

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1505

Appropriations Committee Substitute with Amendments A,B,C,D,E,F,G,H Adopted
6/2/94

Third Edition Engrossed 6/2/94

Short Title: Budget Modification 1.

(Public)

Sponsors:

Referred to:

May 25, 1994

A BILL TO BE ENTITLED

**AN ACT TO MODIFY THE CURRENT OPERATIONS APPROPRIATIONS ACT
OF 1993, TO MAKE APPROPRIATIONS FOR CAPITAL IMPROVEMENTS
FOR THE 1994-95 FISCAL YEAR, AND TO MAKE OTHER CHANGES IN THE
BUDGET OPERATION OF THE STATE.**

The General Assembly of North Carolina enacts:

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.

TITLE OF ACT

Sec. 2. This act shall be known as "The Current Operations and Capital Improvements Appropriations Act of 1994."

TITLE I. CURRENT OPERATIONS

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PART 1. GENERAL FUND APPROPRIATIONS

CURRENT OPERATIONS/STATE GOVERNMENT

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, are made for the fiscal year ending June 30, 1995, according to the schedule that follows. The amounts set out in the schedule are in addition to other appropriations from the General Fund for these purposes for the 1994-95 fiscal year. Amounts set out in brackets are reductions from General Fund appropriations for the 1994-95 fiscal year.

<u>Current Operations/State Government</u>		<u>1994-95</u>
Judicial Department		\$
3,604,271		
General		Assembly
		1,
776,250		
Office of the Governor		
01. Office of the Governor	279,142	
02. Office of State Budget and Management	37,089	
03. Office of State Planning	184,536	
Department of Secretary of State		13
3,737		
Department of State Auditor		41
7,719		
Department of State Treasurer		59
5,173		
Public Education		
01. Department of Public Instruction	4,250,000	
02. State Aid to Local School Administrative Units	5,734,526	
Total Public Education		9,
984,526		

1	Department		of		Justice
2					40
3	3,455				
4					
5	Department		of		Administration
6					(2
7	6,422)				
8					
9	Department		of		Agriculture
10					1,
11	676,052				
12					
13	Department		of		Labor
14					74
15	1,470				
16					
17	Department		of		Insurance
18					1,
19	303,524				
20					
21	Department	of	Environment,	Health,	and Natural Resources
22					(4
23	90,299)				
24					
25	Department of Human Resources				
26	01.	Secretary's Office		1,675,077	
27	02.	Division of Aging		(27,497)	
28	03.	Schools for the Deaf and Hard of Hearing		271,496	
29	04.	Social Services		(936,761)	
30	05.	Medical Assistance		(69,564,355)	
31	06.	Services for the Blind		84,552	
32	07.	Division of Mental Health, Developmental Disabilities,			
33		and Substance Abuse Services		13,161,569	
34	08.	Division of Facility Services		755,799	
35	09.	Division of Vocational Rehabilitation Services		(97,254)	
36	10.	Division of Youth Services		(318,792)	
37	11.	Division of Child Development		26,498,199	
38	Total	Department	of	Human	Resources
39					(2
40	8,497,967)				
41					
42	Department		of		Correction
43					4,
44	232,941				

1						
2	Department of Commerce					
3	01. Commerce	5,575,204				
4	02. Microelectronics Center	3,313,000				
5	03. Rural Economic Development Center	100,000				
6	04. Biotechnology Center	1,000,000				
7						
8	Department		of			Revenue
9						5,
10	108,963					
11						
12	Department		of		Cultural	Resources
13						22
14	8,545					
15						
16	Department		of	Crime	Control	and Public Safety
17						73
18	5,499					
19						
20	Office		of		the	State
21						Controller
22	552,138					2,
23						
24	University of North Carolina - Board of Governors					
25	01. University of North Carolina:					
26	a. General Administration	(72,774)				
27	b. Lump-sum - Institutional Programs	6,529,848				
28	c. Related Educational Programs	4,057,000				
29	02. University of North Carolina at Chapel Hill					
30	a. Academic Affairs	(780,867)				
31	b. Health Affairs	(357,047)				
32	c. Area Health Education Centers	(18,236)				
33	03. North Carolina State University at Raleigh					
34	a. Academic	(675,486)				
35	b. Agricultural Research Service	1,133,910				
36	c. Agricultural Extension Services	(90,442)				
37	04. University of North Carolina at Greensboro	(178,462)				
38	05. University of North Carolina at Charlotte	(128,039)				
39	06. University of North Carolina at Asheville	194,587				
40	07. University of North Carolina at Wilmington	(109,269)				
41	08. East Carolina University					
42	a. Academic	(261,212)				
43	b. Health Affairs	(300,443)				
44	09. North Carolina Agricultural and Technical State University	(172,122)				

