

GENERAL ASSEMBLY OF NORTH CAROLINA  
1983 SESSION

CHAPTER 1034  
HOUSE BILL 80

AN ACT TO MODIFY CURRENT OPERATIONS AND CAPITAL  
IMPROVEMENTS APPROPRIATIONS FOR NORTH CAROLINA STATE  
GOVERNMENT FOR THE 1984-85 FISCAL YEAR AND TO MAKE OTHER  
CHANGES IN THE BUDGET OPERATION OF THE STATE.

The General Assembly of North Carolina enacts:

Sec. 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 biennium.

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 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/HIGHWAY FUND

Sec. 2.

PART II.-----CAPITAL IMPROVEMENTS/HIGHWAY FUND

Sec. 3.

PART III.-----APPROPRIATION OF FEDERAL BLOCK GRANT FUNDS

-----APPROPRIATION OF FEDERAL BLOCK GRANT FUNDS

Sec. 4.

-----FEDERAL BLOCK GRANTS

Sec. 5.

PART IV.-----PUBLIC SCHOOLS

-----SALARY ADJUSTMENT FOR CERTIFICATED PUBLIC SCHOOL  
EMPLOYEES

Sec. 6.

-----COMPETENCY PROGRAMS BUDGETED LIKE PILOT  
PROGRAMS

Sec. 7.

-----COMPETENCY TESTING/MEASUREMENT

Sec. 8.  
 -----EXTEND EMPLOYMENT OF SCIENCE AND MATH TEACHERS  
 Sec. 9.  
 -----SCHOLARSHIP LOAN FUND FOR PROSPECTIVE TEACHERS  
 Sec. 10.  
 -----FUNDS TO REDUCE CLASS SIZE  
 Sec. 11.  
 Sec. 12.  
 Sec. 13.  
 -----STUDENT INFORMATION SYSTEM PILOT PROGRAM  
 Sec. 14.  
 -----SCIENCE AND MATH EQUIPMENT K-12  
 Sec. 15.  
 -----CENTRALIZED PAYROLL SYSTEM FOR PUBLIC SCHOOLS  
 Sec. 16.  
 -----BASIC AND VOCATIONAL SKILLS PILOT PROGRAM  
 Sec. 17.  
 -----FUNDS FOR DROPOUT PREVENTION  
 Sec. 17.1.  
 -----FUNDS FOR THE JOB TRAINING READINESS PROGRAM  
 Sec. 18.  
 -----EXCEPTIONAL CHILDREN/COMMUNITY RESIDENTIAL  
 CENTERS  
 Sec. 19.  
 -----EXCEPTIONAL CHILDREN/FUNDING FORMULA AMENDED  
 Sec. 20.  
 -----TUITION FOR PERSONS OVER 19 YEARS OLD.  
 Sec. 21.  
 Sec. 22.  
 Sec. 23.  
 Sec. 24.  
 -----HANDICAPPED CHILDREN - TEXTBOOKS  
 Sec. 25.  
 -----MATCH FOR HANDICAPPED CHILDREN FUNDS  
 Sec. 26.  
 -----ACCOUNTING FOR ADM POSITIONS SERVING EXCEPTIONAL  
 CHILDREN  
 Sec. 27.  
 -----EXCEPTIONAL CHILDREN ACCOUNTABILITY  
 Sec. 28.  
 -----RESERVE FOR AVERAGE DAILY MEMBERSHIP ADJUSTMENT  
 Sec. 29.  
 -----TRANSFER TORT CLAIMS FUNDS  
 Sec. 30.

Sec. 31.  
 -----MAINTENANCE SUPERVISOR FUNDS

Sec. 32.  
 -----TEACHERS IN STATE AGENCIES EXEMPTED FROM STATE  
 PERSONNEL PAY PLAN.

Sec. 33.

Sec. 34.  
 -----FORSYTH ALTERNATIVE PRIMARY READING PROGRAM

Sec. 35.  
 PART V.-----COMMUNITY COLLEGES

-----ALLOCATION OF CAPITAL FUNDS

Sec. 36.  
 -----COMMUNITY COLLEGE SCHOLARSHIP FUND

Sec. 37.

Sec. 38.  
 -----BOOKS AND EQUIPMENT APPROPRIATIONS/REVERT AFTER  
 ONE YEAR

Sec. 39.  
 -----DESIGNATION OF COURSES AS VOCATIONAL OR  
 AVOCATIONAL

Sec. 40.  
 -----COMMUNITY COLLEGE TUITION

Sec. 41.  
 -----EQUIPMENT FUNDS

Sec. 42.

Sec. 43.

Sec. 44.  
 -----PROGRAM APPROVAL BY STATE BOARD

Sec. 45.

Sec. 46.  
 PART VI.-----UNIVERSITIES

-----MAJOR RESEARCH UNIVERSITIES

Sec. 47.  
 -----RESIDENTIAL SUMMER INSTITUTES IN MATH AND SCIENCE

Sec. 48.  
 -----TRANSFER OF SCIENCE AND MATHEMATICS SCHOOL

Sec. 49.

Sec. 50.  
 -----RESERVE FOR JACKSON COUNTY BOARD OF EDUCATION

Sec. 51.  
 -----UNC - LUMP-SUM APPROPRIATION

Sec. 52.  
 -----NCSU - AGRICULTURAL PROGRAMS

Sec. 53.

-----PRINCIPALS' MANAGEMENT PROGRAM

Sec. 54.

-----ESTABLISH SMALL BUSINESS DEVELOPMENT CENTERS AND  
SUPPORT SMALL CITIES AND RURAL DEVELOPMENT PROGRAM

Sec. 55.

-----NUCLEAR MAGNETIC RESONANCE GRANT-IN-AID

Sec. 56.

-----MILITARY TUITION RATES

Sec. 57.

Sec. 58.

Sec. 59.

-----AID TO PRIVATE COLLEGES INCREASED

Sec. 60.

PART VII.-----HUMAN RESOURCES

-----WILLIE M

Sec. 61.

-----MEDICAID

Sec. 62.

-----MEDICAID/MARRIED PREGNANT WOMEN

Sec. 62.1.

-----MEDICAID/INTACT FAMILIES

Sec. 62.2.

-----ADULT DEVELOPMENTAL ACTIVITIES PROGRAM

Sec. 63.

-----AID FOR DISABLED CITIZENS

Sec. 64.

-----CYSTIC FIBROSIS FUNDS

Sec. 65.

-----AGED AND FAMILY CARE/COUNTY AND STATE SHARE OF  
COSTS

Sec. 66.

-----DOMICILIARY CARE FACILITIES

Sec. 67.

-----ICF/MR CON DISTRIBUTION

Sec. 67.1.

-----CHANGE REPORTING DATE ON DEINSTITUTIONALIZATION  
PROJECT

Sec. 68.

-----FUNDS FOR AUTISTIC ADULTS

Sec. 69.

-----COMMUNITY RESIDENTIAL CENTERS FOR THE MENTALLY  
RETARDED

Sec. 70.

-----MATCHING FUND REQUIREMENT FOR CHAPELS

Sec. 71.  
 -----BLIND REHABILITATION CENTER AT BUTNER TRANSFER TO  
 DOC  
 Sec. 72.  
 -----SANITARY LANDFILL REQUIREMENTS FOR LOCAL  
 GOVERNMENTS  
 Sec. 73.  
 -----EMERGENCY HAZARDOUS WASTE SITE REMEDIAL FUND  
 Sec. 74.  
 -----QUALIFICATIONS OF LOCAL HEALTH DIRECTORS  
 Sec. 75.  
 -----COUNTY DUTY TO SUPPORT IV-D PROGRAM  
 Sec. 76.  
 -----CHILD SUPPORT ENFORCEMENT PROGRAM REPORT  
 Sec. 77.  
 -----AFTER-SCHOOL CHILD CARE  
 Sec. 78.  
 -----COMMUNITY WORK EXPERIENCE PROGRAM  
 Sec. 79.  
 -----ALCOHOL AND DRUG PROGRAMS IN THE PUBLIC SCHOOLS  
 Sec. 80.  
 Sec. 81.  
 -----HOKE COUNTY CHILDREN'S CENTER  
 Sec. 82.  
 -----HAWTHORNE HEIGHTS JUVENILE SHELTER  
 Sec. 83.  
 PART VIII.-----ADMINISTRATIVE OFFICE OF THE COURTS  
 -----MAGISTRATES NOT COMPENSATED FOR MILEAGE WITHIN  
 COUNTY  
 Sec. 84.  
 -----SCHEDULES OF MAGISTRATES  
 Sec. 85.  
 -----SALARIES/SUPERIOR COURT CLERKS  
 Sec. 86.  
 Sec. 87.  
 Sec. 88.  
 Sec. 89.  
 Sec. 90.  
 Sec. 91.  
 -----LONGEVITY PAY FOR ASSISTANT DISTRICT ATTORNEYS  
 AND ASSISTANT PUBLIC DEFENDERS  
 Sec. 92.  
 Sec. 93.  
 -----LONGEVITY PAY FOR PUBLIC DEFENDERS

Sec. 94.

PART IX.-----ATTORNEY GENERAL

-----CONSENT JUDGMENTS ENTERED INTO BY THE STATE

Sec. 95.

PART X.-----COMMERCE

-----BLUE RIDGE PARKWAY ANNIVERSARY FUNDS/MATCH  
REQUIRED

Sec. 96.

-----ALLOCATION OF TECHNOLOGICAL DEVELOPMENT  
AUTHORITY FUNDS

Sec. 97.

PART XI.-----CRIME CONTROL AND PUBLIC SAFETY

-----DIVISION OF EMERGENCY SERVICES

Sec. 98.

-----NATIONAL GUARD TUITION ASSISTANCE

Sec. 99.

Sec. 100.

-----CRIME CONTROL AND PUBLIC SAFETY/DEFERRED  
PROSECUTION PROGRAM

Sec. 101.

Sec. 102.

Sec. 103.

-----SEPARATION ALLOWANCES/LAW-ENFORCEMENT OFFICERS

Sec. 104.

-----REPLACING LAW-ENFORCEMENT OFFICERS ON FINAL SICK  
LEAVE

Sec. 105.

-----EXEMPTION FROM STATE PERSONNEL COMMISSION SALARY  
STANDARDS

Sec. 106.

Sec. 107.

PART XII.-----AGRICULTURE

-----RENAME HAMPTON MARINER'S MUSEUM

Sec. 108.

PART XIII.-----NATURAL RESOURCES AND COMMUNITY  
DEVELOPMENT

----PARTICIPATION IN THE NUTRIENT SENSITIVE WATERSHED  
PROJECT

Sec. 109.

-----IMPLEMENTATION OF PROJECT

Sec. 110.

-----MATCHING FUNDS TO RECLAIM ABANDONED MINES

Sec. 111.

-----COMMUNITY ACTION PARTNERSHIP

Sec. 111.1

Sec. 111.2

-----CIVIL WORKS AND WATERSHED PROJECTS

Sec. 112.

PART XIV.-----STATE TREASURER

----REFUND OF FORMER MEMBER PAYMENTS FOR UNREDUCED  
RETIREMENT

Sec. 113.

Sec. 114.

-----ISSUANCE FEES/PRIVATE-PURPOSE REVENUE BONDS

Sec. 115.

-----COSTS OF TREASURER'S INVESTMENT PROGRAMS

Sec. 116.

Sec. 117.

Sec. 118.

Sec. 119.

PART XV.-----ADMINISTRATION

-----PRIVATE LICENSE PLATES ON STATE-OWNED CARS

Sec. 120.

Sec. 121.

-----PERMANENT ASSIGNMENT OF STATE-OWNED PASSENGER  
MOTOR VEHICLES

Sec. 122.

-----FAMILY VIOLENCE PROGRAMS FUNDS

Sec. 123.

-----SALE OF STATE-OWNED LAND IN CARY

Sec. 124.

PART XVI.-----REVENUE

-----CLARIFY APPLICATION OF THE BUILDING CODE -----STATE  
EMPLOYEES RECEIVING CONFIDENTIAL TAX INFORMATION

Sec. 125.

-----REVENUE/REFUND OF INCOME TAXES.

Sec. 126.

-----CLARIFY USE OF SALES TAX REVENUE IN BURKE COUNTY

Sec. 127.

PART XVII.-----CULTURAL RESOURCES

-----CULTURAL RESOURCES CONTINUATION RESERVE

Sec. 128.

-----HISTORICAL MARKER PROGRAM FUNDS INCREASED

Sec. 129.

-----TRYON PALACE/OVER-REALIZED ADMISSION FEE RECEIPTS

Sec. 130.

-----INCREASE OLD ART MUSEUM RENOVATION PROJECT

Sec. 131.

PART XVIII.-----GOVERNOR'S OFFICE/BUDGET OFFICE  
-----HOUSING COMMISSION FUNDS FROM GENERAL FUND  
Sec. 132.  
-----INTEREST ON HFA RESERVE  
Sec. 133.  
-----HFA BUDGET REPORTS  
Sec. 134.  
-----LEGISLATIVE COMMITTEE ON ENERGY CRISIS  
MANAGEMENT  
Sec. 135.  
Sec. 136.  
Sec. 137.  
Sec. 138.  
-----DISCHARGE OF NEED-BASED STUDENT LOANS BY SERVICE  
Sec. 139.  
-----FEDERAL EMERGENCY VETERANS JOB TRAINING ACT OF  
Sec. 140.  
-----MATCH FOR BIOTECHNOLOGY CENTER FUNDS  
Sec. 141.  
-----NONREVERTING RESERVE FOR BIOTECHNOLOGY  
Sec. 142.  
-----LIMITATION ON USE OF RESERVE FOR REPAIRING AND  
RENOVATING FACILITIES  
Sec. 143.  
-----RESERVE FOR REDUCTION IN PRISON POPULATION  
Sec. 144.  
-----MONTHLY ALLOCATIONS/DIRECTOR OF THE BUDGET  
Sec. 145.  
-----PAY EQUITY STUDY  
Sec. 146.  
-----EXECUTIVE BUDGET ACT REVISIONS  
Sec. 147.  
Sec. 148.  
Sec. 149.  
Sec. 150.  
Sec. 151.  
Sec. 152.  
Sec. 153.  
Sec. 154.  
Sec. 155.  
Sec. 156.  
Sec. 157.  
Sec. 158.  
Sec. 159.



Sec. 160.

Sec. 161.

Sec. 162.

Sec. 163.

Sec. 164.

Sec. 165.

-----OPERATION OF VENDING FACILITIES BY THE STATE

Sec. 166.

Sec. 167.

Sec. 168.

Sec. 169.

Sec. 170.

Sec. 171.

Sec. 172.

Sec. 173.

Sec. 174.

Sec. 175.

-----FEDERAL REVENUE SHARING

Sec. 175.1

PART XIX.-----GENERAL ASSEMBLY

-----INFORMATION TO THE LEGISLATIVE SERVICES OFFICE

Sec. 176.

Sec. 177.

-----MEETINGS OF THE BOARD OF AWARDS AND THE COUNCIL  
OF STATE

Sec. 177.1

-----TERMINATION OF LEGISLATIVE RESEARCH COMMISSION  
TERMS

Sec. 178.

-----PUBLICATION OF SESSION LAWS AND JOURNALS

Sec. 179.

-----FUNDS NOT REVERT

Sec. 180.

Sec. 181.

Sec. 182.

-----RETIREMENT CREDITS FOR EMPLOYMENT WITH THE  
GENERAL ASSEMBLY

Sec. 183.

-----LEGISLATORS' TRAVEL ALLOWANCES

Sec. 184.

Sec. 185.

Sec. 186.

-----MILITARY SERVICE CREDIT/LEGISLATIVE RETIREMENT  
SYSTEM

Sec. 187.

-----TECHNICAL AMENDMENTS/LEGISLATIVE RETIREMENT  
SYSTEM

Sec. 188.

Sec. 189.

Sec. 190.

Sec. 191.

Sec. 192.

Sec. 193.

Sec. 194.

Sec. 195.

Sec. 196.

Sec. 197.

Sec. 198.

Sec. 199.

PART XX.-----HIGHWAYS

-----URBAN AND RURAL ROAD CONSTRUCTION FUNDS  
ALLOCATED

Sec. 200.

-----MATCH FOR ADDITIONAL FEDERAL FUNDS

Sec. 201.

-----COMMISSION PAID TO BRANCH AGENTS

Sec. 202.

-----AMTRAK PIEDMONT CRESCENT

Sec. 203.

-----USE OF DEFENSIVE DRIVING AND TRAINING FACILITY  
FUNDS

Sec. 204.

-----HIGHWAY/LIMITATIONS ON TRANSFERS

Sec. 205.

PART XXI.-----SALARY, RETIREMENT, AND EMPLOYEE BENEFITS

-----MOST STATE EMPLOYEES/TEN PERCENT SALARY INCREASE

Sec. 206.

-----LEGISLATIVE EMPLOYEES/TEN PERCENT SALARY INCREASE

Sec. 207.

-----GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY  
INCREASES

Sec. 208.

-----LEGISLATORS/SALARY AND EXPENSE INCREASE

Sec. 209.

-----JUDICIAL BRANCH OFFICIALS/SALARIES

Sec. 210.

-----MAGISTRATES/SALARIES

Sec. 211.

-----COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

Sec. 212.

-----HIGHER EDUCATION ACADEMIC PERSONNEL/SALARY INCREASES

Sec. 213.

-----COUNCIL OF STATE/SALARIES

Sec. 214.

-----NON-ELECTED DEPARTMENT HEADS/SALARY INCREASE

Sec. 215.

Sec. 216.

-----GOVERNOR/SALARY

Sec. 217.

-----MISCELLANEOUS SALARIES

Sec. 218.

-----FREEZE CONTINUED

Sec. 219.

-----RESERVE FOR SUPPLEMENTAL SALARY FUNDS TO LOCAL UNITS OF GOVERNMENT

Sec. 220.

-----ELIMINATION OF SALARY GRADE 50

Sec. 221.

-----COST-OF-LIVING ADJUSTMENTS FOR RETIREES - TEACHERS, STATE EMPLOYEES, LAW OFFICERS, JUDGES, SOLICITORS, AND SUPERIOR COURT CLERKS

Sec. 222.

Sec. 223.

Sec. 224.

-----STATE'S EMPLOYER CONTRIBUTION RATES FOR RETIREMENT

Sec. 225.

-----STATE LEO TRANSFER AND ENHANCEMENT

Sec. 227.

Sec. 228.

Sec. 229.

Sec. 230.

Sec. 231.

Sec. 232.

Sec. 233.

Sec. 234.

Sec. 235.

Sec. 236.

Sec. 237.

Sec. 238.

Sec. 239.

Sec. 240.

Sec. 241.

Sec. 242.

Sec. 243.

Sec. 244.

Sec. 245.

Sec. 246.

Sec. 247.

Sec. 248.

Sec. 249.

-----RETIREMENT STUDY/SHERIFFS AND REGISTERS OF DEEDS

Sec. 250.

-----RESTORE DISCONTINUED SERVICE RETIREMENT  
ALLOWANCE AND SEVERANCE WAGES FOR CERTAIN STATE  
EMPLOYEES

Sec. 251.

PART XXII.-----SPECIAL PROVISIONS/APPROPRIATIONS ACT

-----EXECUTIVE BUDGET ACT REFERENCE

Sec. 252.

-----EFFECT OF MOST LIMITATIONS AND DIRECTIONS IN TEXT/  
ONLY - 1984-85

Sec. 253.

-----RETAIN APPROPRIATIONS LIMITATIONS AND DIRECTIONS

Sec. 254.

Sec. 255.

-----SEVERABILITY CLAUSE

Sec. 256.

-----EFFECTIVE DATE

Sec. 257.

PART I.-----CURRENT OPERATIONS/HIGHWAY FUND

Sec. 2. The amounts appropriated from the Highway Fund for the 1984-85 fiscal year in the 1984-85 column of the schedule in Section 3 of Chapter 761 of the 1983 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, 1985, according to the following schedule:

Current Operations - Highway Fund		1984-85
Department of Transportation		
01.	Administration	\$ 16,831,051
02.	Highways	
a. (01)	Administration and Operations	18,869,528
(02)	Public Transportation	500,000
b.	State Construction	

	(01)	Primary Construction	1,500,000
	(02)	Secondary Construction	45,490,000
	(03)	Urban Construction	29,500,000
	(04)	Access and Public Service Roads	2,000,000
c.		State Funds to Match Federal Highway Aid	
	(01)	Construction	64,088,249
	(02)	Planning Survey and Highway Planning Research	734,006
d.		State Maintenance	
	(01)	Primary	60,964,085
	(02)	Secondary	112,057,391
	(03)	Urban	15,667,129
	(04)	Contract Resurfacing	78,571,762
e.		Ferry Operations	10,114,459
f.		State Aid to Municipalities	45,090,000
g.		Employers' Contributions for Administration, Highway Operations Administration, Division of Motor Vehicles and Equipment Unit	
	(01)	Social Security	3,115,188
	(02)	Retirement	4,515,650
	(03)	Hospital/Medical Insurance	1,428,265
03.		Division of Motor Vehicles	37,877,653
04.		Governor's Highway Safety Program	282,871
05.		Salary Adjustments for Highway Fund Employees	200,000
06.		Debt Service	38,401,500
07.		Reserve for Hospital Medical Benefits for Retirees	1,873,000
07.(A)		Reserve for State Law Enforcement Officers Retirement Transfer	720,000
08.		Reserve for Cost-of-Living Salary Increase	31,754,300
09.		Reserve to Correct Occupational Safety and Health	350,000
10.		Reserve for Increase in Retirement Allowances	827,500
Appropriations for Other State Agencies			
01.		Crime Control & Public Safety	50,050,482
	a.	Reserve for Salary Adjustment	

	for Certain Members of Highway Patrol	2,040,000
02.	Other Agencies	
a.	Department of Agriculture	1,741,158
b.	Department of Commerce	619,165
c.	Department of Revenue	1,087,547
d.	Department of Human Resources	246,604
e.	Department of Correction	1,750,000
f.	Department of Public Education-Driver Training Program	18,300,000
	Contingencies and Emergency Fund	100,000
	<b>GRAND TOTAL CURRENT OPERATIONS - HIGHWAY FUND</b>	<b>\$ 699,258,543</b>

**PART II.-----CAPITAL IMPROVEMENTS/HIGHWAY FUND**

Sec. 3. The items and amounts appropriated for the 1984-85 fiscal year from the Highway Fund in the schedule in Section 5 of Chapter 757 of the 1983 Session Laws are reenacted, and additional appropriations are made from the Highway Fund for use by State institutions, departments and agencies to provide for capital improvement projects according to the following schedule:

**Capital Improvements 1984-85**

a.	Renovate Motor Vehicles Building	\$ 549,000
b.	Complete Mann's Harbor Ferry Facility	4,700,000
c.	Renovations and Improvements to Division, Maintenance, Equipment and Other Highway Facilities	2,020,000
d.	Highway Patrol Driving Track	1,308,000
e.	Highway Patrol - Renovations to Training Center	600,000
f.	Maintenance and Equipment Complex - Goldsboro	3,000,000
	<b>GRAND TOTAL CAPITAL IMPROVEMENTS - HIGHWAY FUND</b>	<b>\$12,177,000</b>

**PART III.-----APPROPRIATION OF FEDERAL BLOCK GRANT FUNDS**

**-----APPROPRIATION OF FEDERAL BLOCK GRANT FUNDS**

Sec. 4. Effective July 1, 1984, appropriations from federal block grant funds are made for the fiscal year ending June 30, 1985, 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	\$ 9,920,804
02.	Division of Health Services	
a.	Maternal and Child Health Services Block Grant	\$ 12,530,310
b.	Preventive Health and Health Services Block Grant	\$ 2,684,621
03.	Division of Social Services	
a.	Social Services Block Grant	\$ 68,440,031
b.	Low Income Energy Assistance Block Grant	\$ 39,300,000

Total Department of Human Resources	\$132,875,766
Department of Natural Resources and Community Development	
01. Community Services Block Grant	\$ 8,613,640
02. Community Development Block Grant	\$ 42,435,100
Total Department of Natural Resources and Community Development	\$ 51,048,740
Department of Public Education	
01. Education Consolidation and Improvement Act Chapter II	\$ 11,258,157
Total Federal Block Grants	\$195,182,663
-----FEDERAL BLOCK GRANTS	

Sec. 5. (a) The federal block grant funds appropriated in Section 4 of this act shall be spent in accordance with the plans submitted to the 1983 General Assembly (Regular Session, 1984) by the Governor with the following exceptions:

Department of Human Resources

- (1) Alcohol, Drug Abuse, and Mental Health Block Grant - Sixty thousand dollars (\$60,000) shall be allocated to early intervention programs for emotionally disturbed children. One hundred thirty-eight thousand dollars (\$138,000) shall be allocated to group homes for emotionally disturbed children. One hundred sixty-nine thousand eight hundred forty-seven dollars (\$169,847) shall be allocated to crisis stabilization programs. All of these funds are net increases in program funds and shall not be used to supplant other money currently being used for these purposes.
- (2) Low Income Energy Assistance Block Grant - Administrative cost shall be limited to no more than three million dollars (\$3,000,000). Any administrative savings achieved may be reallocated to increase services under other parts of this block grant. Savings in administrative costs achieved by a county may be reallocated by that county to increase services under other parts of this block grant.
- (3) Social Services Block Grant - State administrative cost is limited to two million five hundred thousand dollars (\$2,500,000) excluding day care. Administrative cost for day care is limited to nine hundred fifty-nine thousand eight hundred sixty-eight dollars (\$959,868).

