<u>1982-83</u>
Crime Control and Public Safety (Total)	\$ 242,520
01. Planning and Design – Butner Fire Station	30,500
02. Parkton Armory	746,793
Less – Federal Funds	533,234
– Local Funds	103,684
General Fund	109,875
03. Roanoke Rapids Armory	710,550
Less – Federal Funds	509,363
– Local Funds	99,042
General Fund	102,145
Cultural Resources (Total)	\$ 1,421,800
01. Reserve for Commemorating America's 400th Anniversary	1,421,800
Human Resources (Total)	\$ 450,000
01. Life-Safety Code Improvements – O'Berry Center	450,000
Natural Resources and Community Development (Total)	\$ 400,000
01. Reserve for Civil Works	400,000
GRAND TOTAL – GENERAL FUND	\$ 2,514,320

PART IV.—CAPITAL IMPROVEMENTS/HIGHWAY FUND

Sec. 5. Appropriations are made from the Highway Fund for use of the Department of Transportation to provide for capital improvement projects according to the following schedule:

<u>Division of Highways</u>	<u>1982 – 83</u>
01. Equipment/Maintenance	
Complex – Charlotte	\$ 400,000
02. Security Fencing	400,000
03. Reserve for Ferry Maintenance Facility	1,200,000
04. Ferry Replacement	2,500,000
Division of Motor Vehicles	
01. Drivers License Offices	473,000
GRAND TOTAL – HIGHWAY FUND	\$ 4,973,000

PART V.—APPROPRIATION OF FEDERAL BLOCK GRANT FUNDS

Sec. 6. Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1983 according to the following schedule:

Department of Human Resources	
01. Division of Mental Health, Mental Retardation, and Substance Abuse Services – Alcohol and Drug Abuse and Mental Health Services Block Grant	\$ 12,296,248
02. Division of Health Services	
a. Maternal and Child Health Services Block Grant	\$ 10,933,493
b. Preventive Health and Health Services Block Grant	\$ 2,817,940
03. Division of Social Services	
a. Social Services Block Grant	\$ 62,188,467
b. Low Income Energy Assistance Block Grant	\$ 40,618,159
Total Department of Human Resources	\$ 128,854,307
Department of Natural Resources and Community Development	
01. Community Services Block Grant	\$ 7,419,781
02. Community Development Block Grant	\$ 46,374,000
Total Department of Natural Resources and Community Development	\$ 53,793,781
Department of Public Education	
01. Education Consolidation and Improvement	
Act Chapter II	\$ 11,053,882
Total Federal Block Grants	\$ 193,701,970

PART VI.—SALARY AND FRINGE BENEFITS

—MERIT SALARY INCREMENTS FROZEN/FIVE PERCENT COST-OF-LIVING INCREASE CONTINUED

Sec. 7. Notwithstanding the provisions of Section 19.1 of Chapter 1137 of the 1979 Session Laws as amended by Chapter 1053 of the 1981 Session Laws, G.S. 115C-12(9)a, G.S. 126-7, the rules of the Board of Community Colleges, the rules of the Board of Governors of The University of North Carolina, or any other provisions of rules or law, no funds appropriated by the General Assembly or any money, including foundation money, collected by or for any State departments, institutions, bureaus, boards, commissions,

persons, corporations or agencies under any general law of this State shall be expended for, and no State employee shall be eligible for or considered for or receive any performance salary increases, efficiency salary increments, merit salary increments, or annual increments. For the purpose of this section, State employee includes:

- (1) State and local employees subject to the State Personnel Act,
- (2) Public school superintendents, principals, teachers and other public school employees,
- (3) Employees exempted from the State Personnel Act by action of the Governor or the Lieutenant Governor,
- (4) Instructional and research staff, physicians and dentists of The University of North Carolina,
- (5) Employees whose salaries are fixed under the authority of G.S. 116-11(4), G.S. 116-11(5) and G.S. 116-11(14),
- (6) Community colleges employees whose salaries are fixed in accordance with the provisions of G.S. 115D-3, G.S. 115D-5 and G.S. 115D-20,
- (7) Officials or employees whose salaries are fixed by the Governor or by the Governor and the Council of State, or by the Governor subject to the advice or approval of the Council of State or the Advisory Budget Commission or the General Assembly,
- (8) Employees of the General Assembly,
- (9) Employees of the Judicial department,
- (10) Blind or visually handicapped employees of the Department of Human Resources, Division of Services for the Blind, Business Enterprise Section,
- (11) Vending stand employees, and
- (12) Constitutional officers of the State.

In order to insure the intent of the General Assembly in freezing salary increment increases for fiscal year 1982-83, any and all salary increases not specifically covered elsewhere in this act to any personnel under the authority of the Governor, referenced in this section, shall be limited to severe labor market conditions which endanger the State's ability to recruit and retain employees, to conditions which endanger the State's services to the public, and to bona fide agency reorganizations due to major changes in the State's services to the public, as may be determined by policies set by the Director of the Budget upon recommendation of the Advisory Budget Commission.

Sec. 7.1. The five percent (5%) salary increases granted to all State employees by Sections 6 through 15 of Chapter 1127 of the 1981 Session Laws shall continue in effect for the 1982-83 fiscal year.

Sec. 7.2. Section 10 of Chapter 1127 of the 1981 Session Laws is amended by deleting the dates "1981-82" and substituting "1982-83".

—ONE-TIME PER CAPITA PAYMENTS TO EMPLOYEES

Sec. 7.3. If the current revenue collections for the first six months of fiscal year 1982-83 exceed the amounts budgeted from the State's General and Highway Funds, the amount over-collected shall be paid by the Director of the Budget to each employee supported by the General and Highway Funds on a one-time per capita basis, provided that the amount paid per capita is at least two hundred dollars (\$200.00) and that the over-collections are anticipated to be maintained for the remainder of the fiscal year. Any employee who has been continuously employed or under contract for the 12 months prior to the payment shall be eligible for it. Also, this provision shall be liberally construed to the end that otherwise qualifying part-time permanent employees and permanent employees who were on authorized leave for a portion of the 12 months prior to the payment shall receive pro rata shares of the payment. The payments shall be made by the Director of the Budget within 45 days of January

1, 1983. The Director of the Budget is further authorized to make the same one-time per capita payments to employees who are supported from sources other than the State's General and Highway Funds, provided sufficient funds are available from the same sources which support the salaries of those employees.

—**ELIMINATION OF VACANT POSITIONS**

Sec. 7.4. The funds appropriated in Section 2 of this act to the several State agencies and departments reflect a reduction of eight million seven hundred twelve thousand five hundred dollars (\$8,712,500) for the elimination of vacant employee positions. The Director of the Budget may reallocate these reductions among the several State agencies and departments in order to correct any inequities that may arise as a result of these reductions.

—**TAX SHELTER FOR TEACHERS AND STATE EMPLOYEES**

Sec. 8. G.S. 135-8 is amended by the addition of a new subsection (bl) immediately after subsection (b) to read:

"(bl) Pick Up of Employee Contributions. — Anything within this section to the contrary notwithstanding, effective July 1, 1982, an employer, pursuant to the provisions of Section 414(h)(2) of the Internal Revenue Code of 1954 as amended, shall pick up and pay the contributions which would be payable by the employees as members under subsection (b) of this section with respect to the service of employees after June 30, 1982.

The members' contributions picked up by an employer shall be designated for all purposes of the Retirement System as member contributions, except for the determination of tax upon a distribution from the System. These contributions shall be credited to the annuity savings fund and accumulated within the fund in a member's account which shall be separately established for the purpose of accounting for picked-up contributions.

Member contributions picked up by an employer shall be payable from the same source of funds used for the payment of compensation to a member. A deduction shall be made from a member's compensation equal to the amount of his contributions picked up by his employer. This deduction, however, shall not reduce his compensation as defined in subdivision (7a) of G.S. 135-1. Picked up contributions shall be transmitted to the System monthly for the preceding month by means of a warrant drawn by the employer and payable to the Teachers' and State Employees' Retirement System and shall be accompanied by a schedule of the picked-up contributions on such forms as may be prescribed. In the case of a failure to fulfill these conditions, the provisions of subsection (f)(3) of this section shall apply.

The pick up of employee contributions by an employer as provided for hereunder shall be equally applicable to participant contributions required under the optional retirement program as specified in G.S. 135-5.1(c)."

