GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 500
SENATE BILL 43

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

The General Assembly of North Carolina enacts:

Requested by: Senator Basnight, Representative Diamont
—-INTRODUCTION

Section 1. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the 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 each fiscal year.

Requested by: Senator Basnight, Representative Diamont
—-TITLE OF ACT

Sec. 2. This act shall be known as "The Current Operations Appropriations Act of 1989."

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

—-CONTENTS/INDEX—-

(This outline is designed for reference only, and the outline and the corresponding entries throughout the act in no way limit, define, or prescribe the scope or application of the text of the act.)

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PART I.—-CURRENT OPERATIONS/GENERAL FUND

Sec. 3. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated except for aid to certain governmental and nongovernmental units are made for the biennium ending June 30, 1991, according to the following schedule:

Current Operations - General Fund	1989-90	1990-91
General Assembly	$ 17,236,893	$ 20,487,849
Judicial Department	180,934,574	183,166,768
Department of the Governor		
01. Office of the Governor	4,490,354	4,513,871
02. Office of State Budget and Management	3,383,509	3,379,683
Lieutenant Governor's Office	562,854	564,124
Department of Secretary of State	3,282,204	3,191,478

Department of State Auditor	6,941,243	6,948,332
Department of State Treasurer	4,013,938	4,019,717
Department of Public Education	2,864,490,367	2,885,818,731
Department of Justice	45,081,246	45,284,625
Department of Administration		
01. Administration	41,942,754	42,489,212
02. State Controller	5,054,737	5,059,766
Department of Agriculture	35,973,478	35,890,532
Department of Labor	7,103,309	7,119,420
Department of Insurance	11,965,552	11,998,199
Department of Transportation		
01. Aeronautics	116,571	116,571
Department of Natural Resources and Community Development	66,605,266	66,034,976
Office of Administrative Hearings	1,885,368	1,888,957
Administrative Rules Review Commission	258,469	251,545
Department of Human Resources		
01. Alcoholic Rehabilitation Center - Black Mountain	3,214,931	3,236,967
02. Alcoholic Rehabilitation Center - Butner	2,896,562	2,909,299
03. Alcoholic Rehabilitation Center - Greenville	2,588,077	2,588,253
04. N.C. Special Care Center	4,176,976	4,268,504
05. Black Mountain Center	703,397	662,674
06. DHR - Administration and Support Program	6,854,435	6,872,481
07. Division of Aging	1,206,607	1,207,689
08. Schools for the Deaf and Blind	22,169,581	22,192,919
09. Division of Health Service	54,499,926	55,191,158
10. Social Services	78,431,164	79,801,421

11.	Medical Assistance	384,406,364	448,068,190
13.	Division of Services for the Blind	6,058,630	6,088,440
14.	Division of Mental Health, Mental Retardation and Substance Abuse Services	11,632,465	11,632,143
15.	Dorothea Dix Hospital	33,841,014	34,178,846
16.	Broughton Hospital	30,407,605	30,591,894
17.	Cherry Hospital	29,754,254	30,044,966
18.	John Umstead Hospital	29,753,286	29,832,463
19.	Western Carolina Center	3,021,560	3,054,016
20.	O'Berry Center	5,109,876	5,100,190
21.	Murdoch Center	15,259,666	13,033,798
22.	Caswell Center	13,056,214	13,150,933
23.	Division of Facility Services	28,143,841	28,083,080
24.	Division of Vocational Rehabilitation Services	22,595,433	22,596,855
25.	Division of Youth Services	28,527,838	28,681,672
Total Department of Human Resources		818,309,702	883,068,851
Department of Correction		339,098,050	341,948,289
Department of Commerce		26,123,605	26,055,750
Department of Revenue		44,174,968	44,233,654
Department of Cultural Resources		20,618,616	20,894,337
Department of Crime Control and Public Safety		24,270,967	24,477,467
University of North Carolina - Board of Governors			
01.	General Administration	16,553,650	18,621,554
02.	University Operations - Lump Sum	5,661,534	5,661,534
03.	Related Educational Programs	3,918,371	4,001,586
04.	University of North Carolina at Chapel Hill		
	a. Academic Affairs	131,457,972	133,528,435
	b. Division of Health		

	Affairs	94,269,236	95,798,072
	c. Area Health Education Centers	30,370,789	30,358,206
05.	North Carolina State University at Raleigh		
	a. Academic Affairs	162,175,606	163,999,297
	b. Agricultural Research Service	35,200,910	35,090,524
	c. Agricultural Extension Service	27,413,708	27,330,683
06.	University of North Carolina at Greensboro	51,550,969	51,915,520
07.	University of North Carolina at Charlotte	49,316,336	49,900,205
08.	University of North Carolina at Asheville	14,799,855	15,431,287
09.	University of North Carolina at Wilmington	28,913,608	29,017,656
10.	East Carolina University		
	a. Academic Affairs	67,510,573	67,969,593
	b. Division of Health Affairs	47,592,631	48,704,101
11.	North Carolina Agricultural and Technical State University	33,901,386	34,550,610
12.	Western Carolina University	33,074,219	34,149,911
13.	Appalachian State University	50,817,928	50,901,628
14.	Pembroke State University	13,947,649	14,048,265
15.	Winston-Salem State University	15,483,965	15,566,048
16.	Elizabeth City State University	12,970,749	13,122,579
17.	Fayetteville State University	15,879,517	16,065,530
18.	North Carolina Central University	25,777,569	25,889,363
19.	North Carolina School of the Arts	8,046,738	8,102,191
20.	North Carolina Science and Math High School	6,832,113	6,804,564
21.	North Carolina Memorial Hospital	34,714,055	35,392,986
Total University of North Carolina		1,018,151,636	1,031,921,928
Department of Community Colleges		332,500,767	333,176,106

State Board of Elections	375,445	402,909
Contingency and Emergency	1,125,000	1,125,000
Reserve for Salary Adjustments	4,000,000	4,000,000
Debt Service	69,083,445	66,538,583
GRAND TOTAL CURRENT OPERATIONS–GENERAL FUND	$5,999,154,887	$6,106,067,230

PART II.—-CURRENT OPERATIONS/HIGHWAY FUND

Sec. 4. Appropriations from the Highway Fund of the State for the maintenance and operation of the Department of Transportation, and for other purposes as enumerated, are made for the biennium ending June 30, 1991, according to the following schedule:

Current Operations-Highway Fund	1989-90	1990-91
Department of Transportation		
01. Administration	$ 26,487,498	$ 26,619,836
02. Highways		
a. Administration and Operations	31,720,265	31,798,567
b. State Construction		
(01) Primary Construction	-	-
(02) Secondary Construction	68,672,240	70,732,407
(03) Urban Construction	20,000,000	20,000,000
(04) Access and Public Service Roads	2,000,000	2,000,000
(05) Special Appropriation for Highways	60,000,000	60,000,000
(06) Spot Safety Improvements	6,200,000	6,200,000
c. State Funds to Match Federal Highway Aid		
(01) Construction	70,338,469	74,271,803
(02) Planning Survey and Highway Planning Research	2,298,590	2,136,210
d. State Maintenance		
(01) Primary	77,903,523	77,903,523
(02) Secondary	137,924,055	137,924,055
(03) Urban	21,021,422	21,021,422
(04) Contract Resurfacing	100,567,150	100,567,150
e. Ferry Operations	13,791,986	13,791,986
03. Division of Motor Vehicles	66,538,445	66,750,587
04. Governor's Highway Safety Program	258,840	259,249
07. Salary Adjustments for Highway Fund Employees	600,000	600,000

08. Reserve to Correct Occupational Safety and Health Conditions	350,000	350,000
10. Debt Service	38,491,163	37,392,600
Appropriations for Other State Agencies		
01. Crime Control and Public Safety	79,380,983	81,574,887
02. Other Agencies		
a. Department of Agriculture	2,371,675	2,470,577
b. Department of Revenue	1,494,890	1,495,746
c. Department of Human Resources	344,820	344,988
d. Department of Correction	1,750,000	1,750,000
Contingency and Emergency Fund	100,000	100,000
GRAND TOTAL CURRENT OPERATIONS–HIGHWAY FUND	$ 830,606,014	$ 838,055,593

PART III.—-CURRENT OPERATIONS/GENERAL FUND/AID TO CERTAIN GOVERNMENTAL AND NON-GOVERNMENTAL UNITS

Sec. 5. Appropriations from the General Fund of the State to State departments, institutions, and agencies for aid to certain governmental and nongovernmental units as enumerated are made for the biennium ending June 30, 1991, according to the following schedule:

General Fund	1989-90	1990-91
Judicial Department	$ 334,360	$ 334,360
Department of the Governor Office of State Budget and Management	35,906	-
Department of State Auditor	5,740,780	5,740,780
Department of Public Education	17,215,353	17,086,013
Department of Administration	2,923,810	2,923,810
Department of Agriculture	230,014	230,014
Department of Transportation		
01. Aeronautics	5,545,000	5,545,000
02. Aid to Railroads	166,002	166,002
Total Department of Transportation	5,711,002	5,711,002

Department of Natural Resources and Community Development	9,523,634	9,523,686
Department of Human Resources		
01. DHR - Administration and Support Program	20,000	20,000
02. Division of Aging	3,602,799	3,602,799
03. Division of Health Services	25,087,245	25,344,886
04. Social Services	16,377,696	16,377,696
05. Social Services - State Aid to Non-State Agencies	5,133,148	5,133,148
06. Division of Services for the Blind	12,000	12,000
07. Division of Mental Health, Mental Retardation and Substance Abuse Services	150,191,214	150,655,194
08. Division of Facility Services	2,005,678	2,005,678
09. Division of Youth Services	14,586,693	14,586,693
10. State Aid, Local Programs Inflationary Increases	1,907,596	-
Total Department of Human Resources	218,924,069	217,738,094
Department of Correction	75,000	75,000
Department of Commerce		
01. Commerce	2,310,000	2,310,000
02. Microelectronics Center	25,301,034	21,433,424
03. Biotechnology Center	6,297,200	6,297,200
Department of Cultural Resources	17,050,360	17,050,360
Department of Crime Control and Public Safety	743,967	743,967
University of North Carolina - Board of Governors	37,798,419	37,818,969
Department of Community Colleges	281,650	281,650
Grand Total State Aid – General Fund	$ 350,496,558	$ 345,298,329

PART IV.—-CURRENT OPERATIONS/HIGHWAY FUND/AID TO CERTAIN GOVERNMENTAL AND NON-GOVERNMENTAL UNITS

Sec. 6. Appropriations from the Highway Fund of the State to State departments, institutions, and agencies for aid to certain governmental and nongovernmental units as enumerated are made for the biennium ending June 30, 1991, according to the following schedule:

Highway Fund	1989-90	1990-91
State Aid to Municipalities	68,672,240	70,732,407
State Aid for Public Transportation	2,756,250	2,894,063
Grand Total State Aid – Highway Fund	71,428,490	73,626,470

PART V.—-GENERAL PROVISIONS

Requested by: Senator Basnight, Representative Diamont
—-SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL RECEIPTS/AUTHORIZATION FOR EXPENDITURES

Sec. 7. There is appropriated out of the cash balances, federal receipts, and departmental receipts available to each department, sufficient amounts to carry on authorized activities included under each department's operations. All these cash balances, federal receipts, and departmental receipts shall be expended and reported in accordance with provisions of the Executive Budget Act, except as otherwise provided by statute. The Director of the Budget shall develop necessary budget controls, regulations, and systems to ensure that these funds and other State funds subject to the Executive Budget Act, may not be spent in a manner which would cause a deficit in expenditures.

Pursuant to G.S. 143-34.2, State departments, agencies, institutions, boards, or commissions may make application for, receive, or disburse any form of non-State aid. All non-State monies received shall be deposited with the State Treasurer unless otherwise provided by State law. These funds shall be expended in accordance with the terms and conditions of the fund award that are not contrary to the laws of North Carolina.

Requested by: Senator Basnight, Representative Diamont
—-INSURANCE AND FIDELITY BONDS

Sec. 8. All insurance and all official fidelity and surety bonds authorized for the several departments, institutions, and agencies shall be effected and placed by the Insurance Department, and the cost of placement shall be paid by the affected department, institution, or agency with the approval of the Insurance Commissioner.

Requested by: Senator Basnight, Representative Diamont
—-BUDGETING OF PILOT PROGRAMS

Sec. 9. (a) Any program designated by the General Assembly as experimental, model, or pilot shall be shown as a separate budget item and shall be considered as an expansion item until a succeeding General Assembly reapproves it.

Any new program funded in whole or in part through a special appropriations bill shall be designated as an experimental, model, or pilot program.

(b) The Governor shall submit to the General Assembly with his proposed budget a report of which items in the proposed budget are subject to the provisions of this section.

Requested by: Senator Basnight, Representative Diamont
—-AUTHORIZED TRANSFERS

Sec. 10. The Director of the Budget may transfer to General Fund budget codes from the General Fund salary adjustment appropriation, and may transfer to Highway Fund budget codes from the Highway Fund salary adjustment appropriation, amounts required to support approved salary adjustments made necessary by difficulties in recruiting and holding qualified employees in State government. The funds may be transferred only when the use of salary reserve funds in individual operating budgets is not feasible.

Requested by: Senator Basnight, Representative Diamont
—-EXPENDITURES OF FUNDS IN RESERVES LIMITED

Sec. 11. All funds appropriated by this act into reserves may be expended only for the purposes for which the reserves were established.

PART VI.—-DEPARTMENT OF PUBLIC INSTRUCTION

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-ABOLISH OUTSIDE EVALUATOR PROGRAM

Sec. 12. Article 24A of Chapter 115C of the General Statutes is repealed.

Requested by: Senator Ward
—-BEP FUNDING TRANSFER

Sec. 13. The Department of Public Education shall transfer eight hundred fifty thousand dollars ($850,000) from the Trust Fund 63510-6106, unemployment reserve, in fiscal year 1989-90 to the General Fund. Of the funds appropriated in Section 2 of this act to the Department of Public Education, the sum of eight hundred fifty thousand dollars ($850,000) in fiscal year 1989-90 is to be used as a part of the Basic Education Program. These funds are intended to provide educational programs similar to the State and federal programs that comprise the unemployment reserve.

Requested by: Senator Ward
—-DROPOUT PREVENTION

Sec. 14. (a) In 1987 the General Assembly began the process of review and analysis of programs established in local school units with funds appropriated for dropout prevention. In 1988 the General Assembly contracted for a report entitled "Study of Dropout Prevention Factors in the Secondary Schools of North Carolina". Based on this study and its own review of the use of funds appropriated for dropout prevention, the General Assembly finds that there is a need to refocus the funds appropriated for dropout prevention in a way that emphasizes:

(1) Well planned, sustained efforts by local school units in both primary and secondary schools to reduce dropouts.

(2) A goal at the local school unit level on the reduction of dropout rates.

(3) Simplified planning at the school unit level that starts at the school building level with the involvement of principals, teachers, and counselors.

(4) A reduction of State mandates and a flexible use of dropout prevention funds in those local school units whose plans are reviewed and approved by the State Board of Education.

(5) Accurate and timely reporting to the State Board of Education and the General Assembly of dropout rates in all local school units and the units' success in meeting their goals.