PART IV.-----PUBLIC SCHOOLS

-----SALARY ADJUSTMENT FOR CERTIFICATED PUBLIC SCHOOL EMPLOYEES

Sec. 6. In addition to the ten percent (10%) salary increase granted to public school employees pursuant to Section 206 of this act, certificated public school employees shall receive a salary grade classification increase resulting in an additional four and eight-tenths percent (4.8%) pay increase (not compounded) for a total pay increase of fourteen and eight-tenths percent (14.8%).

-----COMPETENCY PROGRAMS BUDGETED LIKE PILOT PROGRAMS

Sec. 7. The Competency Development K-12 and the Competency Testing/Measurement programs of the State Board of Education are subject to the provisions of Section 12 of Chapter 761 of the 1983 Session Laws.

-----COMPETENCY TESTING/MEASUREMENT

Sec. 8. It is the intent of the General Assembly that the changes in the testing programs shall be based on the foundation established by the currently funded Annual Testing program, shall not duplicate programs, and shall result in more objective information being available for decisions about student assignment and promotion. It is further the intention of the General Assembly that achievement-type tests already available on the commercial market shall be purchased to evaluate students at grades 3, 6, and 9 beginning immediately in the basic areas not included in the Annual Testing program, and that the future development of competency type tests for use in North Carolina shall include the use of commercial-type materials and instruments, where available and appropriate, and that duplication shall not occur. Any test development activities using these funds should be cost effective in comparison to the purchase of commercial-type tests. Lastly, it is the intent of the General Assembly that the appropriation of one million one hundred forty-six thousand five hundred dollars (\$1,146,500) in Section 2, Chapter 971 of the 1983 Session Laws, for development of the competency-based testing programs shall utilize currently available positions in the State Department of Public Instruction, including those administering the Annual Testing Program, and in addition may be used for external contractual services, without the addition of new positions.

-----EXTEND EMPLOYMENT OF SCIENCE AND MATH TEACHERS

Sec. 9. Funds are appropriated to the Department of Public Education in Section 2 of Chapter 971, Session Laws of 1983, to employ 700 science and mathematics teachers in grades 9 through 12 for six weeks during the summer of 1985. These funds shall be expended only to employ science and mathematics teachers who are teaching summer school or who are engaged in classroom-related activities and the controller of the State Board shall verify that they are expended only for that purpose, and shall report to the General Assembly the number of such teachers who taught summer school and the length of time each taught and the number who did not teach. Any funds not expended shall revert to the General Fund.

-----SCHOLARSHIP LOAN FUND FOR PROSPECTIVE TEACHERS

Sec. 10. Of the funds appropriated to the Department of Public Instruction in Section 2 of Chapter 971, Session Laws of 1983, the sum of four hundred thousand dollars (\$400,000) shall be allocated to the Scholarship Loan Fund for Prospective Teachers established by G.S. 116-171. These funds shall be used to provide 200 scholarship loans at two thousand dollars (\$2,000) each during the 1984-85 school year. It is the intent of the General Assembly to appropriate sufficient funds for this purpose in future fiscal years to continue each scholarship for four school years and to provide 200 new scholarships every school year through 1987-88; thus, beginning with the 1987-88 school year, 800 scholarships would be provided each school year. All scholarships provided pursuant to this section shall be subject to the provisions of Article 18 of Chapter 116 of the General Statutes except as otherwise provided in this



section and except that the criteria for awarding scholarships shall be measures of academic performance including grade point average, scores on standardized tests, class rank, and recommendations of guidance counselors. Also, an equal number of scholarships shall be awarded in each of the State's congressional districts.

-----SCHOLARSHIP LOAN FUND FOR PROSPECTIVE TEACHERS

Sec. 10.1. G.S. 116-171 through 116-174 are transferred to Chapter 115C and redesignated as Article 32A, G.S. 115C-468 through 115C-471.

Sec. 10.2. G.S. 105A-2(1) is amended by adding a new subpart "o" to read as follows:

"o. The State Board of Education through the Superintendent of Public Instruction when in the performance of his duties of administering the Scholarship Loan Fund for Prospective Teachers enabled by Chapter 115C, Article 32A."

-----FUNDS TO REDUCE CLASS SIZE

Sec. 11. The funds to reduce class size appropriated to the Department of Public Education in Section 2 of Chapter 971, Session Laws of 1983, shall be used to reduce the allocation formula for grades 4 through 6 from one teacher for every 30 students in average daily membership to one teacher for every 26 students in average daily membership. These funds shall not be used for administrative purposes or for any purpose except to provide additional teachers to reduce class size for grades 4 through 6 as provided in this section.

Each local board of education shall organize the schools and assign teachers so that the average ratio of teachers to students in each of the grades 4 through 6 in its local school administrative unit is no more than one to 26. At all times during the school year and the school day, the local board shall assure that the number of students assigned to each class and the number being taught on a regular basis in each class are such that this average ratio is not exceeded.

Sec. 12. G.S. 115C-301(d)(2) is amended by deleting the subdivision and substituting the following:

"(2) No more than 29 students per teacher in average daily membership for grades four through six.

(2a) No more than 33 students per teacher in average daily membership for grades seven and eight."

Sec. 13. G.S. 115C-301(d) is amended by adding a new sentence at the end to read: "At no time shall the number of students assigned to a class or being taught on a regular basis in a class exceed these class size maximums. Provided provisions of G.S. 115C-301(d)(3) and G.S. 115C-47(10) shall still apply."

-----STUDENT INFORMATION SYSTEM PILOT PROGRAM

Sec. 14. Funds appropriated to the Department of Public Education in Section 2 of Chapter 971, Session Laws of 1983, include funds for a pilot Student Information System to reduce the time teachers spend on record keeping of student information. This pilot program shall be administered so as to provide microcomputers at an equal number of schools in each congressional district.

-----SCIENCE AND MATH EQUIPMENT K-12

Sec. 15. Of the funds appropriated to the Department of Public Education in Section 2, Chapter 971 of the 1983 Session Laws, the sum of five million four hundred forty-six thousand five hundred fifteen dollars (\$5,446,515) is allocated for science and math materials and equipment for kindergarten through grade 12. These funds shall be allocated on an equitable basis per pupil in average daily membership to the extent funds are sufficient to do so, as follows: math and science in kindergarten through grade six, two dollars (\$2.00); math, grades 7-8, two dollars and fifty cents (\$2.50); science, grades 7-8, four dollars and fifty cents (\$4.50); and science in grades 9-12, six dollars (\$6.00).

-----CENTRALIZED PAYROLL SYSTEM FOR PUBLIC SCHOOLS

Sec. 16. (a) G.S. 115C-12 is amended by adding a new subdivision to read:

"(18) Duty to Develop and Implement a Centralized Payroll System. The State Board of Education shall develop and implement a centralized payroll system for the public schools. Beginning with the 1985-86 school year, all State-funded, certified employees of the public schools shall be paid through this system. No later than the 1986-87 school year, all noncertified employees of the public schools shall be paid through this system. All payments shall be made by electronic funds transfer from the General Fund to a financial institution at which the employee has an account. At the end of the first pay period of each calendar year, each employee shall receive a statement of his salary grade and step and his annual salary.

Local boards of education may elect to pay employees paid from non-State funds and to pay local supplements through the centralized payroll system."

(b) Effective July 1, 1985, the first paragraph of G.S. 115C-47(21) is amended to read:

"(21) To Pay School Employees. It is the duty of every local board of education to provide for the prompt monthly payment of all salaries due teachers and other school officials and employees, and of all current bills and other necessary operating expenses. Local boards shall provide the State Board with any information needed by it to ensure the prompt monthly payment of employees of local boards who are paid through the centralized payroll system established under G.S. 115C-12(18). All salaries and bills shall be paid as provided by law for disbursing State and local funds."

(c) Effective July 1, 1985, the first sentence of the third paragraph of G.S. 115C-47(21) is amended to read:

"For employees not paid through the centralized payroll system, the authority for local boards of education to issue salary vouchers shall be a monthly payroll prepared on forms furnished by the State Board of Education and containing all information required by the controller of the State Board of Education."

(d) The State Board of Education shall report to the Joint Legislative Commission on Governmental Operations by December 1, 1984, on its progress in developing the centralized payroll system mandated in subsection (a) of this section. It shall also report any statutory changes it would need to implement the system. The State Board shall make a final implementation report on the system for certified employees by April 1, 1985, to the President of the Senate, the Speaker of the House, the President Pro Tempore of the Senate, the Speaker Pro Tempore of the House, the Majority Leader

of the Senate and the Chairmen of the Appropriations Committees of the Senate and the House. The State Board shall make a final implementation report on the System for noncertified employees by April 1, 1986, to the Joint Legislative Commission on Governmental Operations.

-----BASIC AND VOCATIONAL SKILLS PILOT PROGRAM

Sec. 17. Of the funds appropriated to the Department of Public Education in Chapter 971 of the 1983 Session Laws, the sum of two million three hundred sixty-three thousand four hundred dollars (\$2,363,400) shall be allocated to expand the Basic and Vocational Skills Pilot Program enacted in Chapter 340 of the 1983 Session Laws. These additional funds shall be used in the same manner as set forth in Chapter 340 for nine additional grade 7 projects in each of the eight education regions, provided that the approximate funding per new site shall be thirty-two thousand dollars (\$32,000), and at least 20 and no more than 50 pupils shall be enrolled in each.

-----FUNDS FOR DROPOUT PREVENTION

Sec. 17.1. The State Board of Education may use any federal funds that become available to extend dropout prevention efforts into public middle schools through special programs for early identification and support of high-risk students. The State Board shall attempt to extend dropout prevention efforts into public schools that are evenly distributed geographically throughout the State.

The State Board shall report to the chairmen of the Appropriations Committees of the Senate and the House of Representatives by April 1, 1985, on the expenditure of any federal funds for this purpose.

-----FUNDS FOR THE JOB TRAINING READINESS PROGRAM

Sec. 18. Programs eligible for federal Job Training Partnership Act funds complement purposes and objectives of the middle schools Basic and Vocational Skills Program being piloted in grades 7 and 8. Job Training and Partnership Act funds are available for Dropout Prevention and Job Readiness for eligible students in grades 9-12 but may not be used for all students.

The State Board of Education is authorized to use up to two hundred thousand dollars (\$200,000) of the Basic and Vocational Skills Program funds appropriated in fiscal year 1984- 85 for the purpose of matching JTPA funds for use in Dropout Prevention and Job Readiness as follow-up for students who have participated in the Basic and Vocational Skills Program. Further, the State Board of Education may use any federal funds that become available to expand the Job Training Readiness Program and other school-to-work transition and guidance programs. The purpose of these programs is to prepare public high school seniors for the transition from school to jobs or to skills-training in the community college system. The State Board shall attempt to expand these programs in areas evenly distributed geographically throughout the State.

Lastly, the State Board shall report to the Chairmen of the Appropriations Committees of the Senate and the House of Representatives by April 1, 1985, on expenditure of any State and federal funds for this purpose.

-----EXCEPTIONAL CHILDREN/COMMUNITY RESIDENTIAL CENTERS

Sec. 19. Of the funds appropriated to the Department of Public Education in Chapter 971 of the 1983 Session Laws, the sum of four hundred twenty-seven thousand seven hundred forty dollars (\$427,740) may be allocated from the State Aid--exceptional children line item for an increase in the number of pupils eligible and qualified for placement in Community Residential Centers in accordance with rules and regulations established by the State Board of Education; provided that the expansion funds for additional placements shall be at the same rates provided for the existing pupils in such centers.

-----EXCEPTIONAL CHILDREN/FUNDING FORMULA AMENDED

Sec. 20. Section 81 of Chapter 761 of the 1983 Session Laws is amended by deleting subsections (b) and (c) and by substituting a new subsection (b) to read:

"(b) Beginning July 1, 1984, the State Board of Education shall allot the funds in the budget line item 'State Aid-- exceptional children' on the basis of the eligible weighted headcounts of exceptional children, limited by maximum percentages of children in each category of exceptionality as set out in 16 NCAC 2E .1530(f)(3) and (4) on June 1, 1984, provided that no local school administrative unit shall receive less money per eligible weighted child than it received in fiscal year 1983- 84. It is the intent of the General Assembly to provide a one- time protection against the loss of federal funds in 1984-85. Therefore, each local school administrative unit shall maintain the level of support in total or on a per pupil basis from funds available (local and State) or risk the loss of Education for the Handicapped federal funds."

-----TUITION FOR PERSONS OVER 19 YEARS OLD.

Sec. 21. The second sentence of G.S. 115C-1 is amended to read:

"Tuition shall be free of charge to all children of the State, and to every person of the State less than 19 years old who has not completed a standard high school course of study."

Sec. 22. G.S. 115C-366.1(a) is amended by adding a new subdivision (4) to read:

"(4) Persons who are 19 years of age or older before the beginning of the school year in which they wish to enroll."

Sec. 23. G.S. 115C-109, G.S. 115C-124, and G.S. 115C- 128 are amended by deleting the words "between the ages of five and 18" and substituting "from five through 18".

Sec. 24. G.S. 115C-109 is amended by adding a new sentence after the first sentence to read: "Children who become 19 years old during the school year may complete that school year."

-----HANDICAPPED CHILDREN - TEXTBOOKS

Sec. 25. It is the intent of the General Assembly that handicapped children have appropriate textbooks. To this end, the State Board of Education is urged to include basic textbook selections for each subject in each grade for handicapped children in the regular textbook adoption procedures.

In addition, local boards of education, notwithstanding existing laws and regulations, are authorized to purchase high school textbooks for handicapped children appropriate to the subjects in each grade, from funds appropriated for high school

textbooks in an amount not to exceed the amount of textbook funds generated by the handicapped children served by that administrative unit. This shall terminate July 1, 1985, unless extended by the General Assembly.

-----MATCH FOR HANDICAPPED CHILDREN FUNDS

Sec. 26. Of the funds appropriated to the Department of Public Education in Section 2 of Chapter 971, Session Laws of 1983, the sum of one million thirteen thousand nine dollars (\$1,013,009) shall be used to match federal vocational education funds for the handicapped pupils in grades 7-12 for the school year 1984-85. The State Board of Education shall allocate these funds for handicapped pupils in the public schools consistent with matching requirements of the federal grant.

-----ACCOUNTING FOR ADM POSITIONS SERVING EXCEPTIONAL CHILDREN

Sec. 27. It is the intent of the General Assembly that funds appropriated in the budget line item, "State aid-- exceptional children," and the allocations of regular positions to local school administrative units for children with special needs shall be used to benefit directly the children with special needs.

For the 1984-85 school year, the State Board of Education shall notify the superintendent of each school administrative unit of the number of regular positions allotted to the unit based on the number of children with special needs in self-contained classes computed in the average daily membership of the unit. The superintendent shall account for the proper utilization of these positions and shall report to the State Board of Education, which will then report its findings on the utilization of these positions to the Legislative Commission on Children with Special Needs by November 1, 1984.

-----EXCEPTIONAL CHILDREN ACCOUNTABILITY

Sec. 28. The State Board of Education shall continue the work begun under subpart (i) of Section 83, Chapter 761, 1983 Session Laws by:

(a) Establishing precise, quantitative criteria, where appropriate, for admission of pupils to special education programs, including criteria for reevaluation of a child for continuation in or exit from a special education program. Handicapped pupils who are presently served in the ninth grade or above will not be subject to the new criteria.

(b) Establishing, clarifying, and implementing appropriate exit criteria for each category of exceptionality, so that pupils who no longer qualify for the programs do not remain in them beyond the present grading period.

(c) Establishing and implementing admission and exit criteria that exclude from the placement decision primary considerations based on environmental, cultural, and economic status. Thus, pupils identified as slow learners shall not be served in programs for children with special needs.

(d) Directing local boards to serve pupils who exit from special education programs with general education programs and not with funds for exceptional pupils.

(e) Subsections (a), (b), and (c) of this section shall become effective January 1, 1985.

The State Board shall report to the Legislative Commission on Children With Special Needs by December 1, 1984, on progress made in completing its work under Section 83, Chapter 761, 1983 Session Laws, as expanded by this section.

-----RESERVE FOR AVERAGE DAILY MEMBERSHIP ADJUSTMENT

Sec. 29. Of the funds appropriated to the Department of Public Education in Section 2 of Chapter 971, Session Laws of 1983, the sum of six million four hundred forty-three thousand thirty-six dollars (\$6,443,036) shall be allocated to a Reserve for Average Daily Membership Adjustment. To the extent that the 10-day report average of daily membership exceeds the 1,079,570 students budgeted for the 1984-85 school year, the average daily membership may be increased and funds from the Reserve may be expended to accommodate the increases.

-----TRANSFER TORT CLAIMS FUNDS

Sec. 30. G.S. 143-300.1(c) is amended by inserting a new sentence between the first and second sentences of that subsection to read:

"The funds necessary to cover vouchers written by the Attorney General for claims against county and city boards of education for accidents involving school buses and school transportation service vehicles shall be made available from funds appropriated to the Department of Public Instruction."

Sec. 31. The Department of Public Education shall expend funds appropriated to it to satisfy judgments and settlements under the Tort Claims Act only for that purpose.

-----MAINTENANCE SUPERVISOR FUNDS

Sec. 32. There is included in the total funds appropriated in Section 2 of Chapter 971 of the 1983 Session Laws to the Department of Public Education the sum of two million four hundred twenty thousand eight hundred five dollars (\$2,420,805) in expansion funds for fiscal year 1984-85 to provide an allotment for maintenance supervision in each local school administrative unit in the State. The allotment of funds to an individual school administrative unit shall be based on rules, regulations, and criteria established by the State Board of Education for maintenance supervision, provided that a base allotment shall be made to all units; units having 2,000 pupils and above in average daily membership, as determined by the controller's allotments, shall receive an additional allotment of two dollars (\$2.00) per pupil in average daily membership; with a total allocation per unit not to exceed fifty thousand dollars (\$50,000); and further the total allocations for maintenance supervision shall be made within funds available in the continuation and expansion budgets for this purpose.

-----TEACHERS IN STATE AGENCIES EXEMPTED FROM STATE PERSONNEL PAY PLAN.

Sec. 33. G.S. 126-5 is amended by adding subsection (c1) to read:

"(c1) Except as to Articles 5, 6, 7, 8, certificated educators of State agencies and State institutions, including the North Carolina School of Science and Mathematics in certificated positions are exempt from the provisions of this Chapter. This Chapter shall continue to apply to the director and superintendents of the schools for the deaf and blind and to the central agency staff of education programs in the Departments of Human Resources and Correction."

Sec. 34. G.S. 115C-325(p) is repealed.

-----FORSYTH ALTERNATIVE PRIMARY READING PROGRAM

Sec. 35. The State Board of Education shall continue to fund the alternative primary reading program in the Winston- Salem/Forsyth School Administrative Unit in the same manner as initially implemented under the provisions of Section 31.5 of Chapter 802 of the Session Laws of 1977 and as the program has remained in effect through the current fiscal year.