—**TAX SHELTER FOR LOCAL GOVERNMENT EMPLOYEES**

Sec. 9. G.S. 128-30 is amended by the addition of a new subsection (bl) immediately after subsection (b) to read:

"(bl) Pick Up of Employee Contributions. — Anything within this section to the contrary notwithstanding, effective July 1, 1982, an employer, pursuant to the provisions of Section 414(h)(2) of the Internal Revenue Code of 1954 as amended, may elect to pick up and pay the contributions which would be payable by the employees as members under subsection (b) of this section with respect to the service of employees after June 30, 1982.

The members' contributions picked up by an employer shall be designated for all purposes of the Retirement System as member contributions, except for the determination of tax upon a distribution from the System. These contributions shall be credited to the annuity savings fund and accumulated within the fund in a member's account which shall be separately established for the purpose of accounting for picked-up contributions.

Member contributions picked up by an employer shall be payable from the same source of funds used for the payment of compensation to a member. A deduction shall be made from a member's compensation equal to the amount of his contributions picked up by his employer.

This deduction, however, shall not reduce his compensation as defined in subdivision (7a) of G.S. 128-21. Picked-up contributions shall be transmitted to the System monthly for the preceding month by means of a warrant drawn by the employer and payable to the Local Governmental Employees' Retirement System and shall be accompanied by a schedule of the picked-up contributions on such forms as may be prescribed. In the case of a failure to fulfill these conditions the provisions of subsection (f)(3) of this section shall apply."

—INTENT TO CAUSE A TAX SHELTERING OF EMPLOYEE RETIREMENT CONTRIBUTIONS FOR LAW ENFORCEMENT OFFICERS, JUDGES, DISTRICT ATTORNEYS AND CLERKS OF SUPERIOR COURT

Sec. 10. It is the intent and policy of the General Assembly to enact laws giving all North Carolina public employees full advantage of income tax sheltering of contributions to State administered retirement systems under Section 414(h)(2) of the Internal Revenue Code of 1954 as amended. In order to fulfill this intent, the Board of Commissioners of the Law Enforcement Officers' Benefit and Retirement Fund and the Board of Trustees of the Teachers' and State Employees' Retirement System (in their capacity as the Board of Trustees of the Uniform Judicial Retirement System, Uniform Solicitorial Retirement System and Uniform Clerks of Superior Court Retirement System) are directed to submit recommendations to the 1983 Session of the General Assembly on the changes in these systems necessary to qualify and cause income tax sheltering of employee contributions to these retirement systems.

—ADDITIONAL COST-OF-LIVING ALLOWANCE IN TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM

Sec. 11. G.S. 135-5 is amended by adding a new subsection (ff) to read:

"(ff) From and after July 1, 1982, the retirement allowance to or on account of beneficiaries on the retirement rolls as of July 1, 1981, shall be increased by one-tenth of one percent (0.1%) of the allowance payable on July 1, 1981."

—SALARY-RELATED CONTRIBUTIONS/EMPLOYERS

Sec. 12. Required employer salary-related contributions for employees whose salaries are paid from department, office, institution, or agency receipts shall be paid from the same source as the source of employee's salary. If an employee's salary is paid in part from the General Fund and in part from department, office, institution, or agency receipts, 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 the employee, and the remainder of the employer's requirements shall be paid from the source which supplies the remainder of the 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.

The State employer contribution percentage rates of covered salaries budgeted for the retirement systems for 1982-83, are (1) 9.93% – Teachers' and State Employees'; (2) 11.08% for State officers and 6.08% for Local Government officers – Law Enforcement Officers'; (3) 30.77% – Uniform Judicial; (4) 24.03% – Uniform Solicitorial; and, (5) 29.00% – Uniform Clerks of Superior Court.

—PRIOR SERVICE CREDIT FOR TEMPORARY EMPLOYMENT

Sec. 13. Within 30 days of the ratification of this act, the Board of Trustees of the Teachers' and State Employees' Retirement System of North Carolina shall notify persons who may be eligible for prior service credit for temporary employment pursuant to Chapter 1116 of the 1981 Session Laws. Sixty days after the ratification of this act, the Board of Trustees shall rank applications from those persons in priority order by the amount of time an applicant has accumulated as a temporary employee and shall fill the applications in that order.

This section shall in no way obligate this or future General Assemblies to make additional appropriations for this purpose.

—AUTHORIZATION FOR PAYROLL DEDUCTION FOR THE STATE EMPLOYEES COMBINED CAMPAIGN

Sec. 14. G.S. 147-62 is amended by adding at the end, the following:

"Provided further, that subject to the rules and regulations adopted by the Director of the Budget, any employee of the State or of any of its institutions, departments, bureaus, agencies or commissions may authorize in writing the withholding from his salary or wages an amount to satisfy his pledge to the State Employees Combined Campaign."

—AUTHORIZATION FOR PAYROLL DEDUCTION FOR CHARITIES APPROVED BY LOCAL BOARDS OF EDUCATION OR COMMUNITY COLLEGES

Sec. 15. G.S. 147-62 is further amended by adding at the end:

"Provided further, that subject to any rules and regulations adopted by the Director of the Budget, any employee of a local board of education or community college may authorize in writing the withholding from his salary or wages a periodic deduction of a designated sum to be paid to any organization which qualifies for recognition of exemption by the Internal Revenue Service as a charitable organization as defined in Section 501(c)(3) of the Internal Revenue Code which has first been approved by his local board of education or community college board."

—LEAVE FOR INCLEMENT WEATHER

Sec. 15.1. The first paragraph of G.S. 115C-84 is amended to read:

"(c) School Term. There shall be operated in every school in the State a uniform school term of 180 days for instructing pupils. For up to five of these days during the school year on which schools are closed due to hazardous weather conditions, natural disaster or other emergency, local boards of education may excuse teachers and students from attendance without requiring that the days be made up or affecting teachers' pay. For up to 60 of these days, when in the sound judgment of the State Board of Education, or the local board with the approval of the State Board, conditions justify the suspension of school, the State Board of Education or the local board with the approval of the State Board, may suspend operation of a school and for 15 of these days, teachers shall be entitled to normal pay. Local boards of education are directed to report all days waived to the State Board of Education. Such report shall include justification for their actions."

PART VII.—HUMAN RESOURCES**—MEDICAID**

Sec. 16. Section 22 of Chapter 1127 of the 1981 Session Laws is repealed. The repeal does not revive Section 14 of Chapter 859 of the 1981 Session Laws.

(1) Medicaid Reimbursement. — 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 these services are to be expended in accordance with the following schedule of services and payment basis. All services and payments are subject to the language at the end of this subdivision.

<u>Services</u>	<u>Payment Basis</u>
Hospital – Inpatient	Payment for hospital inpatient services will be based on a prospective rate reimbursement plan as established by the Department of Human Resources. Administrative days for any period of hospitalization shall be

Hospital – Outpatient

limited to a maximum of three days.

Mental and Specialty

80 percent of allowable costs.

Hospitals

Allowable costs.

Skilled Nursing

As prescribed under the State Plan for reimbursing long term care facilities. Skilled nursing facility participation in the Medicare program is a condition of participation in the North Carolina Medicaid skilled nursing facility program.

Facilities and

As prescribed under the State Plan for reimbursing intermediate care facilities for the mentally retarded.

Intermediate Care Facilities and

Drug cost as allowed by federal regulations plus \$2.80 professional service fee per month excluding refills for same drug or generic equivalent during the same month. (Payments for drugs are subject to the provisions of subdivision (8) of this section.) Reimbursement shall be available for up to six prescriptions per recipient, per month, including refills.

Intermediate Care Facilities for the

Fee schedules as developed by the Department of Human Resources in accordance with the provisions of the Administrative Procedures Act designed to encourage the participation of primary care physicians in the medical assistance program, and to reduce unnecessary use of inpatient services.

Mentally Retarded

(Payments for dental services are subject to the provisions of subdivision (7) of this section.)

Drugs

Allowable costs.

Physicians, Chiropractors,

Fee schedules as developed by the Department of Human Resources in accordance with the provisions of the Administrative Procedures Act designed to encourage the participation of primary care physicians in the medical assistance program, and to reduce unnecessary use of inpatient services.

Podiatrists, Optometrists,

(Payments for dental services are subject to the provisions of subdivision (7) of this section.)

Dentists

Home Health

Allowable costs.