(b) To accomplish these goals the State Board of Education shall:

(1) Establish planning requirements that emphasize the relationship between the dropout rates in a local school unit and the programs funded with funds for dropout prevention.

(2) Establish planning requirements that emphasize school level planning.

(3) Review and simplify the requirements for dropout prevention plans submitted by local school units.

(4) Establish a process for waiving State requirements for the expenditure of funds for dropout prevention for in-school suspension programs after a local school unit's plan for dropout prevention has been approved.

(5) Review its requirements for in-school suspension programs with regard to purpose, use by schools, requirements for staffing by certified teachers, and the relationship of availability of in-school suspension programs to the reduction of dropout rates.

(6) Examine the relationship between in-school suspension programs, school suspension rates, and other juvenile justice community based programs, funded by the Department of Human Resources.

(7) Report to the General Assembly on its progress in implementing its new standards for dropout prevention programs and the progress made by local school units in reducing dropout rates.

(8) Recommend to the General Assembly actions that might be taken where units consistently fail to meet statewide goals and local goals for reducing dropout rates.

(c) The Department of Public Instruction shall:

(1) Provide technical assistance to local school units in the development of local dropout prevention plans.
(2) Provide information to the 100 local schools identified as having the highest dropout rates as to what types of dropout prevention programs work.

Requested by: Senator Ward
—-ABOLISH TEACHING GRANT PROGRAM FOR COLLEGE JUNIORS

Sec. 15. G.S. 115C-363.24 is repealed, except as it applies to grants made and obligations incurred prior to July 1, 1989.

PART VII.—-DEPARTMENT OF COMMUNITY COLLEGES

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-OPERATING APPROPRIATIONS/NOT USED FOR RECREATION EXTENSION

Sec. 16. Funds appropriated in Section 3 of this act to the Department of Community Colleges as operating expenses for allocation to the institutions comprising the Community College System may not be used to support recreation extension courses. The financing of these courses by any institution shall be on a self-supporting basis, and membership hours produced from these activities may not be counted when computing full-time equivalent students for use in budget-funding formulas at the State level.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-BOOKS AND EQUIPMENT APPROPRIATIONS/REVERT AFTER ONE YEAR

Sec. 17. Appropriations to the Department of Community Colleges for equipment and library books are made for each year of the fiscal 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. The Department shall be able to identify to the Office of State Budget and Management which appropriations will revert at the end of the 12 months after the close of each fiscal year.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-ASSISTANCE TO HOSPITAL NURSING/FUND DISTRIBUTION

Sec. 18. Funds appropriated in Section 5 of this act to the Department of Community Colleges to provide financial assistance to hospital programs of nursing education leading to diplomas in nursing that are fully accredited by the North Carolina Board of Nursing and operated under the authority of a public or nonprofit hospital licensed by the North Carolina Medical Care Commission shall be distributed, upon application for financial assistance, on the basis of eight hundred fifty dollars ($850.00) for each full-time student duly enrolled in the program as of December 1 of the

preceding year and on condition that accreditation is maintained. The State Board of Community Colleges shall adopt rules to ensure that this financial assistance is used directly for faculty and instructional needs of diploma nursing programs.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-MANAGEMENT SUPPORT SYSTEM

Sec. 19. The State Board shall submit quarterly reports to the Joint Legislative Commission on Governmental Operations on the progress of the design and implementation of an adequate and timely management support system for community colleges. This report shall include a plan and proposed timetable for interfacing with other State government computer systems. It is the intent of the General Assembly that this system provide relevant, accurate, and timely data to allow better institutional management and system coordination of educational programs. This system plan shall be in place no later than July 1, 1990.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-STABILITY OF FUNDING

Sec. 20. To ensure stability in funding and to reduce the impact of short-term enrollment fluctuations, the General Assembly shall appropriate funds for full-time equivalent student enrollment for the community college system on a biennial basis. For fiscal year 1989-90 and in subsequent years, the State Board shall allocate to each college a budget based on the average of the prior two-years' actual full-time equivalent student enrollment, or the previous year's actual full-time equivalent student enrollment, whichever is greater. In no instance shall any college receive less than ninety percent (90%) of the prior two-years' average curriculum full-time equivalent student enrollment.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-COMMUNITY COLLEGE TRUSTEES TRAINING COURSE

Sec. 21. The General Assembly urges the North Carolina Association of Community College Trustees to continue providing training opportunities for community college trustees and to offer the training on a regional basis. The General Assembly also urges all community college trustees, especially those serving their first term to complete the training.

The General Assembly requests the North Carolina Association of Community College Trustees to submit an annual report to the State Board of Community Colleges and to the 1989 Session of the General Assembly, 1990 Regular Session, on the training programs provided and the number of trustees participating.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-LITERACY

Sec. 22. The State Board of Community Colleges shall develop policies to accomplish the following in literacy programs:

(1) Increase the number of people entering and moving through the literacy continuum and allow more flexibility in the use of literacy funds for instruction and administrative purposes to enhance recruitment efforts;
(2) Increase the number of adult high school graduates and GED diplomas;
(3) Encourage progress in the literacy programs through the use of performance-based incentive funding for colleges, employees, and employers;
(4) Allocate literacy funds on a more equitable basis;
(5) Develop statewide and individual college goals for increasing literacy;
(6) Increase the number of workplace literacy sites; and
(7) Replicate successful programs across the State.

It is the intent of the General Assembly to maintain the 1988-89 funding level as a statewide base for literacy programs.

The State Board shall report to the 1989 General Assembly, 1990 Regular Session, on the policies developed in accordance with this section.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-SATELLITE CENTERS

Sec. 23. It is the intent of the General Assembly that the State Board provide greater oversight of the proposed expansion of satellite and off-campus facilities among the colleges of the Community College System. The State Board shall develop criteria for the construction of satellite facilities and off-campus centers to be built with State funds; provided, however, that no criteria developed by the State Board shall inhibit a county without a satellite from acquiring one. A satellite facility is defined as a campus in a county other than that in which the main campus is located. An off-campus center is defined as a facility located within the same county as the main campus. The State Board shall report to the General Assembly on the criteria developed. The State Board shall not implement these criteria until the General Assembly has approved them.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-STUDENT ACCOUNTING STUDY

Sec. 24. Due to the various methods used to count student enrollments in higher education, the General Assembly directs The University of North Carolina and the Community College System in cooperation with the North Carolina Association of Independent Colleges and Universities to recommend to the General Assembly a common method for counting student enrollments for purposes of receiving public funds.

A final report shall be made to the 1991 Session of the General Assembly. An interim report shall be made to the 1989 General Assembly, 1990 Regular Session.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-REGIONAL COOPERATION

Sec. 25. It is the intent of the General Assembly to encourage cooperative and regional programs among and between the colleges of the Community College System and The University of North Carolina System to ensure the most efficient use of tax resources. The State Board of Community Colleges and the Board of Governors of The University of North Carolina shall develop incentives to encourage regional and cooperative programs among and between the colleges of the Community College System and the constituent institutions of The University of North Carolina. Any legislative changes necessary to encourage such cooperative efforts shall be incorporated into the Boards' budget requests to the General Assembly for the 1990-91 fiscal year.

The State Board of Community Colleges and the Board of Governors of The University of North Carolina shall report to the 1989 General Assembly, 1990 Regular Session, on the progress of regional programs.

Requested by: Representatives J. Crawford, Tart

—-COMMUNITY COLLEGE TRANSFER OF CREDITS STUDY

Sec. 26. The State Board of Community Colleges and the Board of Governors of The University of North Carolina shall develop a plan to increase the number of community college credits that will transfer to the university system. This plan shall be reported to the 1989 General Assembly, 1990 Regular Session.

Requested by: Senator Ward, Representatives J. Crawford, Tart

—-FTE ACCOUNTING

Sec. 27. Notwithstanding any rule, the census date for counting extension full-time equivalent (FTE) student enrollments shall be the same as that used to count curriculum full-time equivalent student enrollments.

Requested by: Senator Ward

—-MAINTENANCE OF PLANT SUBSIDY

Sec. 28. The State Board of Community Colleges shall review the current allocation method for distributing the maintenance of plant subsidy to regional institutions. This review shall address the equitable distribution of available funds to adequately reflect the purpose for which they are provided. The Board shall report its findings and recommendations to the 1989 General Assembly, 1990 Regular Session.

PART VIII.—-COLLEGES AND UNIVERSITIES

Requested by: Senator Ward, Representatives J. Crawford, Tart

—-AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT LIMITATIONS

Sec. 29. (a) The amount of a tuition grant awarded to a student enrolled in a degree program at a site away from the main campus of the approved private institution, as defined in G.S. 116-22(1), may be no more than the result of the ratio of the cost per

credit hour for off-campus instruction at that site to the cost per credit hour for regular, full-time on-campus instruction, multiplied by the maximum grant award.

(b) No Legislative Tuition Grant funds may be expended for a program at an off-campus site of a private institution, as defined in G.S. 116-22(1), established after May 15, 1987, unless (i) the private institution offering the program has previously notified and secured agreement from other private institutions operating degree programs in the county in which the off-campus program is located or operating in the counties adjacent to that county or (ii) the degree program is neither available nor planned in the county with the off-campus site or in the counties adjacent to that county.

An "off-campus program" is any program offered for degree credit away from the institution's main, permanent campus.

(c) Any member of the armed services as defined in G.S. 116-143.3(a), abiding in this State incident to active military duty, who does not qualify as a resident for tuition purposes as defined under G.S. 116-143.1, is eligible for a Legislative Tuition Grant pursuant to this section if the member is enrolled as a full-time student. The member's Legislative Tuition Grant may not exceed the cost of tuition less any tuition assistance paid by the member's employer.

Requested by: Senator Ward, Representatives J. Crawford, Tart

—-AID TO PRIVATE COLLEGES PROCEDURE

Sec. 30. (a) Funds appropriated in this act to the Board of Governors of The University of North Carolina for aid to private colleges shall be disbursed in accordance with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up to four hundred dollars ($400.00) per full-time equivalent North Carolina undergraduate student enrolled at a private institution as of October 1 each year.

These funds shall be placed in a separate, identifiable account in each eligible institution's budget or chart of accounts. All funds in this account shall be provided as scholarship funds for needy North Carolina students during the fiscal year. Each student awarded a scholarship from this account shall be notified of the source of the funds and of the amount of the award. Funds not utilized under G.S. 116-19 shall be for the tuition grant program as defined in subsection (b) of this section.

(b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition to all other financial assistance made available to private educational institutions located within the State, or to students attending these institutions, there is granted to each full-time North Carolina undergraduate student attending an approved institution as defined in G.S. 116-22, the sum of one thousand one hundred dollars ($1,100) per academic year, which shall be distributed to the student as hereinafter provided.

The tuition grants provided for in this section shall be administered by the State Education Assistance Authority pursuant to rules adopted by the State Education Assistance Authority not inconsistent with this section. The State Education Assistance Authority may not approve any grant until it receives proper certification from an approved institution that the student applying for the grant is an eligible student. Upon receipt of the certification, the State Education Assistance Authority shall remit at such

times as it shall prescribe the grant to the approved institution on behalf, and to the credit, of the student.

In the event a student on whose behalf a grant has been paid is not enrolled and carrying a minimum academic load as of the 10th classroom day following the beginning of the school term for which the grant was paid, the institution shall refund the full amount of the grant to the State Education Assistance Authority. Each approved institution shall be subject to examination by the State Auditor for the purpose of determining whether the institution has properly certified eligibility and enrollment of students and credited grants paid on the behalf of the students.

In the event there are not sufficient funds to provide each eligible student with a full grant:

(1) The Board of Governors of The University of North Carolina, with the approval of the Office of State Budget and Management, may transfer available funds to meet the needs of the programs provided by subsections (a) and (b) of this section; and

(2) Each eligible student shall receive a pro rata share of funds then available for the remainder of the academic year within the fiscal period covered by the current appropriation.

Any remaining funds shall revert to the General Fund.

(c) Expenditures made pursuant to this section may be used only for secular educational purposes at nonprofit institutions of higher learning.

Requested by: Senator Ward, Representatives J. Crawford, Tart

—-WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING FORMULA

Sec. 31. Funds appropriated in Section 5 of this act to the Board of Governors of The University of North Carolina for continuation of financial assistance to the medical schools of Duke University and Wake Forest University shall be disbursed on certifications of the respective schools of medicine that show the number of North Carolina residents as first-year, second-year, third-year, and fourth-year students in the medical school as of November 1, 1989, and November 1, 1990. Disbursement to Wake Forest University shall be made in the amount of eight thousand dollars ($8,000) for each medical student who is a North Carolina resident, one thousand dollars ($1,000) of which shall be placed by the school in a fund to be used to provide financial aid to needy North Carolina students who are enrolled in the medical school. The maximum aid given to any student from this fund in a given year may not exceed the amount of the difference in tuition and academic fees charged by the school and those charged at the School of Medicine at The University of North Carolina at Chapel Hill.

Disbursement to Duke University shall be made in the amount of five thousand dollars ($5,000) for each medical student who is a North Carolina resident, five hundred dollars ($500.00) of which shall be placed by the school in a fund to be used to provide student financial aid to financially needy North Carolina students who are enrolled in the medical school. No individual student may be awarded assistance

from this fund in excess of two thousand dollars ($2,000) each year. In addition to this basic disbursement for each year of the biennium, a disbursement of one thousand dollars ($1,000) shall be made for each medical student who is a North Carolina resident in the first-year, second-year, third-year, and fourth-year classes to the extent that enrollment of each of those classes exceeds 30 North Carolina students.

The Board of Governors shall establish the criteria for determining the eligibility for financial aid of needy North Carolina students who are enrolled in the medical schools and shall review the grants or awards to eligible students. The Board of Governors shall adopt rules for determining which students are residents of North Carolina for the purposes of these programs. The Board shall also make any regulations as necessary to ensure that these funds are used directly for instruction in the medical programs of the schools and not for religious or other nonpublic purposes. The Board shall encourage the two schools to orient students towards personal health care in North Carolina giving special emphasis to family and community medicine.

Requested by: Senator Ward
—-AID TO PRIVATE MEDICAL SCHOOLS

Sec. 32. Should the funds appropriated for aid to private medical schools be insufficient to meet contractual obligations based on the number of students, the Board of Governors is authorized to transfer funds from other programs in the Related Educational Programs budget to fund this program.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-FUNDING LEVELS FOR INSTITUTIONS

Sec. 33. The Board of Governors of The University of North Carolina shall study the variations in instructional funding levels among the different classes of constituent institutions. The study shall include a review of the actual and relative costs to provide academic instruction in the various academic disciplines and programs, the costs of providing instruction at lower division undergraduate, upper division undergraduate, graduate and first professional levels, the variance in institutional costs for serving part-time students, and other factors which would affect funding requirements.

The Board shall review its methods for allocation of new funds to determine if these methods are appropriate.

The Board shall report its findings to the 1990 Session of the General Assembly by March 31, 1990, with copies to the Joint Legislative Commission on Governmental Operations.