PART V.-----COMMUNITY COLLEGES

-----ALLOCATION OF CAPITAL FUNDS

Sec. 36. There is appropriated from the General Fund to the Department of Community Colleges the sum of six million two hundred eighty thousand seven hundred dollars (\$6,280,700) for the 1984-85 fiscal year. These funds and the funds appropriated to the Department of Community Colleges for capital improvements in Section 3 of Chapter 971 of the 1983 Session Laws shall be allocated as follows:

INSTITUTION	TYPE BUILDING	AMOUNT
1. McDowell T.C.	-Voc. Bldg.	
	-Indust. Skills Center	\$797,090
	-Classroom Bldg.	
2. Southeastern C.C.	-Building Renovations	\$359,810
	-Classroom Bldg.	
3. Bladen T.C.	-LRC Annex	\$200,000
	-Shop Bldg.	
4. Brunswick T.C.	-Classroom Bldg.	\$375,000
5. Fayetteville T.I.	-Student Development Center	\$1,000,000
6. Central Piedmont C.C.	-Activity and Office Building	\$1,700,000
7. Wake T.C.	-Library & Classroom	\$1,500,000
	-Parking Area	
8. Central Carolina T.C.	-Classroom, Lab & Shop Bldg. (\$600,000)	\$986,000
	-Harnett Co. Satellite (\$386,000)	
9. Johnston T.C.	-Library Bldg.	\$1,200,000
	-Renovation from Library to classroom	
10. Technical College of Alamance	-Shop/Lab Bldg.	\$400,000
11. Guilford T.C.C.	-Transportation/ Electronics Facility	\$1,800,000
12. Wayne C.C.	-LRC and Science Bldg.	\$1,500,000
13. Robeson T.C.	-General Educ. Bldg.	
	-Tech/Voc. Bldg.	\$500,000
	-Student Services Center	

		Renovations to Bldg.	
14.	Coastal Carolina C.C.	-Classroom Bldg.	\$500,000
15.	Durham T.I.	-Physical Educ. Center	
		-Bldg. for LRC, Student Center and Classrooms	\$1,000,000
16.	Lenoir C.C.	-Computer Skills Center (\$500,000)	\$700,000
		-Jones Co. Satellite (\$100,000)	
		-Greene Co. Satellite (\$100,000)	
17.	Forsyth T.I.	-Vocational Educ. Bldg.	\$500,000
18.	Sampson T.C.	-Classroom Bldg.	
		-Emer. Services Center & Renovations to Shops	\$400,000
19.	Southwestern T.C.	-Regional Allied Health Training Center	\$3,530,000
20.	Vance-Granville T.C.	-Student Dev. Center (\$300,000)	\$1,000,000
		-Skills Training Center/ Butner-Creedmoor Area (\$700,000)	
21.	Nash T.C.	-Classroom Bldg. & Renovations	\$500,000
22.	Halifax C.C.	-Technology Development Center	\$500,000
23.	Edgecombe T.C.	-Classroom & LRC Bldgs.	\$500,000
24.	Rowan T.C.	-Replacement of Walls in LRC	\$285,000
		-Replacement of Boiler	
		-Renovation to Walkway	
25.	Mitchell C.C.	-Continuing Educ. Center	\$500,000
26.	James Sprunt T.C.	-Satellite Expansion	\$500,000
27.	Blue Ridge T.C.	-Planning For Library	\$100,000
28.	Haywood T.C.	-Replacement of Waste Treatment Facility	\$168,800
29.	Tri-County C.C.	-Class, Science Labs, Multipurpose Area	\$700,000
30.	Cleveland T.C.	-Field House	\$250,000
31.	Isothermal T.C.	-Planning Funds (\$100,000)	\$500,000
		-Polk Co. Satellite (\$400,000)	
32.	Piedmont T.C.	-Child Dev. Center Expansion (\$75,000)	\$339,000
		-Business Assistance &	



	Mgmt. Dev. Center (\$264,000)	
33. Rockingham C.C.	-Technical Lab Bldg.	\$100,000
	Planning Funds	
34. Pamlico T.C.	-Shop & Classrooms	\$40,000
35. Pitt C.C.	-Library Building	\$500,000
	-Classroom Building	
36. Western Piedmont C.C.	-Vocational Building	\$500,000
	and Library	
37. Caldwell C.C.	-Maintenance Building	\$250,000
and T.I.	-Classroom & Shop Bldg.	
	-Tech. Skills Bldg.	

The institutions may use the funds allocated to them for other capital expenditures if they deem it appropriate to do so. Notwithstanding the matching requirements in G.S. 116-53(b) and G.S. 115D-31, the matching requirements for the institutions receiving capital appropriations in this paragraph shall be as follows:

(1) No institution shall be required to match State appropriations for capital projects until the funds expended for capital projects from State appropriations (excluding vocational education funds) equal expenditures from local funds;

(2) Funds appropriated to Isothermal Community College for the Polk County satellite and to Central Carolina Technical Institute for a classroom, lab, and shop building shall be matched dollar for dollar with cash expenditures; and

(3) Funds appropriated to house a regional program at Southwestern Technical College shall not require a local match.

Also, the sum of one hundred thousand dollars (\$100,000) shall be allocated by the State Board of Community Colleges to fund feasibility studies for proposed new capital projects.

The sum of three million five hundred thirty thousand dollars (\$3,530,000) allocated to Southwestern Technical College in this section shall be used to construct a Regional Allied Health and Geriatrics Training Center. The Center will serve a regional, multi-county area in Western North Carolina; therefore, this allocation is exempt from matching requirements in accordance with G.S. 116-53(b) and G.S. 115D-31. A committee consisting of the Chancellor of Western Carolina University, the Presidents of Southwestern Technical College, Haywood Technical College, and Tri-County Community College, or their designees, and two faculty members of Western Carolina University shall coordinate the services offered by the Center to avoid overlapping and duplicative efforts involving allied health and geriatrics training by these four institutions.

#### -----COMMUNITY COLLEGE SCHOLARSHIP FUND

Sec. 37. Of the funds appropriated to the Department of Community Colleges in Section 2 of Chapter 971 of the 1983 Session Laws, the sum of two million dollars (\$2,000,000) shall be allocated to the Community College Scholarship Fund.

Sec. 38. A new section is added to Article 3 of Chapter 115D of the General Statutes to read:

**"§ 115D-40. Community College Scholarship Fund.--**(a) A nonreverting Community College Scholarship Fund is created in the Department of Community Colleges to provide community college scholarships for needy residents of North Carolina. The State Board of Community Colleges shall adopt rules regarding administration of the Fund and eligibility for scholarships from it. The Department of Community Colleges shall administer the Fund. The Department of Community Colleges shall make an effort to assure that the scholarships are distributed on a geographically equitable basis throughout the State among the several institutions. The principal of the Fund may not be used for any purpose; interest from the Fund may not be used for administering the Fund.

(b) Monies in the Fund shall be deposited with the State Treasurer and administered under the provisions of G.S. 147-69.3. The State Treasurer shall make the interest earned on the monies available to the Department of Community Colleges as needed for scholarships."

-----BOOKS AND EQUIPMENT APPROPRIATIONS/REVERT AFTER ONE YEAR

Sec. 39. Appropriations to the Department of Community Colleges for equipment and library books are made for each year of the biennium. All unencumbered appropriations shall revert to the General Fund 12 months after the close of each fiscal year for which they were appropriated. Encumbered balances outstanding at the end of each period shall be handled in accordance with existing State budget policies.

-----DESIGNATION OF COURSES AS VOCATIONAL OR AVOCATIONAL

Sec. 40. Because courses that are avocational courses in one part of the State may be vocational courses in another, and vice-versa, the State Board of Community Colleges shall review the courses offered by each community college and shall determine for each community college which courses are avocational and which are vocational.

-----COMMUNITY COLLEGE TUITION

Sec. 41. Section 98 of Chapter 761 of the 1983 Session Laws is rewritten to read:

"Sec. 98. The State Board of Community Colleges shall set tuition and fees in the Community College System in amounts necessary to meet the revenues anticipated from community college tuition and fees in the Current Operations Appropriations Act for the 1984-85 fiscal year."

-----EQUIPMENT FUNDS

Sec. 42. Of the funds appropriated to the Department of Community Colleges in Section 2 of Chapter 971 of the 1983 Session Laws, the sum of one hundred thousand dollars (\$100,000) shall be allocated for computer equipment at Bladen Technical College and the sum of ninety thousand dollars (\$90,000) shall be allocated for equipment at Rockingham Community College. The remainder of the funds for community college equipment shall be allocated by the State Board of Community Colleges according to its formula.

Sec. 43. The formula by which the State Board of Community Colleges allocates equipment funds to the community colleges and technical institutes shall not consider equipment or capital funds allocated to an institution in the Current Operations

Appropriations Act or a prior Budget Appropriation Act, or equipment or capital funds appropriated to a single institution in a special appropriation act for the current fiscal year or a prior fiscal year.

Sec. 44. Except as required by the provisions of this act, the State Board of Community Colleges may not modify the formula by which it allocates equipment funds to the community colleges and technical institutes before July 1, 1985.

#### -----PROGRAM APPROVAL BY STATE BOARD

Sec. 45. The catchline of G.S. 115D-5 is amended by adding a new clause before the final period to read:

"; approval of new programs".

Sec. 46. G.S. 115D-5 is amended by adding a new subsection to read:

"(f) A community college or technical institute may not offer a new program without the approval of the State Board of Community Colleges except that approval shall not be required if the tuition for the program will fully cover the cost of the program. If at any time tuition fails to fully cover the cost of a program that falls under the exception, the program shall be discontinued unless approved by the State Board of Community Colleges. If a proposed new program would serve more than one community college or technical institute, the State Board of Community Colleges shall perform a feasibility study prior to acting on the proposal.

The State Board of Community Colleges shall report on an annual basis to the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, the Joint Legislative Commission on Governmental Operations, and the Advisory Budget Commission on all new programs it approved during the year. The report shall include the specific reasons for which each program was approved."

#### PART VI.-----UNIVERSITIES

##### -----MAJOR RESEARCH UNIVERSITIES

Sec. 47. The Board of Governors of The University of North Carolina shall use four million five hundred thousand dollars (\$4,500,000) of the funds appropriated to it in Section 2 of Chapter 971, Session Laws of 1983, for support of existing research programs at the major research institutions. The purposes for which these funds may be allocated by the Board include equipment and laboratory renovations, graduate research and teaching assistants, biotechnology research efforts, and the recruitment and retention of research and teaching personnel in engineering and science.

##### -----RESIDENTIAL SUMMER INSTITUTES IN MATH AND SCIENCE

Sec. 48. The Board of Governors of The University of North Carolina shall use one million one hundred fifty thousand dollars (\$1,150,000) of the funds appropriated to it in Section 2 of Chapter 971, Session Laws of 1983, to establish and administer residential summer institutes in mathematics and the natural sciences for academically talented rising juniors and seniors in North Carolina public and private high schools. The Board of Governors shall designate constituent institutions as sites for the institutes after consultation with the Board of Trustees of the North Carolina School of Science and Mathematics. At least one of the designated sites shall be in the coastal plain, at least one shall be in the piedmont, and at least one shall be in the mountains.

Any funds unspent by the end of the 1984-85 fiscal year shall be carried forward into the 1985-86 fiscal year to fund 1985 summer activities in that fiscal year.

-----TRANSFER OF SCIENCE AND MATHEMATICS SCHOOL

Sec. 49. Notwithstanding the provisions of Article 15 of Chapter 115C of the General Statutes or any other provision of law, effective July 1, 1984, the responsibility for the direction and operation of the North Carolina School of Science and Mathematics shall be assumed by the Board of Governors of The University of North Carolina. The Board shall, after consultation with the Board of Trustees of the School, present specific recommendations, including proposed statutory amendments, to the 1985 Session of the General Assembly with respect to placement of the School within the organizational structure of The University and any other considerations as may be required. Beginning with the 1985-86 enrollments, the Board of Governors shall ensure, insofar as possible without jeopardizing admission standards, that an equal number of qualified rising high school juniors is admitted to the program and to the residential summer institutes in science and mathematics from each of North Carolina's congressional districts.

Sec. 50.

(a) G.S. 115C-223(a)(2) is repealed.

(b) G.S. 115C-223(a)(3) and (4) are amended by deleting the words "Two members" and substituting "Three members".

(c) Appointees appointed under G.S. 115C-223(a)(2) shall serve for the remainder of their terms; when their terms end, they shall be replaced by new appointees appointed pursuant to G.S. 115C-223(a)(3) and (4) as amended by subsection (b) of this section.

(d) Notwithstanding the provisions of G.S. 116-31, the Board of Trustees of the North Carolina School of Science and Mathematics shall be as provided in G.S. 115C-223 as amended by this section.

-----RESERVE FOR JACKSON COUNTY BOARD OF EDUCATION

Sec. 51. Of the funds appropriated to The University of North Carolina Board of Governors in Section 3 of Chapter 971, Session Laws of 1983, the sum of five million dollars (\$5,000,000) shall be held in reserve by the Board to be awarded to the Jackson County Board of Education when satisfactory agreements are reached between the Board of Governors and the Jackson County Board of Education over the Board of Education's departure from the premises of the Camp Lab School building located on the campus of Western Carolina University.

-----UNC - LUMP-SUM APPROPRIATION

Sec. 52. Of the funds appropriated to the Board of Governors in Section 2 of Chapter 971 of the 1983 Session Laws under "University Operations - Lump Sum," seven hundred fifty thousand dollars (\$750,000) shall be used to establish a network of Mathematics and Science Education Centers within The University of North Carolina system to increase the quality and availability of mathematics and science teachers in the public schools.

An additional seventy-five thousand dollars (\$75,000) shall be used to provide training for local officials at Western Carolina University, through the Institute of Government.

-----NCSU - AGRICULTURAL PROGRAMS

Sec. 53. Of the funds appropriated to North Carolina State University at Raleigh in Section 2 of Chapter 971 of the 1983 Session Laws the sum of thirty thousand dollars (\$30,000) shall be used for research and related extension activities in turf grass. An additional forty thousand dollars (\$40,000) shall be used for corn research, and sixty thousand dollars (\$60,000) shall be used for a swine specialist for a ten-county area in extension, which was inadvertently left out in a previous appropriation.

-----PRINCIPALS' MANAGEMENT PROGRAM

Sec. 54. Of the funds appropriated to The University of North Carolina at Chapel Hill in Section 2 of Chapter 971 of the 1983 Session Laws, three hundred seventy-four thousand dollars (\$374,000) shall be used to establish a Principals' Management Program, which is designed to be a short-term, intense, in- residence management training program for principals to improve their leadership and management skills. This program shall serve an equal number of principals in each congressional district each year. If funds are available within the budget of the Department of Public Education, or The University of North Carolina at Chapel Hill, the University may expand the program to serve assistant principals.

-----ESTABLISH SMALL BUSINESS DEVELOPMENT CENTERS AND SUPPORT SMALL CITIES AND RURAL DEVELOPMENT PROGRAM

Sec. 55. Of the funds appropriated to the Board of Governors of The University of North Carolina in Section 2 of Chapter 971, Session Laws of 1983, the sum of two hundred thousand dollars (\$200,000) shall be used to establish a Small Business Development Center. The Center shall draw upon the research and educational capabilities of institutions of higher learning throughout the State to provide technical and management assistance to investors and small business owners and operators. Center activities shall be linked closely to the Small Cities and Rural Development program and programs designed to facilitate the development of technology and small business in general.

Of the funds appropriated to the Board of Governors of The University of North Carolina in Section 2 of Chapter 971, Session Laws of 1983, the sum of one hundred thousand dollars (\$100,000) shall be used to support a Small Cities and Rural Areas Development program. One half of this money, or fifty thousand dollars (\$50,000), shall be allocated to Elizabeth City State University and the other half to Western Carolina University to support Small Business Development Centers that will, in turn, cooperate with the Rural and Community Ventures Corporation in the development and expansion of business activities in small cities and rural areas.

-----NUCLEAR MAGNETIC RESONANCE GRANT-IN-AID

Sec. 56. Of the funds appropriated to the Governor's Office-Special Appropriations in Section 2 of Chapter 971, Session Laws of 1983, the sum of one million dollars (\$1,000,000) shall be provided as a grant-in-aid to the Duke University

Medical Center and one million dollars (\$1,000,000) shall be provided as a grant-in-aid to Bowman Gray School of Medicine in Winston-Salem for Nuclear Magnetic Resonance equipment to be used as research instruments for clinical investigation to benefit the citizens of North Carolina through improved diagnosis and treatment which will help to contain rising health care costs. This research shall be shared with other medical facilities in the State.

-----MILITARY TUITION RATES

Sec. 57. Chapter 116 is amended by adding a new section to read:

**"§ 116-143.3. Tuition of personnel in the armed services.--**(a) For purposes of this section the term 'armed services' shall mean the United States Air Force, Army, Coast Guard, Marine Corps, and Navy; the North Carolina National Guard; and any Reserve Component of the foregoing. The term 'abode' shall mean the place where a person actually lives, whether temporarily or permanently; the term 'abide' shall mean to live in a given place.

(b) Any member of the armed services, upon qualification for admission to an institution of higher education as defined in G.S. 116-143.1(a)(3), shall be eligible to be charged the in- State tuition rate at that institution while abiding in this State incident to active military duty.

(c) Any dependent relative of a member of the armed services as defined by the Board of Governors of The University of North Carolina and by the North Carolina Board of Community Colleges while sharing the abode of that member shall be accorded the benefit available to that member pursuant to subsection (b) above, if the dependent relative qualifies for admission to an institution of higher education as defined in G.S. 116- 143.1(a)(3). In the event the member of the armed services removes his abode from North Carolina during an academic year, the dependent relative shall continue to be eligible for the in- State tuition rate during the remainder of that academic year.

(d) The burden of proving entitlement to the benefit of this section shall lie with the applicant therefor.

(e) A person receiving the in-State tuition benefit solely by reason of this section shall not, during the period of receiving that benefit, qualify for or be the basis of conferring the benefits of G.S. 116-143.1(g), (h), (i), (j), (k), or (l)."

Sec. 58. G.S. 115D-39 is amended by deleting the phrase in the last paragraph, "G.S. 116-143.1 and 116-143.2," and by substituting the following: "G.S. 116-143.1 and 116-143.3".

Sec. 59. G.S. 116-22(2) is amended by adding the following at the end:

"Qualification for in-State tuition under G.S. 116-143.3 makes a person a 'student' as defined in this subdivision."

-----AID TO PRIVATE COLLEGES INCREASED

Sec. 60. Section 109 of Chapter 761 of the 1983 Session Laws is amended by deleting the language "seven hundred fifty dollars (\$750.00)" and substituting "eight hundred fifty dollars (\$850.00)".

PART VII.-----HUMAN RESOURCES

-----WILLIE M

Sec. 61. (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 meeting these criteria have been identified as a class in the case of Willie M., et al. vs. Hunt, et al.; and
- (3) That these children have a need for a variety of services, in addition to those normally provided, that may include but are not limited to residential treatment programs, educational programs, and independent living arrangements.

(b) Funds for Department of Human Resources. It is the intent of the General Assembly that funds appropriated in Section 2 of Chapter 971, Session Laws of 1983, to the Department of Human Resources for programs serving members of the Willie M. Class be expended only for programs serving members of the Willie M. Class identified in Willie M., et al. vs. Hunt, et al., including evaluations of potential class members. It is recognized that therapeutic or economic reasons may, at times, require certain of these programs to serve a mixed clientele of Willie M. class members and other clients. To the maximum extent possible, however, these funds shall be expended solely for the benefit of Willie M. class members.

(c) Funds for Department of Public Education. Funds appropriated to the Department of Public Education in Section 2 of Chapter 971, Session Laws of 1983, for members of the Willie M. Class are 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 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.

(d) The Department of Human Resources shall implement the first year of its prospective unit cost reimbursement system as specified in plans submitted to the General Assembly under Section 77(d) of Chapter 761, Session Laws of 1983. The Department shall not implement the plan in subsequent fiscal years until the operation of the plan in fiscal year 1984-85 has been reviewed by the General Assembly.

The Department shall submit a report to the General Assembly by March 1, 1985, on the operation of the unit cost reimbursement system in fiscal year 1984-85.

(e) Reporting Requirements. The Department of Human Resources and the Department of Public Education shall submit by March 1, 1985, a joint report to the Governor and 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 who remain 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.

(f) The Departments 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.

(g) In fulfilling the responsibilities vested in it by the Constitution of North Carolina, the General Assembly finds:

- (1) That the responsible State agencies have made a bona fide good faith effort to comply fully with the requirements of the Court Orders in the case of Willie M., et al. vs. Hunt, et al., and that services and placements for Willie M. class members are very greatly improved.
- (2) That the General Assembly is responsible for assessing all of the vital needs of the citizens of the State of North Carolina, for evaluating the extent of its economic resources and the prevailing economic climate, and for determining how best to meet the needs of all of its citizens within the resources available to the State.
- (3) That the funds hereby appropriated will enable the development and implementation of placement and services for the class members in Willie M., et al. vs. Hunt, et al. within a reasonable period of time considered within the context of the needs of the class members, the other needs of the State and the resources available to the State.
- (4) That additional expenditures of funds for these purposes at this time would result in an accelerated expenditure of and an unreasonable waste of State funds inasmuch as such expenditures could not reasonably be expected to actually secure a higher degree of treatment or education for the class members than can be accomplished with the funds hereby appropriated.

(h) The General Assembly supports the efforts of the responsible officials and agencies of the State of North Carolina to meet the requirements of the Court Order in Willie M., et al. vs. Hunt, et al. However, in view of the findings in subsection (g) above, the General Assembly expressly directs that no State funds shall be expended on the placement and services of class members in Willie M., et al. vs. Hunt, et al., or for any other thing or purpose arising out of this litigation, now or at any time in the biennium, except for those funds appropriated in Section 2 of Chapter 971, Session Laws of 1983, to the Departments of Human Resources and Public Education for programs serving members of the Willie M. Class identified in Willie M., et al. vs. Hunt, et al., and except for such funds as may be elsewhere appropriated by the General Assembly specifically for such purposes.

(i) Notwithstanding any other provision of law, if the Department of Human Resources determines that a local program is not providing appropriate services to members of the class identified in Willie M., et al. vs. Hunt, et al., the Department shall have the authority to ensure the provision of these services through contracts with public or private agencies or by direct operation by the Department of such programs.



-----MEDICAID

Sec. 62. (a) Medicaid Reimbursement. Appropriations in Section 2 of Chapter 971, Session Laws of 1983, 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 bases. All services and payments are subject to the language at the end of this subsection. Services and payment bases

- (1) 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 limited to a maximum of three days.
- (2) Hospital - Outpatient - eighty percent (80%) of allowable costs or a prospective reimbursement plan as established by the Department of Human Resources.
- (3) Mental and Specialty Hospitals, Skilled Nursing Facilities, and Intermediate Care Facilities - Mental or Specialty Hospitals - Allowable costs or prospective reimbursement if approved by the Director of the Budget. Skilled Nursing Facilities and Intermediate Care Facilities, 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.
- (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed under the State Plan for reimbursing intermediate care facilities for the mentally retarded.
- (5) Drugs - Drug cost as allowed by federal regulations plus three dollars and twenty-two cents (\$3.22) professional services fee per month excluding refills for same drug or generic equivalent during the same month. Reimbursement shall be available for up to six prescriptions per recipient, per month, including refills. Payments for drugs are subject to the provisions of subdivision (h) of this section and to the provisions at the end of subdivision (a) of this section.
- (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists - Fee schedules as developed by the Department of Human Resources. Payments for dental services are subject to the provisions of subsection (g) of this section.
- (7) Community Alternative Program, EPSDT Screens - Payment to be made in accordance with a rate schedule developed by the Department of Human Resources.
- (8) Home Health, Clinic Services, Mental Health Clinics, Prepaid Health Plans - Payment to be made according to reimbursement plans developed by the Department of Human Resources.
- (9) Medicare Buy-In - Social Security Administration premium.

- (10) Ambulance Services - Uniform fee schedules as developed by the Department of Human Resources.
- (11) Hearing Aids - Actual cost plus a dispensing fee.
- (12) Rural Health Clinic Services - Provider based - reasonable cost; nonprovider based - single cost reimbursement rate per clinic visit.
- (13) Family Planning - Negotiated rate for local health departments. For other providers - see specific services, for instance, hospitals, physicians.
- (14) Independent Laboratory and X-Ray Services - Uniform fee schedules as developed by the Department of Human Resources.
- (15) Optical Supplies - one hundred percent (100%) of reasonable wholesale cost of materials.
- (16) Ambulatory Surgical Centers - Negotiated rates, established by the Department of Human Resources.
- (17) Medicare Crossover Claims - Actual coinsurance or deductible or both.
- (18) Physical Therapy and Speech Therapy - Services limited to EPSDT eligible children. Payments are to be made only to the Crippled Children's Program at rates negotiated by the Department of Human Resources.