1	10.	Western Carolina University	(118,031)	
2	11.	Appalachian State University	(171,442)	
3	12.	Pembroke State University	(13,610)	
4	13.	Winston-Salem State University	(53,810)	
5	14.	Elizabeth City State University	(57,330)	
6	15.	Fayetteville State University	35,403	
7	16.	North Carolina Central University	(90,992)	
8	17.	North Carolina School of the Arts	(25,823)	
9	18.	North Carolina School of Science and Mathematics	327,472	
10	19.	University of North Carolina Hospitals at Chapel Hill	(201,782)	
11	Total	University of North Carolina - Board of Governors		8,
12				
13		401,001		
14				
15	Department	of	Community	Colleges
16				10
17				,178,824
18				
19	State	Board	of	Elections
20				28
21				3,905
22				
23	Office of State Budget and Management			
24	01.	Reserve for Salary Increases		
25		a.	4% Salary Increase	213,560,000
26		b.	Reduction in balance of 2% Salary Increase	(1,757,024)
27		c.	Locally Operated Programs	13,229,194
28	02.	Reserve for Salary Adjustments		500,000
29	03.	Reserve for Retiree 30% Reduction		(16,318)
30	04.	Debt Service		25,723,695
31	05.	Subsistence Allowance Increase		<u>1,600,000</u>
32				
33	GRAND TOTAL CURRENT OPERATIONS/GENERAL FUND			\$
34	286,671,823			
35				

PART 2. NONRECURRING APPROPRIATIONS/GENERAL FUND

CURRENT OPERATIONS/STATE GOVERNMENT - NONRECURRING

Sec. 4. Appropriations are made from the General Fund for the 1994-95 fiscal year for use by the State departments, institutions, and agencies, to provide for one-time expenditures according to the following schedule:

<u>Current Operations/State Government - Nonrecurring</u>	<u>1994-95</u>
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1	Judicial Department	\$ 4,574,946
2		
3	General Assembly	3,200,000
4		
5	Office of the Governor	
6	01. Housing Finance Agency	3,650,000
7	02. Office of State Budget and Management -	
8	Special Appropriations	12,135,000
9		
10	Department of State Auditor	324,680
11		
12	Public Education	
13	01. Department of Public Instruction	1,200,000
14	02. State Aid to Local School Administrative Units	42,193,048
15	Total Public Education	43,393,048
16		
17	Department of Justice	796,562
18		
19	Department of Administration	150,000
20		
21	Department of Agriculture	5,700,000
22		
23	Department of Labor	750,000
24		
25	Department of Environment, Health, and Natural Resources	4,787,000
26		
27	Department of Human Resources	
28	01. Social Services	915,167
29	02. Division of Child Development	1,300,000
30	03. Medical Assistance	50,000
31	04. Division of Mental Health, Developmental Disabilities,	
32	and Substance Abuse Services	16,600,000
33	Total Department of Human Resources	18,865,167
34		
35	Department of Correction	2,376,932
36		
37	Department of Commerce	
38	01. Commerce	21,628,459
39	02. Technological Development Center	2,500,000
40	03. Rural Economic Development Center	6,500,000
41		
42	Department of Revenue	5,180,776
43		
44	Office of the State Controller	5,000,000

1				
2	Department of Cultural Resources			6,135,000
3				
4	Department of Crime Control and Public Safety			540,363
5				
6	University of North Carolina - Board of Governors			
7	01. University Institutional Programs	11,178,169		
8	02. University of North Carolina at Chapel Hill			
9	a. Academic Affairs	238,358		
10	03. North Carolina State University at Raleigh			
11	a. Cooperative Extension Service	1,465,000		
12	Total University of North Carolina - Board of Governors			12
13				
14	,881,527			
15				
16	Department of Community Colleges			13
17				
18	,100,000			
19				
20	State Board of Elections			1,
21				
22	657,500			
23				
24	Office of State Budget and Management			
25	01. Reserve for Salary Increases (Compensation/			
26	Performance Bonus)	60,419,340		
27	02. Reserve for Restoring Paydate	120,000,000		
28	03. Reserve for OSHA - Bloodborne Pathogens Standard		1,000,000	
29				
30	Savings Reserve Account			
31	<u>33,983,120</u>			
32				
33	GRAND TOTAL CURRENT OPERATIONS/GENERAL FUND -			
34	NONRECURRING			\$
35	391,229,420			

PART 3. HIGHWAY FUND APPROPRIATIONS

CURRENT OPERATIONS/HIGHWAY FUND

Sec. 5. 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 fiscal year ending June 30, 1995, according to the schedule that follows. The amounts set out in the schedule are in addition to other appropriations from the Highway Fund for these purposes for the 1994-95 fiscal year.

1			
2	<u>Current</u>	<u>Operations/Highway</u>	<u>Fund</u>
3			<u>19</u>
4	<u>94-95</u>		
5			
6	Department of Transportation		
7	01. Administration	\$ (531,000)	
8	02. Division of Highways		
9	a. Ferry Operations	1,300,000	
10	03. Division of Motor Vehicles	912,347	
11	04. Reserve for Salary Increases	<u>14,400,000</u>	
12			
13	GRAND TOTAL CURRENT OPERATIONS/HIGHWAY FUND		\$
14	16,081,347		

PART 4. HIGHWAY FUND APPROPRIATIONS - NONRECURRING

CURRENT OPERATIONS/HIGHWAY FUND - NONRECURRING APPROPRIATIONS/HIGHWAY FUND

Sec. 6. Appropriations are made from the Highway Fund of the 1994-95 fiscal year for use by the Department of Transportation, and for other purposes to provide for one-time expenditures according to the following schedule:

24	<u>Current Operations/Highway Fund - Nonrecurring</u>		<u>1994-95</u>
25			
26	Department of Transportation		
27	01. Administration	\$ 332,000	
28	02. Division of Highways		
29	a. State Construction		
30	(01) Secondary Construction	4,300,000	
31	b. State Maintenance		
32	(01) Primary	3,027,294	
33	(02) Secondary	5,305,273	
34	(03) Urban	796,620	
35	c. Ferry Operations	841,000	
36	03. Division of Motor Vehicles	3,914,781	
37	04. State Aid to Municipalities	4,300,000	
38	05. State Aid for Public Transportation	5,800,000	
39	06. State Aid for Railroads	400,000	
40	07. Reserve for Salary Increases (Compensation/		
41	Performance Bonus)	3,600,000	
42	08. Battery Dump Site Cleanup	115,000	
43			
44	Appropriations for Other State Agencies		

1	01.	Crime Control and Public Safety	500,000
2	02.	Revenue	71,968
3	03.	Environment, Health, and Natural Resources	928,032
4	04.	Global TransPark Authority	<u>2,870,000</u>

5

6 GRAND TOTAL CURRENT OPERATIONS/HIGHWAY FUND -
7 NONRECURRING \$ 37,101,968

8

9 **PART 4.1. HIGHWAY TRUST FUND**

10

11 Sec. 6.1. In addition to the appropriations made by Section 5 of Chapter 321
12 of the 1993 Session Laws, appropriations from the Highway Trust Fund are made for
13 the 1994-95 fiscal year as follows:

14

15	01.	Intrastate System	\$ 42,564,140
16	02.	Secondary Roads Construction	4,815,971
17	03.	Urban Loops	17,211,167
18	04.	State Aid - Municipalities	4,465,972
19	05.	Program Administration	2,742,750
20	06.	Transfer to General Fund	<u> -</u>

21

22 GRAND TOTAL/HIGHWAY TRUST FUND \$ 71,800,000

23

24 **PART 4.2. BLOCK GRANT APPROPRIATIONS**

25

26 Requested by: Senator Richardson

27 **DHR BLOCK GRANT PROVISIONS**

28 Sec. 6.2. (a) Appropriations from federal block grant funds are made for the
29 fiscal year ending June 30, 1995, according to the following schedule:

30

31 **COMMUNITY SERVICES BLOCK GRANT**

32

33	01.	Community Action Agencies	\$ 9,455,796
34	02.	Limited Purpose Agencies	525,322
35			
36	03.	Department of Human Resources	
37		to administer and monitor	
38		the activities of the	
39		Community Services Block Grant	525,322

40

41 TOTAL COMMUNITY SERVICES BLOCK GRANT \$ 10,506,440

42

43 **SOCIAL SERVICES BLOCK GRANT**

44

1	01.	County Departments of Social Services	\$ 42,253,005
2			
3	02.	Allocation for In-Home Services provided	
4		by County Departments of	
5		Social Services 458,722	
6			
7	03.	Division of Mental Health, Developmental	
8		Disabilities, and Substance Abuse Services	5,524,186
9			
10	04.	Division of Services for the Blind	3,205,711
11			
12	05.	Division of Youth Services	1,052,674
13			
14	06.	Division of Facility Services	343,341
15			
16	07.	Division of Aging	336,157
17			
18	08.	Day Care Services	12,158,899
19			
20	09.	Office of Citizen Affairs	55,458
21			
22	10.	State Administration and State Level	
23		Contracts 3,473,524	
24			
25	11.	Voluntary Sterilization Funds	98,710
26			
27	12.	Transfer to Maternal and Child	
28		Health Block Grant	1,585,833
29			
30	13.	Adult Day Care Services	599,551
31			
32	14.	County Departments of Social Services for	
33		Child Abuse/Prevention and	
34		Permanency Planning	394,841
35			
36	15.	Allocation to Division of Maternal and	
37		Child Health for Grants-in-Aid to Prevention	
38		Programs	439,261
39			
40	16.	Transfer to Preventive Health	
41		Block Grant for Emergency Medical Services	
42		and Basic Public Health Services	633,128
43			
44	17.	Allocation to Preventive Health Block	

1	Grant for AIDS Education	81,001	
2			
3	18. Allocation to Department of Administration		
4	for North Carolina Fund for Children	45,270	
5			
6	19. Allocation to Home and Community Care		
7	Block Grant for Persons Age 60		
8	and Older	1,649,077	
9			
10	20. Allocation to the Office of Economic		
11	Opportunity for Elderly and		
12	Handicapped Services	49,954	
13			
14	21. Division of Services for the Deaf		
15	and the Hard of Hearing	31,611	
16			
17	22. Division of Child Development for		
18	Head Start	147,467	
19			
20	TOTAL SOCIAL SERVICES BLOCK GRANT		\$ 74,617,381
21			
22	LOW INCOME ENERGY BLOCK GRANT		
23			
24	01. Energy Assistance Programs	\$ 17,934,847	
25			
26	02. Crisis Intervention	5,411,563	
27			
28	03. Administration	2,413,779	
29			
30	04. Weatherization Program	2,100,000	
31			
32	05. Indian Affairs	33,022	
33			
34	TOTAL LOW INCOME ENERGY BLOCK GRANT		\$ 27,893,211
35			
36	MENTAL HEALTH SERVICES BLOCK GRANT		
37			
38	01. Provision of Community-Based		
39	Services in accordance with the		
40	Mental Health Study Commission's		
41	Adult Severe and Persistently		
42	Mentally Ill Plan	\$ 3,794,179	
43			
44	02. Provision of Community-Based		