Requested by: Senator Ward
—-MANAGEMENT INCENTIVES

Sec. 34. The Board of Governors of The University of North Carolina and the Office of State Budget and Management are directed to review the need for management incentives and flexibility at the campus level in order to achieve budget savings and increased efficiency of operations. A joint report on findings, including any

campuses which would want to participate in a pilot project of such efforts, shall be made to the General Assembly by March 31, 1990.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-NURSING

Sec. 35. The Board of Governors of The University of North Carolina shall report on its study of nursing programs to the General Assembly by March 31, 1990.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-RETENTION AND GRADUATION RATES

Sec. 36. The Board of Governors of The University of North Carolina shall review the variations in retention and graduation rates among the constituent institutions to determine the reasons for the differences. The Board shall report its findings and any recommendations to the General Assembly by January 15, 1991.

Requested by: Senator Ward, Representatives J. Crawford, Tart
—-REMEDIATION

Sec. 37. The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall review remedial courses for students in each system, including the proper role of remediation in assuring educational opportunity. The Boards shall determine the most cost effective method of delivering remedial educational programs for students requiring these programs in order to succeed in post-secondary education. A joint report of these findings shall be made to the 1989 General Assembly, 1990 Regular Session by March 31, 1990.

The Board of Governors of The University of North Carolina, the State Board of Community Colleges, and the Department of Public Education shall plan a system to provide a better flow of information among the public schools, The University of North Carolina, and the Community Colleges. This information shall include:

(1) The number of high school graduates who apply to, are admitted to, and enroll in university institutions or in community colleges;

(2) The performance of high school graduates in their first year of college attendance, as measured by such things as the need for remedial coursework at various schools, performance in standard freshmen courses, and the continued enrollment of the student in a subsequent year (retention);

(3) The provision of information from the public schools to colleges in automated format on transcripts of applicants and other information which would be helpful in the admissions process;

(4) Consistent, uniform course information from the public schools to the university system and community colleges, including course code, name, description, units earned toward graduation, and credits earned for admission through the university system; and

(5) Reporting of students who attend college in the community college system, The University of North Carolina system, and private and independent colleges and universities in North Carolina.

A joint report on these efforts, including progress to date and a schedule for full implementation, shall be made to the Joint Legislative Commission on Governmental Operations by January 15, 1990, and to the General Assembly by March 31, 1990.

PART IX.—-DEPARTMENT OF ADMINISTRATION

Requested by: Senator Martin of Guilford, Representatives Easterling, Michaux
—-MAINTENANCE CONTRACTS COST CONTROL

Sec. 38. (a) Each executive agency and university is strongly encouraged to eliminate maintenance contracts on word processors, personal computers and terminals. Each executive agency and university will report to the Fiscal Research Division and to the Director of the Legislative Automated Systems Division by April 30, 1990, the number of contracts eliminated and the net savings.

(b) Each executive agency and university shall keep copies of all current (active) maintenance contracts at a central office.

Each executive agency and university will provide the Office of State Budget, the Fiscal Research Division, and the Director of the Legislative Automated Systems Division with a list of these maintenance contracts by December 30, 1989. The list will include the contract number (or identifier), vendor name, number and description of items under contract, and the annual cost of the contract. This list shall be updated each year as of December 30.

(c) Each executive agency or university shall keep a central record of repairs whether or not done under maintenance in order to determine the repair history of equipment. The repair history will include equipment type (manufacturer and model number), serial number, location of equipment, service date and cost of repair.

The Office of State Controller shall include a computer-based record of repairs system for state agencies in the proposed revision of the Departmental Accounting System (DAS).

(d) The Division of Purchase and Contract shall work with executive agencies and universities to consolidate maintenance contracts to the extent feasible. The Division shall negotiate maintenance contracts on an hourly basis where appropriate and to specify in the contract what the rate will be. The Division shall make the equipment warranty on data processing equipment a part of the bid. The Division shall also investigate the use of third-party maintenance contractors for data processing and office equipment.

Requested by: Senator Martin of Guilford, Representatives Easterling, Michaux
—-STATE SURPLUS PROPERTY WAREHOUSE/FUNDS

Sec. 39. The Office of State Budget and Management is authorized to transfer the sum of one hundred thousand dollars ($100,000) from the Surplus

Equipment Reserve Fund (Code 64101) for the 1990-91 fiscal year to the Department of Administration to support the operation of the State Surplus Property Warehouse.

Requested by: Representatives Easterling, Michaux
—-COUNCIL ON STATUS OF WOMEN RETAIN POSITIONS

Sec. 40. The Secretary of the Department of Administration shall retain the positions in the Council on the Status of Women and eliminate a position in another program to obtain the reduction in force required by the Office of State Budget and Management.

Requested by: Representatives Nesbitt, B. Ethridge
—-DOMESTIC VIOLENCE FUNDS ALLOCATION

Sec. 41. The funds appropriated to the Department of Administration, Council on the Status of Women, in Section 5 of this act for the 1989-90 fiscal year and for the 1990-91 fiscal year for the prevention of domestic violence, shall be allocated as prescribed by the General Assembly in the 1989-90 Expansion Budget.

Requested by: Representatives Easterling, Michaux
—-COUNCIL OF GOVERNMENTS FUNDS

Sec. 42. (a) Of the funds appropriated by Section 5 of this act to the Department of Administration, the sum of nine hundred ninety thousand dollars ($990,000) for the 1989-90 fiscal year and nine hundred ninety thousand dollars ($990,000) for the 1990-91 fiscal year shall only be used as provided by this section. Each regional council of government or lead regional organization is allocated an amount up to fifty-five thousand dollars ($55,000) each fiscal year, with the actual amount calculated as provided in subsection (b) of this section.

(b) The funds shall be allocated as follows: A share of the maximum fifty-five thousand dollars ($55,000) each fiscal year shall be allocated to each county and smaller city based on the most recent annual estimate of the Office of State Budget and Management of the population of that county (less the population of any larger city within that county) or smaller city, divided by the sum of the total population of the region (less the population of larger cities within that region) and the total population of the region living in smaller cities. Those funds shall be paid to the regional council of governments for the region in which that city or county is located upon receipt by the Department of Administration of a resolution of the governing board of the county or city requesting release of the funds. If any city or county does not so request payment of funds by June 30 of a State fiscal year, that share of the allocation for that fiscal year shall revert to the General Fund.

(c) A council of governments may use funds appropriated by this section only to assist local governments in grant applications, economic development, community development, support of local industrial development activities, and other activities as deemed appropriate by the member governments.

(d) Funds appropriated by this section may not be used for payment of dues or assessments by the member governments, and may not supplant funds appropriated by the member governments.

(e) As used in this section "Larger City" means an incorporated city with a population of 50,000 or over. "Smaller City" means any other incorporated city.

PART X.—-OFFICE OF ADMINISTRATIVE HEARINGS.

Requested by: Representatives Easterling, Michaux
—-ELIMINATE PUBLICATION TRUST FUND

Sec. 43. (a) G.S. 150B-63(f) reads as rewritten:

"(f) The Director shall make available to persons not listed in subsection (e) copies of the compilation, supplements, and recompilations of the rules and the North Carolina Register, and shall make available to all persons copies of other public documents filed in the Office of Administrative Hearings. The Director shall set a fee to be charged for publications and documents made available under this subsection at an amount that covers publication, copying, and mailing costs. All moneys received by the Office of Administrative Hearings pursuant to this subsection shall be deposited in the ~~State treasury in a special funds account to be held in trust for the Office of Administrative Hearings to defray the expense of future recompilation, publication, and distribution of such documents. All moneys involved shall be subject to audit by the State Auditor~~ General Fund."

(b) Any funds remaining in the special funds account established by G.S. 150B-63(f) shall be credited to the General Fund.

Requested by: Representatives Easterling, Michaux
—-OFFICE OF ADMINISTRATIVE HEARINGS PERSONNEL STUDY

Sec. 44. The Office of State Personnel shall make a comprehensive classification study of positions in the Office of Administrative Hearings. The study should include an evaluation of staffing needs of the Office of Administrative Hearings, the need for a Director, Deputy Director and Director of Administrative Hearings, and the use of contractual services for hearing assistants. The Office of State Personnel shall report the results of this study to the Joint Legislative Commission on Governmental Operations by May 1, 1990, and to the 1989 General Assembly, Regular Session 1990.

Requested by: Representative N. Crawford
—-CHIEF ADMINISTRATIVE LAW JUDGE LONGEVITY

Sec. 45. G.S. 7A-751 reads as rewritten:

"**§ 7A-751. Agency head; powers and duties.**

The head of the Office of Administrative Hearings is the Chief Administrative Law Judge. He shall serve as Director and have the powers and duties conferred on him by this Chapter and the Constitution and laws of this State. His salary shall be fixed by the General Assembly in the Current Operations Appropriations Act.

In lieu of merit and other increment raises, the Chief Administrative Law Judge shall receive ~~as longevity an annual amount payable monthly at the rates provided in G.S. 7A-65 and based upon his years of State service~~ longevity pay on the same basis as is provided to employees of the State who are subject to the State Personnel Act."

PART XI.—-DEPARTMENT OF TRANSPORTATION

Requested by: Senator Martin of Pitt, Representatives McLaughlin, Woodard
—-HIGHWAY FUND ALLOCATIONS BY CONTROLLER

Sec. 46. The Controller of the Department of Transportation shall allocate at the beginning of each fiscal year from the various appropriations made to the Department of Transportation in Section 4 of this act, Titles:

02.b. - State Construction
02.c. - State Funds to Match Federal Highway Aid
02.d. - State Maintenance
02.e. - Ferry Operations,

sufficient funds to eliminate all overdrafts on State maintenance and construction projects, and these allocations may not be diverted to other purposes.

Requested by: Senator Martin of Pitt, Representatives McLaughlin, Woodard
—-HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES

Sec. 47. (a) Overexpenditures may be made by authorization of the Director of the Budget from Section 4 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
02.d. - State Maintenance
02.e. - Ferry Operations,

provided that there are corresponding underexpenditures from these same titles. Overexpenditures or underexpenditures in any titles may not vary by more than ten percent (10%) without prior consultation with the Advisory Budget Commission. Written reports covering overexpenditures or underexpenditures of more than ten percent (10%) shall be made to the Joint Legislative Commission on Governmental Operations. The reports shall be delivered to the Director of the Fiscal Research Division not less than 48 hours prior to the beginning of the Commission's full meeting.

(b) Overexpenditures from Section 4 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
02.d. - State Maintenance

02.e. - Ferry Operations,

for the purpose of providing additional positions shall be approved by the Director of the Budget.

Requested by: Senator Martin of Pitt, Representatives McLaughlin, Woodard

—-CASH FLOW HIGHWAY FUND APPROPRIATIONS

Sec. 48. The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 1991-92	$ 981,100,000
For Fiscal Year 1992-93	$1,005,000,000

Requested by: Senator Martin of Pitt, Representatives McLaughlin, Woodard

—-RESURFACED ROADS MAY BE WIDENED

Sec. 49. (a) Notwithstanding the provisions of Section 45 of this act, of the contract maintenance resurfacing program funds appropriated in Section 4 of this act to the Department of Transportation, an amount not to exceed fifteen percent (15%) of the Board of Transportation's allocation of these funds may be used for widening existing narrow pavements that are scheduled for resurfacing.

(b) The Department of Transportation shall report, by May 15, 1990, to the Chairman of the Highway Fund Subcommittee of the Appropriations Committee of the House of Representatives, the Chairman of the Senate Appropriations of Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division of the Legislative Services Office, concerning the contract resurfacing program and the expenditures of the funds for widening existing narrow pavements that are scheduled for resurfacing authorized in subsection (a) of this section.

Requested by: Senator Martin of Pitt, Representatives McLaughlin, Woodard

—-USE OF SALES TAX COLLECTED BY THE DIVISION OF MOTOR VEHICLES

Sec. 50. Notwithstanding the second sentence of the sixth paragraph of G.S. 105-164.4(1), the Department of Transportation may deduct and retain from the sales tax on motor vehicles collected pursuant to that subdivision an amount equal to the cost to the Division of Motor Vehicles of collecting the sales tax on motor vehicles, but not to exceed four hundred seventy-five thousand dollars ($475,000) per year. The cost of collecting this tax shall be determined by the Secretary of Transportation, subject to the approval of the State Budget Officer.

Requested by: Representatives McLaughlin, Woodard

—-URBAN CONSTRUCTION FUNDS

Sec. 51. Of the funds appropriated in Section 4 of this act to the Department of Transportation for fiscal years 1989-90 and 1990-91, twenty million dollars ($20,000,000) shall be allocated for small urban construction projects. Fourteen million dollars ($14,000,000) of these funds shall be allocated equally among the 14 Highway Divisions for the Small Urban Construction Program for small urban construction

projects that are located within the area covered by a one-mile radius of the municipal corporate limits. The remaining six million dollars ($6,000,000) of these funds shall be used statewide for rural or small urban highway improvements as approved by the Secretary of the Department of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formula as provided in G.S. 136-44.5.

The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to this section in each member's district prior to the Board of Transportation's action. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

Requested by: Senator Martin of Pitt, Representatives McLaughlin, Woodard
—-HIGHWAY FUNDS/ADJUSTMENT TO REFLECT ACTUAL REVENUE

Sec. 52. Any unreserved credit balance in the Highway Fund on June 30 of each of the fiscal years shall support appropriations in the succeeding fiscal year. If all of the balance is not needed for these appropriations, the Director of the Budget may use the remaining excess to establish a reserve for access and public roads, a reserve for unforeseen happening of a state of affairs requiring prompt action as provided by G.S. 136-44.1, and other required reserves. Actual revenue in excess of estimated revenue shall be placed in the reserve for highway construction and maintenance. If all of the remaining excess is not used to establish these reserves, the remainder shall be allocated to the State-funded maintenance or construction appropriations in the manner approved by the Board of Transportation. The Board of Transportation shall report monthly to the Joint Legislative Commission on Governmental Operations about the use of the reserve for highway construction and maintenance. The Board of Transportation shall send copies of the monthly reports to the Chairman of the Senate Appropriations Committee on Natural and Economic Resources, the Chairman of the Highway Fund Subcommittee of the Appropriations Committee of the House of Representatives, the Chairman of the Senate Transportation Committee, and the Chairman of the Highways Subcommittee of the Infrastructure Committee of the House of Representatives.

Requested by: Senator Martin of PItt, Representatives McLaughlin, Woodard
—-CONTINUING AVIATION, RAIL, AND PUBLIC TRANSPORTATION APPROPRIATIONS

Sec. 53. Section 170(c) of Chapter 738 of the 1987 Session Laws reads as rewritten:

"(c) This section shall become effective September 1, ~~1987, and shall expire June 30, 1990.~~1987."

Requested by: Senator Barker
—-FERRY CAPTAIN III, SHIFT PREMIUM PAY

Sec. 54. Section 9 of Chapter 738 of the 1987 Session Laws as amended by Section 100(a) of Chapter 1086 of the 1987 Session Laws reads as rewritten:

"Sec. 9. Shift premium pay shall be paid to all State employees in non-medically related positions through salary grade 69, to all State employees in the position of Ferry Captain III in the salary grade 70, and to all State employees in medically related positions through salary grade 75, subject to the provisions of this section. Shift premium pay for employees in medically related positions shall be limited to a maximum of twenty percent (20%) of salary for weekday nights and to a maximum of thirty percent (30%) of salary for weekend nights.