Medicare Buy-In	Social Security Administration premium.
Clinic Services	Reasonable customary charges as determined by the State under federal regulations.
Ambulance Services	100 percent of allowable, reasonable, usual and customary charges.
EPSDT Screens	Established rate approved by the Department.
Hearing Aids	Actual cost plus a dispensing fee.
Rural Health Clinic Services	Provider based – reasonable cost; nonprovider based – single cost reimbursement rate per clinic visit.
Family Planning	Negotiated rate for local health departments and other providers – see specific services, i.e., hospitals, physicians, etc.
Independent Laboratory and X-Ray Services	90 percent of allowable usual and customary charges.
Optical Supplies	100 percent of reasonable wholesale cost of materials.
Ambulatory Surgical Centers	Negotiated rates, established by the Department of Human Resources.
Mental Health Clinics	Negotiated rates in accordance with federal regulations.
Medicare Crossover Claims	Total payments for services from Medicare and Medicaid rendered to Medicare patients, who are also eligible for Medicaid, shall not exceed the Medicaid payment for the same services.

Notwithstanding the schedule for services and payments bases in this section, increases in Medicaid rates for home health services, clinic services, ambulance services, EPSDT screens, hearing aid dispensing fees, rural health clinics, family planning, independent laboratory and x-ray services, ambulatory surgical centers, and mental health clinics shall be limited to seven percent (7%).

Reimbursement is available for up to 24 visits per recipient per year to any one or combination of the following: physicians, clinics, hospital outpatient, optometrists, chiropractors, and podiatrists. Prenatal services, EPSDT screens and emergency rooms are exempt from the visit limitations contained in this paragraph. Exceptions may be authorized by the Department of Human Resources where the life of the patient would be threatened without

such additional care. Any person who is determined by the Department to be exempt from the 24 visit limitaion shall also be exempt from the six prescription limitiation.

Payment basis terms of allowable, usual, reasonable, and customary are definitive terms prescribed by federal regulations governing the Medicaid program. Any changes in services or basis of payment in the Medicaid program must be approved by the Director of the Budget with the advice of the Advisory Budget Commission.

(2) Allocation of Nonfederal Cost of Medicaid. — The State shall pay eighty-five percent (85%) and the counties shall pay fifteen percent (15%) of the nonfederal costs of all applicable services listed in this section, except that the State shall pay sixty-five percent (65%) and the counties shall pay thirty-five percent (35%) of the nonfederal costs of those Skilled Nursing Facilities and Intermediate Care Facilities services which are not owned by the State.

(3) Co-payment for Medicaid Services. — Medicaid recipients shall pay the maximum co-payment as allowed by federal regulations.

No co-payment is required for EPSDT-related services, family planning services, State hospital services, or services subject to Medicare Part A or Part B coverage.

Co-payment for inpatient hospital services is limited to the first 30 days of each stay.

(4) Prepaid Health Care for Medicaid Recipients. — The Department of Human Resources, Division of Medical Assistance is authorized, subject to approval of a change in the State Medicaid Plan by the Director of the Budget with the advice of the Advisory Budget Commission, to purchase health care services on a prepaid basis.

(5) Medicaid and Aid to Families with Dependent Children Income Eligibility Standards. — Maximum net family annual income eligibility standards for Medicaid, Aid to Families with Dependent Children and the Standard of Need for Aid to Families with Dependent Children shall be as follows:

Family Size	<u>Categorically Needy</u>		<u>Medically Needy</u>	
	Standard of Need	AFDC Payment Level*	AA,AB,AD*	
1	\$ 3,616	\$ 1,608	\$ 1,700	\$ 2,200
2	4,224	2,112	2,200	2,900
3	4,848	2,424	2,500	3,300
4	5,304	2,652	2,800	3,600
5	5,808	2,904	3,000	3,900
6	6,264	3,132	3,200	4,200
7	6,720	3,360	3,400	4,500
8	6,984	3,492	3,600	4,700

*Aid to Families with Dependent Children (AFDC); Aid to the Aged (AA); Aid to the Blind (AB); and Aid to the Disabled (AD). The payment level for Aid to Families with Dependent Children shall be fifty percent (50%) of the standard of need. The dollar amounts shown above for the Standard of Need, AFDC payment level, and medically needy shall become effective August 1, 1982. Notwithstanding the repeal of Section 22 of Chapter 1127, 1981 Session Laws, at the beginning of this section, the dollar amounts for the Standard of Need, AFDC payment level, and medically needy contained in that section shall remain in effect until July 31, 1982. The State shall pay the entire nonfederal share of this increase for the 1982-83 fiscal year.

These standards may be changed with the approval of the Director of the Budget with the advice of the Advisory Budget Commission.

(6) Spouse Responsibility. — Rules governing the income and financial resources of the spouse of a person who is admitted as a long-term care patient in a certified public or private intermediate care or skilled nursing facility shall be consistent with federal regulations and with the June 25, 1981, decision of the U.S. Supreme Court in *Schweiker v. Grey Panthers* 453 U.S. 34, 101. S.Ct. 2633, 69L.Ed.2d 460 (1981).

(7) Dental Coverage Limits. — Dental services will be provided on a restricted basis in accordance with regulations developed by the Department. Funds for dental services shall be disbursed only with prior approval by the Department of Human Resources, Division of Medical Assistance 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, to implement this subdivision.

(8) Dispensing of Generic Drugs. — Notwithstanding Part 1A of Article 4 of Chapter 90 of the General Statutes, under the Medicaid 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.

(9) Exceptions to Service Limitations, Eligibility Requirements and Payments. — Service limitations, eligibility requirements, and payments bases in this section may be waived by the Department of Human Resources, with the approval of the Director of the Budget, to allow the Department to carry out pilot programs for prepaid health plans or community based services programs in accordance with plans approved by the U.S. Department of Health and Human Services.

—NONMEDICAID MEDICAL SERVICES/STATE PROGRAMS

Sec. 17. Providers of medical services under the various State programs other than Medicaid offering medical care to citizens of the State shall be reimbursed at rates no more than those under the North Carolina Medical Assistance Program. The Department of Human Resources may reimburse hospitals in fiscal year 1982-83 based upon the prospective per diem rate established on July 1, 1982, for the North Carolina Medical Assistance Program; provided, that if interim Medicaid rates for inpatient and outpatient services are used to reimburse providers of medical services under the various State programs other than Medicaid, retroactive adjustments to claims already paid shall not be required.

Maximum net family annual income eligibility standards for services in these programs except Migrant Health and School Health shall be as follows:

Family Size	Kidney	Medical Eye Care			All Other
		Adults	Rehabilitation	Other	
1	6,400	1,800	5,053	4,200	
2	8,000	2,520	6,608	5,300	
3	9,600	3,180	8,161	6,400	
4	11,000	3,600	9,718	7,500	
5	12,000	3,960	11,276	7,900	
6	12,800	4,320	12,828	8,300	
7	13,600	4,680	13,116	8,800	
8	14,400	5,040	13,411	9,300	

These standards may be changed with the approval of the Director of the Budget and the advice of the Advisory Budget Commission.

—COUNTY MEDICAID RELIEF FUNDS

Sec. 18. Of the funds appropriated to the Department of Human Resources, Division of Medical Assistance in Section 2 of this act, the sum of six million six hundred four thousand eight hundred seventy-four dollars (\$6,604,874) shall be used to relieve those counties of the additional costs the counties incurred in fiscal year 1981-82 due to the difference between the State-county participation rates for domiciliary care facilities and non-State-owned skilled nursing and intermediate care facilities in effect in fiscal year 1981-82 and those in effect in fiscal year 1977-78 and that they would not have incurred had these sections not been enacted. These funds shall be distributed for actual cost incurred or on a pro rata basis in the proportion that an individual county's additional cost bears to the total additional cost to those counties which incurred additional costs in 1981-82.

—LIMITATION ON AFDC ELIGIBILITY

Sec. 19. The Social Services Commission shall adopt rules imposing work requirements under the Community Work Experience Program demonstration project, in accordance with federal laws and regulations, as a condition for eligibility for Aid to Families with Dependent Children.

—FUNDS FOR DEINSTITUTIONALIZATION

Sec. 20. The Department of Human Resources may, with the approval of the Director of the Budget, transfer from funds within the Department's budget up to one million dollars (\$1,000,000) in surplus funds to implement a Plan of Deinstitutionalization to serve mentally ill persons discharged from Dorothea Dix Hospital and patients in the community who would otherwise be admitted to Dorothea Dix Hospital. The Department of Human Resources shall report to the General Assembly by April 1, 1983, on the implementation of this project. The Department of Human Resources shall report periodically to the Mental Health Study Commission on the implementation of this plan.