1	Services in accordance with the	
2	Mental Health Study Commission's	
3	Child Mental Health Plan	1,802,819
4		
5	03. Administration	514,037
6		
7	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	\$ 6,111,035
8		
9	BLOCK GRANT FOR THE PREVENTION AND	
10	TREATMENT OF SUBSTANCE ABUSE	
11		
12	01. Provision of Community-Based	
13	Alcohol and Drug Abuse Services,	
14	Tuberculosis Services, and Services	
15	provided by the Alcohol, Drug Abuse	
16	Treatment Centers	\$ 10,935,939
17		
18	02. Continuation and Expansion of	
19	Services for Pregnant Women and	
20	Women with Dependent Children	5,057,281
21		
22	03. Continuation and Expansion of	
23	Services to IV Drug Abusers and others	
24	at risk for HIV diseases	4,560,670
25		
26	04. Provision of services in accordance with	
27	the Mental Health Study Commission's	
28	Child and Adolescent Alcohol and other	
29	Drug Abuse Plan	4,816,501
30		
31	05. Administration	1,749,371
32		
33	TOTAL BLOCK GRANT FOR PREVENTION	
34	AND TREATMENT OF SUBSTANCE ABUSE	\$ 27,119,762
35		
36	CHILD CARE AND DEVELOPMENT BLOCK GRANT	
37		
38	01. Child Day Care Services	\$ 16,544,305
39		
40	02. Administrative Expenses and Quality	
41	and Availability Initiatives	1,832,456
42		
43	03. Before and After School Child Care Programs	
44	and Early Childhood Development Programs	4,686,840

1	06.	State Technical Assistance	498,690	
2				
3	07.	Entrepreneurial Empowerment	4,800,000	
4				
5	08.	Microenterprise	1,000,000	
6				
7	TOTAL COMMUNITY DEVELOPMENT			
8	BLOCK GRANT			\$ 49,869,000
9				
10	MATERNAL AND CHILD HEALTH SERVICES			
11				
12	01.	Healthy Mother/Healthy Children		
13		Block Grants to Local Health		
14		Departments	\$ 11,600,877	
15				
16	02.	High Risk Maternity Clinic Services,		
17		Perinatal Education, and Consultation		
18		to Local Health Departments		
19		and Other Health Care Providers	1,565,313	
20				
21	03.	Services to Children with Disabilities	5,065,331	
22				
23	04.	Reimbursements for Local Health		
24		Departments for Contracted		
25		Nutritional Services	120,530	
26				
27	TOTAL MATERNAL AND CHILD			
28	HEALTH SERVICES			\$ 18,352,051
29				
30	PREVENTIVE HEALTH BLOCK GRANT			
31				
32	01.	Emergency Medical Services	\$ 452,375	
33				
34	02.	Basic Public Health Services	180,753	
35				
36	03.	Hypertension Programs	773,203	
37				
38	04.	Statewide Health Promotion Programs	2,985,265	
39				
40	05.	Fluoridation of Water Supplies	228,404	
41				
42	06.	Rape Prevention and Rape		
43		Crisis Programs	183,632	
44				

1	07.	AIDS/HIV Education, Counseling,	
2		and Testing	81,001
3			
4	08.	Office of Minority Health and	
5		Minority Health Council	190,000
6			
7	TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$ 5,074,633

8

9 (b) Decreases in Federal Fund Availability

10 If federal funds are reduced below the amounts specified above after the
 11 effective date of this act, then every program, in each of the federal block grants listed
 12 above, shall be reduced by the same percentage as the reduction in federal funds.

13 (c) Increases in Federal Fund Availability

14 Any block grant funds appropriated by the United States Congress in addition
 15 to the funds specified in this act shall be expended as follows:

16 (1) For the Community Development Block Grant – each program
 17 category under the Community Development Block Grant shall be
 18 increased by the same percentage as the increase in federal funds.

19 (2) For the Maternal and Child Health Services Block Grant – thirty
 20 percent (30%) of these additional funds shall be allocated to services
 21 for children with special health care needs and seventy percent (70%)
 22 shall be allocated to local health departments to assist in the reduction
 23 of infant mortality.

24 (3) For the Preventive Health Block Grants – these additional funds may
 25 be budgeted by the appropriate department, with the approval of the
 26 Office of State Budget and Management, provided the resultant
 27 increases are in accordance with federal block grant requirements and
 28 are within the scope of the block grant plan approved by the General
 29 Assembly. All these budgeted increases shall be reported to the Joint
 30 Legislative Commission on Governmental Operations and to the
 31 Director of the Fiscal Research Division.

32 (d) Education Setaside of JTPA Funds

33 The Department of Commerce shall certify to the Joint Legislative
 34 Commission on Governmental Operations and to the Fiscal Research Division of the
 35 Legislative Services Office when Job Training Partnership Act funds have been
 36 distributed to each agency, the total amount distributed to each agency, and the total
 37 amount of eight percent (8%) Education Setaside funds received.