The State Personnel Commission may not adopt a shift premium pay schedule higher than those stated in this section unless the higher schedule is first approved by the General Assembly and funds are appropriated to implement the higher pay. The Commission may, however, request authorization to pay shift premium pay to employees in grades above those stated in this section when the Commission determines that there is a critical shortage of employees in a position because of competition from private employers who pay shift premium pay for that type work. Such a request shall be made to the General Assembly if it is in session; otherwise, the request shall be approved by the Director of the Budget with the advice of the Advisory Budget Commission.

The State Personnel Commission shall strictly enforce its regulation requiring that employees who receive shift premium pay be regularly assigned to night or shift work. In enforcing the regulation the Commission shall strictly construe 'regularly' so that shift premium pay shall not be paid to employees temporarily placed on a shift receiving such pay."

PART XII.—-DEPARTMENT OF JUSTICE

Requested by: Senator Marvin, Representative Justus

—-SBI USE OF COURT-ORDERED RESTITUTION FUNDS

Sec. 55. The State Bureau of Investigation (SBI) may use funds available from court-ordered restitution in undercover drug operations.

Requested by: Senator Sands

—-ACCESS TO THE POLICE INFORMATION NETWORK (PIN)

Sec. 56. All local law enforcement agencies shall comply with federal requirements that set forth access to the Police Information Network (PIN) administered by the State Bureau of Investigation.

Requested by: Senator Marvin, Representative Justus

—-USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT

Sec. 57. (a) Assets transferred to the Department of Justice during the 1989-91 biennium pursuant to 19 U.S.C. §1616a shall be credited to the budget of that Department and shall result in an increase of law enforcement resources for the Department. Assets transferred to the Department of Crime Control and Public Safety during the 1989-91 biennium pursuant to 19 U.S.C. §1616a shall be credited to the

budget of that Department and shall result in an increase of law enforcement resources for the Department. Each of these Departments shall report to the Joint Legislative Commission on Governmental Operations on how it intends to use these assets before it uses these assets.

The General Assembly finds that the use of these assets for new projects, the acquisition of real property, repair of buildings where such repair includes structural change, and construction of or additions to buildings may result in additional expenses for the State in future fiscal periods; therefore the Department of Justice and the Department of Crime Control and Public Safety are prohibited from using these assets for such purposes without the prior approval of the General Assembly.

(b) This section does not apply to the extent that it prevents North Carolina law enforcement agencies from receiving funds from the U.S. Department of Justice pursuant to 19 U.S.C. §1616a.

Requested by Senator Marvin, Representatives Justus, Grady
—-JUSTICE DEPARTMENT STUDY THE USE OF THE POLICE INFORMATION NETWORK (PIN)

Sec. 58. The Justice Department shall study the use of the Police Information Network (PIN) by State and local law enforcement agencies and determine whether those uses comply with federal requirements regarding access to the Police Information Network (PIN). The Department shall also study the local and State guidelines and rules regarding the use of PIN, the enforcement of those guidelines and rules, and penalties imposed for violations in the use and administration of the network. In conducting the study the Department shall compile the policies and guidelines governing use of PIN, document the number of violations occurring within the past three years in the use of the system, the penalties imposed for those violations, the criteria used to determine what penalty is appropriate for a violation, and the appeals process available to contest the penalty. The Department shall also consider in the study the effect that the imposition of a penalty has on a local law enforcement agency's ability to adequately meet law enforcement responsibilities and whether the system is being administered and used uniformly throughout the State.

The Justice Department shall report its findings to the Senate and House Appropriations Base Budget Committees by April 15, 1990.

Requested by: Senator Marvin, Representative Justus
—-PRIVATE PROTECTIVE SERVICES AND ALARM SYSTEMS LICENSING BOARDS ARE SELF-SUPPORTING

Sec. 59. The Private Protective Services and Alarm Systems Licensing Boards are responsible for adjusting fees as necessary within the statutory limits to ensure that both boards are operated on a self-supporting fee-funded basis.

Requested by: Senator Marvin, Representatives Justus, Huffman
—-CHARGES FOR LEGAL SERVICES RENDERED BY THE ATTORNEY GENERAL

Sec. 60. Article 1 of Chapter 114 of the General Statutes is amended by adding a new section to read:

"**§ 114-8.2. Charges for legal services.**

The Department of Justice shall charge State boards and commissions that are totally supported by receipts from fees or surcharges for legal services rendered by the Department to the board or commission."

PART XIII.—-DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Requested by: Senator Marvin, Representative Justus

—-REPORT ON COMMUNITY SERVICE WORKERS

Sec. 61. The Department of Crime Control and Public Safety shall report quarterly in the 1989-90 fiscal year and semiannually in the 1990-91 fiscal year to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the number of community service workers who were available during each month of the time period preceding that report to perform repairs and maintenance of the parks and when and where they were available.

Requested by: Senator Marvin

—-REPORTS ON THE COMMUNITY PENALTIES PROGRAM AND THE CRIME VICTIMS COMPENSATION FUND

Sec. 62. The Department of Crime Control and Public Safety shall report annually to the Senate and House Appropriations Base Budget Committees on Justice and Public Safety and the Fiscal Research Division on the administrative expenditures of the Community Penalties Program and the North Carolina Crime Victims Compensation Fund.

Requested by: Senator Marvin, Representative Justus

—-LEGISLATIVE REVIEW OF DRUG LAW ENFORCEMENT AND OTHER GRANTS.

Sec. 63. (a) Section 1303(4) of the Omnibus Crime Control and Safe Streets Act of 1968 provides that State applications for drug law enforcement grants are subject to review by the State legislature or its designated body.

(b) The North Carolina General Assembly hereby provides that State applications for grants under the State and Local Law Enforcement Assistance Act of 1986, Part M of the Omnibus Crime Control and Safe Streets Act of 1968 as enacted by Subtitle K of P.L. 99-570, the Anti-Drug Abuse Act of 1986, are subject to review by the Joint Legislative Commission on Governmental Operations if at the time of review the General Assembly is not in session.

(c) Unless a State statute provides a different forum for review where a federal law or regulation provides that a State application for a grant must be reviewed by the State legislature or its designated body and at the time of the review the General Assembly is not in session that application shall be reviewed by the Joint Legislative Commission on Governmental Operations.

PART XIV.—-DEPARTMENT OF CORRECTION

Requested by: Senator Marvin, Representatives Justus, Huffman
—-LIMIT USE OF PRISON PERSONNEL FUNDS

Sec. 64. (a) Funds appropriated in Section 3 of this act to the Department of Correction, Reserve for New Units, shall be used for the personnel and operating expenses set forth in the budget approved by the General Assembly in this act. These funds may not be expended for any other purpose.

(b) Funds appropriated in Section 3 of this act to the Department of Correction, Reserve for New Units, may not be expended for additional prison personnel positions until the new facilities are within 90 days of completion.

Requested by: Representatives Justus, Huffman
—-PRIVATE CONFINEMENT FACILITIES

Sec. 65. No privately for-profit owned or operated confinement facilities may be added to the State prison system unless approved by the General Assembly. The State may contract with private, nonprofit firms to provide or operate work and study release centers for women.

Requested by: Senator Marvin, Representatives Justus, Huffman
—-NEGOTIATED RATES FOR MEDICAL SERVICES

Sec. 66. The Department of Correction shall negotiate for rates as close to Medicaid rates as possible for all medical services rendered to that Department by providers who are not State employees. The Department shall report the results of its negotiations to the Chairmen of the Senate Appropriations Committee and the Senate Base Budget Appropriations Committee, the Chairman of the House Appropriations Committee, and the Chairmen of the Joint Appropriations Committees on Justice and Public Safety prior to March 15, 1990. The Department shall also report its progress in these negotiations to the Joint Legislative Commission on Governmental Operations at the next meeting following the quarter ending December 31, 1989.

Requested by: Senator Marvin, Representatives Justus, Huffman
—-GOLDSBORO CORRECTIONAL CENTER REALLOCATION

Sec. 67. Effective July 1, 1989, the land, together with all buildings and equipment, currently referred to as the Goldsboro Correctional Center shall be reallocated from the Department of Human Resources, Cherry Hospital, to the Department of Correction.

PART XV.—-JUDICIAL DEPARTMENT

Requested by: Senator Marvin, Representatives Justus, Huffman
—-INDIGENT PERSONS' ATTORNEY FEE FUND

Sec. 68. (a) Effective July 1, 1989, the Administrative Office of the Courts shall each year of the biennium place the sum of three million two hundred ninety-four thousand two hundred seventy dollars ($3,294,270) from the Indigent Persons' Attorney Fee Fund in a reserve for capital cases and for transcripts, professional examinations, and expert witness fees. The Administrative Office of the Courts shall allot these funds as needed for these purposes and for unanticipated demands on the fund.

(b) Effective July 1, 1989, the Administrative Office of the Courts shall, for each year of the biennium, allot the sum of eleven million one hundred thousand dollars ($11,100,000) from the Indigent Persons' Attorney Fee Fund for adult, juvenile, and guardian **ad litem** cases for the 1989-90 and 1990-91 fiscal years to each judicial district where the superior and district court districts are coterminous, and otherwise by county, according to caseload of indigent persons who were not represented by the public defender in the districts or counties during 1988-89 and 1989-90, respectively.

The Administrative Office of the Courts shall notify all senior resident superior court judges, all chief district court judges, and the clerk of superior court within the district or county immediately after the allotment is made and shall notify them how much remains for the district or county at the end of each month of the fiscal year.

The senior resident superior court judge and the chief district court judge of each district or county shall ask all judges holding court within the district or county: (i) to take into consideration the amount of money allotted at the beginning of the fiscal year and the amount of money remaining in the allotment when they award counsel fees to attorneys of indigent persons, and (ii) to make an effort to award fees equally and justly for legal services provided. The clerk of superior court for each county shall assure that all judges holding court within the county receive this request from the senior resident superior court judge and the chief district court judge.

(c) If the funds allotted pursuant to subsection (b) of this section are depleted in a district or county prior to the end of the fiscal year, the Administrative Office of the Courts shall allot the remaining funds from the Indigent Persons' Attorney Fee Fund in the same manner as provided in subsection (b) and such funds shall be subject to the limitations and directions set out in subsection (b).

(d) If the funds allotted pursuant to subsection (c) of this section are depleted in a district or county prior to the end of the fiscal year, the Administrative Office of the Courts is authorized to resume payments in such districts or counties only if and when it is reasonably determined that the total projected expenditures will be less than the total approved budget for the Indigent Persons' Attorney Fee Fund for the fiscal year.

Requested by: Representatives Huffman, Justus

—-REPORT ON DEATH PENALTY RESOURCE CENTER

Sec. 69. The Judicial Department shall submit reports on March 15 of each year of the 1989-91 biennium to the House and Senate Appropriations Committees on Justice and Public Safety and to the Joint Legislative Commission on Governmental Operations on (i) the purpose and activities of the Death Penalty Resource Center, and

(ii) the accounting of General Fund expenditures on assistance provided to paid counsel, State-appointed counsel, and pro bono attorneys.

PART XVI.—-DEPARTMENT OF HUMAN RESOURCES

Requested by: Senator Walker, Representatives Duncan, L. Etheridge
—-MEDICAID

Sec. 70. (a) Appropriations in Section 3 of this act for services provided in accordance with Title XIX of the Social Security Act (Medicaid) are for both the categorically needy and the medically needy. Funds appropriated for these services shall 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 Hospitals - Allowable costs or a prospective reimbursement if approved by the Director of the Budget.

(4) 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.

(5) Intermediate Care Facilities for the Mentally Retarded - As prescribed under the State Plan for reimbursing intermediate care facilities for the mentally retarded.

(6) Drugs - Drug costs as allowed by federal regulations plus four dollars four cents ($4.04) professional services fee per month excluding refills for the 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 subsection (g) of this section and to the provisions at the end of subsection (a) of this section, or in accordance with a plan adopted by the Department of Human Resources consistent with federal reimbursement regulations.

(7) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified Nurse Midwife Services - Fee schedules as developed by the

Department of Human Resources. Payments for dental services are subject to the provisions of subsection (f) of this section.

(8) Community Alternative Program, EPSDT Screens - Payment to be made in accordance with a rate schedule developed by the Department of Human Resources.

(9) Home Health, Private Duty Nursing, Clinic Services, Mental Health Clinics, Prepaid Health Plans - Payment to be made according to reimbursement plans developed by the Department of Human Resources.

(10) Medicare Buy-In - Social Security Administration premium.

(11) Ambulance Services - Uniform fee schedules as developed by the Department of Human Resources.

(12) Hearing Aids - Actual cost plus a dispensing fee.

(13) Rural Health Clinic Services - Provider based - reasonable cost; nonprovider based - single cost reimbursement rate per clinic visit.

(14) Family Planning - Negotiated rate for local health departments. For other providers - see specific services, for instance, hospitals, physicians.

(15) Independent Laboratory and X-Ray Services - Uniform fee schedules as developed by the Department of Human Resources.

(16) Optical Supplies - One hundred percent (100%) of reasonable wholesale cost of materials.

(17) Ambulatory Surgical Centers - Negotiated rates, established by the Department of Human Resources.

(18) Medicare Crossover Claims - Actual coinsurance or deductible or both.

(19) Physical Therapy and Speech Therapy - Services limited to EPSDT eligible children. Payments are to be made only to the Children's Special Health Services program at rates negotiated by the Department of Human Resources.

(20) Personal Care Services - Payment in accordance with plan approved by the Department of Human Resources.

(21) Case Management Services - Reimbursement in accordance with the availability of funds to be transferred within the Department of Human Resources.

(22) Hospice - Services may be provided in accordance with plan developed by the Department of Human Resources.

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 bases 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) Copayment for Medicaid Services. The Department of Human Resources may establish copayment up to the maximum permitted by federal law and regulation.

(d) Medicaid and Aid to Families with Dependent Children Income Eligibility Standards. Effective until January 1, 1988, 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 continue as set by Section 118 of Chapter 1014 of the 1985 Session Laws, Regular Session 1986. Effective January 1, 1988, 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:

	Categorically Needy		Medically Needy
	Family AFDC Payment		Standard
Size	Of Need	Level*	AA,AB,AD*
1	$ 4,248	$ 2,124	$ 2,900
2	5,544	2,772	3,700
3	6,384	3,192	4,300
4	6,984	3,492	4,700
5	7,608	3,804	5,100
6	8,208	4,104	5,500
7	8,760	4,380	5,900
8	9,168	4,584	6,200

* Aid to Families with Dependent Children (AFDC); Aid to the Aged (AA); Aid to the Blind (AB); 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 with the approval of the Director of the Budget with the advice of the Advisory Budget Commission.

(e) Spouse Responsibility. The Department of Human Resources, Division of Medical Assistance, may 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. This provision will remain in effect until superseded by federal law under the Medicare Catastrophic Coverage Act of 1988, on September 1, 1989.

(f) 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, prophylaxes, 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 adopt rules, as provided by the Administrative Procedure Act, to implement this subsection.