—LIMITATION ON REST HOME BEDS

Sec. 20.1. (a) Findings of Fact. — The General Assembly of North Carolina finds:

- (1) That the orderly development of homes for the aged and disabled will result in less institutionalization of the elderly and thus lower public expenditures; and
- (2) That additional time is needed to plan and develop less costly home health alternatives to institutional care and adequate standards for the orderly development of homes for the aged and disabled.

(b) Notwithstanding any other provision of law, the Department of Human Resources shall not accept applications received after July 1, 1982, or before February 1, 1983, for initial licensure of:

1. a home for the aged and disabled as defined by G.S. 131D-2(a)(7), to be licensed under Chapter 131D of the General Statutes;
2. a home for the aged and disabled operated in conjunction with a nursing home to be licensed under G.S. 130-9(e)(5); or
3. additional facilities, including beds, for any of the homes mentioned in subdivisions 1 and 2 above.

Sec. 20.2. The Joint Legislative Commission on Governmental Operations shall recommend to the General Assembly, upon its convening in 1983, legislation which would establish a permitting procedure for homes for the aged and disabled and homes for the aged and disabled operated in conjunction with a nursing home licensed pursuant to G.S. 130-9(e)(5) with standards based principally on the public need.

Sec. 20.2A. Nothing in Sections 20.1 or 20.2 shall apply to a facility owned or operated by an organization that is exempt from taxation under Section 501(C)(3) of the Internal Revenue Code.

Sec. 20.2B. G.S. 131D-2(a)(5) is amended by rewriting the first sentence to read: "Family Care Home" means a domiciliary home having two to six residents."

Sec. 20.2C. G.S. 131D-20(5) is amended by rewriting the first sentence to read: "'Family Care Home' means a domiciliary home having two to six residents."

Sec. 20.2D. G.S. 143-138 is amended by adding at the end thereof a new paragraph to read:

"For purposes of use in the Code, the term 'Family Care Home' shall mean a domiciliary home having two to six residents."

—RECLASSIFICATION OF REST HOME RESIDENTS

Sec. 20.3. The Department of Human Resources, Division of Social Services, shall eliminate from the Special Assistance for Adults Program the category of eligibility referred to as "nonambulatory". All persons so classified shall be reclassified as "semi-ambulatory". The monthly rate allowed for the "semi-ambulatory" shall be five percent (5%) more than the monthly rate allowed for the "ambulatory".

—COMMUNITY PROGRAMS/DEVELOPMENTALLY DISABLED

Sec. 21. Funds in the amount of seven hundred seventy-seven thousand one hundred forty-four dollars (\$777,144) are appropriated in Section 2 of this act to the Department of Human Resources, Division of Mental Health, Mental Retardation and Substance Abuse for the increased costs in the following community programs for the developmentally disabled: early childhood intervention, respite, group homes for children and adults, developmental day subsidy, specialized community residential subsidy, specialized foster care subsidy, apartment living, and mentally retarded/behaviorally disordered group homes.

—LIMITATION ON TRANSFER OF ABORTION FUNDS

Sec. 21.1. No funds in excess of the State funds appropriated in Section 2 of this act shall be expended for the purpose of performing abortions during the 1982-83 fiscal year.

—OFFICE OF STATE PERSONNEL STUDY OF EQUAL TREATMENT FOR ALL TEACHERS

Sec. 22. Section 36 of Chapter 1127 of 1981 Session Laws is repealed.

Sec. 23. The Office of State Personnel shall perform a study of ways to equalize the salary, leave time, certification requirements and other conditions of employment and employee benefits of school personnel in the local school administrative units and in schools operated by State departments and institutions. The Office of State Personnel shall report the results of the study and any legislation it proposes to the 1983 General Assembly by March 1, 1983.

—PROCEEDS FROM SALE OF REAL PROPERTY, JOHN UMSTEAD HOSPITAL

Sec. 24. G.S. 146-30, as it is amended by Section 23.4 of Chapter 859 of the 1981 Session Laws, is amended in the last sentence by inserting after the language "to the credit of the Hospital", the language "to provide sewers and".

—FUNDS FOR MEMBERS OF THE CLASS IDENTIFIED IN WILLIE M., et al. vs. HUNT, et al.

Sec. 25. (a) Legislative findings. — The General Assembly finds:

- (1) That there is a need in North Carolina to provide appropriate treatment and education programs to children under the age of 18 who suffer from emotional, mental, or neurological handicaps accompanied by violent or assaultive behavior;
- (2) That children with these behaviors have been identified as a class in the case of Willie M., et al. vs. Hunt, et al.;
- (3) That these children have a need for a variety of services, other than those normally provided, that may include but are not limited to residential treatment programs, educational programs, and independent living arrangements;
- (4) That the plans of the Department of Human Resources and the Department of Public Instruction for children in the Willie M. class indicate that not all

counties in the State have the same readiness to proceed with providing the full range of services needed by these children;

(5) That an attempt to provide immediately the full range of services needed by these children would result in ill-conceived, poorly executed programs at great public expense;

(6) That, because of multiple practical difficulties which will undoubtedly be encountered before services can be instituted statewide, it is necessary for the General Assembly to establish a schedule of priorities for allocating funds to local area mental health programs and local educational agencies.

(b) Funds for Division of Mental Health, Mental Retardation, and Substance Abuse.

— Funds in the amount of seven million six hundred eighty-nine thousand eight hundred eighty-eight dollars (\$7,689,888) are appropriated in Section 2 of this act to the Department of Human Resources, Division of Mental Health, Mental Retardation, and Substance Abuse for the purpose of providing appropriate treatment for members of the class identified in Willie M., et al. vs. Hunt, et al. These funds shall be expended in the area mental health, mental retardation, and substance abuse programs that received funding in fiscal year 1981-82 in accordance with plans submitted to the Department of Human Resources.

(c) Funds for Division of Youth Services. — Funds in the amount of one hundred ninety-five thousand six hundred two dollars (\$195,602) are appropriated in Section 2 of this act to the Department of Human Resources, Division of Youth Services, to serve members of the class identified in Willie M., et al. vs. Hunt, et al. who are committed to the Division of Youth Services. These funds shall be expended by the Division of Youth Services for the developmental disabilities program at C. A. Dillon School.

(d) Priority for Residential Programs. — Children who are members of the Willie M. class, and are in counties that are phasing in programs during the 1981-83 biennium and therefore cannot currently provide the full range of services needed by these children, shall receive priority in appropriate programs operated by the Department of Human Resources.

(e) Limitation on expenditure of funds. — The funds appropriated in this section may not be used to serve children not in the Willie M. class if any class member within the zone described in the Department of Human Resources, Division of Mental Health, Mental Retardation and Substance Abuse plans remain unserved. No funds shall be expended for any program that does not serve members of the class. This limitation shall not apply to payments for evaluation of children nominated for membership in the Willie M. class.

(f) Funds for Department of Public Education. — Funds in the amount of seven hundred seventy-four thousand three hundred ninety-eight dollars (\$774,398) are appropriated in Section 2 of this act to the Department of Public Education to establish a supplemental reserve fund to serve only members of the class identified in Willie M., et al. vs. Hunt, et al. These funds shall be allocated by the State Board of Education to those local education agencies that coincide with those area mental health, mental retardation, and substance abuse programs that received funds under the Department of Human Resources, Division of Mental Health, Mental Retardation and Substance Abuse, in fiscal year 1981-82. These funds shall be allocated by the State Board of Education to the local education agencies to serve those class members who were not included in the regular average daily membership and the census of children with special needs, and to provide the additional program costs which exceed the per pupil allocation from the State Public School Fund and other State and federal funds for children with special needs.

(g) Reserve For Unfunded Zones. — Funds in the amount of ten million dollars (\$10,000,000) are appropriated in Section 2 of this act to the Office of State Budget and Management to establish a reserve fund to provide service statewide for members of the class identified in Willie M., et al. vs. Hunt, et al. in the Division of Youth Services, area mental health, mental retardation and substance abuse programs and local education agencies. The

Director of the Budget may expend funds from this reserve upon a determination that these agencies are ready to provide evaluation, treatment and educational services to members of the class. Funds from this reserve must be spent in accordance with the provisions of this section.

(h) Use of Unexpended Funds. — The Director of the Budget may use any unexpended funds allocated in this section to fund additional evaluation, treatment and education programs for additional class members.