38 (e) Limitations on Community Development Block Grant Funds

39 Of the funds appropriated in this section for the Community Development
 40 Block Grant, not more than one million ninety-seven thousand three hundred eighty
 41 dollars (\$1,097,380) may be used for State administration; up to two million four
 42 hundred thirteen thousand six hundred forty-six dollars (\$2,413,646) may be used for
 43 Urgent Needs and Contingency; up to nine million six hundred fifty-four thousand five
 44 hundred eighty-six dollars (\$9,654,586) may be used for Economic Development; not

1 less than thirty million four hundred four thousand six hundred ninety-eight dollars
 2 (\$30,404,698) shall be used for Community Revitalization; up to four hundred ninety-
 3 eight thousand six hundred ninety dollars (\$498,690) may be used for State Technical
 4 Assistance; up to four million eight hundred thousand dollars (\$4,800,000) may be used
 5 for Entrepreneurial Empowerment projects; and up to one million dollars (\$1,000,000)
 6 may be used for Microenterprise projects. Housing Development projects will be
 7 funded in 1994 from available Program Income. If federal block grant funds are
 8 reduced or increased by the United States Congress after the effective date of this act,
 9 then these reductions or increases shall be allocated in accordance with subsection (b) or
 10 (c) of this section, as applicable.

11
 12 **PART 5. GENERAL PROVISIONS**

13
 14 Requested by: Senator Lee

15 **HIGHWAY FUND AVAILABILITY INCREASE**

16 Sec. 8. Section 18 of Chapter 321 of the 1993 Session Laws, as amended by
 17 Section 7 of Chapter 561 of the 1993 Session Laws, reads as rewritten:

18 "Sec. 18. The Highway Fund appropriations availability used in developing the
 19 1993-95 Highway Fund budget is shown below:

	(\$Million)	(\$Million)		
	<u>1993-94</u>	<u>1994-95</u>		
22 Beginning Credit Balance	\$9.03	<u>21.03</u>	-	<u>40.5</u>
24 Estimated Revenues:		944.6	\$ 961.3	<u>979.3</u>
25 Transfer from Equipment Fund		10.0		-
26 Transfer to Highway Trust Fund		-		(9.6)
28 Total Highway Fund Availability	\$963.63	<u>975.63</u>	\$ 951.7	<u>1,010.2</u> ."

29
 30 Requested by: Senators Daniel, Plyler

31 **CLARIFY "UNRESERVED CREDIT BALANCE"**

32 Sec. 10. (a) G.S. 143-15.2 reads as rewritten:

33 **"§ 143-15.2. Use of General Fund credit balance.**

34 The State Controller shall reserve up to one-fourth of any unreserved credit balance,
 35 as determined on a cash basis, remaining in the General Fund at the end of each fiscal
 36 year to the Savings Reserve Account as provided in G.S. 143-15.3, unless that would
 37 result in the Savings Reserve Account having funds in excess of five percent (5%) of
 38 the amount appropriated the preceding year for the General Fund operating budget,
 39 including local government tax-sharing funds; in that case, only funds sufficient to
 40 reach the five percent (5%) level shall be reserved. The State Controller shall also
 41 reserve the lesser of (i) one-fourth of any unreserved credit balance, as determined on a
 42 cash basis, remaining in the General Fund and (ii) one and one-half percent (1.5%) of
 43 the replacement value of all State buildings supported from the General Fund, at the end
 44 of each fiscal year to the Repairs and Renovations Reserve Account as provided in G.S.

1 143-15.3A. The General Assembly may appropriate that part of the anticipated General
2 Fund credit balance not expected to be reserved to the Savings Reserve Account or the
3 Repairs and Renovations Reserve Account only for capital improvements or other one-
4 time expenditures. As used in this section, the term 'unreserved credit balance' means
5 the credit balance amount, as determined on a cash basis, before funds are reserved by
6 the Controller to the Savings Reserve Account or the Repairs and Renovations Reserve
7 Account pursuant to G.S. 143-15.3 and G.S. 143-15.3A."

8 (b) G.S. 143-15.3(a) reads as rewritten:

9 "(a) There is established a Savings Reserve Account as a restricted reserve in the
10 General Fund. The State Controller shall reserve to the Savings Reserve Account one-
11 fourth of any unreserved credit balance remaining in the General Fund at the end of
12 each fiscal year until the account contains funds equal to five percent (5%) of the
13 amount appropriated the preceding year for the General Fund operating budget,
14 including local government tax-sharing funds. If the balance in the Savings Reserve
15 Account falls below this level during a fiscal year, the State Controller shall reserve to
16 the Savings Reserve Account for the following fiscal years up to one-fourth of any
17 unreserved credit balance remaining in the General Fund at the end of each fiscal year
18 until the account again equals five percent (5%) of the amount appropriated the
19 preceding year for the General Fund operating budget, including local government tax-
20 sharing funds. As used in this section, the term 'unreserved credit balance' means ~~that~~
21 ~~part of the credit balance,~~ balance amount, as determined on a cash basis, not already
22 ~~reserved to~~ before funds are reserved by the Controller to the Savings Reserve Account
23 ~~or the Repairs and Renovations Reserve Account.~~ Account pursuant to this section and
24 G.S. 143-15.3A."