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%); provided, however, that rates paid to public health clinics may be adjusted to reflect the reasonable cost of services provided by the State Health Laboratory. Increases in indirect costs, as defined in the State Plan for Reimbursing Long Term Care Facilities, shall be limited to three and four tenths percent (3.4%) per year for skilled nursing and intermediate care facilities. Physicians', Chiropractors', Podiatrists', Optometrists', and Dentists' fees shall not increase, except pediatricians' fees may be adjusted where necessary to achieve parity with other primary care physicians' fees and to encourage provider participation.

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 limitation may also be exempt from the six-prescription limitation.

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. (b) 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. (c) Co-payment for Medicaid Services. The Department of Human Resources is authorized to establish co-payment up to the maximum permitted by federal law and regulation. (d) Medicaid and Aid to Families with Dependent Children Income Eligibility Standards. Effective October 1, 1984, the maximum net family annual income eligibility standards for Medicaid and Aid to Families with Dependent Children, and the Standard of Need for Aid to Families with Dependent Children shall be as follows:

Family Size	Categorically Needy	Medically Needy and	
	Standard of Need	AFDC* Payment Level	AA*, AB*, AD*
1	\$3,552	\$1,776	\$2,400
2	4,656	2,328	3,200
3	5,352	2,676	3,600
4	5,856	2,928	4,000
5	6,408	3,204	4,300
6	6,912	3,456	4,700
7	7,392	3,696	5,000
8	7,704	3,852	5,200

\*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.

These standards may be changed by the Department with the approval of the Director of the Budget with the advice of the Advisory Budget Commission. The income standards established in Section 60 (5) of Chapter 761 of the 1983 Session Laws shall remain in effect until September 30, 1984. (e) Energy Costs. Because it has been demonstrated that energy costs for low income families have risen more quickly than other costs, the funds appropriated in Section 2 of Chapter 971, Session Laws of 1983, as an increase in the payments for Aid To Families With Dependent Children may be used to pay for the increased energy assistance needs of these recipients. These funds are to be paid in the most administratively efficient manner in accordance with all applicable federal and State laws and regulations.

The Department of Human Resources shall seek all appropriate waivers to maximize federal benefits that are available to low income residents of North Carolina. (f) Spouse Responsibility. Notwithstanding the provisions of G.S. 108A-61, the Department of Human Resources, Division of Medical Assistance, shall not consider the income or assets 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 to be available to the institutionalized person. (g) 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 subsection. 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 subsection. (h) Dispensing of Generic Drugs. Notwithstanding G.S. 90-85.27 through G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security Act) a prescription order for a drug designated by a trade or brand name shall be considered to be an order for the drug by its established or generic name, except when the prescriber personally indicates, either orally or in his own handwriting on the prescription order, "dispense as written" or words of similar meaning.

As used in this subsection "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 in section 502(e)(3) of the Federal Food, Drug and Cosmetic Act as amended, 21 U.S.C. 352(e)(3). (i) 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 United States Department of Health and Human Services, or when the Department determines that such a waiver will result in a reduction in the total Medicaid costs for the recipient. (j) Volume Purchase Plans and Single Source Procurement. The Department of Human Resources, Division of Medical Assistance, may, subject to the approval of a change in the State Medicaid Plan, contract for services, medical equipment, supplies, and appliances by implementation of volume purchase plans, single source procurement, or other similar processes in order to improve cost containment. (k) Cost Containment Programs. The Department of Human Resources, Division of Medical Assistance, may undertake cost containment programs including pre-admissions to hospitals and prior approval for certain outpatient surgeries before they may be performed in an inpatient setting.

#### -----MEDICAID/MARRIED PREGNANT WOMEN

Sec. 62.1. The Department of Human Resources, Division of Medical Assistance, subject to approval of the Director of the Budget, may after January 1, 1985, provide services to married pregnant women whose family income meets the medically needy income criteria.

Funding for these services shall come from monies received by the State through a change in federal matching payments for Medicaid.

#### -----MEDICAID/INTACT FAMILIES

Sec. 62.2. The Department of Human Resources, Division of Medical Assistance, subject to approval of the Director of the Budget may after January 1, 1985, provide services to children in two-parent households and whose family income meets the medically needy income criteria.

Funding for these services shall come from monies received by the State through a change in federal matching payments for Medicaid. –

#### -----ADULT DEVELOPMENTAL ACTIVITIES PROGRAM

Sec. 63. Funds in the amount of one million four hundred sixty thousand four dollars (\$1,460,004) for fiscal year 1984-85 are appropriated in Section 2 of Chapter 971, Session Laws of 1983, to the Department of Human Resources, Division of Mental Health, Mental Retardation and Substance Abuse Services, for additional Adult Developmental Activities Program (ADAP) slots. These funds are to be used for the following purposes: increasing the reimbursement rate for ADAP slots from one hundred ninety-one dollars (\$191.00) per month to two hundred dollars (\$200.00) per month. The balance of this appropriation shall be used to fund additional ADAP slots at two hundred dollars (\$200.00) per month per slot in those areas of the State with the most critical needs as determined by the Department of Human Resources.

-----AID FOR DISABLED CITIZENS

Sec. 64. The Department of Human Resources may spend funds appropriated in Section 2 of Chapter 971, Session Laws of 1983, not to exceed six hundred thousand dollars (\$600,000) for the following purposes:

- (1) to provide assistance in purchasing prescription drugs to people terminated from the Social Security Disability program from March 1, 1981, through September 30, 1983;
- (2) to establish a toll-free number to provide information on the Social Security Disability program; and
- (3) to establish a "Disability Task Force" to provide oversight for the Social Security Disability program, and specifically to implement the relevant formal recommendations of the General Assembly's Disability Review Study Commission, which was established by the 1983 General Assembly and made its report, including its formal recommendations, to the 1983 General Assembly, 1984 Regular Session.

The Disability Task Force mandated by subdivision (3) of this section shall consist of five members to be appointed by the Governor. One shall be a current recipient of Social Security Disability benefits. Another shall be a physician licensed to practice in North Carolina who is familiar with the medical profession's role in the Social Security Disability process. Another shall be an experienced representative of Social Security Disability claimants. Another shall be an expert on the needs of the mentally handicapped. Another shall be a representative of disability advocacy groups within State government. The Disability Task Force, and the toll-free number established by subdivisions (2) and (3) of this section shall be administered through the Office of the Governor. The prescription drug assistance program established by subdivision (1) of this section shall be administered through the Department of Human Resources, Division of Health Services.

-----CYSTIC FIBROSIS FUNDS

Sec. 65. From funds appropriated to the Department of Human Resources, Division of Health Services, the sum of fifty thousand dollars (\$50,000) shall be provided for the 1984-85 fiscal year for eligible persons over 21 years of age with cystic fibrosis covered under the Crippled Children's Program.

-----AGED AND FAMILY CARE/COUNTY AND STATE SHARE OF COSTS

Sec. 66. Section 37 of Chapter 761 of the 1983 Session Laws is amended to read:

"Sec. 37. Effective July 1, 1984, the State shall pay fifty percent (50%) and the counties shall pay fifty percent (50%) of the authorized rates for domiciliary care in homes for the aged and for family care homes, including area mental health agency operated group homes."

-----DOMICILIARY CARE FACILITIES

Sec. 67. Section 31 of Chapter 761 of the 1983 Session Laws is amended to read:

"Sec. 31. The Department of Human Resources shall increase the maximum monthly rates for 'ambulatory' residents in domiciliary care facilities from five hundred twenty-five dollars (\$525.00) to five hundred sixty-five dollars (\$565.00), effective July 1, 1984. The maximum monthly rate for 'semi-ambulatory' residents shall be five percent (5%) more than the 'ambulatory' rate."

-----ICF/MR CON DISTRIBUTION

Sec. 67.1. In adopting the 1985 State Medical Facilities Plan, the Department of Human Resources shall:

(1) Assure that the ICF/MR bed allocation be made on a geographically equitable basis.

(2) Assure that no restriction which provides that no new certificates of need for ICF/MR beds may be issued until those currently approved but not constructed are built and occupied will be included which will prevent an allocation on a geographically equitable basis.

-----CHANGE REPORTING DATE ON DEINSTITUTIONALIZATION PROJECT

Sec. 68. The last paragraph of Section 28(a) of Chapter 761 of the 1983 Session Laws is amended by deleting the date "May 1, 1984" and substituting "February 1, 1985".

-----FUNDS FOR AUTISTIC ADULTS

Sec. 69. Of the funds appropriated in Section 2 of Chapter 971, Session Laws of 1983, to the Department of Human Resources, Division of Mental Health, Mental Retardation and Substance Abuse Services, the sum of thirty-five thousand dollars (\$35,000) shall be used to design and establish a program plan for autistic persons who are too old to be served by the public schools.

-----COMMUNITY RESIDENTIAL CENTERS FOR THE MENTALLY RETARDED

Sec. 70. Funds in the amount of three hundred twelve thousand eight hundred dollars (\$312,800) are appropriated in Section 2 of Chapter 971, Session Laws of 1983, to the Department of Human Resources, Division of Mental Health, Mental Retardation, and Substance Abuse Services, Community based programs for community residential centers serving the mentally retarded. These funds shall be allocated by the Department according to its formula to all qualifying centers, including the Holy Angels Center.

-----MATCHING FUND REQUIREMENT FOR CHAPELS

Sec. 71. The seven hundred fifty thousand dollars (\$750,000) appropriated to the Department of Human Resources in Section 3 of Chapter 971, Session Laws of

1983, for the construction of chapels at the Caswell, O'Berry, and Western Carolina Centers may not be expended unless it is matched on a dollar-for-dollar basis.

-----BLIND REHABILITATION CENTER AT BUTNER TRANSFER TO DOC

Sec. 72. Effective July 1, 1984, the property, buildings and equipment formerly referred to as the Rehabilitation Center for the Blind at Butner are transferred to the Department of Correction. The primary use of this property by the Department of Correction shall be to house the Umstead Youth Center program. Funds appropriated in Section 2 of Chapter 971, Session Laws of 1983, to John Umstead Hospital, one hundred thirty-nine thousand four hundred sixty-eight dollars (\$139,468), and to the Division of Services for the Blind, thirty-five thousand six hundred twenty-two dollars (\$35,622), for certain operational and maintenance costs of this facility shall be transferred to the Department of Correction.

-----SANITARY LANDFILL REQUIREMENTS FOR LOCAL GOVERNMENTS

Sec. 73. G.S. 130A-294(a)(4) is amended by adding at the end the following:

"The issuance of permits for sanitary landfills operated by local governments is exempt from the environmental impact statements required by Article 1 of Chapter 113A of the General Statutes, entitled the North Carolina Environmental Policy Act of 1971. All sanitary landfill permits issued to local governments prior to July 1, 1984, are hereby validated notwithstanding any failure to provide environmental impact statements pursuant to the North Carolina Environmental Policy Act of 1971."

-----EMERGENCY HAZARDOUS WASTE SITE REMEDIAL FUND

Sec. 74. Chapter 130A of the General Statutes is amended by adding a new section to read:

**"§ 130A-307. Hazardous Waste Site Remedial Fund.--**There is established under the control and direction of the Department, an Emergency Hazardous Site Remedial Fund which shall be a nonreverting fund consisting of any money appropriated for such purpose by the General Assembly or available to it from grants, fees, charges, and other money paid to or recovered by or on behalf of the Department pursuant to this Article, except fees specifically designated by this Article for some other use or purpose. The Fund shall be used to defray expenses incurred by the Department in developing and implementing an emergency hazardous waste remedial program and to reimburse any federal, State or local agency and any agent or contractor for expenses incurred in developing and implementing such a program that has been approved by the Department. These funds shall be used upon a determination that no funds or corrective action can be obtained from other sources without incurring a delay that would significantly increase the threat to life or risk of irreparable damage to the environment. In no event shall this Fund exceed two hundred thousand dollars (\$200,000). The Secretary is authorized to take the necessary action to recover the abatement costs incurred by the State from the responsible party or parties."

-----QUALIFICATIONS OF LOCAL HEALTH DIRECTORS

Sec. 75. G.S. 130A-40 is amended by deleting the second sentence and substituting the following:

"The State Personnel Commission, after consulting with the Commission for Health Services, shall establish qualifications for a local health director. The qualifications shall give equal emphasis to education and experience."

-----COUNTY DUTY TO SUPPORT IV-D PROGRAM

Sec. 76. Effective July 1, 1985, the second paragraph of G.S. 110-141 is amended to read:

"It is the responsibility of the board of county commissioners to administer, or provide for the administration of, this program in the county."

-----CHILD SUPPORT ENFORCEMENT PROGRAM REPORT

Sec. 77. The Department of Human Resources, with the advice and participation of the Administrative Office of the Courts and the Department of Justice, shall report jointly to the 1985 Session on the administration of the Child Support Enforcement program. The department shall recommend a single and uniform method of administering this program in all the counties of the State; changes in State law needed to conform State law with new federal requirements; and improvements in the effectiveness of the operation of the program. This joint report shall be forwarded to the President of the Senate and the Speaker of the House of Representatives by March 1, 1985.

-----AFTER-SCHOOL CHILD CARE

Sec. 78. G.S. 110-86(4) is amended by adding a new paragraph to the end to read:

"Notwithstanding the limitation to less than six children prescribed in the first paragraph of this subdivision, a day-care plan operator or provider may provide after-school care for up to three additional children, who are school age, for not more than four after-school hours in any one twenty-four hour period."

-----COMMUNITY WORK EXPERIENCE PROGRAM

Sec. 79. Of the funds appropriated in Section 2 of Chapter 971, Session Laws of 1983, six hundred thousand dollars (\$600,000) shall be expended to continue the phase-in of the Community Work Experience Program. The Social Services Commission shall adopt rules imposing work requirements under the Community Work Experience Program in accordance with federal laws and regulations as a condition for eligibility for Aid to Families with Dependent Children and for Food Stamps.

-----ALCOHOL AND DRUG PROGRAMS IN THE PUBLIC SCHOOLS

Sec. 80. The Superintendent of Public Instruction shall intensify his efforts under G.S. 115C-81(a) to provide appropriate outlines for the teaching of the dangers of harmful or illegal drugs, including alcohol.

Local boards of education shall place more emphasis on the instruction required by G.S. 115C-81(b) on the dangers of harmful or illegal drugs, including alcohol.

Sec. 81. G.S. 115C-81(a) is amended by adding a new paragraph after the second paragraph to read:

"The Superintendent shall report to the Joint Legislative Commission on Governmental Operations at the end of each school year on the outlines he provided for



the teaching of the dangers of harmful or illegal drugs, including alcohol, and on the instruction provided by local boards of education on this subject."

-----HOKE COUNTY CHILDREN'S CENTER

Sec. 82. Funds in the amount of forty-four thousand dollars (\$44,000) are appropriated to the Department of Human Resources for State aid to non-State institutions in Section 2 of Chapter 971, Session Laws of 1983, to the Hoke County Children's Center. These funds shall be used to pay the balance of the mortgage on the Center.

-----HAWTHORNE HEIGHTS JUVENILE SHELTER

Sec. 83. Of the funds appropriated to the Department of Human Resources in Section 2 of Chapter 971, Session Laws of 1983, for the Community Based Alternatives Program, forty thousand dollars (\$40,000) shall be allocated annually to the Hawthorne Heights juvenile shelter operated by Mountain Youth Resources, Inc. This special allocation shall have no effect on and shall not be included in the Department's allocation formula for Community Based Alternatives Program funds. The remainder shall be allocated by the Department according to its formula.

PART VIII.-----ADMINISTRATIVE OFFICE OF THE COURTS

-----MAGISTRATES NOT COMPENSATED FOR MILEAGE WITHIN COUNTY

Sec. 84. G.S. 7A-171.1 is amended as follows:

(1) by rewriting the catch line to that section to read:

"Duty hours, salary, and travel expenses within county.";

(2) by designating the current language of that section as subsection (a);

and

(3) by adding a new subsection to read:

"(b) Notwithstanding G.S. 138-6, a magistrate may not be reimbursed by the State for travel expenses incurred on official business within the county in which the magistrate resides."

-----SCHEDULES OF MAGISTRATES

Sec. 85. G.S. 7A-146(4) is amended by deleting the words "an employee of the General Court of Justice within that particular county" and substituting "another district court judge or the clerk of the superior court".

-----SALARIES/SUPERIOR COURT CLERKS

Sec. 86. G.S. 7A-101 is amended by deleting the phrase "1970 federal decennial census," in the first sentence and substituting the phrase "population projections of the Office of State Budget and Management for the year preceding the first year of each biennial budget,"; by deleting the phrase "full biennium subsequent to the taking of the census (July 1, 1981; July 1, 1991; etc.)," in the second paragraph and substituting the phrase "year of each biennial budget," and by deleting the phrase "as a result of any future decennial census" in the second paragraph.

Sec. 87. G.S. 7A-101 is amended in the first paragraph by deleting the schedule of salaries of superior court clerks and substituting the following schedule:

"Population	Salary
Less than 49,999	\$30,000
50,000 to 99,999	34,500

100,000 to 199,999	39,000
200,000 and above 44,500"	

Sec. 88. G.S. 7A-102(a) is amended by adding a sentence at the end to read:  
 "The job classifications and related salaries of each employee within the office of each superior court clerk shall be subject to the approval of the Administrative Officer of the Courts after consultation with each clerk concerned and shall be subject to the availability of funds appropriated for that purpose by the General Assembly."

Sec. 89. G.S. 7A-102 is amended by adding subsection (c) to read:

"(c) Notwithstanding the provisions of subsection (a), the Administrative Officer of the Courts shall establish an incremental salary plan for assistant clerks and for deputy clerks based on a series of salary steps corresponding to the steps contained in the Salary Plan for State Employees adopted by the Office of State Personnel, subject to a minimum and a maximum annual salary as set forth below. On and after July 1, 1985, each assistant clerk and each deputy clerk shall be eligible for an annual step increase in his salary plan based on satisfactory job performance as determined by each clerk. Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the office of superior court clerk would warrant an annual salary greater than the salary first established under this section, that assistant or deputy clerk shall be eligible on and after July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps in his salary plan, and shall remain eligible for a two-step increase each year as recommended by each clerk until that assistant or deputy clerk's annual salary corresponds to his number of years of service. A full-time assistant clerk or a full-time deputy clerk shall be paid an annual salary subject to the following minimum and maximum rates:

Assistant Clerks	
Minimum	\$15,132
Maximum	\$25,980
Deputy Clerks	
Minimum	\$11,664
Maximum	\$19,716

Full-time assistant clerks, licensed to practice law in North Carolina, who are employed in the office of superior court clerk on and after July 1, 1984, are authorized an entry-level annual salary of not more than three-fourths of the maximum annual salary established for assistant clerks. Full-time assistant clerks, holding a law degree from an accredited law school, who are employed in the office of superior court clerk on and after July 1, 1984, are authorized an entry-level annual salary of not more than two-thirds of the maximum annual salary established for assistant clerks. The entry-level annual salary for all other assistant and deputy clerks employed on and after July 1, 1984, shall be at the minimum rates as herein established."

Sec. 90. The Administrative Officer of the Courts and each superior court clerk shall reclassify all accounting personnel, administrative assistant clerks, and legal officers as either assistant clerks or deputy clerks effective July 1, 1984; provided, notwithstanding the provisions of G.S. 7A-102(c), no full-time employee in service on

June 30, 1984, shall suffer a reduction in salary as a result of the reclassification. The Administrative Officer of the Courts shall develop criteria for the number of assistant clerks and for the number of deputy clerks to be assigned to the office of each superior court clerk and shall report these criteria to the General Assembly upon the convening of the 1985 Session. In making his report to the 1985 General Assembly on staffing criteria for the office of superior court clerk, the Administrative Officer of the Courts shall include an analysis of the effects that automated operations are expected to have upon the personnel and total costs of the office of superior court clerk.

Sec. 91. Effective June 30, 1984, three hundred thousand dollars (\$300,000) in unexpended salary and fringe benefit funds appropriated to the Judicial Department for the 1983-84 fiscal year shall be placed in a reserve for use by the Judicial Department during the 1984-85 fiscal year in completing and implementing unfinished salary surveys for the offices of superior court clerk.

-----LONGEVITY PAY FOR ASSISTANT DISTRICT ATTORNEYS AND  
ASSISTANT PUBLIC DEFENDERS

Sec. 92. G.S. 7A-65 is amended by adding a new subsection to read:

"(d) In lieu of merit and other increment raises paid to regular State employees, an assistant district attorney shall receive as longevity pay an amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, and nine and six-tenths percent (9.6%) after 10 years of service. 'Service' means service as an assistant district attorney."

Sec. 93. G.S. 7A-467 is amended by adding a paragraph at the end to read:

"In lieu of merit and other increment raises paid to regular State employees, an assistant public defender shall receive as longevity pay an amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, and nine and six-tenths percent (9.6%) after 10 years of service. 'Service' means service as an assistant public defender."

-----LONGEVITY PAY FOR PUBLIC DEFENDERS

Sec. 94. G.S. 7A-465 is amended by adding a paragraph to read:

"In lieu of merit and other increment raises paid to regular State employees, a public defender shall receive as longevity pay an amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, and nine and six-tenths percent (9.6%) after 10 years of service. 'Service' means service as a public defender."

PART IX.-----ATTORNEY GENERAL

-----CONSENT JUDGMENTS ENTERED INTO BY THE STATE

Sec. 95. (a) Chapter 114 of the General Statutes is amended by adding a new section to read:

**"§ 114-2.2. Attorney General to approve consent judgments.--** (a) To be effective against the State, a consent judgment entered into by the State, a State department, State agency, State institution, or a State officer who is a party in his official capacity must be

signed personally by the Attorney General. This power of approval may not be delegated to a deputy or assistant Attorney General or to any other subordinate.

(b) The provisions of this section are supplemental to G.S. 114-2.1.

(c) Notwithstanding subsection (a) of this section, the Attorney General by rule may delegate to a deputy or assistant Attorney General or to another subordinate the power to sign consent judgments in condemnation or eminent domain actions brought under the provisions of Chapters 40A or 136 of the General Statutes."

(b) The first sentence of G.S. 114-2.1 is amended by deleting the word "can" and substituting the word "will".

(c) The first sentence of G.S. 114-2.1 is further amended by deleting the words "available for the current fiscal year" and substituting the words "available for that purpose for the current fiscal year".

(d) The first sentence of G.S. 114-2.1 is amended by adding the following immediately before the final period: ", provided that for payments of tort claims it shall not 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".

(e) Subsections (a) through (d) of this section shall become effective September 1, 1984, except that rules issued under G.S. 114-2.2(c) may be issued at any time after ratification.

#### PART X.-----COMMERCE

##### -----BLUE RIDGE PARKWAY ANNIVERSARY FUNDS/MATCH REQUIRED

Sec. 96. Of the funds appropriated to the Department of Commerce for travel and tourism in Section 2 of Chapter 971, Session Laws of 1983, the sum of twenty-five thousand dollars (\$25,000) shall be allocated for activities related to the fiftieth anniversary of the Blue Ridge Parkway if the State of Virginia provides twenty-five thousand dollars (\$25,000) for this purpose.