(i) Reporting Requirements. — The Department of Human Resources and the Department of Public Education shall submit a joint report to the General Assembly on the progress achieved in serving members of the Willie M. class. The report shall include the following unduplicated data for each county: (i) the number of children nominated for the Willie M. class; (ii) the number of children actually identified as members of the class in each county; (iii) the number of children served as members of the class in each county; (iv) the number of children that remains unserved; (v) the types and locations of treatment and education services provided to class members; (vi) the cost of services, by type, to members of the class; (vii) information on the impact of treatment and education services on members of the class; and (viii) the readiness of other areas of the State to proceed with providing services. Departments shall report by October 1, 1982, to the General Assembly and to the Governor, and by February 1, 1983, to the 1983 Session of the General Assembly.

(j) The Department of Human Resources and Public Education shall provide periodic reports of expenditures on behalf of the Willie M. class to the Joint Legislative Commission on Governmental Operations. The Office of State Budget and Management shall report monthly to the Joint Legislative Commission on Governmental Operations on the expenditure of funds under the reserve for unfunded zones created in subsection (g).

(k) The prohibitions on the use of State funds prescribed by G.S. 122-35.53(c) do not apply to any funds appropriated for the treatment of members of the class identified in Willie M. et al. vs. Hunt, et al. These funds may be used for, among other things, the alteration, improvement, or rehabilitation of real estate used by area mental health authorities.

Sec. 26. Section 23 of Chapter 1127 of the 1981 Session Laws, except for subsection (j), is repealed.

—FUNDING FOR COMMISSION ON CHILDREN WITH SPECIAL NEEDS WITHIN BUDGET OF GENERAL ASSEMBLY

Sec. 28. G.S. 120-61 is amended by adding a new sentence on the end to read:

"The Commission shall be funded by the Legislative Services Commission from appropriations made to the General Assembly for that purpose."

PART VIII.—EDUCATION

—DELETE REPORTING REQUIREMENT ON FUNDS FOR EXCEPTIONAL CHILDREN

Sec. 29. G.S. 115C-143 is repealed.

—UPDATE OBSOLETE REFERENCE TO DEPARTMENT OF CORRECTION SCHOOLS

Sec. 30. G.S. 115C-325(p) is amended by deleting from the list "Cameron Morrison.", "Samuel Leonard.", and "Richard T. Fountain."

—TRANSPORTATION OF EXCEPTIONAL CHILDREN

Sec. 31. G.S. 115C-250(a) is amended to read:

"(a) The State Board of Education and local boards of education may expend public funds for transportation of children with special needs who have been placed in programs by a local school board as a part of its duty to provide such children with a free appropriate education, including its duty under G.S. 115C-115.

The Department of Human Resources and the Department of Correction may also expend public funds for transportation of children with special needs who have been placed in programs by one of these agencies as a part of that agency's duty to provide such children with a free appropriate public education.

If a local area mental health center places a child with special needs in an educational program, the local area mental health center shall pay for the transportation of the child to the program."

—AVAILABILITY OF RECORDS FOR SPECIAL EDUCATION COST STUDY

Sec. 32. The General Assembly declared in G.S. 115C-106 that it is the policy of the State to ensure every child a fair and full opportunity to reach his full potential and to provide a free appropriate publicly supported education to every child with special needs. Economic constraints of today make it imperative that the General Assembly study the costs of implementing this policy so that the State can continue to serve the needs of these children in a cost-effective manner. Therefore, the General Assembly has contracted with the Frank Porter Graham Child Development Center (hereinafter referred to as "the Center") to perform such a study.

Notwithstanding the provisions of G.S. 115C-114 or any other provision of State law, the Center shall have the same right to access to all State and local records pertaining to the study that the General Assembly has, consistent with federal law and the conditions of federal grants. All State agencies and local school administrative units shall facilitate the Center's access to these records and shall provide the use of their copying equipment at actual cost.

The Center shall conduct the study and present the results in a manner that will, to the extent practicable, not permit the personal identification of students or their parents even by the representatives of the Center. In no case shall the study be performed so as to permit the personal identification of students or their parents by persons not representing the Center, except as otherwise permitted by State or federal law or the conditions of federal grants.

—TEACHER EVALUATION

Sec. 32.1. G.S. 115C-326 is amended to read:

"§ 115C-326. Performance standards and criteria for professional employees; law suits arising out of this section. — (a) The State Board of Education, in consultation with local boards of education, shall develop uniform performance standards and criteria to be used in evaluating professional public school employees. It shall develop rules and regulations to recommend the use of these standards and criteria in the employee evaluation process. The performance standards and criteria shall be adopted by the Board by July 1, 1982, and may be modified in the discretion of the Board.

Local boards of education shall adopt rules and regulations by July 1, 1982, to provide for annual evaluation of all professional employees defined as teachers by G.S. 115C-325(a)(6). Local boards may also adopt rules and regulations requiring annual evaluation of other school employees not specifically covered in this section. Rules and regulations adopted by local boards shall utilize performance standards and criteria adopted by the State Board of Education pursuant to the first paragraph of this section; however, the standards and criteria used by local boards are not to be limited by those adopted by the State Board of Education.

(b) If any claim is made or any legal action is instituted against an employee of a local school administrative unit on account of an act done or an omission made in the course of the employee's duties in evaluating employees pursuant to this section, the local board of education, if the employee is held not liable, shall reimburse the employee for reasonable attorney's fees."

—SALARY SCHEDULE/SCHOOL TRANSPORTATION SUPERVISORS

Sec. 33. Within funds appropriated for mechanics' salaries in school bus transportation in Section 2 of this act, the State Board of Education shall adopt and implement a salary schedule for school transportation supervisors comparable to the salary schedule for school maintenance supervisors.

—DEVELOPMENTAL DAY CENTER RATES

Sec. 34. The State Board of Education shall establish a maximum monthly reimbursement rate for pupils served in Developmental Day Centers and Community Residential Centers. The rate shall be within funds available from State appropriations for this purpose. Rate increases shall be subject to the prior approval of the General Assembly or, if the General Assembly is not in session, of the Governor with the advice of the Advisory Budget Commission.

—STAFF DEVELOPMENT REDUCTION FOR PUBLIC SCHOOLS

Sec. 35. The base budget reduction in the funds appropriated to the Department of Public Education for staff development in Section 2 of this act shall be applied as follows: \$375,000 from code 13510 and \$1,724,792 from code 13520; there shall be no reductions in the Sports Medicine Program in 1982-83.

—MODIFY FUNDING LEVEL FOR ADULT BASIC EDUCATION PROGRAMS

Sec. 36. The State Board of Community Colleges, within appropriations available, may change the funding level of adult basic education programs, which provide opportunities for individuals to learn to read, write or pursue a GED certificate or an Adult High School Diploma, from extension funding to curriculum funding. All such increased funding shall be used for the purpose of ABE so as to allow more emphasis to be placed on reducing illiteracy in North Carolina.

—HEARING IMPAIRED FUNDS TO COMMUNITY COLLEGES

Sec. 37. Of the funds appropriated to the Department of Community Colleges in Section 2 of this act the sum of sixty-four thousand dollars (\$64,000) shall go to Central Piedmont Community College and sixty-four thousand dollars (\$64,000) shall go to Western Piedmont Community College for the continuation of programs assisting the hearing impaired students to continue their education.

—LONGEVITY PAYMENTS/UNIVERSITY PERSONNEL

Sec. 38. Funds appropriated to The University Board of Governors in Section 2 of this act in the amount of four hundred twelve thousand dollars (\$412,000) for salary increases for employees of The University of North Carolina who are exempt from the State Personnel Act are in lieu of specific appropriations for longevity payments as are provided for State employees subject to the State Personnel Act and public school employees. These funds shall be allocated to individuals in accordance with rules and regulations established by the Board of Governors.

PART IX.—CULTURAL RESOURCES FUNDS FOR AMERICA'S 400th ANNIVERSARY

Sec. 39. Of the funds appropriated in Section 4 of this act to the Department of Cultural Resources, the sum of one million four hundred twenty-one thousand eight hundred dollars (\$1,421,800) shall be used exclusively for construction of a visitor center on Roanoke Island, a docking facility, a parking lot, landscaping, dredging, exhibits, raised pedestrian walks, purchase of land and lighting.

These funds shall be placed in a special reserve account and shall be made available to the Department of Cultural Resources for the above purposes to the extent the American Quadrcentennial Corporation has raised, by cash and pledges, a required match of one million dollars (\$1,000,000). The matching funds shall be used to finance the programs sponsored by America's Four Hundredth Anniversary Committee. Any unmatched State funds shall revert to the General Fund.