25 (c) G.S. 143-15.3A(a) reads as rewritten:

26 "(a) There is established a Repairs and Renovations Reserve Account as a
27 restricted reserve in the General Fund. The State Controller shall reserve to the Repairs
28 and Renovations Reserve Account one-fourth of any unreserved credit balance
29 remaining in the General Fund at the end of each fiscal year. As used in this section, the
30 term 'unreserved credit balance' means ~~that part of the credit balance,~~ balance amount,
31 as determined on a cash basis, not already reserved to ~~before funds are reserved by the~~
32 Controller to the Savings Reserve Account or the Repairs and Renovations Reserve
33 Account. Account pursuant to this section and G.S. 143-15.3."

34 35 **PART 6. SALARIES AND BENEFITS**

36
37 Requested by: Senators Daniel, Plyler

38 **APPROPRIATIONS**

39 Sec. 11. (a) Of the funds appropriated in Sections 3 and 4 of this act from the
40 General Fund to the Reserves for Salary Increases, the sum of one hundred forty-three
41 million eight hundred seventy-one thousand five hundred sixty-six dollars
42 (\$143,871,566) for the 1994-95 fiscal year shall be used to provide a four percent (4%)
43 permanent salary increase and a one percent (1%) pay bonus for State employees and
44 community college employees, consistent for those employees subject to G.S. 126-7

1 with the Comprehensive Compensation System enacted in Chapter 388 of the 1993
 2 Session Laws and codified as G.S. 126-7.

3 (b) Of the funds appropriated in Sections 3 and 4 of this act from the General
 4 Fund to the Reserves for Salary Increases, the sum of one hundred thirty million one
 5 hundred seven thousand seven hundred seventy-four dollars (\$130,107,774) for the
 6 1994-95 fiscal year shall be used to provide permanent salary increases and a one
 7 percent (1%) compensation bonus for public school employees.

8 (c) Of the funds appropriated in Sections 5 and 6 of this act from the Highway
 9 Fund to the Reserve for Salary Increases, the sum of eighteen million dollars
 10 (\$18,000,000) for the 1994-95 fiscal year shall be used to provide a four percent (4%)
 11 permanent salary increase and a one percent (1%) pay bonus for State employees,
 12 consistent for those employees subject to G.S. 126-7 with the Comprehensive
 13 Compensation System enacted in Chapter 388 of the 1993 Session Laws and codified as
 14 G.S. 126-7.

15 (d) Of the funds appropriated in Section 3 of this act from the General Fund to
 16 the Reserve for Salary Increases, the sum of thirteen million two hundred twenty-nine
 17 thousand one hundred ninety-four dollars (\$13,229,194) for the 1994-95 fiscal year
 18 shall be allocated for employees in locally operated State-funded programs as provided
 19 in this act.

20

21 Requested by: Senators Daniel, Plyler

22 **GOVERNOR'S SALARY INCREASE**

23 Sec. 11.1. G.S. 147-11(a) reads as rewritten:

24 "(a) The salary of the Governor shall be ~~ninety-three thousand seven hundred~~
 25 ~~seventy-seven dollars (\$93,777)~~ ninety-seven thousand five hundred twenty-eight
 26 dollars (\$97,528) annually, payable monthly."

27

28 Requested by: Senators Daniel, Plyler

29 **COUNCIL OF STATE/SALARY INCREASE**

30 Sec. 11.2. Section 49 of Chapter 321 of the 1993 Session Laws reads as
 31 rewritten:

32 "Sec. 49. The annual salaries for members of the Council of State, payable monthly,
 33 for the ~~1993-94 and~~ 1994-95 fiscal ~~years~~ year are:

<u>Council of State</u>	<u>Annual Salary</u>
36 Lieutenant Governor	\$77,289 <u>80,381</u>
37 Attorney General	77,289 <u>80,381</u>
38 Secretary of State	77,289 <u>80,381</u>
39 State Treasurer	77,289 <u>80,381</u>
40 State Auditor	77,289 <u>80,381</u>
41 Superintendent of Public Instruction	77,289 <u>80,381</u>
42 Agriculture Commissioner	77,289 <u>80,381</u>
43 Insurance Commissioner	77,289 <u>80,381</u>
44 Labor Commissioner	77,289 <u>80,381</u> ."

1

2 Requested by: Senators Daniel, Plyler

3 **NONELECTED DEPARTMENT HEAD/SALARY INCREASES**4 Sec. 11.3. Section 50 of Chapter 321 of the 1993 Session Laws reads as
5 rewritten:6 "Sec. 50. In accordance with G.S. 143B-9, the maximum annual salaries, payable
7 monthly, for the nonelected heads of the principal State departments for the ~~1993-94~~
8 ~~and 1994-95 fiscal years~~ year are:

9 <u>Nonelected Department Heads</u>	<u>Annual Salary</u>
10	
11 Secretary of Administration	\$77,289-80,381
12 Secretary of Correction	77,289-80,381
13 Secretary of Crime Control and	
14 Public Safety	77,289-80,381
15 Secretary of Cultural Resources	77,289-80,381
16 Secretary of Commerce	77,289-80,381
17 Secretary of Environment, Health,	
18 and Natural Resources	77,289-80,381
19 Secretary of Human Resources	77,289-80,381
20 Secretary of Revenue	77,289-80,381
21 Secretary of Transportation	77,289-80,381. "