(g) 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. Generic drugs, when available in the pharmacy, shall be dispensed at a lower cost to the Medical Assistance Program rather than trade or brand name drugs, subject to the prescriber's "dispense as written" order as noted above.

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" has 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).

(h) Exceptions to Service Limitations, Eligibility Requirements, and Payments. Service limitations, eligibility requirements, and payments, and payments bases in this section may be waived by the Department of Human Resources, with the approval of the Director of the Budget, to allow the Department to carry out pilot programs for prepaid health plans or community based services programs in accordance with plans approved by the U.S. Department of Health and Human Services, or when the Department determines that such a waiver will result in a reduction in the total Medicaid costs for the recipient.

(i) 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.

(j) Cost Containment Programs. The Department of Human Resources, Division of Medical Assistance, may undertake cost containment programs including preadmissions to hospitals and prior approval for certain outpatient surgeries before they may be performed in an inpatient setting.

(k) For all Medicaid eligibility classifications for which the federal poverty level, or a percentage of the federal poverty level, is used as an income limit for eligibility determination, the income limits will be updated each July 1 immediately following publication of federal poverty guidelines.

(l) Effective January 1, 1988, the Department of Human Resources shall provide Medicaid to 19, 20, and 21 year olds in accordance with federal rules and regulations.

(m) The Department of Human Resources shall provide Medicaid coverage for pregnant women; for children under age 3; for children under age 4 beginning October 1, 1989; and for children under age 5 beginning October 1, 1990, whose family income is equal to or less than the federal poverty guidelines as revised annually. Services to pregnant women eligible under this provision continue throughout the pregnancy but include only those services related to pregnancy and to those other conditions determined by the Department as conditions that may complicate pregnancy. In order to reduce county administrative costs and to expedite the provision of medical service to pregnant women and to children eligible under this section, no resource test shall be applied.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge
—-FAMILY SUPPORT ACT

Sec. 71. (a) Section 229 of Chapter 1014 of the 1985 Session Laws is amended by adding a new subsection to read:

"(d) If any provision of this section is held invalid by a court of competent jurisdiction, the invalidity shall not affect the remaining provisions of this section that can be given effect."

(b) The General Assembly finds that it is in the best interest of the State and of all its citizens to encourage recipients of Aid to Families with Dependent Children to obtain jobs and become self-sufficient. It further finds that, by continuing medical assistance and providing limited wage assistance to those recipients who are working, the State will make it possible to help many recipients to be able to keep their jobs, support their families, and become self-sufficient.

(c) The Social Services Commission shall adopt rules to change the way it budgets Aid to Families with Dependent Children payments that will result in more recipients being able to find work and keep working. These rules shall include subtracting countable income from the State standard of need, and paying a percentage of the difference. The percentage that shall be applied to determine the amount of assistance shall be the same percentage set in the Current Operations Appropriations Act that determines the Aid to Families of Dependent Children payment level from the standard of need.

(d) The Department of Human Resources shall authorize a special needs allowance under rules adopted by the Social Services Commission to those recipients of Aid to Families of Dependent Children who are teenage parents and who are enrolled in elementary or secondary school or in a G.E.D. program. This grant shall cover the cost of child care and of transportation costs to the child care provider, in accordance with federal rules and regulations.

Requested by: Senator Walker, Representative Duncan
—-LIMITATIONS ON THE STATE ABORTION FUND

Sec. 72. Section 93 of Chapter 479, 1985 Session Laws, as amended by Section 75 of Chapter 738 of the 1987 Session Laws, other than subdivision (2) of that section shall remain in effect on and after July 1, 1989, with the following exception:

the phrase "nine hundred twenty-four thousand five hundred dollars ($924,500)" is deleted wherever is appears in subdivision (1) of that section and the following phrase is substituted: "four hundred twenty-four thousand dollars ($424,000)". Any reference in Section 93 of Chapter 479, 1985 Session Laws, as amended, to the 1985-86 fiscal year or the 1986-87 fiscal year shall apply to the then current fiscal year.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge
—-AGED AND FAMILY CARE COUNTY AND STATE SHARES OF COSTS

Sec. 73. 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.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge
—-RETROSPECTIVE ACCOUNTING ADJUSTMENT/AFDC

Sec. 74. The Department of Human Resources shall use funds appropriated to it by Section 3 of this act to provide a State supplementary payment to Aid to Families with Dependent Children households adversely affected by the retrospective accounting procedure as allowed under Section 403(a) of the Social Security Act as amended by Section 157(a) of the Tax Equity and Fiscal Responsibility Act of 1982. The amount of the State supplement shall not exceed the maximum payment standard for the Aid to Families with Dependent Children Program.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge
—-FOSTER CARE BOARD RATE

Sec. 75. Funds appropriated to the Department of Human Resources by Section 3 of this act for foster care board rates shall be used to set the rates at two hundred dollars ($200.00) per child per month.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge
—-ADOPTION SUBSIDY

Sec. 76. The adoption subsidy paid monthly by the Division of Social Services, Department of Human Resources, to eligible families who adopt hard to place children shall be established at one hundred fifty dollars ($150.00) per child per month.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge
—-AFDC/WOMEN IN THIRD TRIMESTER OF PREGNANCY

Sec. 77. The Division of Social Services, Department of Human Resources, shall provide Aid to Families with Dependent Children to women in their third trimester of pregnancy regardless of whether these women have children, if they otherwise qualify for these payments.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge
—-EMERGENCY ASSISTANCE

Sec. 78. The Division of Social Services, Department of Human Resources, shall not expend more State funds than are appropriated for Emergency Assistance by Section 3 of this act. Within this limit, Emergency Assistance benefits shall not exceed three hundred dollars ($300.00) per year per family, payable over a 30-day period. After this 30-day period, Emergency Assistance benefits are not available to that family until 12 months have elapsed from the initial authorization date. The family may have no more than a total of three hundred dollars ($300.00) in liquid assets in order to qualify for any Emergency Assistance pursuant to this section.

It is the intent of the General Assembly that these Emergency Assistance funds shall only be used to provide assistance to persons to alleviate an emergency. In evaluating whether an emergency exists, the county departments of social services shall apply prudent judgment to evaluate each emergency on its own merits. Prudent judgment will permit departments of social services to consider whether the client created the emergency and whether the assistance will resolve the emergency. The Social Services Commission shall adopt rules to be effective no later than November 1, 1989, to incorporate these considerations into the Department's evaluation of an emergency.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-FEDERAL WELFARE REFORM REPORT

Sec. 79. The Department of Human Resources shall report to the General Assembly on the status of the implementation of the Family Support Act of 1988. This report shall contain the Department's plan for the implementation of the law, including an analysis of the policy changes in each program affected by the law and an analysis of the costs and revenues associated with those policy changes. The report shall be submitted to the Fiscal Research Division of the Legislative Services Office and to the General Assembly by March 1, 1990.

Requested by: Representatives Duncan, L. Etheridge

—-CHILD SUPPORT ENFORCEMENT (TITLE IV-D) STUDY

Sec. 80. The Department of Human Resources in consultation with the Administrative Office of the Courts shall undertake a study of the Title IV-D Child Support Enforcement Program in North Carolina. This report shall examine the performance of local programs and make recommendations for optimizing the Program's efficiency and effectiveness. These recommendations shall include recommendations for resolving the fragmentation and duplication that characterizes child support program administration among local programs and across State government. The Department of Human Resources may contract for assistance with this study as needed with funds from existing resources. The report's recommendations shall be accompanied by estimates of the costs and potential benefits of each recommendation and a plan for each recommendation's implementation. The Department shall submit its report to the Fiscal Research Division of the Legislative Services Office and to the General Assembly by March 15, 1990.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge
—-DOMICILIARY HOME RATE

Sec. 81. Effective January 1, 1990, the maximum monthly rate for ambulatory residents in domiciliary care facilities shall be six hundred ninety-six dollars ($696.00) and the maximum monthly rate for semi-ambulatory residents shall be seven hundred thirty dollars ($730.00). Effective January 1, 1991, the maximum monthly rates for ambulatory residents shall be increased to seven hundred six dollars ($706.00) and for semi-ambulatory residents seven hundred forty dollars ($740.00).

Requested by: Senator Walker, Representatives Duncan, L. Etheridge
—-WILLIE M.

Sec. 82. (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. Martin, et al., formerly 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 services, educational services, and independent living arrangements.

(b) Funds for Department of Human Resources. It is the intent of the General Assembly that funds appropriated in Section 5 of this act to the Department of Human Resources for 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. Martin, et al., formerly 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 services 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. The Department shall reallocate these funds among services to Willie M. Class members during the year as it deems advisable in order to use the funds efficiently in providing appropriate services to Willie M. Class children.

(c) Funds for Department of Public Education. Funds appropriated to the Department of Public Education in Section 3 of this act 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. Martin, et al., formerly 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 shall continue to implement its prospective unit cost reimbursement system and shall ensure that unit cost rates reflect reasonable costs by conducting cost center service type rate comparisons and cost center line item budget reviews as may be necessary.

(e) Reporting Requirements. The Department of Human Resources and the Department of Public Education shall submit, by May 1, 1990, 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 and to the Fiscal Research Division.

(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. Martin, et al., formerly 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 has evaluated the known needs of the State and has endeavored to satisfy those needs in comparison to their social and economic priorities.

(3) That the funds appropriated will enable the development and implementation of placement and services for the class members in Willie M., et al. vs. Martin, et al., formerly 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 appropriated.

(h) The General Assembly supports the efforts of the responsible officials and agencies of the State to meet the requirements of the court order in Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs. Hunt, et al. However, in view of the finding 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. Martin, et al., formerly 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 Sections 3 and 5 of this act to the Departments of Public Education and Human Resources for programs serving members of the Willie M. Class identified in Willie M., et al. vs. Martin, et al., formerly 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. The above limitation shall not preclude the use of unexpended Willie M. funds from prior fiscal years to cover current or future needs of the Willie M. program subject to approval by the Director of the Budget. Such expenditures shall not be subject to the requirements of G.S.143-18.

(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. Martin, et al., formerly Willie M., et al. vs. Hunt, et al., the Department may ensure the provision of these services through contracts with public or private agencies or by direct operation by the Department of such programs.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS

Sec. 83. Funds received by the Department of Human Resources from the tax levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall be matched by local funds in accordance with the State/local ratio established by the current area mental health matching formula. These funds shall be allocated to the area mental health programs on a per capita basis as determined by the Office of State Budget and Management's most recent estimates of county populations.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-ADAP TRANSPORTATION REIMBURSEMENT

Sec. 84. (a) Reimbursement of Adult Developmental Activity Programs for transportation of clients shall be based on a cost per client basis. The minimum amount that a program may be reimbursed for transportation cost shall be eleven dollars ($11.00) per client per month. The maximum amount that a program may be reimbursed for transportation cost shall be twenty-seven dollars ($27.00) per client per month.

(b) In reimbursing Adult Developmental Activity Programs, the Department shall base the reimbursement on the distribution by cost range developed by the Division of Mental Health, Mental Retardation, and Substance Abuse Services, in accordance with its most recently conducted survey.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-PIONEER PROJECT REIMBURSEMENT AUTHORIZATION

Sec. 85. The Department of Human Resources may make payments of ADAP, ADAP transportation, Developmental Day, Outpatient Commitment, and any other funds that they may be directed to pay on a subsidy basis, on a unit cost reimbursement basis to Pioneer Project sites in accordance with Pioneer Project procedure established pursuant to Section 87 of Chapter 738 of the 1987 Session Laws.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-ALCOHOL REHABILITATION CENTER PLAN DEVELOPMENT

Sec. 86. (a) The Department of Human Resources shall develop a plan for the most effective use of the Alcohol Rehabilitation Centers. The plan may be developed in coordination with the Mental Health Study Commission and other entities involved with substance abuse issues and may be developed within the context of a comprehensive plan for all substance abuse services.

The Department shall report on the developed plan by February 1, 1991, to the General Assembly.

(b) The Department shall also develop and implement a plan during the 1989-90 fiscal year to improve the efficiency and effectiveness of the three Alcohol Rehabilitation Centers that is in accordance with the findings and recommendations of its Report on the Alcohol Rehabilitation Centers, presented to the Joint Appropriations Committee, in March, 1989. The plan shall address, among other issues the Department considers appropriate:

(1) The variation in costs for medical stabilization and detoxification services among the three Centers;
(2) The variation in services offered by the Centers;
(3) Clarification and reformulation of admission policies and criteria;
(4) Limited capacity of the Centers for long-term residential treatment;
(5) Strategies to reduce medical costs, including the development of a standard detoxification protocol for use in the Centers, a limitation on the number of days for detoxification, specification of appropriate use of consultants or a dollar cap on consultations, and reconsideration of the involvement of physician time in weekly visits and record documentation regardless of client need;
(6) Reductions of admissions of substance abuse patients to the psychiatric hospitals; and
(7) Special programs for the dually diagnosed.

The Department shall report to the General Assembly by May 1, 1990, concerning the development and implementation of this plan.

Requested by: Representative Nesbitt

—-ADOLESCENT SUBSTANCE ABUSE SERVICES

Sec. 87. (a) Of the funds appropriated to the Department of Human Resources by Section 5 of this act for Adolescent Substance Abuse Services, the Department may use a maximum of two hundred thousand dollars ($200,000) to purchase inpatient hospitalization services for adolescent substance abusers.

(b) The Department shall adopt and implement specific rules for the allocation and expenditure of these funds. The Department shall report to the General Assembly on the use of these funds by May 1, 1990. The rules adopted shall include the following requirements for the inpatient hospitalization services funded by this section:

(1) Requirement that inpatient care be defined as services provided in a hospital setting on a 24-hour basis under the direction of a physician, for adolescents with severe substance abuse problems;

(2) Requirement that the client be under 21 years of age to be eligible for services;

(3) Requirement that a client's problem involving abuse of alcohol or drugs be thoroughly evaluated and that the client's treatment needs be assessed;

(4) Requirement that a primary or secondary diagnosis of a client's substance abuse or dependency be established by a qualified substance abuse professional;

(5) Requirement that, before a client is referred to inpatient treatment, other treatment alternatives be ruled out as inappropriate, inadequate, or unavailable by a qualified substance abuse professional, and that the level of care required be affirmed;

(6) Requirement that, when considering treatment alternatives for an adolescent client, the least restrictive environment appropriate and available be selected, as in the best interest of the client and as the best use of resources;

(7) The requirement that the length of inpatient treatment planned for a client be determined by a qualified substance abuse professional, and that the length of treatment planned be related to the severity of the client's problem;

(8) Requirement that the lack of a client's family resources to purchase the needed treatment be established before funds provided by this section are used to purchase inpatient care;

(9) Requirement that aftercare planning for the client be completed and documented as carried out following treatment at an inpatient program. Area substance abuse staff and clerical staff of the treatment facility shall participate in the aftercare planning process;

(10) Requirement that funds provided by this section be retained in the regional office and not distributed to programs on a per capita or block grant basis. Payment to programs shall be approved on an individual client basis upon invoice to the regional office; and

(11) Requirement that utilization reviews be conducted quarterly. The review committee shall be composed of the four regional substance abuse coordinators and Division staff. Reviews shall include analysis of client appropriateness, utilization rates, and expenditures.