##### -----ALLOCATION OF TECHNOLOGICAL DEVELOPMENT AUTHORITY FUNDS

Sec. 97. Of the funds appropriated to the Department of Commerce in Section 2 of Chapter 971, Session Laws of 1983, for the Technological Development Authority, the sum of one hundred five thousand dollars (\$105,000) shall be placed in a reserve to provide thirty-five thousand dollars (\$35,000) each in the start- up costs of three incubator facilities including one for the Smoky Mountain Development Authority.

#### PART XI.-----CRIME CONTROL AND PUBLIC SAFETY

##### -----DIVISION OF EMERGENCY SERVICES

Sec. 98. The Department of Crime Control and Public Safety, with such cooperation as they might receive from the Departments of Human Resources and Insurance, shall report, not later than April 15, 1985, to the President of the Senate and the Speaker of the House on the statutory and regulatory changes needed to create a new Division of Emergency Services within the Department of Crime Control and Public Safety to be made up of the North Carolina State Fire Commission, the Division of

Emergency Management, the Office of Emergency Medical Services, and the Fire and Rescue Training Division.

The North Carolina Medical Care Commission shall, within 60 days of the ratification of this act, adopt new standards for the recertification of emergency medical technicians and ambulance attendants. These standards shall require not more than 36 hours of continuing education annually as an alternative to periodic examination, shall provide for monitoring of the continuing education by the Office of Emergency Services, Department of Human Resources, and shall provide that the qualified instructors teaching the continuing education shall determine whether or not the recertification shall be granted. In developing standards under this section, the North Carolina Medical Care Commission shall work with the Department of Community Colleges. This action shall be subject to review in the study required by the preceding paragraph.

-----NATIONAL GUARD TUITION ASSISTANCE

Sec. 99. G.S. 127A-193 is amended in the first sentence by deleting the word "tuition" and substituting "educational".

Sec. 100. G.S. 127A-193 is amended in the second sentence by deleting the words "four academic years" and substituting "two thousand dollars (\$2,000)".

-----CRIME CONTROL AND PUBLIC SAFETY/DEFERRED PROSECUTION PROGRAM

Sec. 101. There is appropriated from the General Fund to the Department of Crime Control and Public Safety the sum of six hundred thirty thousand dollars (\$630,000) for fiscal year 1984-85 to expand the deferred prosecution, community service restitution, and volunteer program for youthful and adult offenders provided for in G.S. 143B-475.1, as enacted by this act.

Sec. 102. Article 11 of Chapter 143B of the General Statutes is amended by adding a new section to read:

**"§ 143B-475.1. Deferred prosecution, community service restitution, and volunteer program.--**(a) The Department of Crime Control and Public Safety may conduct a deferred prosecution, community service restitution, and volunteer program for youthful and adult offenders. The Secretary of Crime Control and Public Safety may assign one or more coordinators to each judicial district to assure and report to the Court the offender's compliance with the requirements of the program. The appointment of each coordinator is subject to the approval of the chief district court judge. Each county must provide office space in the courthouse or other convenient place, for the use of each coordinator assigned to that county.

(b) A fee of fifty dollars (\$50.00) shall be paid by all persons required to participate in the program. That fee shall be paid to an official designated for that purpose and at the time and place specified by the Secretary. Fees collected under this subsection shall be deposited in the General Fund.

(c) The Secretary is authorized to designate the same person to serve as a coordinator under this section and under G.S. 20- 179.4."

Sec. 103. G.S. 143B-475(d) is repealed.

-----SEPARATION ALLOWANCES/LAW-ENFORCEMENT OFFICERS

Sec. 104. Chapter 143 of the General Statutes is amended to add Article 12D to read:

"Article 12D.

"Separation Allowances for Law-Enforcement Officers.

**"§ 143-166.40. Rules for selection and retention of law- enforcement officers; rules exempt from Administrative Procedure Act.--**(a) Except as otherwise provided by State and federal law, the head of each principal State department may establish rules and procedures for the selection and retention of sworn law- enforcement officers to ensure that they are physically, emotionally, and intellectually qualified to perform their duties. These rules and procedures shall not establish any mandatory age limit for service as a law-enforcement officer that conflicts with a federal statute.

(b) These rules and procedures are exempt from the provisions of Chapter 150A of the General Statutes.

**"§ 143-166.41. Special separation allowance.--**(a) Notwithstanding any other provision of law, every sworn law- enforcement officer employed by a State department, agency, or institution who qualifies under this section shall receive, beginning on the last day of the month in which he retires on a basic service retirement under the provisions of G.S. 135-5(a) or G.S. 143-166(y), an annual separation allowance equal to eighty- five hundredths percent (0.85%) of the annual equivalent of the base rate of compensation most recently applicable to him for each year of creditable service. The allowance shall be paid in 12 equal installments on the last day of each month. To qualify for the allowance the officer shall:

- (1) Have (i) completed 30 or more years of creditable service or, (ii) have attained 55 years of age and completed five or more years of creditable service; and
- (2) Not have attained 62 years of age.

(b) As used in this section, 'creditable service' means the service for which credit is allowed under the retirement system of which the officer is a member.

(c) Payment to a retired officer under the provisions of this section shall cease at the death of the individual or on the last day of the month in which he attains 62 years of age.

(d) This section does not affect the benefits to which an individual may be entitled from State, federal, or private retirement systems.

(e) The head of each State department, agency, or institution shall determine the eligibility of employees for the benefits provided herein.

(f) The Director of the Budget may authorize from time to time the transfer of funds within the budgets of each State department, agency, or institution necessary to carry out the purposes of this Article. These funds shall be taken from those appropriated to the department, agency, or institution for salaries and related fringe benefits.

(g) The head of each State department, agency, or institution shall make the payments set forth in subsection (a) to those persons certified under subsection (e) from funds available under subsection (f)."

-----REPLACING LAW-ENFORCEMENT OFFICERS ON FINAL SICK LEAVE

Sec. 105. Article 2 of Chapter 126 of the General Statutes is amended by adding a new section to read:

**"§ 126-8.2. Replacement of law-enforcement officer on final sick leave.--**When a sworn law-enforcement officer employed by the State is on sick leave, and the head of the department employing the officer has obtained a certification from a physician that the officer will not recover and return to duty, a replacement for the officer may be hired even though the resulting number of employees in the department exceeds the number for which an appropriation was made in the Current Operations Appropriations Act, if sufficient funds are available from appropriations to the department for salaries to pay the salary of both the new employee and the officer on sick leave until the officer's accumulated leave is exhausted or his employment is terminated."

-----EXEMPTION FROM STATE PERSONNEL COMMISSION SALARY STANDARDS

Sec. 106. G.S. 20-187.3 is amended by redesignating the present section as subsection (a) and adding a sentence to that subsection to read:

"The provisions of G.S. 126-7 shall not apply to members of the State Highway Patrol."

Sec. 107. G.S. 20-187.3 is amended by adding a new subsection "(b)" to read:

"(b) The Secretary of Crime Control and Public Safety, subject to the availability of funds as authorized by the Director of the Budget, may place a member of the State Highway Patrol in any step in the salary range for the class to which the member is assigned based on the member's rank so that no member is in a step lower than others of the same rank who have held that rank for less time than that member."

PART XII.-----AGRICULTURE

-----RENAME HAMPTON MARINER'S MUSEUM

Sec. 108. The name of the "Hampton Mariner's Museum" is changed to the "North Carolina Maritime Museum".

PART XIII.-----NATURAL RESOURCES AND COMMUNITY DEVELOPMENT

-----PARTICIPATION IN THE NUTRIENT SENSITIVE WATERSHED PROJECT

Sec. 109. Participation in the Nutrient Sensitive Watershed Project shall be voluntary. In addition to funding of agricultural projects, funds appropriated may be used to provide grants to units of local government and water and sewer authorities for the purpose of conducting joint State and local nutrient sensitive water quality studies in the targeted watersheds. These studies may include monitoring, testing, data gathering, and other appropriate components related to nutrient reduction techniques. Purchase and installation of phosphate removal equipment in public wastewater treatment systems in the targeted watersheds may not be required by the State until studies showing a need for this equipment have been completed and reviewed by the Environmental Management Commission.

All participants in the Nutrient Sensitive Watershed Project shall be required to match State funds at the same rate, and assistance from the Agriculture Extension Service at North Carolina State University shall also be used.

-----IMPLEMENTATION OF PROJECT

Sec. 110. Detailed plans for implementing the agricultural portion of the Nutrient Sensitive Watershed Project shall be reviewed and suggested changes and reasons therefor shall be given by a committee consisting of the Master of the North Carolina State Grange, President of the North Carolina Farm Bureau Federation, the North Carolina Commissioner of Agriculture, the Dean of the School of Agriculture and Life Sciences at North Carolina State University, the Chairman of the State Soil and Water Conservation Commission, and the President of the North Carolina Association of Soil and Water Conservation Districts. The committee shall review implementation of the agricultural portion of the Nutrient Sensitive Watershed Project prior to expenditure of any funds for that portion of the program. Certification documenting the committee's review of implementation of the agricultural grants program shall be made in writing to the Speaker of the House of Representatives, the President of the Senate, and Chairmen of the Appropriations Committees of the House and Senate.

-----MATCHING FUNDS TO RECLAIM ABANDONED MINES

Sec. 111. The forty-eight thousand dollars (\$48,000) appropriated to the Department of Natural Resources and Community Development in Section 2 of Chapter 971, Session Laws of 1983, to be combined with Tennessee Valley Authority funds for use in reclaiming abandoned mines and reducing erosion, may not be expended in Avery, Mitchell, or Yancey County unless that respective County contributes sixteen thousand dollars (\$16,000) in cash or in kind for this purpose.

-----COMMUNITY ACTION PARTNERSHIP

Sec. 111.1. Chapter 113 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 1D.

"Community Action Partnership Act.

"§ 113-28.21. **Short title.**--This Article may be cited as the Community Action Partnership Act.

"§ 113-28.22. **Purpose.**--It is the purpose of this Article to provide financial assistance to Community Action Agencies and Limited Purpose Agencies (hereinafter referred to as 'agency' or 'agencies') to enable those agencies to effectively mobilize public and private resources in order to promote economic self-sufficiency among the poor of the State and to expand those services to all political subdivisions of the State.

"§ 113-28.23. **Designation of administering agency powers and responsibilities.**--The Department of Natural Resources and Community Development (hereinafter 'Department') is directed to carry out the purposes and provisions of this Article. In carrying out this directive, the Secretary of the Department (hereinafter 'Secretary') shall promulgate rules consistent with the purposes and provisions of this Article.

"§ 113-28.24. **Designation of eligible agencies.**--The Secretary shall designate agencies to fulfill the requirements of this Article in the service areas governed by one or more units of local government. An agency so designated may be one of the following:

(1) Agencies which have been officially designated as community action agencies or limited purpose agencies pursuant to Section 210 of the Economic



Opportunity Act of 1964, Public Law 88-452, 78 Stat. 508 and which have not lost their designation as a result of a failure to comply with the provisions of that act.

(2) Private nonprofit agencies designated by the chief elected official of a political subdivision or one or more political subdivisions, in areas not served by agencies as defined in subdivision (1) of this section on July 1, 1984. Agencies eligible under this subdivision must apply to the Secretary for designation 60 days in advance of the beginning date of their fiscal year. Political subdivisions designated under this section are authorized to join existing community action agencies contiguous with their boundaries or to organize their own community action agency in order to provide services pursuant to this Article.

**"§ 113-28.25. Activities of Community Action Agency.--**Agencies shall serve as the local catalyst for the reduction of the causes, conditions, and effects of poverty and shall provide social and economic opportunities that foster self-sufficiency for low-income persons. As such, agencies designated pursuant to G.S. 113-28.24(1) shall be sponsors of the Community Services Block Grant and any successor program thereto.

**"§ 113-28.26. Organization and authority.--**(a) Agencies, as provided in G.S. 113-28.24 shall have or be required to establish a governing board of directors which shall consist of not less than 15 nor more than 51 members. One-third of the members shall be low-income, elderly, or handicapped consumers residing in the service area of the agency. Consumer representatives shall be selected through a democratic process pursuant to guidelines established by the Department. Not less than one-third of the members of the board shall be appointed by the chief elected officials in the service area. The remaining positions on the board, if any, shall be filled by officials or members of business, industry, labor, religious, welfare, education, or civic organizations located in the service area.

- (b) The board of directors shall be responsible for all of the following:
- (1) The appointment and dismissal of an executive director.
  - (2) The approval of contracts, budgets, requests, and major modifications of budgets and contracts.
  - (3) The performance of an annual audit by certified public accountants to include all assets, liabilities, revenue, and expenditures.
  - (4) The establishment of policies for the operation of the agency.
  - (5) Annually advising the chief elected officials of the units of local government within the service area of the nature and extent of poverty within the area. Included in this annual report will be an assessment of the community action agency policies and programs and their impact on the problems of poverty in the service area.
  - (6) The convening of public meetings to provide low-income and other persons the opportunity to comment upon public policies and programs to reduce poverty."

Sec. 111.2. Of the funds appropriated to the Department of Natural Resources and Community Development in Section 2 of Chapter 971 of the 1983 Session Laws the sum of one million dollars (\$1,000,000) shall be used to provide services to the elderly, needy, and handicapped.

-----CIVIL WORKS AND WATERSHED PROJECTS

Sec. 112. Of the funds appropriated to the Department of Natural Resources and Community Development in Chapter 971 of the 1983 Session Laws, the sum of two million eight hundred eighty-nine thousand dollars (\$2,889,000) shall be used for civil works and watershed projects. These funds shall be allocated as follows:

Civil Works Projects	Requirements
Harkers Island (S,N) (Carteret)	\$ 47,000
Ararat River (C,FC) (Surry)	667,000
Carolina Beach (C,BR) (New Hanover)	810,000
Beaufort Harbor (M,N) (Carteret)	75,000
Manteo (Shallowbag) Bay (M,N) (Dare)	75,000
Wilmington Harbor (M,N) (New Hanover)	250,000
State-Local Projects 150,000	
Total	\$2,074,000
Watershed Projects Limestone (Duplin)	25,000
Crabtree (Wake)	510,000
Second Broad (Rutherford)	27,000
Town Fork (Forsyth, Stokes)	100,000
Sandy Creek (Cumberland)	138,000
West and Quarter (Hyde)	15,000
Total	\$ 815,000

Any funds not expended or encumbered for these purposes shall revert to the General Fund at the end of the fiscal year.

PART XIV.-----STATE TREASURER

-----REFUND OF FORMER MEMBER PAYMENTS FOR UNREDUCED RETIREMENT

Sec. 113. Of the funds appropriated to the Department of State Treasurer in Section 2 of Chapter 971, Session Laws of 1983, the sum of five hundred sixteen thousand one hundred dollars (\$516,100) shall be used by the State Retirement Systems to refund payments required by Section 45.2 of Chapter 859 of the 1981 Session Laws of former members of the Teachers' and State Employees' Retirement System who retired on an unreduced service retirement allowance and who were at least 60 years of age with 25 or more years of creditable service when they retired.

Sec. 114. Notwithstanding the provisions of Chapter 135 of the General Statutes, any member of the Teachers' and State Employees' Retirement System who was at least 60 years of age with 25 or more years of creditable service and who retired on a reduced service retirement allowance between July 1, 1981, and June 30, 1983, shall have his retirement allowance increased by the elimination of the reduction factors applicable at the time of retirement. This increase in retirement allowances shall apply equally to the allowance of a surviving annuitant of a beneficiary. This section shall become effective on the first of the month following a determination by the System's consulting actuary that sufficient gains are available in the System to pay the total present value actuarial cost of the increased retirement allowance.

-----ISSUANCE FEES/PRIVATE-PURPOSE REVENUE BONDS

Sec. 115. The Department of State Treasurer, Local Government Commission, is authorized to use the sum of fifty-six thousand dollars (\$56,000) from the fees charged to the issuers of private-purpose revenue bonds for employing additional personnel in reviewing the financial positions of the bond issuers.

-----COSTS OF TREASURER'S INVESTMENT PROGRAMS

Sec. 116. G.S. 147-69.3(f) is amended by adding the following immediately before the period: ", and the costs so apportioned shall be paid from each program and deposited with the State Treasurer as a General Fund nontax revenue".

Sec. 117. G.S. 147-69.3(f) is further amended by adding the following at the end:

"The cost of administration, management, and operation of investment programs established pursuant to this section shall be covered by an appropriation to the State Treasurer for this purpose in the Current Operations Appropriations Act."

Sec. 118. Chapter 147 of the General Statutes is amended by adding a new section to read:

**"§ 147-68.1. Banking Operations.--**The cost of administration, management, and operations of the banking operations of the Department of State Treasurer shall be apportioned equitably among the funds and programs using these services, and the costs so apportioned shall be deposited with the State Treasurer as a general fund nontax revenue. The cost of administration, management and operations of the banking operations of the Department of State Treasurer shall be covered by an appropriation to the State Treasurer for this purpose in the Current Operations Appropriations Act."

Sec. 119. There is appropriated from nontax revenues in the General Fund to the Department of State Treasurer for fiscal year 1984-85 the sum of one million five hundred thirteen thousand four hundred five dollars (\$1,513,405) for the Investment Management Division and seventy-two thousand eight hundred eighty-five dollars (\$72,885) for the Banking Operations Division. The funds for the Banking Operations Division are in addition to funds appropriated for that Division in Section 2 of Chapter 971, Session Laws of 1983.

PART XV.-----ADMINISTRATION

-----PRIVATE LICENSE PLATES ON STATE-OWNED CARS

Sec. 120. The second paragraph of G.S. 14-250 is amended by rewriting the last four sentences to read:

"When the General Assembly is not in session, the Division may grant requests for additional exemptions in an exemption category authorized for that period by the General Assembly, not to exceed five percent (5%) of the total number of exemptions authorized for that category. The Division shall report a request for an additional exemption and the Division's proposed action on it to the Joint Legislative Commission on Governmental Operations and to the Advisory Budget Commission before making a final decision on the request. The Division may not consider a request for an additional exemption for a purpose for which a request was previously made to but not granted by the General Assembly. Additional exemptions granted by the Division 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. 121. Pursuant to the provisions of G.S. 14-250, for the 1984-85 fiscal year, the General Assembly authorizes the following use of private license tags on State-owned motor vehicles:

Department	Number	Exemption Category	Total Number
Administration:	1	Capitol Police	
	6	Human Relations Council	7
Motor Vehicles:	97	License & Theft Employees	
	11	License & Theft Motor Pool	
	1	Chief Transportation Inspector	
	1	Assistant Director, License and Theft Section	
	3	Regional Transportation Supervisors	
	8	Transportation Inspectors	121
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	
	3	Utilities Commission- Chief of Rail Safety Track Inspector Motor Power and Equipment Inspector	26
N.C.S.U.:	2	Security	2
E.C.U.:	2	Security	2
NRCDD:	3	Forest Law Enforce. Off.	3
Correction:	511	Probation/Parole	511
Justice:	277	SBI Agents	
	3	Medicaid Investigators	280
Crime Control:	127	ALE Officers	
	2	Highway Patrol (Governor's Mansion)	
	1	Butner Public Safety	130
		Total	1,082

-----PERMANENT ASSIGNMENT OF STATE-OWNED PASSENGER MOTOR VEHICLES

Sec. 122. G.S. 143-341(8)i.7a. is amended by rewriting the second paragraph to read:

"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 (i) the individual's duties are routinely related to public safety or (ii) the individual's duties are likely to expose him routinely to life-threatening situations. A

State-owned passenger motor vehicle shall also not be permanently assigned to an agency that is likely to drive it on official business at a rate of less than 12,600 miles per year unless the agency can justify to the Division of Motor Fleet Management the need for permanent assignment because of the unique use of the vehicle. 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 to which the car is assigned is employed or the agency to which the car is assigned cannot justify the lower mileage for the quarter in view of the minimum annual rate, the permanent assignment shall be revoked immediately."

-----FAMILY VIOLENCE PROGRAMS FUNDS

Sec. 123. The Department of Administration may secure federal and other non-State funds in the amount of one hundred twenty-five thousand dollars (\$125,000) to provide assistance to Reach, Inc., and Respect, Inc., to support shelter services, counseling and community education for victims of family violence in the following counties: Cherokee, Clay, Graham, Haywood, Henderson, Macon, Swain, and Transylvania.

-----CLARIFY APPLICATION OF THE BUILDING CODE

Sec. 124. Section 7 of Chapter 531 of the 1977 Session Laws is repealed.

PART XVI.-----REVENUE

-----STATE EMPLOYEES RECEIVING CONFIDENTIAL TAX INFORMATION

Sec. 125. G.S. 105-259 is amended at the end of the fifth paragraph by adding the following sentence:

"Notwithstanding any other provision of law, State officers and employees who perform computerized data processing functions pursuant to G.S. 143-341(9) for the Department of Revenue are authorized to receive and process for the Department of Revenue information in reports and returns and are subject to the criminal provisions of this section."

-----REVENUE/REFUND OF INCOME TAXES.

Sec. 126. G.S. 105-267.1 is amended by changing the period at the end of that section to a comma and adding the following: "unless a demand is made for a refund of income tax that was erroneously paid this State and is payable to another state."

-----CLARIFY USE OF SALES TAX REVENUE IN BURKE COUNTY

Sec. 127. Chapter 273 of the 1983 Session Laws is amended by adding a new section to read:

"Sec. 1.1. This act applies only to sales and use taxes levied under Article 39 of Chapter 105 of the General Statutes."

PART XVII.-----CULTURAL RESOURCES

-----CULTURAL RESOURCES CONTINUATION RESERVE

Sec. 128. Of the funds appropriated to a reserve in the Department of Cultural Resources in Section 2 of Chapter 971, Session Laws of 1983, the sum of fifty thousand dollars (\$50,000) shall be allocated to the Cherokee Historical Association; sixty- seven thousand three hundred seventy-seven dollars (\$67,377) shall be allocated to the Charlotte Hawkins Brown Memorial State Historic Site; twenty-six thousand five hundred dollars (\$26,500) shall be allocated to the Andrew Jackson Memorial

Commission; twenty-six thousand eight hundred fifty-six dollars (\$26,856) shall be allocated to the Town Creek Indian Mound Site; and sixty-nine thousand eight hundred sixteen dollars (\$69,816) shall be allocated to the Eastern Regional Office of the Department of Cultural Resources.

-----HISTORICAL MARKER PROGRAM FUNDS INCREASED

Sec. 129. G.S. 136-42.3 is amended by deleting the first sentence and substituting:

"The Department of Transportation may spend up to forty thousand dollars (\$40,000) a year to purchase historical markers prepared and delivered to it by the Department of Cultural Resources. The Department of Transportation shall erect the markers on sites selected by the Department of Cultural Resources."

-----TRYON PALACE/OVER-REALIZED ADMISSION FEE RECEIPTS

Sec. 130. Any admission fee receipts at the Tryon Palace complex that exceed expenditures as of June 30, 1984, may be placed in a nonreverting Restoration Repair Fund by the Director of the Budget. Upon request of the Tryon Palace Commission and the Secretary of Cultural Resources, the Director of the Budget may authorize expenditures from the Restoration Repair Fund for necessary repairs and restoration expenses in the Tryon Palace complex.