22

23 Requested by: Senators Daniel, Plyler

24 **CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES**25 Sec. 11.4. (a) Section 51(a) of Chapter 321 of the 1993 Session Laws reads as
26 rewritten:27 "(a) The annual salaries, payable monthly, for the ~~1993-94 and~~—1994-95 fiscal
28 ~~years~~ year for the following executive branch officials are:

29 <u>Executive Branch Officials</u>	<u>Annual Salary</u>
30 Chairman, Alcoholic Beverage Control	
31 Commission	\$74,389-77,365
32 State Controller	120,301-125,113
33 Commissioner of Motor Vehicles	74,389-77,365
34 Commissioner of Banks	74,389-77,365
35 Chairman, Employment Security	
36 Commission	74,389-77,365
37 State Personnel Director	77,289-80,381
38 Chairman, Parole Commission	67,926-70,643
39 Members of the Parole Commission	62,712-65,220
40 Chairman, Industrial Commission	66,837-69,510
41 Members of the Industrial Commission	65,209-67,817
42 <u>Chairman of the Utilities</u>	
43 <u>Commission</u>	<u>81,381</u>
44 <u>Commissioner of the Utilities</u>	

1	<u>Commission</u>	<u>80,381</u>
2	Executive Director, Agency for Public	
3	Telecommunications	<u>62,712-65,220</u>
4	General Manager, Ports Railway	
5	Commission	<u>56,628-58,893</u>
6	Director, Museum of Art	<u>76,225-79,274</u>
7	Executive Director, Wildlife Resources	
8	Commission	<u>64,205-66,773</u>
9	Executive Director, North Carolina	
10	Housing Finance Agency	<u>92,063-95,746</u>
11	Executive Director, North Carolina	
12	Agricultural Finance Authority	<u>72,406-75,302</u>
13	Director, Office of Administrative	
14	Hearings <u>65,674-68,301."</u>	

15 (b) G.S. 62-10(h) reads as rewritten:

16 "(h) The salary of each commissioner and that of the commissioner designated as
 17 chairman shall be the same as that fixed from time to time for judges of the superior
 18 court except that the commissioner designated as chairman shall receive one thousand
 19 dollars (\$1,000) additional per annum. set by the General Assembly in the Current
 20 Operations Appropriations Act. In lieu of merit and other increment raises paid to
 21 regular State employees, each commissioner, including the commissioner designated as
 22 chairman, shall receive as longevity pay an amount equal to four and eight-tenths
 23 percent (4.8%) of the annual salary set forth in the Current Operations Appropriations
 24 Act payable monthly after five years of service, and nine and six-tenths percent (9.6%)
 25 after 10 years of service. 'Service' means service as a member of the Utilities
 26 Commission."
 27

28 Requested by: Senators Daniel, Plyler

29 **LEGISLATORS/SALARY AND EXPENSES INCREASE**

30 Sec. 11.5. Effective upon convening of the 1995 Regular Session of the
 31 General Assembly, G.S. 120-3 reads as rewritten:

32 **"§ 120-3. Pay of members and officers of the General Assembly.**

33 (a) The Speaker of the House shall be paid an annual salary of ~~thirty-six~~
 34 ~~thousand three hundred thirty-four dollars (\$36,334),~~ \$37,787, payable monthly, and an
 35 expense allowance of ~~one thousand three hundred forty-six dollars (\$1,346)~~ \$1,400 per
 36 month. The President Pro Tempore of the Senate shall be paid an annual salary of
 37 ~~thirty-six thousand three hundred thirty-four dollars (\$36,334),~~ \$37,787 payable
 38 monthly, and an expense allowance of ~~one thousand three hundred forty-six dollars~~
 39 ~~(\$1,346)~~ \$1,400 per month. The Speaker Pro Tempore of the House shall be paid an
 40 annual salary of ~~twenty thousand seven hundred four dollars (\$20,704)~~ \$21,532 payable
 41 monthly, and an expense allowance of ~~seven hundred ninety-six dollars (\$796.00)~~
 42 \$828.00 per month. The Deputy President Pro Tempore of the Senate shall be paid an
 43 annual salary of ~~twenty thousand seven hundred four (\$20,704)~~ \$21,532 payable
 44 monthly, and an expense allowance of ~~seven hundred ninety-six dollars (\$796.00)~~

1 \$828.00 per month. The majority and minority leaders in the House and the majority
2 and minority leaders in the Senate shall be paid an annual salary of ~~sixteen thousand~~
3 ~~two hundred thirty six dollars (\$16,236)~~ \$16,885 payable monthly, and an expense
4 allowance of ~~six hundred thirty four dollars (\$634.00)~~ \$659.00 per month.

5 (b) Every other member of the General Assembly shall receive increases in
6 annual salary only to the extent of and in the amounts equal to the average increases
7 received by employees of the State, effective upon convening of the next Regular
8 Session of the General Assembly after enactment of these increased amounts.
9 Accordingly, upon convening of the 1995 Regular Session of the General Assembly,
10 every other member of the General Assembly shall be paid an annual salary of ~~thirteen~~
11 ~~thousand two hundred eighty seven dollars (\$13,287)~~ \$13,818 payable monthly, and an
12 expense allowance of ~~five hundred thirty two dollars (\$532.00)~~ \$553.00 per month.