Requested by: Senator Walker

—-McLEOD WEST RESIDENTIAL PROGRAM REPORT

Sec. 88. The Department of Human Resources shall conduct a comparative study of the McLeod West Residential Drug Program and the Alcohol Rehabilitation Center at Black Mountain to determine if there is a duplication of services between the two programs. The study shall address, among other issues the Department considers appropriate, the demographic characteristics of the clients served, their treatment needs, the types of services provided, costs of services, sources of funding, occupancy rates, and success rates.

The Department shall report its findings to the General Assembly by May 1, 1990.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-MATERNAL AND CHILD HEALTH CARE

Sec. 89. (a) The Division of Health Services, Department of Human Resources, shall ensure that local health departments do not reduce county appropriations for maternal and child health services provided by the local health departments because they have received State appropriations pursuant to this act.

(b) In order to ensure that funds appropriated by Section 5 of this act for maternal and child health services to the Division of Health Services, Department of Human Resources, provide medical services to as many eligible women of childbearing age as possible, especially to adolescents, these funds may be used only for the purposes of providing prenatal clinics, child health services, purchase of medical services, and family planning services, including education and counseling and medical supplies.

(c) All income earned by local health departments for Maternal and Child Health programs supported in whole or in part from State or federal funds, received from the Division of Health Services, Department of Human Resources, shall be budgeted and expended by local health departments to further the objectives of the program that generated the income.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-HEALTH PROMOTION FUNDS

Sec. 90. The Division of Health Services, Department of Human Resources, shall ensure that local health departments do not reduce county appropriations for health promotion services provided by local health departments if they have received State appropriations for this purpose pursuant to this act.

Requested by: Senator Walker

—-ADOLESCENT PREGNANCY PREVENTION PROJECTS

Sec. 91. (a) Of the funds appropriated to the Division of Health Services, Department of Human Resources, by Section 5 of this act, nine hundred forty thousand dollars ($940,000) for the 1989-90 fiscal year and nine hundred forty thousand dollars ($940,000) for the 1990-91 fiscal year shall be used to fund adolescent pregnancy prevention projects. Projects that were funded in the 1988-89 fiscal year shall receive

continuation funding during the 1989-90 fiscal year, subject to the provisions listed in this section.

(b) The Division of Health Services shall complete an evaluation of the projects in Brunswick, Durham, Henderson, Robeson, Cumberland, and Harnett Counties, which evaluation shall compare these projects' current operations to their operations at the time of their evaluation by the Human Services Institute. This comparison shall include:

(1) The degree to which the project has identified specific goals and objectives for its activities;

(2) The degree to which the project has identified, and is targeted at, a population at high risk of becoming pregnant or already pregnant;

(3) The degree to which the project has actively involved its community in its activities;

(4) The degree to which the project has sought out and utilized available technical resources and assistance; and

(5) The degree to which the project accounts for and evaluates its activities.

The Division shall complete the evaluation of the projects within 90 days of the effective date of this act. Thereafter, the Division shall evaluate all of the adolescent pregnancy projects funded as a result of this program at least yearly and shall report its findings to the Adolescent Pregnancy Study Commission, the Commission for Health Services, and the General Assembly by April 1 of each year. Any evaluation of these projects after January 1, 1990, shall include a study of the effectiveness of the project in reducing the pregnancy rate within the target population.

The Division shall report the results of its evaluation of the projects listed in this subsection to the Commission for Health Services. The Commission shall make the determination if a project is to be continued or discontinued. In the event that any of these projects is discontinued, and sufficient funds are available, the Division may hire an additional staff person to assist in the operation of the program and fund the position from monies made available from the discontinuation of projects. Contingent upon the further availability of resources, the Division shall solicit applications from additional projects and recommend to the Commission for Health Services projects for funding with monies made available from the discontinuation of projects. The Commission for Health Services shall make the final determination of any new projects to be funded.

(c) The Commission for Health Services shall be responsible for monitoring the Division's administration of the Adolescent Pregnancy Prevention Program. The Division shall implement the following changes in the management and funding of the Adolescent Pregnancy Prevention Program:

(1) Applications. Any local agency or organization or combination of agencies and organizations may apply to the Division of Health Services for an allocation of money to operate a project aimed at preventing adolescent pregnancy. The application shall contain an analysis of the adolescent pregnancy and related problems in the locality the project would serve, and a description of how the project would attempt, over a period of at least five years, to prevent the

problems. The application shall state how much money is needed to operate the project and how the money shall be spent. The Division shall conduct annually a proposal-writing session that shall be attended by a representative of any project that wishes to apply for funding; that session shall define the criteria for accountability and evaluation that the Division requires of projects. That session shall also provide information about additional funding sources to which projects might turn to satisfy the matching requirements of subdivision 5 of this section.

(2) Minimum Standards: First Year. The Division shall apply the following minimum standards to projects applying for first year funding :

a. Each project shall have a plan of action that extends for at least five years for prevention of adolescent pregnancy.

b. Each project shall have realistic, specific, and measurable goals and objectives for the prevention of adolescent pregnancy.

c. Each project, before submitting its proposal, shall send a representative to the proposal-writing session held by the Division.

(3) Minimum Standards: Succeeding Years. The Division shall apply the following minimum standards to projects applying for second and succeeding years' funding:

a. Each project shall have a Board of Advisors composed of members from outside the sponsoring agency of the project. The Board of Advisors shall include representatives from at least four of the following: media, government, charitable organizations, private business, medical institutions. The Boards of Advisors shall meet monthly and are responsible for project evaluations and reports.

b. Each project shall promptly comply with reporting and evaluation requirements of the Division.

c. Each project shall define and maintain cooperative ties with other community institutions.

d. Each project shall demonstrate its ability to attract financial support from sources other than the State, including sources in the local community.

(4) Criteria for Selection. For first-year funding, the Division shall choose from among the applicants that meet the minimum standards in subdivision (2) of this subsection the best selection of projects according to the following criteria:

a. Qualifications of staff,

b. Appropriateness of the project to adolescent pregnancy prevention,

c. Appropriateness of the project to the locality,

d. Degree of need of the locality, and
e. Other appropriate criteria.

The Division shall make its recommendations for funding to the Commission for Health Services. The Commission shall make the final determination of which projects are to be funded and shall be advised in this decision by a panel that shall include experts in fields related to adolescent pregnancy. The Commission shall consider the recommendations of the Division but shall not be bound by them. The Commission shall notify the projects that are to be funded by June 1 of each year.

(5) Schedule of Funding. If the Commission, upon consultation with the Division, finds that a project it has chosen for first-year funding continues to meet the minimum standards of subdivisions (2) and (3) of this subsection, the Division shall continue to fund that project's demonstrated needs, to the extent of available money, for five years according to the following schedule:

a. Eighty percent (80%) of the project's annual budget in the first year,
b. Seventy percent (70%) in the second year,
c. Sixty percent (60%) in the third year,
d. Fifty percent (50%) in the fourth year, and
e. Forty percent (40%) in the fifth year.

The portion of a project's budget that must come from sources other than State funds may be provided as in-kind contributions as well as cash.

(6) Five-Year Limit on Funding. No project shall receive State funding if it has previously received State funding for five full years. Provided that any project that has received State funding before July 1, 1990, will be eligible for consideration for five years' State support, according to the schedule. The Commission may fund any such project that meets the minimum standards if it determines, after considering the experience and impact of the project and measuring its application against those of other applicants, that it should be funded.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-TRANSFERS OF CERTAIN FUNDS AUTHORIZED

Sec. 92. In order to assure maximum utilization of funds in county departments of social services, county or district health agencies, and area mental health, mental retardation, and substance abuse authorities, the Director of the Budget is authorized to transfer excess funds appropriated to a specific service or program or fund, whether specified in a block grant plan or General Fund appropriation, into another service or program or fund for local services within the budget of the respective State agency.

The Office of State Budget and Management shall report quarterly to the Joint Legislative Commission on Governmental Operations on each transfer authorized by this section.

Requested by: Senator Walker

—-BUDGET REQUIRED TO INCLUDE STATE COST OF LOCAL PROGRAMS

Sec. 93. G.S. 143-10.1 reads as rewritten:

"**§ 143-10.1. Budget required to include State cost of local programs.**

~~The~~ Effective July 1, 1989, the Office of State Budget and Management and the Director, with the advice of the Commission shall prepare the State budget in a format that adequately and fairly reflects ~~the State budget in a format that adequately and fairly reflects costs for the State's share of locally operated programs established by statute or State appropriation. These continuation costs shall be computed using the same budget preparation guidelines and rules prepared by the Office of State Budget and Management for use in State agency and institution budgets. Furthermore, in~~ the projections for ~~expansion costs related to employee compensation, the budget shall include~~ the expansion costs necessary to cover the State's share of salary and salary-related items for employees in locally operated State-funded programs. Local governments or organizations spending State funds to operate local programs shall provide necessary information to the Office of State Budget and Management to establish ~~the necessary continuation and~~ these expansion costs."

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-CAREGIVER SUPPORT

Sec. 94. (a) Of the funds appropriated to the Division of Aging, Department of Human Resources, by Section 5 of this act for the 1989-91 fiscal biennium, the sum of one million eight thousand dollars ($1,008,000) for the 1989-90 fiscal year and the sum of one million eight thousand dollars ($1,008,000) for the 1990-91 fiscal year shall be used for services that support family caregivers of elderly persons with functional disabilities, whether physical or mental, who want to stay in their homes rather than be institutionalized but who need assistance with the activities of daily living in order to remain at home. The services that may be purchased from funds received under this section include:

(1) Respite Care;
(2) Adult Day Care;
(3) Stipends and other related costs for senior companions, modeled after the federal Senior Companion Program; and
(4) Other related services that meet needs not now adequately addressed by the services described in subsections (1) through (3) of this subsection.

(b) The Division of Aging shall expend funds for these services according to the population of persons 70 years of age or more in each region. The Division of Aging shall use a maximum of ninety-five percent (95%) of the funds it receives under this section for the services described in subdivisions (1) through (4) of subsection (a) of this

section and may only use a maximum of five percent (5%) for technical assistance as described in subsection (c) of this section. The Division of Aging shall choose providers in accordance with procedures under the Older Americans Act. Funds allocated by the Division pursuant to this section shall be allocated by October 1 of each fiscal year.

(c) The Division of Aging may contract for technical assistance. The technical assistance shall include training assistance, coordination of various service delivery and funding sources, and ideas for innovative ways to build a lasting system of services for family caregivers.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-AGING FEDERAL MATCHING FUNDS

Sec. 95. Effective July 1, 1989, the Division of Aging, Department of Human Resources, may use funds appropriated in Section 3 of this act to provide the State matching requirement necessary to draw down federal money available through the new title III-D of the Older Americans Act for in-home services for the frail elderly, including those with Alzheimer's Disease.

Requested by: Representative Wiser

—-RESPITE CARE PROGRAM REWRITING

Sec. 96. (a) Part 14C of Article 3 of Chapter 143B of the General Statutes reads as rewritten:

"Part 14C. Respite Care Program.

"**§ 143B-181.10. Respite care program established; eligibility; services; administration; payment rates.**

(a) A respite care program is established to provide ~~needy~~ needed relief to caregivers of ~~patients~~ impaired adults who cannot be left alone because of mental or physical problems ~~and whose incomes preclude coverage under North Carolina's Medicaid eligibility standards~~.

(b) Those eligible for respite care under the program established by this section are limited to those unpaid primary caregivers who are caring for ~~patients~~ people 60 years of age or older and their spouses, who require constant supervision and who cannot be left alone either ~~(i)~~ because of memory ~~impairment~~ impairment, ~~or other problems that make them subject to wandering, or make them dangerous to themselves or others, or (ii) because of~~ physical immobility, ~~regardless of etiology,~~ or other problems that renders them unsafe alone.

(c) Respite care services provided by the programs established by this section ~~shall~~ may include:

~~(1) Attendance and companion services for the patient in order to provide released time to the caregiver;~~

~~(2) Personal care services, including meal preparation, to the patient of the caregiver;~~

~~(3) Patient assessment and care planning for the patient of the caregiver;~~
~~(4) Counseling and training in the caregiving role, including coping mechanisms and behavior modification techniques;~~
~~(5) Counseling in accessing available local, regional, and State services;~~
~~(6) Adult Day Care where cost effective; and~~
~~(7) Temporarily institutionalizing the patient of the caregivers to provide the caregiver total respite, when the mental or physical stress on the caregiver necessitates this respite. This institutionalization may last for no more than a total of 30 days per year per patient. Program funds may provide no more than the current domiciliary care reimbursement rate for this institutionalization. The services described by subdivisions (1) through (5) of this subsection shall be limited to a maximum of 20 hours of service per month per caretaker. Duration of the service period shall be unlimited for as long as the caretaker continues to qualify as a caretaker as defined by subsection (b) of this section.~~

(1) Counseling and training in the caregiving role, including coping mechanisms and behavior modification techniques;
(2) Counseling and accessing available local, regional, and State services;
(3) Support group development and facilitation;
(4) Assessment and care planning for the patient of the caregiver;
(5) Attendance and companion services for the patient in order to provide release time to the caregiver;
(6) Personal care services, including meal preparation, for the patient of the caregiver;
(7) Temporarily placing the person out of his home to provide the caregiver total respite when the mental or physical stress on the caregiver necessitates this type of respite.

Attendance and companion service, personal care service, and temporary placement of the patient out of his home is limited to a maximum of 48 hours of service per month or 576 hours of service per year per primary caregiver. Program funds may provide no more than the current domiciliary home reimbursement rate for out of home placement. An out of home placement is defined as placement in a hospital, shilled or intermediate nursing facility, domiciliary home, adult day health center, or adult day care center. Duration of the service period may extend beyond a year.

(d) The respite care program established by this section shall be administered ~~by the Council of Government in each region, which shall contract for service provision with an existing agency to be chosen by the same process as used for federal contracting. The Council in each region shall choose the respite care service provider on the basis of a competitive bidding process open to all existing respite care service providers. Criteria for selection shall include documented capacity to provide care, adequacy of quality assurance, training, supervision, abuse prevention and complaint mechanisms proposed by the provider, and lowest cost.~~ by the Division of Aging consistent with the policies and procedures of the Older Americans Act. The programs shall be coordinated with other appropriate Divisions in the Department of Human

Resources, and with agencies and organizations concerned with the delivery of services to frail older adults and their unpaid caregivers. The Division shall choose respite care provider agencies in accordance with procedures outlined under the Older Americans Act and shall include the following criteria: documented capacity to provide care, adequacy of quality assurance, training, supervision, abuse prevention, complaint mechanisms, and cost. All funds allocated by the Division pursuant to this section shall be allocated on the same basis as funding under the Older Americans Act.

(e) ~~Eligibility for initial and continued receipt of services shall be determined by review of application forms submitted to the Division of Aging, Department of Human Resources.~~ Funding for the Division of Aging to administer this program shall not exceed the percentage allowed for administration as provided in the Older Americans Act but shall not be less than that budgeted for administration in fiscal year 1988-89.