—ALLOCATION TO ROANOKE ISLAND HISTORICAL ASSOCIATION, INCORPORATED

Sec. 40. Of the funds appropriated in Section 2 of this act to the Department of Cultural Resources for America's 400th Anniversary, an amount not to exceed sixty thousand dollars (\$60,000) may be used, with approval of the Director of the Budget, as a grant-in-aid to

the Roanoke Island Historical Association, Incorporated, for activities associated with the anniversary.

—SYMPHONY SPECIAL RESERVE ACCOUNT

Sec. 41. Of the funds appropriated in Section 2 of this act to the Department of Cultural Resources, the sum of five hundred seventy thousand nine hundred eight dollars (\$570,908) shall be placed in a special reserve account on deposit with the State Treasurer for the symphony. These funds shall be transferred to the North Carolina Symphony Society, Inc., as they are matched with cash or pledges on a basis of three Society cash or pledge dollars to one State dollar. Funds remaining in this account on June 30, 1983, shall revert to the General Fund.

PART X.—TRAVEL INSURANCE MONEY FOR FIRE AND RESCUE DIVISION

Sec. 42. Of the funds appropriated in Section 2 of this act to the Department of Insurance, at least one hundred thousand dollars (\$100,000) shall be placed in the travel budget of the Fire and Rescue Training Division and may be used only for travel expenses for that division.

—CONTINGENCY AND EMERGENCY RESERVE FOR DEPARTMENT OF INSURANCE

Sec. 43. Of the funds appropriated to the Contingency and Emergency Fund in Section 2 of this act, the sum of one hundred thirty thousand dollars (\$130,000) is allocated to create a special reserve within the Contingency and Emergency Fund which the Council of State may use only for expenses related to the employment of persons pursuant to G.S. 58-7.3.

—LIGHTNING ROD AGENT PRIVILEGE TAX REPEALED

Sec. 44. G.S. 105-59 is repealed.

PART XI.—GENERAL ASSEMBLY

—PERSONNEL SERVICE CREDIT FOR FORMER LEGISLATIVE EMPLOYEES

Sec. 46. The State Personnel Commission and the Office of State Personnel, Department of Administration, shall grant aggregate State service credit to former employees of the General Assembly for the amount of service to the General Assembly that those employees are authorized, for the purposes of retirement under Chapter 135 of the North Carolina General Statutes. This section shall not apply to legislators, participants in the Legislative Intern Program or pages.

—PRINTING OF RESOLUTIONS AND JOURNALS OF 1982 EXTRA SESSIONS

Sec. 47. (a) The Session Laws and Resolutions of the First and Second Extra Sessions of 1982 shall be printed and published in the volume of the 1981 Regular Session Laws in which the laws of the 1981 Session, Regular Session of 1982, are printed and published.

(b) The Journals of the House and Senate of the First and Second Extra Sessions of 1982 shall be printed and published in the same volumes as the Journals of the 1981 Session, Regular Session of 1982.

PART XII.—NATURAL RESOURCES AND COMMUNITY DEVELOPMENT

—EXTENSION OF MARINE FISHERIES STUDY COMMISSION

Sec. 48. Chapter 930 of the 1981 Session Laws is amended in Section 6 by deleting the date "April 1, 1982" and inserting in lieu thereof "January 10, 1983"; and in Section 7 by deleting "1981-82" and inserting in lieu thereof "1981-83".

—RESERVE FOR STATE ECONOMIC OPPORTUNITY DIVISION

Sec. 49. Of the funds appropriated in Section 2 of this act to the Department of Natural Resources and Community Development, the sum of one hundred forty-three thousand

seven hundred seventeen dollars (\$143,717) shall be in a reserve to be used by the Division of State Economic Opportunity.

—TRANSFER OF FUNDS TO THE WILDLIFE RESOURCES COMMISSION

Sec. 50. (a) Of the funds appropriated in Section 2 of this act to the Department of Natural Resources and Community Development in the 1982-83 fiscal year, the sum of one million dollars (\$1,000,000) shall be transferred to the Wildlife Resources Commission on condition that:

- (1) No new positions shall be established with this appropriation or with funds freed from other uses by this appropriation.
- (2) None of this appropriation shall be used for subsidizing the cost of the Wildlife magazine or any newsletter or publication published by the Wildlife Resources Commission.
- (3) None of this appropriation shall be used for fox population studies including monitoring the status and trends of foxes in North Carolina.

If the 1981 General Assembly enacts a statewide fox hunting law, the limitations in this section shall not apply to the extent that funds are needed to implement that law.

PART XIII.—JUSTICE

—CONSENT JUDGMENTS

Sec. 51. Chapter 114 of the General Statutes is amended by adding a new section to read:

“§ 114-2.1. Consent judgments. — In litigation in which the State is interested or is a party, no consent judgement shall be entered into by the State unless and no consent judgement shall be binding on the State except to the extent that the State's entire obligation for the current and for future fiscal years can be satisfied with funds that are available for the current fiscal year, including funds that the Council of State agrees to allot from the Contingency and Emergency Fund. The Director of the Budget shall report to the Appropriation Committees of the General Assembly concerning all funds made available during the preceding fiscal year from the Contingency and Emergency fund for the purpose of carrying out consent judgments.”

—PERMIT SBI TO DISPOSE OF SURPLUS WEAPONS

Sec. 52. G.S. 143-63.1(d) is rewritten to read as follows:

"(d) Notwithstanding the provisions of this section, but subject to the provisions of G.S. 20-187.2, the North Carolina State Highway Patrol, the North Carolina Department of Correction, and the North Carolina State Bureau of Investigation may sell, trade, or otherwise dispose of any or all surplus weapons they possess to any federally licensed firearm dealers. The sale, trade, or disposal of these weapons shall be in a manner prescribed by the Department of Administration. Any moneys or property obtained from the sale, trade, or disposal shall go to the General Fund."

PART XIV.—GOVERNOR

—RESERVE FOR ELECTRONIC DATA PROCESSING

Sec. 53. The funds appropriated in Section 2 of this act, Reserve for Electronic Data Processing, shall be distributed by the Office of State Budget and Management to the Department of Natural Resources and Community Development, the Department of Revenue, and the Office of State Budget and Management for operation and improvement of data processing and management systems. The Office of State Budget and Management shall report to the General Assembly by May 1, 1983, on the use of these funds, and on any recommendations for further improvements in automated data processing.

—DATE OF CLEAN WATER BOND REFERENDUM

Sec. 54. Section 4(b) of Chapter 993 of the 1981 Session Laws is amended by rewriting lines 7 and 8 to read: "election herein provided for shall be held on the same day,

designated by him, as the statewide primary, the general election or the date in 1983 that elections are conducted in those municipalities which have the nonpartisan simple plurality method of election as prescribed in G.S. 163-279(a)(1)."

PART XV.—ADMINISTRATION**—REPAIRS, RENOVATIONS, RETROFIT, ASBESTOS CONTROL AND ARCHITECTURAL BARRIER REMOVAL PROJECTS – STATEWIDE FUND**

Sec. 55. The unencumbered balances remaining in the Department of Administration capital improvement Code 48101 Funds 4102, 4103 and 4104 are combined into a new fund to be used for Repair, Renovation, Asbestos Control and Architectural Barrier Removal Projects – Statewide.

—PROJECT RESERVE FUNDS MODIFICATION

Sec. 56. Funds in the General Fund Project Reserve and the Federal Revenue Sharing Project Reserve may be used for emergency renovation and repair projects on State facilities as approved by the Director of the Budget. These funds may not be used in connection with any projects under the Board of Governors of The University of North Carolina or the State Board of Community Colleges.

—METHODIST HOME FUNDS TO REVERT

Sec. 57. The two hundred fifty thousand dollars (\$250,000) appropriated in Chapter 1021 of the 1981 Session Laws as a Reserve to hold the Methodist Home property shall revert to the General Fund on June 30, 1982.

—USE OF MOUNTAIN EXPERIENCE CENTER FUNDS

Sec. 58. Of the funds appropriated in Chapter 1003 of the 1979 Session Laws for a Mountain Experience Center, fifty-one thousand dollars (\$51,000) shall be appropriated from the General Fund to the Department of Human Resources for the 1982-83 fiscal year for a grant-in-aid to the Swannanoa Valley Medical Center, forty thousand dollars (\$40,000) shall be appropriated from the General Fund to the Department of Human Resources for the 1982-83 fiscal year as a grant-in-aid to the Hot Springs Health Facility for capital construction, and thirty thousand seven hundred twenty-two dollars (\$30,722) shall be appropriated from the General Fund to the Department of Administration for the 1982-83 fiscal year as a grant-in-aid for Western North Carolina Tomorrow.