-----INCREASE OLD ART MUSEUM RENOVATION PROJECT

Sec. 131. The amount of funds that may be expended by the Old Art Museum Renovation Capital Project is increased by one million dollars (\$1,000,000). This increase shall be supported with gifts and grants to the Museum.

PART XVIII.-----GOVERNOR'S OFFICE/BUDGET OFFICE

-----HOUSING COMMISSION FUNDS FROM GENERAL FUND

Sec. 132. Section 3 of Chapter 778 of the 1983 Session Laws is repealed.

-----INTEREST ON HFA RESERVE

Sec. 133. Of the funds appropriated to the Office of the Governor in Section 2 of Chapter 971, Session Laws of 1983, the sum of one million five hundred thousand dollars (\$1,500,000) shall be placed in a general debt service reserve to support the issuance of additional bonds by the Housing Finance Agency, the sum of two million dollars (\$2,000,000) shall be placed in the multi-family rental assistance fund, and the sum of five hundred thousand dollars (\$500,000) shall be placed in the single-family home ownership fund. Interest earned on the four million dollars (\$4,000,000) shall not be used by the Housing Finance Agency for administrative purposes without the prior approval of the General Assembly.

-----HFA BUDGET REPORTS

Sec. 134. G.S. 122A-16 is amended by adding a new sentence at the end to read:

"The Agency shall also at the end of each fiscal year submit a written report of its budget expenditures by line item to the Joint Legislative Commission on Governmental Operations."

-----LEGISLATIVE COMMITTEE ON ENERGY CRISIS MANAGEMENT

Sec. 135. G.S. 113B-21(a) is amended by deleting "assistant majority leader" and inserting in lieu thereof "majority leader".

Sec. 136. G.S. 113B-22(b) and (c) are rewritten to read:

"(b) The Governor shall immediately consult with the Legislative Committee about the emergency proposals. The emergency orders, rules, or regulations shall become effective at a time specified by the Governor, but no earlier than 48 hours after submission to the Legislative Committee, provided that they may take effect at an earlier time if approved by a majority vote of the Council of State after the Council makes a finding that the crisis is of such immediacy as to make delay for legislative review cause for probable harm to the public.

(c) No order, rule, or regulation promulgated under the provisions of this section shall remain in effect for more than 30 days unless the Governor consults with the Legislative Committee. Such consultation is separate and apart from the consultation required by subsection (a) of this section, and may not take place until the order, rule, or regulation has been in effect for at least seven days."

Sec. 137. G.S. 113B-22(d) is amended by deleting "the review of" and inserting in lieu thereof "consultation with".

Sec. 138. G.S. 113B-23(b) is amended by deleting "and upon the approval of the Legislative Committee".

-----DISCHARGE OF NEED-BASED STUDENT LOANS BY SERVICE

Sec. 139. The second and third sentences of the first paragraph of G.S. 143-47.24 are repealed and replaced with the following:

"The loans administered pursuant to this Article shall be repaid in manners determined by the Board, including discharge by service."

-----FEDERAL EMERGENCY VETERANS JOB TRAINING ACT OF 1983 FUNDS  
DO NOT REVERT

Sec. 140. Notwithstanding the provisions of G.S. 143- 18, funds received by any State agency within the scope of the Executive Budget Act pursuant to the Federal Emergency Veterans Job Training Act of 1983 shall not revert to the General Fund at the end of the biennial fiscal period.

-----MATCH FOR BIOTECHNOLOGY CENTER FUNDS

Sec. 141. Of the funds appropriated to the Department of Commerce in Section 2 of Chapter 971, Session Laws of 1983, the sum of one million dollars (\$1,000,000) is allocated for the Biotechnology Center. These funds shall not be expended unless matched with one million dollars (\$1,000,000) in non-State funds.

-----NONREVERTING RESERVE FOR BIOTECHNOLOGY

Sec. 142. Of the funds appropriated to the Office of the Governor, Office of State Budget and Management, in Chapter 971, Session Laws of 1983, the sum of two million nine hundred fifty-five thousand dollars (\$2,955,000) shall be placed in a nonreverting reserve for the Board of Governors of The University of North Carolina to establish biotechnology research facilities and programs.

-----LIMITATION ON USE OF RESERVE FOR REPAIRING AND RENOVATING  
FACILITIES

Sec. 143. Except as otherwise provided by this act, funds appropriated in Section 3 of Chapter 971 of the 1983 Session Laws to the Reserve for Repairing and

Renovating Facilities shall be used only to repair and renovate facilities. They may not be used for new buildings or additions to existing buildings.

-----RESERVE FOR REDUCTION IN PRISON POPULATION

Sec. 144. The sum of one million four hundred sixty- five thousand fifty-eight dollars (\$1,465,058) shall be withdrawn from the Reserve for Reduction in Prison Population. Of these funds, nine hundred sixty-four thousand seven hundred sixty-two dollars (\$964,762) shall be deposited in the General Fund, four hundred forty-seven thousand two dollars (\$447,002) shall be allocated to the Department of Correction for the Cleveland County Unit's vocational training program for prospective parolees, and fifty-three thousand two hundred ninety-four dollars (\$53,294) shall be used to expand the intensive probation team program to judicial district 19A.

-----MONTHLY ALLOCATIONS/DIRECTOR OF THE BUDGET

Sec. 145. The Director of the Budget shall allocate State funds to the Department of Insurance in accordance with the Executive Budget Act in a manner to ensure that the Department will not expend or encumber more than one-twelfth of its State funds during each month of 1984. Any outstanding budgetary obligations of the Department as of June 30, 1984, shall be satisfied no later than December 31, 1984.

-----PAY EQUITY STUDY

Sec. 146. (a) The Pay Equity Study shall be conducted as a general examination of the pay equity issue, and shall include but not be limited to a factor based on supply and demand on the relevant job market for a given job category which factor shall be given equal weight.

(b) In order to ensure that North Carolina conducts a pay equity study as in (a) above, there is created a Pay Equity Advisory Committee that consists of 14 members. The composition of the Committee shall be: seven Senators appointed by the President of the Senate and seven Representatives appointed by the Speaker of the House. All initial appointments shall be made by October 1, 1984. The Committee shall advise and monitor the development of a job evaluation and pay equity study for the State of North Carolina's classified employees in accordance with the directions set out in (a) above. Staff for the Committee shall be provided by the Office of State Budget and Management. The Committee shall make a final report to the President of the Senate and the Speaker of the House no later than June 1, 1986.

(c) The State Budget Officer is empowered to engage a consulting firm, no later than December 15, 1984, to study the State Personnel System so it can identify wage policies that inhibit pay equity and develop a job evaluation and pay system in accordance with the directions as herein set out. The consultant shall make an interim report to the Committee no later than June 1, 1985, and a final report no later than April 1, 1986.

(d) Members of the Committee shall be reimbursed in accordance with G.S. 120-3.1(a)(2) and (3). Any vacancy occurring on the Committee as a result of termination of service in the appointing house shall be filled by the original appointing authority.

-----EXECUTIVE BUDGET ACT REVISIONS



Sec. 147. Effective January 1, 1985, G.S. 143-3.3 is amended by deleting "Provided, further, that this section shall not apply to assignments made by members of the State Highway Patrol, agents of the State Bureau of Investigation, motor vehicle inspectors of the Revenue Department, and State prison guards, to the commissioners of the Law-Enforcement Officers' Benefit and Retirement Fund in payment of dues due by such persons to such fund:".

Sec. 148. Effective January 1, 1985, the second sentence of the third paragraph of G.S. 143-4 is rewritten to read:

"The Governor shall call a meeting of the Commission during the period beginning with the convening of each regular session and ending 30 days later. Otherwise, meetings of the Commission may be called by the Governor or by the chairman.

Members of the Commission shall take the oath of office at or before the first meeting of the Commission they attend.

The Office of State Budget and Management, under the direction of the State Budget Officer, shall serve as staff to the Commission. The State Budget Officer shall designate a secretary to the Commission.

After the agenda for a meeting has been delivered to the members of the Commission, no other item shall be considered at that meeting except upon the approval of a majority of the members present and voting.

Except for the Governor, persons who are not members of the Commission may address the Commission only at the invitation of the Governor, the chairman, or a majority of the members present and voting."

Sec. 149. Article 1 of Chapter 143 of the General Statutes is amended by adding a new section to read:

**"§ 143-4.1. Biennial inspection.--**The Commission shall make a biennial inspection of those physical facilities of the State it deems necessary."

Sec. 150. G.S. 143-12(1) and (2) are rewritten to read:

"(1) A bill containing all proposed current operations appropriations of the budget for each year in the ensuing biennium, which shall be known as the 'Current Operations Appropriations Bill', and a bill containing all proposed capital appropriations of the budget for each year in the ensuing biennium, which shall be known as the 'Capital Improvement Appropriations Bill'.

(2) If necessary, a bill containing the Director of the Budget's views on revenue for the ensuing biennium, which shall be known as the 'Budget Revenue Bill' and shall provide an amount of revenue for the ensuing biennium sufficient, in the opinion of the Director and the Commission, to meet the appropriations contained in the Current Operations Appropriations Bill and the Capital Improvement Appropriations Bill."

Sec. 151. G.S. 143-12 is further amended by deleting "Budget Appropriation Bill" from the first sentence of the second paragraph of that section and inserting in lieu thereof "Current Operations Appropriations Bill".

Sec. 152. G.S. 143-13 is amended by deleting "Budget Appropriation Bill", the first time it appears, and inserting in lieu thereof "Current Operations Appropriations Bill, Capital Improvement Appropriations Bill", and by deleting "Budget Appropriation Bill" the second and third time those words appear, and inserting in each place in lieu

thereof the words, "Current Operations Appropriations Bill and the Capital Improvement Appropriations Bill".

Sec. 153. G.S. 143-12(3) is repealed.

Sec. 154. The last paragraph of G.S. 143-12 is amended by deleting "Appropriation, Revenue and Machinery" and inserting in lieu thereof "Appropriations and Revenue".

Sec. 155. G.S. 143-13 is amended by deleting "the Budget Revenue Bill, and the Budget Machinery Bill" and inserting in lieu thereof "and the Budget Revenue Bill".

Sec. 156. G.S. 143-13 is further amended by deleting the words "and the Budget Machinery Bill" the second and third times they appear.

Sec. 157. G.S. 143-13 is amended by deleting "Appropriation, Revenue and Machinery Bills" and inserting in lieu thereof "Appropriations, and Revenue Bills,".

Sec. 158. G.S. 143-13 is amended by deleting "the years in which the Governor is elected", and inserting in lieu thereof "the years in which the Governor is elected, other than when a Governor is elected for a second successive term".

Sec. 159. The second paragraph of G.S. 143-15 is amended by deleting "until the Budget Appropriation Bill shall have been enacted in whole or in part or rejected", and inserting in lieu thereof "until the Current Operations Appropriations Bill shall have been enacted in whole or part or rejected", and is further amended by adding at the end of the paragraph:

"Provided that the Capital Improvement Appropriations Bill may be considered before the Current Operations Appropriations Bill has been adopted in whole or part or rejected."

Sec. 160. G.S. 143-15 is amended by deleting "Budget Appropriation Bill" in each place it appears, and inserting in lieu thereof "Current Operations Appropriations Bill and the Capital Improvement Appropriations Bill".

Sec. 161. G.S. 143-15 is amended by deleting "a single object", and inserting in lieu thereof "an object or objects".

Sec. 162. The last paragraph of G.S. 143-34.1 is repealed.

Sec. 163. Article 1 of Chapter 143 of the General Statutes is amended by adding a new section to read:

**"§ 143-34.7. Participation by Legislative Officers.--**The Speaker and Speaker Pro Tempore of the House of Representatives and the President Pro Tempore and Majority Leader of the Senate may attend all meetings of the Advisory Budget Commission."

Sec. 164. Effective July 1, 1985, G.S. 18B-200(a), 20- 2, 53-93.1, 58-6, 95-2, 96-3(c), 97-78(a), 106-11, 113-315.26, 114-7, 115C-20, 115D-3, 126-3, 136-4, 138-4, 143B-267, 143B- 426.11(9), 143B-469.1, 146-30, 147-33, 147-35, 147-64.1(7), 147- 65 and 147-87 are each amended by deleting "Budget Appropriation Act", and inserting in lieu thereof "Current Operations Appropriations Act".

Sec. 165. Effective July 1, 1985, G.S. 7A-10, 7A-18, 7A-44, 7A-65, 7A-144, 7A-341, 7A-342 and 7A-467 are each amended by deleting "Budget Appropriation Act", "Budget Appropriations Act", or "budget appropriations act" and inserting in lieu thereof "Current Operations Appropriations Act".

-----OPERATION OF VENDING FACILITIES BY THE STATE

Sec. 166. Article 1 of Chapter 143 of the General Statutes is amended by adding the following new section:

**"§ 143-12.1. Vending facilities.--**(a) The receipts from vending facilities operated by State agencies, institutions, departments, boards, and commissions are State funds. The payments received by a State agency, institution, department, board or commission by contract under which another party operates vending facilities and pays a sum to the State, whether computed as a percentage of gross or net receipts or gross or net profits, or as a fixed or variable fee, are State funds.

(b) The receipts or payments described in subsection (a) of this section from vending facilities shall be deposited as provided by law in the appropriate fund to be determined by the Office of State Budget and Management.

(c) The net proceeds from vending facilities are subject to appropriation by the General Assembly.

(d) The Office of State Budget and Management shall submit to the General Assembly along with or as a part of the biennial budget (and along with or as a part of any second-year budget requests) budgets for vending facilities operated by General Fund, Highway Fund, and Wildlife Fund departments' and institutions' operating budgets.

(e) Budgets for vending facilities prepared under subsection (d) of this section shall reflect total receipts from the facilities, and the total costs to staff, stock, and operate the vending facilities, shall set out the total net proceeds, and shall contain, in line-item detail, requests the departments and institutions have submitted to expend the net proceeds. If a State agency or institution receives payments on account of vending facilities but does not actually operate the facilities, the budget shall contain a statement of the payments and shall contain, in line-item detail, requests the departments and institutions have submitted to expend the net proceeds.

(f) The net proceeds that the General Assembly approves for expenditure by a department or institution shall be retained in the appropriate fund budget code for the purposes approved by the General Assembly.

(g) For the purposes of this section 'vending facilities' has the same meaning as provided in G.S. 111-42(d), but also means any mechanical or electronic device dispensing items or something of value or entertainment or services for a fee, regardless of the method of activation, and regardless of the means of payment, whether by coin, currency, tokens, or other means.

(h) The provisions of subsections (c) through (f) of this section shall not supersede or apply to operations under the provisions of Article 3 of Chapter 111 of the General Statutes, G.S. 127A-138(b), or G.S. 116-36.1 through G.S. 116-36.3, or to the operation of any vending facility by a community college, technical institute, technical college, or local school administrative unit, but they shall apply to the operations of North Carolina Memorial Hospital."

Sec. 167. G.S. 115C-423 is amended by adding a new subdivision to read:

"(6) 'Vending facilities' has the same meaning as it does in G.S. 143-12.1."

Sec. 168. The School Budget and Fiscal Control Act, Article 31 of Chapter 115C of the General Statutes, is amended by adding a new section to read:

**"§ 115C-426.1. Vending facilities.--**Moneys received by a local school administrative unit on account of operation of vending facilities shall be deposited, budgeted, appropriated, and expended in accordance with the provisions of this Article."

Sec. 169. G.S. 115D-2 is amended by adding a new subdivision to read:

"(8) 'Vending facilities' has the same meaning as it does in G.S. 143-12.1."

Sec. 170. Article 4A of Chapter 115D of the General Statutes is amended by adding a new section to read:

**"§ 115D-58.13. Vending facilities.--**Moneys received by an institution on account of operation of vending facilities shall be deposited, budgeted, appropriated, and expended in accordance with the provisions of this Article."

Sec. 171. G.S. 116-2 is amended by adding a new subdivision to read:

"(6) 'Vending facilities' has the same meaning as it does in G.S. 143-12.1."

Sec. 172. Chapter 116 of the General Statutes is amended by adding a new section to read:

**"§ 116-36.4. Vending facilities.--**The Board of Governors shall, not later than October 1 of each year, make an itemized annual report in a format to be determined by the Office of State Budget and Management to the Joint Legislative Commission on Governmental Operations concerning the receipts, expenditures, and use of net proceeds from operations of vending facilities for the previous fiscal year under G.S. 116-36.1 through G.S. 116-36.3. A similar quarterly report shall be made within 60 days after the end of each quarter. Net proceeds may be used only as authorized by the Board of Governors, but this section does not authorize expenditures for purposes not otherwise authorized by law."

Sec. 173. G.S. 159-7(b) is amended by adding a new subdivision to read:

"(16) 'Vending facilities' has the same meaning as it does in G.S. 143-12.1."

Sec. 174. The Local Government Budget and Fiscal Control Act, Article 3 of Chapter 159 of the General Statutes, is amended by adding a new section to read:

**"§ 159-17.1. Vending facilities.--**Moneys received by a public authority, special district, or unit of local government on account of operation of vending facilities shall be deposited, budgeted, appropriated, and expended in accordance with the provisions of this Article."

Sec. 175. The preceding nine sections of this act shall become effective October 1, 1984, except that G.S. 143-12.1(c) through (f) shall become effective beginning with the 1985-87 biennial State Budget.

-----FEDERAL REVENUE SHARING

Sec. 175.1. Funds available in the Revenue Sharing Trust Fund in the amount of one million two hundred thirty-three thousand eight hundred eighty-eight dollars (\$1,233,888) shall be used in the 1984-85 fiscal year to fulfill debt service requirements.

PART XIX.-----GENERAL ASSEMBLY

-----INFORMATION TO THE LEGISLATIVE SERVICES OFFICE

Sec. 176. G.S. 120-36.4 is repealed.

Sec. 177. A new section is added to Article 7 of Chapter 120 to read:

**"§ 120-32.01. Information to be supplied.--**(a) Every State department, State agency, or State institution shall furnish the Legislative Administrative Office and the Research,

Fiscal Research, and Bill Drafting Divisions any information or records requested by them. Except when accessibility is prohibited by a federal statute, federal regulation or State statute, every State department, State agency, or State institution shall give the Fiscal Research Division access to any data base or stored information maintained by computer, telecommunications, or other electronic data processing equipment, whether stored on tape, disk, or otherwise, and regardless of the medium for storage or transmission.

(b) Notwithstanding subsection (a) of this section, access to the State Personnel Management Information System by the Legislative Administrative Office and by the Research and Bill Drafting Divisions shall only be through the Fiscal Research Division."

#### -----MEETINGS OF THE BOARD OF AWARDS AND THE COUNCIL OF STATE

Sec. 177.1. (a) G.S. 143-34.4 is amended by adding the following new language immediately after the first sentence:

"The Legislative Administrative Officer shall designate a member of the Fiscal Research staff, and a member of the General Research or Bill Drafting staff who may attend all meetings of the Board of Awards and Council of State, unless the Board or Council has voted to exclude them from the specific meeting, provided that no final action may be taken while they are so excluded."

(b) G.S. 143-34.4 is amended by deleting the word "Commission" the fourth, fifth, and sixth times it appears and substituting the words "Board, Commission, or Council".

(c) G.S. 143-34.4 is amended by adding immediately after the words "Legislative Services Officer" each time they appear the words "and the Director of Fiscal Research".

(d) G.S. 143-34.4, as amended by subsections (a), (b), and (c) of this section is recodified as G.S. 120-36.6.

#### -----TERMINATION OF LEGISLATIVE RESEARCH COMMISSION TERMS

Sec. 178. The second and third sentences of G.S. 120- 30.11 are amended by deleting the words "the fourth Friday in November" where they appear and inserting in lieu thereof "December 15".

#### -----PUBLICATION OF SESSION LAWS AND JOURNALS

Sec. 179. Effective January 1, 1984, the first sentence of G.S. 120-34(a) is rewritten to read:

"The Legislative Services Commission shall publish all laws and joint resolutions passed at each session of the General Assembly. The laws and joint resolutions shall be kept separate and indexed separately. Each volume shall contain a certificate from the Secretary of State stating that the volume was printed under the direction of the Legislative Services Commission from ratified acts and resolutions on file in the Office of the Secretary of State. The Commission may publish the Session Laws and House and Senate Journals of extra and special sessions of the General Assembly in the same volume or volumes as those of regular sessions of the General Assembly."

#### -----FUNDS NOT REVERT

Sec. 180. (a) Notwithstanding G.S. 143-18, funds appropriated to the General Assembly by Chapters 859, 1127, and 1282 of the 1981 Session Laws shall not revert to the General Fund but shall remain available to the General Assembly until expended or until reverted under G.S. 120-32(10).

(b) The funds covered by this section may be encumbered for such purpose as may be approved by the Director of the Budget.

(c) This section is effective June 30, 1983.

Sec. 181. Effective June 30, 1984, G.S. 143-18 is amended by adding the following new language immediately before the period "; except that maintenance appropriations to the General Assembly shall remain available until expended, unless provided otherwise by the Legislative Services Commission".

Sec. 182. G.S. 120-32 is amended by adding a new subdivision to read:

"(10) To specify the uses within the General Assembly budget of funds appropriated to the General Assembly which remain available for expenditure after the end of the biennial fiscal period, and to revert funds under G.S. 143-18."

----RETIREMENT CREDITS FOR EMPLOYMENT WITH THE GENERAL ASSEMBLY

Sec. 183. Notwithstanding the provisions of G.S. 135-4(e) and G.S. 135-4(m), any otherwise qualified member who did not purchase prior service credits in the Teachers' and State Employees' Retirement System for employment with the General Assembly within three years after first eligibility may purchase such credits on or before December 31, 1984, as prescribed by G.S. 135-4(e). The difference between the full cost of allowing these service credits as defined in G.S. 135-4(m) and the member's cost pursuant to G.S. 135-4(e) shall be paid to the Retirement System from appropriations made to the General Assembly during the 1983 biennium.

-----LEGISLATORS' TRAVEL ALLOWANCES

Sec. 184. G.S. 120-3.1(a) is amended by rewriting subdivisions (2), (3), and (4) to read:

"(2) A travel allowance at the rate allowed by statute for State employees whenever the member travels, whether in or out of session, as a representative of the General Assembly or of its committees or commissions, with the approval of the Legislative Services Commission.

(3) A subsistence allowance for meals and lodging of fifty dollars (\$50.00) a day for each day of the period during which the General Assembly is in session and, except as otherwise provided in this subdivision, when traveling as a representative of the General Assembly or of its committees or commissions, with the approval of the Legislative Services Commission, when the General Assembly is not in session.

A member who is authorized to travel, whether in or out of session, to a high rate geographical area in a state in the continental United States, other than Alaska or North Carolina, may elect to receive, in lieu of the amount provided in the preceding paragraph, a subsistence allowance for meals of sixteen dollars and fifty cents (\$16.50) a day and a subsistence allowance for lodging of actual lodging expenses, when evidenced by a receipt satisfactory to the Legislative Administrative Officer, not to exceed that allowed a federal employee when traveling to that area. A high rate

geographical area is an area designated as such by the federal General Services Administrator under the Travel Expense Amendments Act of 1975 and published at 48 Federal Register 55262, December 9, 1983.