(f) ~~Caregivers~~ Unless prohibited by federal law, caregivers receiving respite care services through the program established by this section shall pay for some of the services on a sliding scale depending on their ability to ~~pay, but not less than twenty percent (20%) of the cost of these services~~ pay. The Division of Aging, ~~Department of Human Resources~~ in consultation with the Councils of Governments in each region, shall specify rates of payment for the services."

(b) Section 101 of Chapter 738 of the 1987 Session Laws, and Section 130 of Chapter 1086 of the 1987 Session Laws, Regular Session 1988, are repealed.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-IN-HOME AGING SERVICES

Sec. 97. Of the funds appropriated to the Division of Aging, Department of Human Resources, by Section 5 of this act for the 1989-91 fiscal biennium, the sum of seven hundred twenty thousand dollars ($720,000) for the 1989-90 fiscal year and the sum of seven hundred twenty thousand dollars ($720,000) for the 1990-91 fiscal year shall be used to provide funds for additional in-home aide services that enable the frail elderly to remain in their homes and avoid institutionalization.

The Division shall administer the in-home aide services and activities funded by this section. The Division of Aging shall choose in-home service providers in accordance with procedures under the Older Americans Act and shall include the following criteria: documented capacity to provide care, adequacy of quality assurance, training, supervision, abuse prevention complaint mechanisms, and costs. All funds allocated by the Division pursuant to this section shall be allocated by October 1 of each fiscal year on the same basis as funding under the Older Americans Act.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-SEPTAGE MANAGEMENT FEES

Sec. 98. Receipts collected by the Department of Human Resources pursuant to G.S. 130A-291.1 are appropriated to the Department of Human Resources to establish and operate the North Carolina Septage Management Program.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-DAY CARE FUNDS MATCH REQUIREMENT

Sec. 99. No local matching funds may be required by the Department of Human Resources as a condition of any locality's receiving any State day care funds appropriated by this act unless federal law requires such a match.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-DAY CARE

Sec. 100. The Department of Human Resources shall distribute the funds appropriated and otherwise available to it for the purchase of slots in day care for minor children of needy families so as to serve the greatest number of children possible.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-DAY CARE RATES

Sec. 101. (a) Rules for the monthly schedule of payments for the purchase of day care services for low income children shall be established by the Social Services Commission pursuant to G.S. 143B-153(8)a., in accordance with the following requirements:

(1) For facilities in which fewer than fifty percent (50%) of the enrollees are subsidized by State or federal funds, the State shall continue to pay the same fee paid by private paying parents for a child in the same age group in the same facility.

(2) Facilities in which fifty percent (50%) or more of the enrollees are subsidized by State or federal funds may choose annually one of the following payment options:

a. The facility's payment rate for fiscal year 1985-86; or

b. The county market rate, as calculated annually by the Department of Human Resources' Office of Child Day Care Services. A market rate shall be calculated for each county and for each age group of enrollees, and shall be the county average of all fees charged to unsubsidized private paying parents for each age group of enrollees. Effective July 1, 1987, and thereafter, the county market rates shall be calculated from facility fee schedules collected by the Office of Child Day Care Services during its annual inspection visits.

(b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes may participate in the program that provides for the purchase of slots in day care facilities, for minor children of needy families. No separate licensing requirements may be used to select facilities to participate.

Day care plans from which the State purchases day care services shall meet the standards established by the Child Day Care Commission pursuant to G.S. 110-101 and G.S. 110-105.1. Until it can demonstrate that it meets the standards adopted by the Child Day Care Commission, a day care plan from which the State purchases day care services for minor children of needy families shall meet all certification standards adopted by the Department of Human Resources' Office of Child Day Care Services.

The fee for the purchase of care from a day care plan is one hundred fifty dollars ($150.00) per month. The fee for the purchase of care from individual Child Caring Providers is one hundred dollars ($100.00) per month.

(c) Providers whose programs exceed licensing standards may modify their programs to standards consistent with licensing standards.

(d) Any savings that result by reason of this schedule shall be used by the Department to provide for payment of the costs of necessary day care for more minor children of needy families.

(e) County departments of social services shall continue to negotiate with day care providers for day care services below those rates prescribed by subsection (a) of this section. County departments are directed to purchase day care services so as to serve the greatest number of children possible with existing resources.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-DAY CARE ALLOCATION FORMULA

Sec. 102. (a) To simplify current day care allocation methodology and more equitably distribute State day care funds, the Department of Human Resources shall apply the following allocation formula to all noncategorical federal and State day care funds used to pay the costs of necessary day care for minor children of needy families:

(1) Fifty percent (50%) of budgeted funds shall be distributed according to the county's population; and

(2) Fifty percent (50%) of budgeted funds shall be distributed based upon the county's poverty rate as a percentage of the sum total of all North Carolina's county poverty rates.

(b) Counties whose allocation, if based on previously used formulas, exceeds the allocation produced by the formula prescribed by this section may not have their allocations reduced in either fiscal year 1989-90 or fiscal year 1990-91 to the level that results from application of the new formula. Counties whose allocation, if based on previously used formulas, is less than the allocation produced by the formula prescribed by this section shall continue to receive the proportional share of those funds that they received pursuant to appropriations for this purpose by the 1985 General Assembly.

Requested by: Representatives Duncan, L. Etheridge

—-NO EYE CLINICS IN CERTAIN COUNTIES

Sec. 103. No funds may be expended by the Division of Services for the Blind, Department of Human Resources, to hold eye clinics in any county in which an optometrist or ophthalmologist is willing to perform the services that would otherwise be performed by the clinic.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge

—-DHR EMPLOYEES AS IN-KIND MATCH

Sec. 104. Notwithstanding the limitations of Chapter 634 of the 1987 Session Laws, the Secretary of the Department of Human Resources may assign employees of the Office of Health Resources, Division of Facility Services, Department of Human

Resources, to serve as in-kind match to nonprofit corporations working to establish health care cost containment strategies.

Requested by: Senator Walker, Representatives Duncan, L. Etheridge
—-NON-MEDICAID REIMBURSEMENT

Sec. 105. Providers of medical services under the various State programs other than Medicaid offering medical care to citizens of the State shall be reimbursed at rates no more than those under the North Carolina Medical Assistance Program.

The Department of Human Resources may reimburse hospitals at the full prospective per diem rates without regard to the Medical Assistance Program's annual limits on hospital days. When the Medical Assistance Program's per diem rates for inpatient services and its interim rates for outpatient services are used to reimburse providers in non-Medicaid medical service programs, retroactive adjustments to claims already paid shall not be required.

Maximum net family annual income eligibility standards for services in these programs with the exception of Migrant Health, School Health, and Home Health shall be as follows:

Family Size	Kidney	Medical Eye Care Adults	Rehabilitation	All Other
1	$ 6,400	$4,860	$ 8,364	$4,200
2	8,000	5,940	10,944	5,300
3	9,600	6,204	13,500	6,400
4	11,000	7,284	16,092	7,500
5	12,000	7,824	18,648	7,900
6	12,800	8,220	21,228	8,300
7	13,600	8,772	21,708	8,800
8	14,400	9,312	22,220	9,300

The eligibility level each fiscal year for outpatient services for all clients and for inpatient services for children under the age of five in the Children's Special Health Services Program shall be one hundred percent (100%) of the federal poverty guidelines as revised annually by the United States Department of Health and Human Services, in effect on July 1, of each fiscal year. The eligibility level for children in the Medical Eye Care Program in the Division of Services for the Blind shall be the same as that for children in the Children's Special Health Services Program.

Requested by: Representatives Duncan, L. Etheridge
—-OPERATIONAL AUDIT ON SCHOOLS AND PROGRAMS FOR THE DEAF AND HEARING IMPAIRED

Sec. 106. The Office of State Auditor shall perform an operational audit for the 1989-90 fiscal year or may contract within funds available for such an audit to address the following issues:

(1) The determination of whether the Department of Education or the Department of Human Resources provides the best and least restrictive setting for the education of deaf and hearing impaired children, both in

the satellite preschool program and in the residential day program being operated by the Division of Services for the Deaf and Hearing Impaired; and

(2) The feasibility of consolidating the three schools for the deaf and the identification of the projected long-term cost savings to be realized by such a consolidation.

The State Auditor's Office shall supply the operational audit to the Joint Legislative Commission on Governmental Operations by May 1990 and to the 1989 General Assembly, Regular Session 1990.

PART XVII.—-DEPARTMENT OF AGRICULTURE

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine

—-STATE FARM OPERATIONS CHANGES

Sec. 107. (a) Article 1B of Chapter 106 of the General Statutes is repealed.

(b) G.S. 120-123(19) is repealed.

(c) Part 3 of Article 1 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-22.1. State farms.**

State-owned farmland, including timberland, allocated to the Department of Agriculture for the State Farm Program, shall be managed by the Department for research, teaching, and demonstration in agriculture, forestry, and aquaculture. Research projects on the State farms shall be approved by the Department. The Department may sell surplus commodities produced on the farms."

Requested by: Senator R.L. Martin

—-DROUGHT EMERGENCY RESERVE REALLOCATION

Sec. 108. (a) Of the funds appropriated to the Department of Agriculture and allocated to the Drought Emergency Reserve in Section 155.1 of Chapter 1086 of the 1987 Session Laws, nine hundred fifty thousand eight hundred dollars ($950,800) shall be reallocated to the Department of Agriculture to be used to complete construction of the new Raleigh Farmers Market.

(b) This section shall become effective June 30, 1989.

Requested by: Senator Daughtry

—-ABOLISH AGRICULTURAL FINANCE AUTHORITY

Sec. 109. (a)The funds remaining in the Reserve for Farm Loans of the North Carolina Agricultural Finance Authority shall revert to the General Fund on June 30, 1990.

(b) The title of all fixed assets of the Authority, including any office equipment and supplies, shall be transferred to the Department of Agriculture. The Authority shall complete such transfer no later than June 30, 1990.

(c) The State Treasurer shall assume all the duties and rights of the Authority pursuant to the provisions of Chapter 122D of the General Statutes, specifically those under G.S. 122D-6 regarding the repayment of agricultural loans and any other outstanding obligations due to the Authority, as if that Chapter had not been repealed.

(d) The North Carolina Agricultural Finance Authority is abolished.

(e) Chapter 122D of the General Statutes is repealed.

(f) G.S. 53-234(6) reads as rewritten:

"(6) 'Exempt person or organization' means:

(a) Any lender authorized to engage in business as a bank, a farm credit system, life insurance company, savings institution, or credit union, under the laws of the United States or the State of North Carolina and subsidiaries and affiliates of such lenders, which subsidiaries and affiliates are subject to the general supervision or regulation of the lender or subject to audit or examination by a regulatory body or agency of the United States or the State of North Carolina; the entities listed in this sub-subdivision, and their officers and employees, are not subject to any of the provisions of this Article; or

(b) Any licensed real estate agent or broker, who is performing those activities subject to the regulation of the North Carolina Real Estate Commission. Notwithstanding the above, an exempt person does not include a real estate agent or broker who receives direct compensation or income in connection with the placement of a mortgage loan; or

(c) Any person who, as seller, receives in one calendar year no more than ten mortgages, deeds of trust, or other security instruments on real estate as security for a purchase money obligation; or

(d) The North Carolina Housing Finance Agency as established by Chapter 122A of the General ~~Statutes and the North Carolina Agricultural Finance Authority as established by Chapter 122D of the General Statutes;~~ Statutes; or

(e) Any agency of the federal government or any state or municipal government granting first mortgage loans under specific authority of the laws of any state or the United States."

(g) G.S. 120-123(47) is repealed.

(h) Subsections (a) and (b) of this section shall become effective June 30, 1990. The remaining subsections shall become effective July 1, 1990.

PART XVIII.—-DEPARTMENT OF COMMERCE

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—-RURAL ECONOMIC DEVELOPMENT CENTER

Sec. 110. (a) Of the funds appropriated to the Department of Commerce in Section 5 of this act, the sum of two million dollars ($2,000,000) for fiscal year 1989-90 and the sum of two million dollars ($2,000,000) for fiscal year 1990-91 shall be used for a grant-in-aid to the Rural Economic Development Center, Inc., for the administrative costs of the Center and for its pilot projects and research. No more than five hundred thousand dollars ($500,000) of the funds appropriated for each fiscal year may be used for the administrative costs of the Rural Economic Development Center, Inc.

(b) Beginning October 1, 1989, the Rural Economic Development Center, Inc., shall provide quarterly reports on the Center's pilot projects and research program to the Chairmen of the House Appropriations Committees on Natural and Economic Resources, the Chairman of the Senate Appropriations Committee on Natural and Ecomonic Resources, The Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division not less than 48 hours prior to the beginning of the Commission's full meeting. These reports shall include information of the activities and accomplishments during the past fiscal year, itemized expenditures during the past fiscal year, sources of funding for the past and prospective fiscal years, and planned activities and planned expenditures for at least the next fiscal year.

(c) The Rural Economic Development Center, Inc., shall provide a report containing detailed budget, personnel, and salary information to the Office of State Budget and Management in the same manner as State departments and agencies in preparation for biennium budget requests.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine

—-FUNDS FOR THE EMPLOYMENT SECURITY COMMISSION

Sec. 111. (a) There is appropriated from the Worker Training Trust Fund to the Employment Security Commission of North Carolina the sum of four million five hundred thirty-seven thousand seven hundred eight dollars ($4,537,708) for the 1989-90 fiscal year and the sum of four million five hundred thirty-seven thousand seven hundred eight dollars ($4,537,708) for the 1990-91 fiscal year for the operation of local offices at the 1986-87 level of service.

(b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special Employment Security Administration Fund to the Employment Security Commission of North Carolina, the sum of one million dollars ($1,000,000) for the 1989-90 fiscal year and the sum of one million dollars ($1,000,000) for the 1990-91 fiscal year for administration of the Veterans Employment Program, Employment Services Program, and Unemployment Insurance Program.

(c) Beginning October 1, 1989, the Employment Security Commission shall report to the Appropriations Committee on Natural and Economic Resources and the Joint Legislative Commission on Governmental Operations by the first of each month, prior to the expenditure of any funds appropriated by this section. Supplemental federal funds or other additional funds received by the Employment Security Commission for similar purposes shall be expended prior to the expenditure of funds appropriated by this section.

Requested by: Senator Barker, Representatives B. Ethridge, Redwine
—-TOURISM PROMOTION GRANTS

Sec. 112. Funds appropriated in Section 5 of this act to the Department of Commerce for tourism promotion grants shall be allocated according to per capita income, unemployment, and population growth in an effort to direct funds to counties most in need in terms of lowest per capita income, highest unemployment, and slowest population growth, in the following manner:

(1) Counties 1 through 20 are each eligible to receive a maximum grant of ten thousand dollars ($10,000) for each fiscal year, provided these funds are matched on the basis of one non-State dollar for every four State dollars.

(2) Counties 21 through 50 are each eligible to receive a maximum grant of five thousand dollars ($5,000) for two of the next three fiscal years, provided these funds are matched on the basis of one non-State dollar for every three State dollars.