—LICENSE TAGS ON STATE-OWNED CARS

Sec. 59. G.S. 14-250 is amended by rewriting the second sentence to read:

"Provided, however, that no automobile used by any county officer or county official for the purpose of transporting, apprehending or arresting persons charged with violations of the laws of the State of North Carolina, shall be required to be lettered."

Sec. 60. G.S. 14-250 is further amended by deleting the fourth and fifth sentences and by adding on the end of the section the following:

"Provided, further, that in lieu of the above method of marking vehicles owned by the State and permanently assigned to members of the Council of State, it shall be deemed a compliance with the law if such vehicles have imprinted on the license tags thereof the license number assigned to the appropriate member of the Council of State pursuant to G.S. 20-81(4); a member of the Council of State shall not be assessed any registration fee if he elects to have a State-owned motor vehicle assigned to him designated by his official plate number.

The General Assembly may authorize exemptions from the provisions of this section for each fiscal year. Each agency shall submit requests for private tags to the Division of Motor Fleet Management of the Department of Administration. The Division shall report the requests to the Appropriations Committees of the General Assembly by June 1. If urgent need for an exemption arises when the General Assembly is not in session, the Division shall review the request and report it to the Council of State. The Council of State may authorize the exemption if it finds it is expedient and necessary in undercover work by those charged with enforcing the

criminal laws of the State. Every 90 days, the Council of State shall report all requests and actions taken on them to the Joint Legislative Commission on Governmental Operations. Exemptions authorized by the Council of State shall expire at the end of the fiscal year in which they are granted or when the General Assembly acts on exemptions for the next fiscal year, whichever is sooner."

Sec. 61. Pursuant to the provisions of G.S. 14-250, for the 1982-83 fiscal year, the General Assembly authorizes the following use of private license tags on State-owned motor vehicles:

<u>Department</u>	<u>Assignments</u>	<u>Total Number</u>
Administration:	1 Capitol Police	
	6 Human Relations Council	7
Motor Vehicles:	97 License & Theft Employees	
	11 License & Theft Motor Pool	108
Commerce:	15 Industrial Development Reps.	
	4 International Development Reps.	
	1 Economic Development Director	
	1 State Ports Director	
	1 Deputy Secretary	
	1 Bd. of Alcoholic Control	
	20 Utilities Comm. -	
	Transportation Enforcement	43
N.C.S.U.:	2 Security	2
E.C.U.:	2 Security	2
NRCD:	3 Forest Law Enforce. Off.	3
Correction:	498 Probation /Parole	498
Justice:	277 SBI Agents	
	3 Medicaid Investigators	280
Crime Control:	127 ALE Officers	
	2 Highway Patrol (Governor's Mansion)	
	1 Butner Public Safety	<u>130</u>
	Total	1,073

—PERMANENT ASSIGNMENT OF STATE-OWNED CARS AND STATE COMMUTING POLICY

Sec. 62. G.S. 143-341(8)(i)7a. is rewritten to read:

"7a. To adopt with the approval of the Governor and the advice of the Advisory Budget Commission and to enforce rules, pursuant to Chapter 150A of the General Statutes, and to coordinate State policy regarding (i) the permanent assignment of State-owned passenger motor vehicles and (ii) the use of and reimbursement for those vehicles for commuting. For the purpose of this subdivision 7a, 'State-owned passenger motor vehicle' includes any State-owned passenger motor vehicle, whether or not owned, maintained or controlled by the Department of Administration, and regardless of the source of the funds used to purchase it. Notwithstanding the provisions of G.S. 20-190 or any other provisions of law, all State-owned passenger motor vehicles are subject to the provisions of this subdivision 7a.; no permanent assignment shall be made and no one shall be exempt from payment of reimbursement for commuting or from the other provisions of this subdivision 7a. except as provided by this subdivision 7a.

A State-owned passenger motor vehicle shall not be permanently assigned to an individual who is likely to drive it on official business at a rate of less than 12,600 miles per year unless the individual's duties are (i) routinely related to public safety or (ii) are likely to expose him routinely to life threatening situations. The Department of Administration shall verify, on a quarterly basis, that each motor vehicle has been driven at the minimum allowable rate. If it has not and if the department by whom the individual is employed cannot justify the lower mileage

for the quarter in view of the minimum annual rate, the permanent assignment shall be revoked immediately.

Every individual who is permanently assigned a State-owned passenger motor vehicle, pick-up truck or van, and who uses that vehicle to drive between his official work station and his home, shall reimburse the State for those trips at the current motor pool rate established by the Department of Administration. If the round trip is 13 miles or less, reimbursement shall be for 13 miles times 20 work days per month; if the round trip is more than 13 miles, reimbursement shall be for the actual round trip mileage times 20 work days per month. Reimbursement shall be made by payroll deduction. Funds derived from reimbursements on vehicles owned by the Motor Fleet Management Division shall be deposited to the credit of the Division; funds derived from reimbursements on vehicles initially purchased with appropriations from the Highway Fund and not owned by the Division shall be deposited in a Special Depository Account in the Department of Transportation which shall revert to the Highway Fund; funds derived from reimbursement on all other vehicles shall be deposited in a Special Depository Account in the Department of Administration which shall revert to the General Fund. This paragraph shall not apply to law enforcement officers in the following agencies whose primary duties are not administrative: (i) State Bureau of Investigation, (ii) Alcohol law enforcement agents of the Department of Crime Control and Public Safety, and (iii) the Butner Public Safety Department, probation and parole officers or to members of the Council of State. This paragraph also shall not apply to members of the Highway Patrol in Troops A through H or to other members of the Highway Patrol whose primary duties are not administrative as determined by the Highway Patrol Commander. This paragraph also shall not apply to up to 350 employees of the Division of Highways of the department of Transportation who are subject to 24-hour emergency call in the performance of their official duties or to up to 400 employees of the Division of Highways, during the construction season, who are required to work abnormal hours and on weekends on highway construction contract work, in the discretion of the Secretary of the Department of Transportation. The Department of Administration, Motor Fleet Management Division shall report to the Joint Legislative Commission of Governmental Operations every 60 days on exemptions from the commuting fees granted under the provisions of this paragraph.

The Department of Administration shall revoke the assignment or require the Department owning the vehicle to revoke the assignment of a State-owned passenger motor vehicle, pick-up truck or van to any individual who:

- (a) Uses the vehicle for other than official business except in accordance with the commuting rules;
- (b) Fails to supply required reports to the Department of Administration, or supplies incomplete reports, or supplies reports in a form unacceptable to the Department of Administration and does not cure the deficiency within 30 days of receiving a request to do so;
- (c) Knowingly and willfully supplies false information to the Department of Administration on applications for permanent assignments, commuting reimbursement forms, or other required reports or forms;
- (d) Does not personally sign all reports or forms submitted for vehicles permanently assigned to him and does not cure the deficiency within 30 days of receiving a request to do so;
- (e) Abuses the vehicle; or
- (f) Violates other rule or policy promulgated by the Department of Administration not in conflict with this act.

A new requisition shall not be honored until the Secretary of the Department of Administration is assured that the violation for which a vehicle was previously revoked will not recur.

The Department of Administration, with the approval of the Governor and the advice of the Advisory Budget Commission, may delegate, or conditionally delegate, to the respective heads of agencies which own passenger motor vehicles or to which passenger motor vehicles are permanently assigned by the department, the duty of enforcing all or part of the rules adopted by the Department of Administration pursuant to this subdivision 7a. The Department of Administration, with the approval of the Governor and the advice of the Advisory Budget Commission, may revoke this delegation of authority."

—COMPENSATION FOR GOVERNORS' SPOUSES

Sec. 63. G.S. 147-32 is amended to read:

"§ 147-32. Compensation for surviving spouses of Governors. — All surviving spouses of Governors of the State of North Carolina, who make written request to the Director of the Budget, shall be paid the sum of six thousand dollars (\$6,000) a year in equal monthly installments, out of the State Treasury upon warrants duly drawn thereon. This compensation shall terminate upon the subsequent remarriage of the surviving spouse."

PART XVI.—TRANSPORTATION

—RESURFACED ROADS MAY BE WIDENED

Sec. 64. Of the contract maintenance resurfacing program funds appropriated in Section 3 of this act to the Department of Transportation, an amount not to exceed ten percent (10%) of the Board of Transportation's allocation of these funds may be used for widening existing narrow pavements which are scheduled for resurfacing.