A member who is authorized to travel, whether in or out of session, to Alaska, Hawaii, Puerto Rico, or United States territories and possessions may elect to receive, in lieu of the amount provided in the first paragraph of this subdivision, a subsistence allowance for meals of sixteen dollars and fifty cents (\$16.50) a day and a subsistence allowance for lodging of actual lodging expenses, when evidenced by a receipt satisfactory to the Legislative Administrative Officer, not to exceed the maximum prescribed by the Secretary of Defense in Civilian Personnel Per Diem Bulletin 120, dated October 3, 1983, and published as corrected at 48 Federal Register 49333, October 25, 1983.

(4) A member may be reimbursed for registration fees as permitted by the Legislative Services Commission."

Sec. 185. G.S. 120-5(f) is amended by deleting "at the rate set forth in G.S. 120-3.1(4)" and substituting "at the rate set forth in G.S. 120-3.1(a)(2) through (4)".

Sec. 186. (a) G.S. 120-3.1(a)(3) is amended by deleting the phrase "fifty dollars (\$50.00)" and substituting the phrase "sixty dollars (\$60.00)", and by deleting the phrase "sixteen dollars and fifty cents (\$16.50)" each time it appears and substituting the phrase "twenty dollars (\$20.00)".

(b) This section shall become effective upon the convening of the 1985 Regular Session of the General Assembly.

#### -----MILITARY SERVICE CREDIT/LEGISLATIVE RETIREMENT SYSTEM

Sec. 187. G.S. 120-4.12 is amended by adding subsection (d) to read:

"(d) Any member of the Retirement System who has eight or more years of creditable service as a member of the General Assembly may purchase prior service credit for service in the armed forces of the United States at the same rates and conditions as set forth in G.S. 120-4.14 and G.S. 120-4.16; provided that credit is allowed only for the initial period of active duty in the armed forces of the United States up to the time the member was first eligible to be separated or released therefrom, and subsequent periods of such active duty as required by the armed forces of the United States up to the date of first eligibility for separation or release therefrom; and further provided that the member submits satisfactory evidence of the service claimed and that service credit be allowed only for the period of active service in the armed forces of the United States not creditable in any other retirement system, except the national guard or any reserve component of the armed forces of the United States."

#### -----TECHNICAL AMENDMENTS/LEGISLATIVE RETIREMENT SYSTEM

Sec. 188. G.S. 120-4.11(1) and (2) are amended in the language preceding the colon by deleting the word "active" and substituting the words "actively contributing", and in the language following the colon by deleting the words "Benefit and Retirement Fund" and substituting the words "Retirement System".

Sec. 189. G.S. 120-4.11 is amended by adding the following subdivision to read:

"(3) All former members of the General Assembly who have eight or more years of creditable service, who are not otherwise members of the Legislative Retirement System pursuant to subdivisions (1) and (2) of this section, and who are not actively contributing members of the Teachers' and State Employees' Retirement System, the North Carolina Local Governmental Employees' Retirement System, the Law Enforcement Officers' Retirement System, the Uniform Judicial Retirement System of North Carolina, the Uniform Solicitorial Retirement System of North Carolina, or the Uniform Clerks of Superior Court Retirement System of North Carolina."

Sec. 190. G.S. 120-4.12(c)(1) is amended by deleting the words "the establishment" and substituting the words "becoming a member".

Sec. 191. G.S. 120-4.14 is amended by deleting the words "the convening of the 1985 regular session of the General Assembly" and substituting the words "becoming a member of the Retirement System".

Sec. 192. G.S. 120-4.15 is amended by inserting the words "and System" between the words "Fund" and "shall".

Sec. 193. G.S. 120-4.21(a) is amended in the first sentence by deleting the phrase "or who has completed 25 years of creditable service regardless of age".

Sec. 194. G.S. 120-4.21(b)(1) is amended by deleting the phrase "or upon 25 years of creditable service regardless of age".

Sec. 195. G.S. 120-4.22(a) is amended in the first sentence by deleting the phrase "but less than 25 years".

Sec. 196. G.S. 120-4.21(c) and G.S. 120-4.22(d) are amended in the first sentence, in the language preceding the colon, by inserting the word "contributing" between the words "a" and "member" and in the first sentence, in the language following the colon, by deleting the words "Benefit and Retirement Fund" and substituting the words "Retirement System".

Sec. 197. G.S. 120-4.25 is amended by rewriting the first sentence to read:

"If a member ceases to be a member of the General Assembly except by death or retirement, he shall, upon submission of an application, be paid not earlier than 60 days following the date of termination of service, the sum of his contributions if he has less than eight years of creditable service, or the sum of his accumulated contributions if he has eight or more years of creditable service, provided he has not in the meantime returned to service."

Sec. 198. G.S. 120-4.8(9) and G.S. 120-4.8(12) are each amended by deleting "July 15, 1983" and substituting "June 15, 1983".

Sec. 199. G.S. 120-4.28 is amended by deleting the numbers "120-4.25 in the third line and inserting in lieu thereof the numbers "120-4.26".

## **PART XX.-----HIGHWAYS**

### **-----URBAN AND RURAL ROAD CONSTRUCTION FUNDS ALLOCATED**

Sec. 200. Of the funds appropriated in Section 2 of this act, fourteen million dollars (\$14,000,000) shall be allocated equally to each of the 14 Highway Divisions for Urban Construction projects. Up to an additional fourteen million dollars (\$14,000,000) of the funds appropriated in Section 2 of this act shall be allocated equally to each of the 14 Highway Divisions for urban and rural projects upon determination by the Office of



State Budget that funds are available. One-half of this additional allocation shall be designated by each Division for rural construction projects and the balance for Urban Construction projects.

Any funds transferred for Division rural road construction shall not be subject to the county formula allocation as provided by G.S. 136-44.5.

-----MATCH FOR ADDITIONAL FEDERAL FUNDS

Sec. 201. Effective June 30, 1984, all funds in the special Reserve to Match Additional Federal Funds shall revert to the Highway Fund and Section 8(a) of Chapter 761 of the 1983 Session Laws is repealed.

-----COMMISSION PAID TO BRANCH AGENTS

Sec. 202. Section 140 of Chapter 761 of the 1983 Session Laws is amended in the last sentence by deleting the language "sixty-four cents (64c)" and substituting "seventy cents (70c)".

-----AMTRAK PIEDMONT CRESCENT

Sec. 203. Of the funds appropriated to the Department of Transportation in Section 2 of this act, a one-time allocation of five hundred thousand dollars (\$500,000) shall be used only for the State's share of the operating cost of the Amtrak Passenger Service. No other State funds shall be used on this project for one-time expenditures until the service has been in operation for one year, and a study by the Department of Transportation has been completed determining the economic feasibility of the train service for North Carolina. This study shall be reviewed and approved by the Joint Legislative Commission on Governmental Operations no later than October 1, 1985. The study shall include but not be limited to the following:

- (1) a report on the operating and capital costs for the service;
- (2) information on rail line rehabilitation and other facilities requiring improvements;
- (3) a report on the number of passengers using the train service and the number of passenger miles from various points along the route;
- (4) a report on cost-sharing by local governments and other public and private organizations;
- (5) the economic impact of the train service on North Carolina and the ridership impact on other forms of transportation along the Amtrak Passenger Service route.

-----USE OF DEFENSIVE DRIVING AND TRAINING FACILITY FUNDS

Sec. 204. If the funds appropriated for the construction of a defensive driving and training facility and to renovate the Motor Vehicles building are not expended or obligated for that purpose during fiscal year 1984-85, the unexpended funds may be applied to construct district office facilities for the Highway Patrol in conjunction with the Harnett County Law Enforcement Center, or a firearms instruction facility at the Highway Patrol Training Center, or both.

-----HIGHWAY/LIMITATIONS ON TRANSFERS

Sec. 205. (a) Transfers may be made by authorization of the Governor as Director of the Budget from Section 2 of this act, Titles 02.b.(01) - State Construction/Primary Construction, 02.b.(03) - State Construction/Urban Construction,

02.b.(04) - State Construction/Access and Public Service Roads, 02.c. - State Funds to Match Federal Highway Aid, and 02.e. - Ferry Operations, provided that the original appropriation from which the transfer is made shall not be reduced by more than ten percent (10%) without consultation with the Advisory Budget Commission and the approval of the Director of the Budget. Transfers from Section 2 of this act, Titles 02.b.(01) - State Construction/Primary Construction, 02.b.(03) - State Construction/Urban Construction, 02.b.(04) - State Construction/Access and Public Service Roads, 02.c. - State Funds to Match Federal Highway Aid, and 02.e. - Ferry Operations, for the purpose of providing additional positions, shall be approved by the Director of the Budget. Section 6 of Chapter 761 of the 1983 Session Laws is repealed.

#### **PART XXI.-----SALARY, RETIREMENT, AND EMPLOYEE BENEFITS**

##### **-----MOST STATE EMPLOYEES/TEN PERCENT SALARY INCREASE**

Sec. 206. The salaries in effect on June 30, 1984, for all permanent State employees paid from the General Fund or the Highway Fund shall be increased on July 1, 1984, by an average of ten percent (10%) rounded to conform to the steps in the salary ranges which the State Personnel Commission adopts. If the salary in effect on June 30, 1984, for an employee is not equal to a specific pay rate in the salary schedule effective on that date, his annual increase shall be ten percent (10%) with the annual salary adjusted so as to be divisible by twelve. The Director of the Budget may transfer from the salary reserve funds created in Section 2 of Chapter 971, Session Laws of 1983, and Section 2 of this act for this purpose all funds necessary for the ten percent (10%) average increase, including funds for the employer's retirement and Social Security contributions.

Except as otherwise provided in this act, the salaries of State officials, department secretaries, and persons in exempt positions which are recommended by the Governor or the Governor and the Advisory Budget Commission and set by the General Assembly shall be increased an average of ten percent (10%) commencing July 1, 1984. The Director of the Budget may transfer from the salary reserve funds created in Section 2 of Chapter 971, Session Laws of 1983, and Section 2 of this act for this purpose all funds necessary for the ten percent (10%) average increase, including funds for the employer's retirement and Social Security contributions.

The Director of the Budget may allocate out of special operating funds or from other sources of the employing agency, except tax revenues, sufficient funds to allow a salary increase averaging ten percent (10%), including funds for the employer's retirement and Social Security contributions, for the employees of the agency, provided that the employing agency elects to make available the necessary funds.

The Director of the Budget may promulgate special rules and regulations to apply to salary increases for employees whose salaries are paid from interagency receipts where payments for the services of those employees originate from State appropriations to the end that the effective purchasing power of the appropriations is not materially reduced as a result of these salary increases. The salary increase may average up to ten percent (10%), and funds made available for it shall include amounts necessary for the increase and the employer's retirement and Social Security

contributions. Any questions as to the applicability of the provisions of this paragraph shall be resolved by the Director of the Budget.

The salaries of all permanent public school employees paid from the State public school fund and from allocations to local school units for State Aid-Exceptional Children ADM appropriation, Health Education Coordinator grants, Community Schools Coordinator grants, Vocational Education State Aid Non- Matching Expansion ADM allocation, Vocational Education State Aid Extended Day ADM allocations and State-matching funds for School Food Service Supervisors shall be increased by an average of ten percent (10%) commencing July 1, 1984. The Director of the Budget may transfer from the salary reserve fund created in Section 2 of Chapter 971 of the 1983 Session Laws for legislative salary increases for public school employees all funds necessary for the ten percent (10%) salary increase including funds for the employer's retirement and Social Security contributions.

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

The granting of the legislative salary increases under this section does not affect the status of eligibility for salary increments for which employees may be eligible.

The salary range maximums for all employees under the State Personnel Act shall be increased to accommodate the legislative salary increase so that every employee will continue to have the same relative position with respect to salary increases and future increments as he would have had if the legislative salary increases had not been made.

The salary increases provided in this act to be effective July 1, 1984, do not apply to persons separated from State service due to resignation, dismissal, reduction in force, death, or retirement whose last workday is prior to July 1, 1984.

Any remaining appropriations for legislative salary increases not required for that purpose may be used to supplement the Salary Adjustment Fund.

Within regular Executive Budget Act procedures as limited by this act, all State agencies and departments may increase on an equitable basis the rate of pay of temporary State employees, subject to availability of funds in the particular agency or department by pro rata amounts approximately equal to ten percent (10%) commencing July 1, 1984.

#### -----LEGISLATIVE EMPLOYEES/TEN PERCENT SALARY INCREASE

Sec. 207. The Legislative Administrative Officer may increase the salaries of nonelected employees of the General Assembly in effect on June 30, 1984, by ten percent (10%) commencing July 1, 1984, rounded to the nearest whole dollar figure divisible by 12 and otherwise adjusted to conform with the relative levels of the Legislative Services Commission salary schedule. The granting of this legislative percentage salary increase does not affect the status of employees' eligibility for other salary increments. Funds in the salary reserve fund created in Section 2 of Chapter 971

of the 1983 Session Laws shall provide the salary increase authorized by this section, including the employer's retirement and Social Security contributions.

-----GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

Sec. 208. G.S. 120-37(c) is amended by deleting the phrase "twenty-seven thousand twelve dollars (\$27,012)" and substituting the phrase "thirty-two thousand five hundred twenty dollars (\$32,520)".

-----LEGISLATORS/SALARY AND EXPENSE INCREASE

Sec. 209. Effective upon convening of the 1985 Regular Session of the General Assembly, G.S. 120-3(a) and (b) are rewritten to read:

"(a) The Speaker of the House shall be paid an annual salary of twenty-five thousand forty-four dollars (\$25,044) payable monthly and an expense allowance of seven hundred seventy dollars (\$770.00) per month. The President Pro Tempore of the Senate shall be paid an annual salary of fifteen thousand dollars (\$15,000) payable monthly and an expense allowance of five hundred dollars (\$500.00) per month. The Speaker Pro Tempore of the House shall be paid an annual salary of twelve thousand five hundred four dollars (\$12,504) payable monthly and an expense allowance of two hundred seventy-nine dollars (\$279.00) per month. The minority leader in the House, and the majority and minority leader in the Senate shall each be paid an annual salary of ten thousand five hundred dollars (\$10,500) payable monthly, and an expense allowance of two hundred seventy-nine dollars (\$279.00) per month.

(b) Every other member of the General Assembly shall receive increases in annual salary and expense allowances only to the extent of and in the percentage equal to those received by employees of the State as general across-the-board pay increases, effective upon convening of the next regular session of the General Assembly after enactment of such percentage increase. Accordingly, upon convening of the 1985 Regular Session of the General Assembly, every other member of the General Assembly shall be paid an annual salary of eight thousand four hundred dollars (\$8,400) payable monthly, and an expense allowance of two hundred nine dollars (\$209.00) per month.

-----JUDICIAL BRANCH OFFICIALS/SALARIES

Sec. 210. The annual salary, in fiscal year 1984-85, of the specified judicial branch officials is as follows:

Judicial Branch Officials	1984-85
Chief Justice, Supreme Court	\$ 67,248
Associate Justice, Supreme Court	65,856
Chief Judge, Court of Appeals	63,744
Judge, Court of Appeals	62,352
Judge, Senior Regular Resident Superior Court	57,192
Judge, Superior Court	55,368
Chief Judge, District Court	46,620
Judge, District Court	44,832
District Attorney	51,504
Assistant District Attorney - an average of	33,312
Administrative Officer of the Courts	57,192

Assistant Administrative Officer of the Courts	46,620
Public Defender	51,504
Assistant Public Defender - an average of	33,312

If an acting senior regular resident superior court judge is appointed under the provisions of G.S. 7A-41, he shall receive the salary for Judge, Senior Regular Resident, Superior Court, and the judge he replaces shall receive the salary indicated for Judge, Superior Court.

The district attorney or public defender of a judicial district with the approval of the Administrative Officer of the Courts, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not exceed thirty- three thousand three hundred twelve dollars (\$33,312) and the minimum salary of any assistant district attorney or assistant public defender is at least sixteen thousand eight hundred twenty-four dollars (\$16,824) per annum.

Funds in the salary reserve fund created in Section 2 of Chapter 971, Session Laws of 1983, for salary increases and related employer's retirement and Social Security contributions for permanent employees of the Judicial Department, except for those itemized in this act, shall provide salary increases commencing July 1, 1984, of the same percentage as that authorized in Section 2 of Chapter 971, Session Laws of 1983, for State employees subject to the Personnel Act, rounded to conform to the steps in the salary ranges adopted by the Judicial Department.

#### -----MAGISTRATES/SALARIES

Sec. 211. The schedule of salaries of full-time magistrates shown in the table in subdivision (1) of G.S. 7A- 171.1 is deleted and the following schedule is substituted:

Number of prior years of service	Annual salary
Less than 1	\$ 11,484
1 or more but less than 3	12,480
3 or more but less than 5	13,644
5 or more but less than 7	14,868
7 or more but less than 9	16,236
9 or more	7,772

#### -----COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

Sec. 212. The Director of the Budget may transfer from the salary reserve fund created in Section 2 of Chapter 971 of the 1983 Session Laws funds necessary to provide an annual average salary increase of ten percent (10%), and the employer's retirement and Social Security contributions, commencing July 1, 1984, for all community college institutional personnel. These funds shall be allocated to individuals according to rules and regulations established by the State Board of Community Colleges and may not be used for any purpose other than for the salary increases and necessary employer's contributions.

#### -----HIGHER EDUCATION ACADEMIC PERSONNEL/SALARY INCREASES

Sec. 213. Funds are provided in Section 2 of Chapter 971 of the 1983 Session Laws for fiscal year 1984-85 in an amount in the equivalent of a ten percent (10%) salary increase to be used in lieu of automatic and merit salary increases and longevity

pay for employees of The University of North Carolina who are exempt from the State Personnel Act. Funds appropriated for this purpose are to be allocated to individuals in accordance with rules and regulations established by the Board of Governors and may not be used to establish any new positions.

-----COUNCIL OF STATE/SALARIES

Sec. 214. The annual salaries of the Council of State, payable monthly, for fiscal year 1984-85, shall be as follows:

	1984-85
Lieutenant Governor	\$ 55,368
Attorney General	55,368
Secretary of State	55,368
State Treasurer	55,368
State Auditor	55,368
Superintendent of Public Instruction	55,368
Agriculture Commissioner	55,368
Insurance Commissioner	55,368
Labor Commissioner	55,368

-----NON-ELECTED DEPARTMENT HEADS/SALARY INCREASE

Sec. 215. In accordance with G.S. 143B-9, the maximum annual salaries, payable monthly, of the non-elected heads of the principal State departments for fiscal year 1984-85 are:

Non-Elected Department Heads	1984-85
Secretary of Administration	\$ 55,368
Secretary of Commerce	55,368
Secretary of Correction	55,368
Secretary of Crime Control and Public Safety	55,368
Secretary of Cultural Resources	55,368
Secretary of Natural Resources and Community Development	55,368
Secretary of Revenue	55,368
Secretary of Transportation	55,368

If the Secretary of Human Resources is a physician licensed to practice medicine in this State, his annual salary is eighty-four thousand seven hundred ninety-two dollars (\$84,792); if the Secretary of Human Resources is not a physician licensed to practice medicine in this State, his annual salary is fifty-five thousand three hundred sixty-eight dollars (\$55,368).

Sec. 216. G.S. 138-4 is amended by inserting before the last sentence the following:

"The Governor under this paragraph may not increase the salary of any non-elected official above the level set in the Current Operations Appropriations Act for any member of the Council of State."

-----GOVERNOR/SALARY

Sec. 217. Effective January 1, 1985, the first sentence of G.S. 147-11 is rewritten to read:

"The salary of the Governor shall be ninety-three thousand five hundred sixteen dollars (\$93,516) payable monthly."

-----MISCELLANEOUS SALARIES

Sec. 218. Pursuant to the Separation of Powers Act of 1983, the annual salaries, payable monthly, for fiscal year 1984- 85 for the following State officials are:

	1984-85
Chairman, Alcoholic Beverage Control Commission	\$ 53,256
Commissioner of Motor Vehicles	52,488
Commissioner of Banks	53,256
Deputy Banking Commissioner	40,716
Chairman, Employment Security Commission	53,256
President, Department of Community Colleges	70,056
State Personnel Director	55,368
State Highway Administrator	55,368
Chairman, Parole Commission	48,600
Members of the Parole Commission	44,832
Chairman, Industrial Commission	47,808
Members of the Industrial Commission	46,644
Executive Director, Agency for Public Telecommunications	44,832
Director, Seafood Industrial Park Authority	29,652
General Manager, Ports Railway Commission	40,440

-----FREEZE CONTINUED

Sec. 219. 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, or any other provision of law, no employee or officer of the public school system shall receive an automatic increment, and no State employee or officer shall receive a merit increment during the 1984-85 fiscal year, except as otherwise permitted by this act. This section expires June 30, 1985.

The General Assembly recognizes that because of budget constraints, automatic increments and annual increments have been frozen since July 1, 1982. If the State is to attract and retain qualified teachers and State employees, it is imperative that automatic increments and annual increments be reinstated as soon as possible. Therefore, the General Assembly requests that the Governor and the Advisory Budget Commission give the reinstatement of the annual increments and merit increments and the addition of the tenth step in the State employees salary plan the highest priority when they prepare a budget for the 1985-87 fiscal biennium.

-----RESERVE FOR SUPPLEMENTAL SALARY FUNDS TO LOCAL UNITS OF GOVERNMENT

Sec. 220. Funds in the amount of seven million nine hundred five thousand six hundred dollars (\$7,905,600) as appropriated in a reserve in Section 2 of Chapter 971, Session Laws of 1983, are allocated to the Office of State Budget and Management to be used as supplemental funds to offset the impact of a ten percent (10%) State salary increase on locally operated programs receiving State funds. These funds shall be utilized only for salary increases for employees of local government as well as

nongovernmental, nonprofit agencies that provide services through contractual arrangements with State and local governments. The distribution of these funds shall be in the following manner.

The Office of State Budget and Management shall calculate the portion of State funds utilized for salaries in local governmental programs as of June 30, 1984. These funds shall be distributed to local governments, and must be used for salary increases. Salary increases of more than ten percent (10%) shall not be paid from State funds.

The Office of State Budget and Management shall establish from these funds a reserve for nongovernmental programs. Funds in this reserve shall be used to provide a ten percent (10%) increase to these programs, at the time of contract renewal provided such renewals were originally scheduled during fiscal year 1984-85, for that portion of their budget related to salaries. Funds received by nongovernmental, nonprofit programs must be expended for salary increases. Salary increases of more than ten percent (10%) shall not be paid from State Funds.

As a condition of receipt of these funds, governmental and nongovernmental programs shall submit all information that is determined by the Office of State Budget and Management to be necessary to document the expenditure of these funds.

#### -----ELIMINATION OF SALARY GRADE 50

Sec. 221. It is the intent of the General Assembly that the State Personnel Commission study the elimination of salary grade 50 from the State Personnel Salary Schedule and report its findings to the General Assembly upon the convening of the 1985 Session.

State employees whose salaries are at the hiring rate or step 1 of grade 50 as of July 1, 1984, may receive an immediate one-step salary adjustment if funds are available within the salary funds budgeted in affected departments and institutions. Employees in grade 50 above step 1 as of July 1, 1984, may receive a one-step increase during fiscal year 1984-85 if additional salary funds are available within the affected departments and institutions.