(3) Counties 51 through 100 are each eligible to receive a maximum grant of five thousand dollars ($5,000) for alternating fiscal years, beginning with the 1989-90 fiscal year, provided these funds are matched on the basis of four non-State dollars for every State dollar.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—-MICROELECTRONICS CENTER

Sec. 113. (a) Section 74(a) of Chapter 830 of the 1987 Session Laws, as rewritten by Section 36 of Chapter 1086, Session Laws of 1987, reads as rewritten:

"'(a) Of the funds appropriated to the Office of State Budget and Management in Section 5 of this act as amended, the sum of twelve million dollars ($12,000,000) for the 1987-88 fiscal year and the sum of six million dollars ($6,000,000) for the 1988-89 fiscal year shall be used for a supercomputer that is needed both to keep North Carolina's universities in the forefront of scholarly research and training and to maintain the momentum of the State's science-based economic development. The funds shall be used for capital equipment, construction of a building and operating expenses, and shall be placed in a non-revert reserve.'

(b) The State Computer Commission and the agency, institution, or organization it designates as the manager for the supercomputer project shall present a written report on the progress of the supercomputer project ~~to each regular monthly meeting of~~ on a quarterly basis to the Joint Legislative Commission on Governmental Operations through ~~the years 1988, 1989, and 1990.~~ fiscal year 1990-91. The written reports shall be delivered to the Director of General Assembly Fiscal Research Division not less than 48 hours prior to the beginning of the Commission's full meeting. The written reports shall contain at least the following information: the major tasks accomplished since the last report; the major tasks expected for the project over the two calendar years after the date of the report; the projected budgets and expenditures of the project over the next two calendar years after the date of the report; the major applications and uses on the supercomputer in the time since the last report; and the major projected applications and

uses on the supercomputer in the next several months that will follow the report. The report shall constitute a full management and status report on the supercomputer project. If so requested by the Cochairmen of the Joint Legislative Commission on Governmental Operations, the Chairman of the State Computer Commission, or his designee, shall present the report verbally to the meeting of Joint Legislative Commission on Governmental Operations.

(c) If the Office of State Budget and Management, the State Computer Commission, or any other State entity enters into a contract or other management agreement with the Microelectronics Center of North Carolina or any other State agency, State institution, State organization or nonprofit corporation for overall management of the supercomputer project and expenditure of these funds, and further specifies a board to govern the project, or if one is established subsequent to the contract that board shall consist of the following members: four members appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives, to be selected from higher education institutions in North Carolina, major corporations in North Carolina, and major research organizations in North Carolina, and from among the general public; four members appointed by the General Assembly upon recommendation of the President of the Senate, to be selected from higher education institutions in North Carolina, major corporations in North Carolina, and major research organizations in North Carolina and from among the general public; four members appointed by the Governor, to be selected from higher education institutions in North Carolina, major corporations in North Carolina, and major research organizations in North Carolina, and from the general public; the Legislative Administrative Officer or his designee; and the Director of the supercomputer center after he or she is employed at the supercomputer center.

(d) The chairman and vice-chairman of the board will be elected by the membership of the board. No member of the General Assembly may serve on the policy board.

(e) Appointments shall be made no later than 30 days after the execution of the contract or management agreement between the Computer Commission or the Office of State Budget and Management and the project management organization. The appointments will be for terms of four years each.

Appointments made by the Governor can be removed by the Governor, and vacancies in those appointments will be filled by the Governor to fill the unexpired term.

Appointments by the General Assembly shall be made in accordance with G.S. 120-121, and vacancies in those appointments shall be filled in accordance with G.S. 120-122.

(f) Among other duties, the Policy Board shall: (i) approve the appointment of a Director and set his or her employment conditions; (ii) approve the specifications of the supercomputer and the recommendation of a successful bidder that will be chosen according to the procurement procedures of the Division of Purchase and Contract in the Department of Administration; (iii) formulate and approve the budget and operating

policies of the supercomputer center; (iv) approve the purposes of the supercomputer center; and (v) serve generally as the governing board of the supercomputer center.

(g) If the organization, agency, or institute selected by the Office of State Budget and Management or the State Computer Commission as manager of the North Carolina supercomputer project specifies a Technical Advisory Council to provide to the supercomputer project, among other things:

(1) Technical policy and operating procedure advice,

(2) Advice concerning use of the supercomputing facitilities by educational institutions and other groups and individuals,

(3) Advice and policy suggestions concerning the structures and operations of the supercomputing center and any adjunct institutes, conferences, or consultative committees, and

(4) Advice and council to the Microelectronics Center of North Carolina or anyone it employs or enters into contract with related to the operation of the supercomputer project,

that Technical Advisory Council shall have an equal number of members appointed from (i) public sector, academic, not-for-profit organizations and (ii) for-profit, private companies by the beginning of the 1990-91 fiscal year, at the latest. The intent of the General Assembly is for one-half of the members of this Technical Advisory Council, or any group directly affiliated with the supercomputer project management group that performs the functions of the technical advisory council as listed in this section, to be current employees of private sector, for-profit corporations by the beginning of the 1990-91 fiscal year."

(b) It is the intent of the General Assembly that all appropriations to the Microelectronics Center for years after the 1990-91 fiscal year for the Center's basic research program contain the proviso that the appropriated funds are matched on the basis of two non-State dollars ($2.00) for every three State dollars ($3.00).

(c) Beginning October 1, 1989, the Microelectronics Center shall provide quarterly reports on the Supercomputing Center and the Microelectronics Center's basic research program to the Chairmen of the House Appropriations Committees on Natural and Economic Resources, the Chairman of the Senate Appropriations Committee on Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division. These reports shall include information of the activities and accomplishments during the past fiscal year, expenditures itemized by line item during the past fiscal year, sources of funding for the past and prospective fiscal years, and planned activities and planned expenditures for at least the next fiscal year.

(d) The Microelectronics Center shall provide a report containing detailed budget information to the Office of State Budget and Management in the same manner as State departments and agencies in preparation for biennium budget requests. Specific salary information will be provided upon written request by the Chairmen of the Joint Legislative Commission on Governmental Operations or the Chairmen of the House Appropriations Committees on Natural and Economic Resources and the Chairman of the Senate Appropriations Committee on Natural and Economic Resources.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—-BIOTECHNOLOGY PRIVATE-SECTOR RESEARCH

Sec. 114. (a) The North Carolina Biotechnology Center may recapture funds spent in support of successful research efforts in the nonacademic private sector.

(b) Beginning October 1, 1989, the North Carolina Biotechnology Center shall provide quarterly reports on the Center's nonacademic private-sector research and development projects to the Charimen of the House Appropriations Committees on Natural and Economic Resources, the Chairman of the Senate Appropriations Committee on Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division not less than 48 hours prior to the beginning of the Commission's full meeting. These reports shall include information of the activities and accomplishments during the past fiscal year, the annual audit, sources of funding for the past and prospective fiscal years, and planned activities and planned expenditures for at least the next fiscal year.

(c) The North Carolina Biotechnology Center shall provide a report containing detailed budget, personnel, and salary information, to the Office of State Budget and Management in the same manner as State departments and agencies in preparation for biennium budget requests.

PART XIX—-DEPARTMENT OF LABOR

Requested by: Representatives B. Ethridge, Redwine
—-RENEGOTIATE OSHA BENCHMARKS

Sec. 115. (a) The Commissioner of Labor shall renegotiate the compliance staffing benchmarks for the Occupational Safety and Health Act of North Carolina (OSHANC) program with the United States Department of Labor in order that the OSHANC program can obtain certification under the provisions of Section 18(e) of the Occupational Safety and Health Act of 1970 (Pub. L. No. 91-596, 84 Stat. 1950).

(b) On or before May 1, 1990, the Commissioner of Labor shall report the result of the benchmark renegotiations to the Appropriations Committee on Natural and Economic Resources.

Requested by: Representative Colton
—-FUNDING FOR OSHA ENFORCEMENT POSITIONS

Sec. 116. The Department of Labor may use funds appropriated to the Department of Labor for the Occupational Health and Safety Act of North Carolina (OSHANC) program to fully fund enforcement personnel in the Compliance Bureau of the OSHANC program, provided the Department of Labor certifies to the Office of State Budget and Management that no federal match is available for the 1989-90 fiscal year and for the 1990-91 fiscal year.

PART XX.—-DEPARTMENT OF NATURAL AND ECONOMIC RESOURCES AND COMMUNITY DEVELOPMENT

Requested by: Senator Barker, Representatives B. Ethridge, Redwine
—-REVIEW COMMITTEE FOR AGRICULTURE COST SHARE PROGRAM

Sec. 117. G.S. 143-215.74B reads as rewritten:

"**§ 143-215.74B. Committee established.**

Detailed plans for implementing the program 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 Dean of the School of Agriculture at North Carolina Agricultural and Technical 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.~~ Districts, the Executive Director of the Wildlife Resources Commission, and the Director of the Division of Marine Fisheries. The committee shall review the program prior to expenditure of any funds for the program. Certification documenting the committee's review of the program shall be made in writing to the Speaker of the House of Representatives, the President of the Senate, ~~and~~ the Chairmen of the Appropriations Committees of the Senate and the House of ~~Representatives.~~ Representatives, the Director of the Fiscal Research Division of the Legislative Services Office, and the Legislative Library."

Requested by: Senator Barker, Representatives B. Ethridge, Redwine
—-TECHNICAL REVIEW COMMITTEE APPOINTMENTS

Sec. 118. The Soil and Water Conservation Commission shall include the Executive Director of the Wildlife Resources Commission, or his designee, and the Director of the Marine Fisheries Division of the Department of Natural Resources and Community Development, or his designee, among its appointments to the Technical Review Committee, which reviews the technical specifications for the best management practices specified for the Agricultural Cost Share Program for Nonpoint Source Pollution Control.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—-COMMUNITY ACTION PROGRAM FUNDS

Sec. 119. For the 1989-90 fiscal year and the 1990-91 fiscal year, all agencies designated as eligible agencies pursuant to G.S. 113-28.24 that receive Community Service Block Grant funds may use those funds for the administration of agency programs. The amount of those funds used for administration of agency programs shall be limited to ten percent (10%) of the total annual budget of the agency as certified in the prior year's audit of the agency. The Department of Natural Resources and Community Development shall report quarterly to the Joint Legislative Commission on Governmental Operations and the Appropriations Committee on Natural and Economic Resources beginning October 1, 1989, on the use of Community

Service Block Grant Funds for administration of agency programs. The report shall show:

(1) The total budget for each community action agency or limited purpose agency by program-funding source;
(2) The amount of funds for administration provided by each program;
(3) The criteria for determining the amount of funds used for administrative expenses; and
(4) The number of persons served by each program.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—-FORESTRY EQUIPMENT REPLACEMENT PLAN

Sec. 120. The Department of Natural Resources and Community Development shall prepare a plan for the replacement of fire-fighting equipment and the construction of equipment sheds and office complexes to be used to protect forestry equipment. This plan shall be submitted biennially to the General Assembly for approval with the biennial budget request for the next biennium and in the same manner as the biennial budget request.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—-ENVIRONMENTAL MANAGEMENT PERMIT FEES

Sec. 121. G.S. 143-215.3A reads as rewritten:

"**§ 143-215.3A. Use of application and permit fees.**

There is established a separate nonreverting account ~~within the Office of State Budget.~~ within the Department of Natural Resources and Community Development. The account will be used, to the extent appropriated by the General Assembly, ~~for allocations to the Department of Natural Resources and Community Development~~ to (a) defray the expenses of any project or program supporting the permitting and compliance activities needed to protect the State's surface water, groundwater, and air quality, and (b) establish additional permanent positions, under the Personnel Act, for water, groundwater, and air quality permitting and compliance activities. All application fees and permit administration fees collected by the State for permits issued under Articles 21, 21A, 21B, and 38, except those collected under Part 2 of Article 21A and deposited in the Oil or Other Hazardous Substances Pollution Protection Fund, and except as provided in G.S. 143-215.3B shall be deposited in the account. The total monies collected per year from fees for permits under G.S. 143-215.3(a)(1a) shall not exceed thirty percent (30%) of the total budgets from all sources of environmental permitting and compliance programs within the Department of Natural Resources and Community Development. The Department shall make an annual report to the General Assembly and its Fiscal Research Division on the cost of the State's environmental permitting programs contained within such Department. The report shall include, but is not limited to, fees set and established under this Article, fees collected under this Article, revenues received from other sources for environmental permitting and compliance programs, changes made in the fee schedule since the last report, anticipated revenues from all

other sources, interest earned and any other information requested by the General Assembly."

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—-LAB CERTIFICATION FEES

Sec. 122. G.S. 143-215.3(a)(10) reads as rewritten:

"(10) To require a laboratory facility to be certified by the Department before performing any tests, analyses, measurements, or monitoring required under this Article and to establish fees therefor. These fees collected by the Department shall remain available to the Department to be used to offset the cost of certifying commercial, industrial, and municipal laboratory facilities."

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—-CLEAN WATER REVOLVING LOAN AND GRANT FUND

Sec. 123. G.S. 159G-4(b) reads as rewritten:

"(b) Of the appropriations made from the General Fund to the Clean Water Revolving Loan and Grant Fund for use of the Office of State Budget and Management as provided in this Chapter, allocations are made as follows after first subtracting the amounts allocated under subsection (a) of this section, to the extent that there are any excess funds available:

	~~FY 1987-88~~	~~FY 1988-89~~
Wastewater Accounts		
General Wastewater Revolving Loan Account	~~45.00%~~	45.00%
Emergency Wastewater Revolving Loan Account	~~13.00%~~	~~13.00%~~ 14.00%
High-Unit Cost Wastewater Account	~~10.00%~~	10.00%
Water Supply Accounts		
General Water Supply Revolving Loan Account	~~23.00%~~	23.00%
High-Unit Cost Water Supply Account	~~3.00%~~	3.00%
Emergency Water Supply Revolving Loan Account	~~5.00%~~	5.00%
~~Administrative Account~~	~~1.00%~~	~~1.00~~%"

PART XXI—-MISCELLANEOUS PROVISIONS

Requested by: Senator Basnight, Representative Diamont
—-EFFECT OF HEADINGS

Sec. 124. The headings to the Parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act.

Requested by: Senator Basnight, Representative Diamont
—-EXECUTIVE BUDGET ACT REFERENCE

Sec. 125. 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.

Requested by: Senator Basnight, Representative Diamont
—-COMMITTEE REPORT

Sec. 126. The Joint Conference Report on Proposed Conference Committee Substitute for Senate Bill 43, dated May 11, 1989, which was distributed in the House of Representatives and to the Senate and used to explain this act, shall indicate action by the General Assembly on this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for such purposes shall be considered a part of this act.

Requested by: Senator Basnight, Representative Diamont
—-EFFECT OF MOST LIMITATIONS AND DIRECTIONS IN TEXT/ONLY-1989-91

Sec. 127. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1989-91 biennium, the textual provisions of this act shall apply only to funds appropriated for and activities occurring during the 1989-91 biennium.

Requested by: Senator Basnight, Representative Diamont
—-SEVERABILITY CLAUSE

Sec. 128. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of the act as a whole or any part other than the part so declared to be unconstitutional or invalid.

Requested by: Senator Basnight, Representative Diamont
—-EFFECTIVE DATE

Sec. 129. Except as otherwise provided, this act shall become effective July 1, 1989.

In the General Assembly read three times and ratified this the 28th day of June, 1989.