PART XVII.—GENERAL GOVERNMENT

—STATE TREASURER TO REPORT ON INVESTMENTS

Sec. 65. A new subsection is added to G.S. 147-68 to read:

"(d1) The Treasurer shall report to the Joint Legislative Commission on Governmental Operations, to the Chairman, Appropriations Base Budget Committee and the Chairman, Appropriations Expansion Budget Committee of the House of Representatives, and to the Chairman, Committee on Appropriations and the Chairman, Committee on Base Budget of the Senate, on a quarterly basis, concerning all investments and deposits made by and through his office. The report shall include a listing of all investments with or on behalf of the State or any of its agencies or institutions and shall include the particular agency or institution, fund, rate of return, duration of the investment, and the amount of deposit on all noninterest bearing accounts. The first report is due 90 days after the effective date of this section and shall include all investments and deposits made during the 1981-82 fiscal year and all investments made during the first quarter of the 1982-83 fiscal year; thereafter, reports shall be made on a quarterly basis including all investments and deposits made during that reporting period."

—OVERREALIZED AGENCY RECEIPTS

Sec. 66. G.S. 143-27 is amended to read:

"§ 143-27. Appropriations to educational, charitable and correctional institutions are in addition to receipts by them. — All appropriations now or hereafter made to the educational institutions, and to the charitable and correctional institutions, and to such other departments and agencies of the State as receive moneys available for expenditure by them are declared to be in addition to such receipts of said institutions, departments or agencies, and are to be available as and to the extent that such receipts are insufficient to meet the costs anticipated in the budget authorized by the General Assembly, of maintenance of such institutions, departments, and agencies; provided, however, that actual receipts, except federal receipts, in excess of the amounts budgeted may be expended only when justified by extenuating circumstances and authorized by the Director of the Budget.

The Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations the amount of receipts budgeted in General Fund

codes compared to the amount actually collected in a fiscal year. This report shall apply to the previous fiscal year and shall be submitted by February 15 of each year."

—BUDGETING OF PILOT PROGRAMS

Sec. 67. Section 13.2 of Chapter 859 of the 1981 Session Laws is repealed.

Sec. 68. Any program which receives funds for the first time in a special appropriations act shall be considered a one-time appropriation and shall not be included in the base budget for the succeeding fiscal biennium. If a program which is included in the base budget receives additional funds in a special appropriations act, the amount of the additional appropriation may not become part of the base budget unless the act so indicates.

Any new program included in the budget submitted to the General Assembly by the Governor shall not become part of the base budget during the first fiscal biennium in which an appropriation to it is made. When a program that has not previously been included in the base budget is submitted to the General Assembly by the Governor for continued funding, it shall bear a designation that it is a pilot program.

—PROPERTY TAX ASSISTANCE

Sec. 69. The second unnumbered paragraph of G.S. 105-213(a) is rewritten to read as follows:

"In determining the amount to be distributed there shall be deducted from net collections (total collections less refunds) the following:

- (1) The tax credit specified in the second paragraph of G.S. 105-122(d), and
- (2) The cost to the State to administer and collect the taxes levied under this Article for the preceding fiscal year, and
- (3) The cost to the State for the operation of the Ad Valorem Tax Division of the Department of Revenue and of the Property Tax Commission for the preceding fiscal year, and
- (4) The cost to the State of the operation of a training program in property tax appraisal and assessment administration by the Institute of Government for the preceding fiscal year."

Sec. 70. For the purpose of determining net collections for the fiscal year ending June 30, 1982, the following amounts shall be deducted in addition to the amounts specified by the second paragraph of G.S. 105-213(a), as amended by Section 69 of this act for the purposes indicated:

- (1) One hundred thirty-three thousand four hundred fifty dollars (\$133,450) to fund additional appropriations to the Ad Valorem Tax Division of the Department of Revenue and the Property Tax Commission for fiscal 1982-83;
- (2) Seventy-five thousand dollars (\$75,000) to fund a training program in property tax assessment administration to be begun by the Institute of Government in fiscal 1982-83.

If the full amount of the funds deducted under this section is not expended during the 1982-83 fiscal year, the unexpended amount shall be distributed to counties and cities during the 1983-84 fiscal year along with the distribution required under G.S. 105-213(a). The basis of the distribution of the unexpended balances shall be the same as that for revenue collected under G.S. 105-199 and G.S. 105-205.

—HOMESTEAD EXEMPTION REIMBURSEMENT

Sec. 70.1. Section 3 of Chapter 1052 of the 1981 Session Laws is amended by adding the following sentence at the end:

"In order to pay for the reimbursement under this section and the cost to the Department of Revenue for administering the reimbursement, the Secretary of Revenue may withhold from net collections received by the Department under Article 2A and Article 2C of Chapter 105 of the General Statutes an amount equal to the reimbursement and the cost of administration."

—REVERSION OF AIRCRAFT FUNDS

Sec. 71. Of the funds in capital improvement accounts in the Department of Commerce which were received from the sale of the Gulfstream Airplane, five hundred thousand dollars (\$500,000) shall revert to the General Fund.

PART XVIII.—JUDICIAL BRANCH**—RESTRICTIVE RESERVE FUNDS**

Sec. 71.1. The expansion budget reduction in the funds appropriated to the Judicial Department shall be applied so as to reduce the amount in the Restrictive Reserve to one million three hundred thousand dollars (\$1,300,000). Four hundred thousand dollars (\$400,000) of the Reserve shall be used for new personnel, as approved by the Administrative Officer of the Courts; nine hundred thousand dollars (\$900,000) shall be used for office equipment.

Sec. 71.2. G.S. 7A-41 is amended in the Table so that the total number of full-time assistant district attorneys for the indicated judicial districts read:

"Judicial District	No. of Full-Time Asst. District Attorneys
17A	3
29	5."

—PUBLIC DEFENDER FOR 15B

Sec. 72. G.S. 7A-465 is amended by inserting a new paragraph between the fourth and fifth to read:

"Effective June 1, 1983, the office of public defender is established in judicial district 15B."

Sec. 73. G.S. 7A-466 is amended in the first sentence by inserting between the word "twelfth" and the word "eighteenth" the word "fifteenth-B".

Sec. 74. An investigator, authorized by G.S. 7A-468, is allocated to the public defender's office established in judicial district 15B.

Sec. 75. A secretary is authorized and allocated to the public defender's office established in judicial district 15B.

Sec. 76. Funds for the positions authorized and allocated by Sections 72 through 75 of this act shall be allocated from the funds appropriated to the Judicial Department for indigent counsel by Chapter 859, 1981 Session Laws.

PART XIX.—SPECIAL PROVISIONS/APPROPRIATIONS ACT**—EXECUTIVE BUDGET ACT REFERENCE**

Sec. 77. 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 – 1982-83

Sec. 78. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1982-83 fiscal year, the textual provisions of this act shall apply only to funds appropriated for, and activities occurring during, the 1982-83 fiscal year.

—RETAIN APPROPRIATIONS LIMITATIONS AND DIRECTIONS

Sec. 79. Except where expressly repealed by this act, the provisions of Chapters 859, 860, and 1127 of the 1981 Session Laws remain in effect.

Sec. 80. Notwithstanding any modifications by this act in the amounts appropriated, except where expressly repealed, the limitations and directions for the 1981-83 fiscal biennium or for the 1982-83 fiscal year in Chapters 859, 860, and 1127 of the 1981 Session Laws that applied to appropriations to particular agencies or for particular purposes apply to the newly enacted appropriations of this act for those same particular purposes.

—SEVERABILITY CLAUSE

Sec. 81. If any section or provision of this act is declared unconstitutional or invalid by the courts, it shall not affect the validity of the act as a whole or any part other than the part so declared to be unconstitutional or invalid.

—GENERAL REPEALER

Sec. 82. All laws and clauses of laws in conflict with this act are repealed.

—EFFECTIVE DATE

Sec. 83. Sections 31 and 52 of this act are effective upon ratification. Section 44 of this act shall become effective April 1, 1983. Sections 48, 57 and 71 of this act shall become effective June 30, 1982. Sections 72 through 76 of this act shall become effective June 1, 1983. Section 20.3 of this act shall become effective January 1, 1983. The remaining sections of this act shall become effective July 1, 1982.

In the General Assembly read three times and ratified, this the 22nd day of June, 1982.