#### -----COST-OF-LIVING ADJUSTMENTS FOR RETIREES - TEACHERS, STATE EMPLOYEES, LAW OFFICERS, JUDGES, SOLICITORS, AND SUPERIOR COURT CLERKS

Sec. 222. G.S. 135-5 is amended by adding a new subsection (ii) to read:

"(ii) From and after July 1, 1984, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1983, shall be increased by three and eight-tenths percent (3.8%) of the allowance payable on July 1, 1983, in accordance with G.S. 135-5(o), plus an additional four and two-tenths percent (4.2%) of the allowance payable on July 1, 1983."

Sec. 223. G.S. 143-166 is amended by adding a new subsection (x8) to read:

"(x8) From and after July 1, 1984, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1983, shall be increased by eight percent (8.0%) of the allowance payable on July 1, 1983."

Sec. 224. G.S. 135-65 is amended by adding a new subsection (e) to read:



"(e) Increase in Benefits Paid to Members Retired on or before July 1, 1983. From and after July 1, 1984, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1983, shall be increased by eight percent (8.0%) of the allowance payable on July 1, 1983."

-----STATE'S EMPLOYER CONTRIBUTION RATES FOR RETIREMENT

Sec. 225. The State's employer contribution percentage rates of covered salaries budgeted for the retirement system for 1984-85 are: (1) ten and twenty-five hundredths percent (10.25%)-Teachers' and State Employees'; (2) eleven and sixty-three hundredths percent (11.63%) for State officers and six and sixty-three hundredths percent (6.63%) for local government officers-Law Enforcement Officers; (3) thirty and eighty-one hundredths percent (30.81%)- Uniform Judicial; (4) twenty-three and twenty-four hundredths percent (23.24%)-Uniform Solicitorial; (5) twenty-eight and twenty-five hundredths percent (28.25%)- Uniform Clerks of Superior Court; and (6) thirty-four and thirty- seven hundredths percent (34.37%)-Legislative Retirement. Each of the foregoing contribution rates except the rate for local government law enforcement officers shall be increased by eighty hundredths percent (0.80%) for hospital and medical benefits. -----STATE LEO TRANSFER AND ENHANCEMENT

Sec. 227. Effective January 1, 1985, G.S. 135-1 is amended by adding a new subdivision (11b) to read:

"(11b) 'Law Enforcement Officer' means a full-time paid employee of an employer who is actively serving in a position with assigned primary duties and responsibilities for prevention and detection of crime or the general enforcement of the criminal laws of the State of North Carolina or serving civil processes, and who possesses the power of arrest by virtue of an oath administered under the authority of the State."

Sec. 228. Effective January 1, 1985, G.S. 135-3 is amended by redesignating subdivision (9) as subdivision (10) and inserting a new subdivision (9) to read:

"(9) Notwithstanding the provisions of paragraphs c and d of the preceding subdivision to the contrary, a beneficiary who was a beneficiary retired on an Early or Service Retirement with the Law Enforcement Officers' Retirement System at the time of the transfer of law enforcement officers employed by the State and beneficiaries last employed by the State to this Retirement System on January 1, 1985, and who also was a contributing member of this Retirement System on January 1, 1985, shall continue to be paid his retirement allowance without restriction and may continue as a member of this Retirement System with all the rights and privileges appendant to membership."

Sec. 229. Effective January 1, 1985, G.S. 135-3(8) is amended by redesignating paragraphs c and d as paragraphs e and f, and inserting new paragraphs c and d to read:

"c. In lieu of the benefits provided in paragraphs a and b of this subdivision, any member who is a law enforcement officer at the time of separation from service prior to the attainment of the age of 50 years, for any reason other than death or disability as provided in this Article, after completing 15 or more years of creditable service in this capacity immediately prior to separation from service, and who leaves his total accumulated contributions in this System may elect to retire on a deferred early retirement allowance upon attaining the age of 50 years or at any time thereafter;

provided, that the member may commence retirement only upon written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than 30 days nor more than 90 days subsequent to the execution and filing thereof, he desires to commence retirement. The deferred early retirement allowance shall be computed in accordance with the service retirement provisions of this Article pertaining to law enforcement officers.

d. In lieu of the benefits provided in paragraphs a and b of this subdivision, any member who is a law enforcement officer at the time of separation from service prior to the attainment of the age of 55 years, for any reason other than death or disability as provided in this Article, after completing five or more years of creditable service in this capacity immediately prior to separation from service, and who leaves his total accumulated contributions in this System may elect to retire on a deferred early retirement allowance upon attaining the age of 55 years or at any time thereafter; provided, that the member may commence retirement only upon written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month not less than 30 days nor more than 90 days subsequent to the execution and filing thereof, he desires to commence retirement. The deferred early retirement allowance shall be computed in accordance with the service retirement provisions of this Article pertaining to law enforcement officers."

Sec. 230. Effective January 1, 1985, G.S. 135-4(e) is amended by the addition of a paragraph at the end to read:

"On and after January 1, 1985, the creditable service of a member who was a member of the Law Enforcement Officers' Retirement System at the time of the transfer of law enforcement officers employed by the State from that System to this Retirement System and whose accumulated contributions are transferred from that System to this Retirement System, shall include service that was creditable in the Law Enforcement Officers' Retirement System; and membership service with that System shall be membership service with this Retirement System; provided, notwithstanding any provision of this Article to the contrary, any inchoate or accrued rights of such a member to purchase creditable service for military service, withdrawn service and prior service under the rules and regulations of the Law Enforcement Officers' Retirement System shall not be diminished and may be purchased as creditable service with this Retirement System under the same conditions which would have otherwise applied."

Sec. 231. Effective January 1, 1985, G.S. 128-26(i) and G.S. 135-4(k) are amended in the first sentence of each by deleting the phrase "Law Enforcement Officers' Benefit and Retirement Fund" and inserting the phrase "the Law Enforcement Officers' Retirement System"; and, is further amended in the second sentence of each after the phrase "G.S. 135-5(f)" and before the word "and" by inserting the phrase "or the rules and regulations of the Law Enforcement Officers' Retirement System".

Sec. 232. Effective January 1, 1985, G.S. 135-5 is amended by adding a new subsection (b8) in each to read:

"(b8) Service Retirement Allowance of Law Enforcement Officers Retiring on or after January 1, 1985. Upon retirement from service, in accordance with subsection (a) of this section, on or after January 1, 1985, a member who is a law enforcement officer

or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:

- (1) If the member's service retirement date occurs on or after his 55th birthday, and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and fifty-seven one hundredths percent (1.57%) of his average final compensation, multiplied by the number of years of his creditable service.
- (2) If the member's service retirement date occurs after his 50th and before his 55th birthday with 15 or more years of creditable service as a law enforcement officer and prior to his completion of 30 years of creditable service, his retirement allowance shall be computed as in (1) above, but shall be reduced by one-third of one percent ( $\frac{1}{3}$  of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following his 55th birthday."

Sec. 233. Effective January 1, 1985, G.S. 135-5(c) is amended by the addition of a paragraph at the end to read:

"Notwithstanding the requirement of five or more years of creditable service to the contrary, a member who is a law enforcement officer and who has had one year or more of creditable service and becomes incapacitated for duty as the natural and proximate result of an accident occurring while in the actual performance of duty, and meets all other requirements for disability retirement benefits, may be retired by the Board of Trustees on a disability retirement allowance."

Sec. 234. Effective January 1, 1985, G.S. 135-5(e)(1) is amended by the addition of a sentence at the end to read:

"Provided, the provisions of this subdivision shall not apply to beneficiaries of the Law Enforcement Officers' Retirement System transferred to this Retirement System who commenced retirement on and before July 1, 1981."

Sec. 235. Effective January 1, 1985, G.S. 135-5(m)(1) is rewritten to read: "The member had attained such age and/or creditable service to be eligible to commence retirement with an Early or Service Retirement Allowance."

Sec. 236. Effective January 1, 1985, G.S. 135-3(1) is amended by deleting the fourth sentence which begins with the phrase "Provided, that", and the fifth sentence and the sixth sentence which ends with the phrase "non-law-enforcement duties".

Sec. 237. Effective January 1, 1985, G.S. 135-5(a) is amended at the end by adding a new subdivision (4) to read:

"(4) Any member who is a law enforcement officer, and who attains age 50 and completes 15 or more years of creditable service in this capacity or who attains age 55 and completes five or more years of creditable service in this capacity, may retire upon written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than 30 days nor more than 90 days subsequent to the execution and filing thereof, he desires to be retired; Provided, also, any member who has met the conditions herein required but does not retire, and later becomes a teacher or

an employee other than as a law enforcement officer shall continue to have the right to commence retirement."

Sec. 238. Effective January 1, 1985, G.S. 135-6(b) is amended by deleting the number "13" and substituting the number "14", and is further amended in subdivision (3) thereof by deleting the word "Nine" and substituting the word "Ten", and is further amended in subdivision (3) at the end of the second sentence between the phrase "four years" and the period by inserting the phrase "; one appointive member shall be a law enforcement officer employed by the State, appointed by the Governor, for a term of four years commencing April 1, 1985".

Sec. 239. Effective January 1, 1985, G.S. 143-166(a) is amended in the first paragraph after the phrase "eligible law enforcement officers" and before the comma by inserting the phrase "employed by local governments of the State"; and is further amended in the second paragraph by deleting the phrase "two dollars (\$2.00) for each cost of court" and substituting the phrase "one and one-half dollars (\$1.50) for each cost of court".

Sec. 240. Effective January 1, 1985, G.S. 143-166(a1) is amended in the first sentence by deleting the phrase "payable by the State and each county, city, town or political subdivision thereof" and substituting the phrase "payable by each county, city, town or other political subdivision of the State"; and is further amended in the second sentence by deleting the phrase "other than the State".

Sec. 241. Effective January 1, 1985, G.S. 143-166(b) is amended in the second sentence by deleting the phrase "shall consist of 10 members" and substituting the phrase "shall consist of eight members"; and is further amended in paragraph (4) by deleting the phrase "Five members to be appointed" and substituting the phrase "Four members to be appointed"; and is further amended in paragraph (4) by deleting the phrase "one a law enforcement officer employed by the State,".

Sec. 242. Effective January 1, 1985, G.S. 143-166(i1) is amended in the first paragraph by deleting the colon and by deleting subdivision (1); and is further amended by deleting the phrase "(2) A County, city, town or other political subdivision of the State (hereinafter referred to as 'other employer')" and substituting the phrase "a county, city, town or other political subdivision of the State (hereinafter referred to as an 'employer')"; and is further amended by deleting the phrase "other employers" wherever it appears and substituting the word "employers".

Sec. 243. Effective January 1, 1985, G.S. 143-166(i1) is amended in the second and third paragraphs by deleting wherever it appears the phrase "picked up by the State or other employer" and substituting the phrase "picked up by an employer".

Sec. 244. Effective January 1, 1985, G.S. 143-166(m) is amended in the first sentence by deleting the phrase "employed by the State of North Carolina or any political subdivision thereof" and substituting the phrase "employed by a political subdivision of the State".

Sec. 245. Effective January 1, 1985, G.S. 143-166(o) and (p) are repealed.

Sec. 246. Effective January 1, 1985, G.S. 143-166.03(a) is amended in the first sentence by deleting the phrase "The State and any county, city, town or political subdivision thereof" and substituting the phrase "Any county, city, town or other

political subdivision of the State"; and is further amended in the second sentence by deleting the phrase ", other than the State,".

Sec. 247. Effective January 1, 1985, G.S. 143-166.03(e) is repealed.

Sec. 248. Effective January 1, 1985, Chapter 143 of the General Statutes is amended by adding an Article at the end to read:

"ARTICLE 12C.

"Retirement Benefits for State Law

Enforcement Officers.

"§ 143-166.30. **Retirement benefits for State law enforcement officers.**--(a) Definitions. The following words and phrases as used in this Article, unless a different meaning is plainly required by the context, shall have the following meanings:

- (1) 'Beneficiary' means any person in receipt of a retirement allowance or other benefit from a Retirement System.
- (2) 'Creditable service' means membership service plus prior service plus military service allowable with a Retirement System.
- (3) 'Employer' means the State of North Carolina and its departments, agencies and institutions.
- (4) 'Law enforcement officer' means a full-time paid employee of an employer who is actively serving in a position with assigned primary duties and responsibilities for prevention and detection of crime or the general enforcement of the criminal laws of the State or serving civil processes, and who possesses the power of arrest by virtue of an oath administered under the authority of the State.
- (5) 'Member' means an officer included in the membership of a retirement system including former officers no longer employed who also elected to leave their accumulated contributions on deposit with a Retirement System.
- (6) 'Officer' means a 'law enforcement officer'.
- (7) 'Participant' means an officer with an individual account with the Supplemental Retirement Income Plan.
- (8) 'Regular accumulated contributions' means the sum of all contributions of a member made to the Retirement System, together with regular interest thereon, pursuant to G.S. 143-166 as the same appeared prior to January 1, 1985.
- (9) 'Retirement allowance' means annual payments for life payable in monthly installments continuing until the death of a beneficiary.
- (10) 'Law Enforcement Officers' Retirement System' means the system provided for under G.S. 143-166.
- (11) 'Special annuity account accumulated contributions' means the sum of all contributions of a member or an employer made to the Special Annuity Accounts for Members of the Law Enforcement Officers' Retirement System, together with regular interest thereon, pursuant to G.S. 143-166.03 as the same appeared prior to January 1, 1985.

- (12) 'Special Annuity Accounts' means the supplemental defined contribution provisions of the Law Enforcement Officers' Retirement System, provided for under G.S. 143-166.03 as the same appeared prior to January 1, 1985.
- (13) 'State' means the State of North Carolina.
- (14) 'State Retirement System' means the Teachers' and State Employees' Retirement System of North Carolina provided for under Article 1 of Chapter 135 of the General Statutes.
- (15) 'Supplemental Retirement Income Plan' means a plan created in conformance with Section 401(a), 401(k), or any other section of the Internal Revenue Code of 1954 as amended.

(b) Basic Retirement System. On and after January 1, 1985, law enforcement officers employed by the State shall be members of the Teachers' and State Employees' Retirement System and beneficiaries who were last employed as officers by the State, or who are surviving beneficiaries of officers last employed by the State, shall be beneficiaries of the State Retirement System and paid in benefit amounts then in effect. All members of the Law Enforcement Officers' Retirement System last employed and paid by the State shall be members of the State Retirement System.

(c) Transfers of Assets and Liabilities to Other Retirement Systems. As of January 1, 1985, certain assets and liabilities of the Law Enforcement Officers' Retirement System shall be transferred to the Teachers' and State Employees' Retirement System and the Supplemental Retirement Income Plan in the amounts calculated and in the order of precedence enumerated as follows:

- (1) The regular accumulated contributions of members of the Law Enforcement Officers' Retirement System employed by the State or last employed by the State shall be transferred from the annuity savings fund of the Law Enforcement Officers' Retirement System to the annuity savings fund of the State Retirement System to the credit of each individual officer.
- (2) An amount equal to the present value of the liabilities on account of the retirement allowances payable to beneficiaries last employed as officers by the State and the surviving beneficiaries of officers last employed by the State, as calculated by the Retirement System's consulting actuary, shall be transferred from the pension accumulation fund of the Law Enforcement Officers' Retirement System to the pension accumulation fund of the State Retirement System.
- (3) After the transfers provided for above, additional assets in the pension accumulation fund of the Law Enforcement Officers' Retirement System shall be transferred to the pension accumulation fund of the State Retirement System, in an amount equal to the ratio of the accrued liabilities on account of members of the Law Enforcement Officers' Retirement System employed by the State or last employed by the State to the total accrued liabilities on account of all members of the Law Enforcement Officers' Retirement System.

- (4) The special annuity account accumulated contributions shall be transferred from the special annuity savings fund of the Law Enforcement Officers' Retirement System to the Supplemental Retirement Income Plan pursuant to subsection (d) of this section to the credit of individual officers.

(d) Supplemental Retirement Income Plan for State Law Enforcement Officers. As of January 1, 1985, there shall be created a Supplemental Retirement Income Plan, hereinafter called the 'Plan', established for the benefit of all law enforcement officers employed by the State, who shall be participants. The Board of Trustees of the State Retirement System shall administer the Plan and shall, under the terms and conditions otherwise appearing herein, provide Plan benefits either (i) by establishing a separate trust fund in conformance with Section 401(a), Section 401(k) or other sections of the Internal Revenue Code of 1954 as amended or, (ii) by causing the Plan to affiliate with some master trust fund providing the same benefits for participants. The Plan shall be separate and apart from any retirement systems.

In addition to the contributions transferred from the Law Enforcement Officers' Retirement System and the contributions otherwise provided for in this Article, participants may make voluntary contributions to the Plan to be credited to the designated individual accounts of participants; provided, in no instance shall the total contributions by a participant exceed ten percent (10%) of a participant's compensation within any calendar year.

All contributions to the Plan shall be credited to the individual accounts of participants, and shall be fully and immediately vested in the name of the participant, and shall be invested according to each participant's election, as provided by the Board of Trustees, including but not limited to time deposits, and both fixed and variable investments. The Plan may provide for loans to participants, at reasonable rates of interest to be charged, from participants' individual accounts, and may provide for withdrawal of contributions on account of hardship.

The benefit to a participant in the Plan shall be either a lump-sum distribution or a distribution in periodic installments of the participant's account payable under retirement, disability, or termination of employment. Upon the death of a participant there shall be paid the same lump-sum distribution or periodic installments to the surviving spouse of the participant or otherwise to the participant's estate; provided, should a participant instruct the Board of Trustees in writing that he does not wish these benefits to be paid to his spouse or estate, then the benefits shall be paid to the person or persons as the participant may name for this purpose.

(e) State Contributions to the Supplemental Retirement Income Plan. Under all other restrictions as are herein provided, the State shall contribute monthly to the individual accounts of participants who are employed by the State an amount equal to five percent (5%) of the compensation of each participant. The contributions so paid shall be in addition to the contributions on account of court cost assessments as hereinafter provided.

Contributions shall be made to the individual accounts of all participants in the Plan on a per capita basis in equal shares, equal to the sum of the one-half dollar (\$0.50) for each cost of court assessed and collected under G.S. 7A-304.

The provisions of the State Retirement System pertaining to administration and management of funds under G.S. 135-6 and 7 are made applicable to the Plan.

(g) Exemption from Taxes, Garnishment and Attachment. The right of a participant in the Supplemental Retirement Income Plan to the benefits provided under this Article is nonforfeitable and exempt from levy, sale, garnishment, and the benefits payable under this Article are hereby exempt from any State and local government taxes.

(h) Notwithstanding any other provisions of law, any pending or inchoate rights of a member of the Law Enforcement Officers' Retirement System as of their transfer to the State Retirement System on January 1, 1985, including the rights to a vested deferred retirement allowance and to commence retirement at certain ages with required years of service as a law enforcement officer, shall in no way be diminished; provided, however, in no event may a member commence retirement and continue membership service with the same Retirement System."

Sec. 249. Effective January 1, 1985, G.S. 7A-304(a)(3) is amended by deleting the phrase "Law-Enforcement Officers' Benefit and Retirement Fund" and substituting the phrase "retirement and insurance benefits of law enforcement officers"; and is further amended after the phrase "Article 12" by inserting the phrase "and Article 12C".

#### -----RETIREMENT STUDY/SHERIFFS AND REGISTERS OF DEEDS

Sec. 250. Recognizing the interest of the sheriffs and the registers of deeds of the various counties of this State in a separate retirement system, the Governor's recommendation that a retirement system for sheriffs be established, and the necessity of accurate actuarial information to establish a retirement system, the General Assembly recommends that the sheriffs and the registers of deeds request the North Carolina Association of County Commissioners to devise and submit to the 1985 General Assembly, or a later General Assembly if the sheriffs and registers of deeds consider it appropriate, a plan for a retirement system for sheriffs and registers of deeds that:

- (1) has been determined to be actuarially sound;
- (2) will be funded by counties, sheriffs, and registers of deeds without a State appropriation; and
- (3) is commensurate with the way and manner in which sheriffs and registers of deeds are compensated for their services.

Although the sheriffs of the various counties have expressed an extreme interest in a separate retirement system for the elected sheriffs of the State, and various registers of deeds have asked individual legislators for a like retirement system, neither the sheriffs nor the registers of deeds presented a bill to this session of the General Assembly or sufficient information for the General Assembly to devise a retirement system for sheriffs and registers of deeds. The salaries of sheriffs and registers of deeds of the various counties vary greatly, and no schedule of salaries or list of the ages of the sheriffs or registers of deeds was presented to the General Assembly. Without this



information, a sound actuarial analysis and recommendations for the funding of the system cannot be made. Because the salaries of sheriffs and registers of deeds are paid by the counties, and retirement is based on salaries paid, the State cannot determine the amount of contributions and funds necessary to establish such a retirement system.

-----RESTORE DISCONTINUED SERVICE RETIREMENT ALLOWANCE AND SEVERANCE WAGES FOR CERTAIN STATE EMPLOYEES

Sec. 251. Subsection (R) of Section 217 of Chapter 923 of the 1983 Session Laws is repealed, and G.S. 143-27.2, as rewritten by Section 225 of Chapter 761 of the 1983 Session Laws, is revived. The intent of this section is to provide discontinued service retirement allowances or severance wages to eligible employees and former State employees who have been terminated prior to June 1, 1984, but who have not yet received their severance wages or discontinued service retirement allowances, or who may have been terminated on or after June 1, 1984, but prior to the enactment of this section, as well as to all eligible employees who were terminated on or after the effective date of this section.

PART XXII.-----SPECIAL PROVISIONS/APPROPRIATIONS ACT

-----EXECUTIVE BUDGET ACT REFERENCE

Sec. 252. 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 - 1984-85

Sec. 253. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1984-85 fiscal year, the textual provisions of this act shall apply only to funds appropriated for, and activities occurring during, the 1984-85 fiscal year.

-----RETAIN APPROPRIATIONS LIMITATIONS AND DIRECTIONS

Sec. 254. Except where expressly repealed or amended by this act, or by Chapter 971 of the 1983 Session Laws the provisions of Chapters 757 and 761 of the 1983 Session Laws as amended remain in effect.

Sec. 255. Notwithstanding any modifications by this act in the amounts appropriated, except where expressly repealed or amended, the limitations and directions for the 1983-85 fiscal biennium or for the 1984-85 fiscal year in Chapters 757, 761 and 971 of 1983 Session Laws as amended that applied to appropriations to particular agencies or for particular purposes apply to the newly enacted appropriations of this act and in Chapter 971 of the 1983 Session Laws for those same particular purposes.

-----SEVERABILITY CLAUSE

Sec. 256. If any section or provision of this act is declared unconstitutional or invalid by the courts, it shall not affect the validity of this act or Chapter 971 of the 1983 Session Laws as a whole or any part other than the part so declared to be unconstitutional or invalid.

-----EFFECTIVE DATE

Sec. 257. Except as otherwise provided by this act, this act shall become effective July 1, 1984.

In the General Assembly read three times and ratified, this the 29th day of June, 1984.