13 (c) The salary and expense allowances provided in this section are in addition to
14 any per diem compensation and any subsistence and travel allowance authorized by any
15 other law with respect to any regular or extra session of the General Assembly, and
16 service on any State board, agency, commission, standing committee and study
17 commission."
18

19 Requested by: Senators Daniel, Plyler

20 **GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES**

21 Sec. 11.6. G.S. 120-37(c) reads as rewritten:

22 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
23 entitled to other benefits available to permanent legislative employees and shall be paid
24 an annual salary of ~~forty seven thousand six hundred twenty dollars (\$47,620)~~ \$49,525
25 payable monthly. The Legislative Services Commission shall review the salary of the
26 principal clerks prior to submission of the proposed operating budget of the General
27 Assembly to the Governor and Advisory Budget Commission and shall make
28 appropriate recommendations for changes in those salaries. Any changes enacted by the
29 General Assembly shall be by amendment to this paragraph."
30

31 Requested by: Senators Daniel, Plyler

32 **SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES**

33 Sec. 11.7. G.S. 120-37(b) reads as rewritten:

34 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a
35 salary of ~~two hundred twenty three dollars (\$223.00)~~ \$232.00 per week, plus
36 subsistence at the same daily rate provided for members of the General Assembly, plus
37 mileage at the rate provided for members of the General Assembly for one round trip
38 only from their homes to Raleigh and return. The sergeants-at-arms shall serve during
39 sessions of the General Assembly and at such time prior to the convening of, and
40 subsequent to adjournment or recess of, sessions as may be authorized by the
41 Legislative Services Commission. The reading clerks shall serve during sessions only."
42

43 Requested by: Senators Daniel, Plyler

44 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

1 Sec. 11.8. The Legislative Administrative Officer shall increase the salaries
 2 of nonelected employees of the General Assembly in effect for fiscal year 1993-94 by
 3 four percent (4%). Nothing in this act limits any of the provisions of G.S. 120-32.

4
 5 Requested by: Senators Daniel, Plyler

6 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASE**

7 Sec. 11.9. (a) Section 56(a) of Chapter 321 of the Session Laws of 1993 reads as
 8 rewritten:

9 "(a) The annual salaries, payable monthly, for specified judicial branch officials
 10 for ~~fiscal year 1993-94 and fiscal year 1994-95~~ are:

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>	
12 Chief Justice, Supreme Court	\$93,777	<u>97,528</u>
13 Associate Justice, Supreme Court	91,855	<u>95,529</u>
14 Chief Judge, Court of Appeals	88,930	<u>92,487</u>
15 Judge, Court of Appeals	86,996	<u>90,476</u>
16 Judge, Senior Regular Resident		
17 Superior Court	79,823	<u>83,016</u>
18 Judge, Superior Court	77,289	<u>80,381</u>
19 Chief Judge, District Court	68,256	<u>70,986</u>
20 Judge, District Court	65,674	<u>68,301</u>
21 District Attorney	71,965	<u>74,844</u>
22 Assistant District Attorney - an		
23 average of	46,738	<u>48,608</u>
24 Administrative Officer of the Courts	79,823	<u>83,016</u>
25 Assistant Administrative Officer		
26 of the Courts	65,160	<u>67,766</u>
27 Public Defender	71,965	<u>74,844</u>
28 Assistant Public Defender - an		
29 average of	46,738	<u>48,608</u>

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

34 The district attorney or public defender of a judicial district, with the approval of the
 35 Administrative Officer of the Courts, shall set the salaries of assistant district attorneys
 36 or assistant public defenders, respectively, in that district such that the average salaries
 37 of assistant district attorneys or assistant public defenders in that district do not exceed
 38 ~~forty six thousand seven hundred thirty eight dollars (\$46,738), \$48,608,~~ and the
 39 minimum salary of any assistant district attorney or assistant public defender is at least
 40 ~~twenty three thousand eight hundred sixty two dollars (\$23,862) \$24,816~~ effective July
 41 ~~1, 1993. July 1, 1994."~~

42 (a1) Section 56(a) of Chapter 321 of the Session Laws of 1993, as rewritten
 43 by subsection (a) of this section, reads as rewritten:

"(a) The annual salaries, payable monthly, for specified judicial branch officials for fiscal year 1994-95 beginning January 1, 1995, through the end of fiscal year 1994-95 are:

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>	
Chief Justice, Supreme Court	\$97,528	<u>97,600</u>
Associate Justice, Supreme Court	95,529	<u>96,000</u>
Chief Judge, Court of Appeals	92,487	<u>93,600</u>
Judge, Court of Appeals	90,476	<u>92,000</u>
Judge, Senior Regular Resident Superior Court	83,016	<u>89,600</u>
Judge, Superior Court	80,381	<u>88,000</u>
Chief Judge, District Court	70,986	<u>80,000</u>
Judge, District Court	68,301	<u>77,500</u>
District Attorney	74,844	<u>82,700</u>
Assistant District Attorney - an average of		48,608
Administrative Officer of the Courts	83,016	<u>89,600</u>
Assistant Administrative Officer of the Courts	67,766	<u>77,500</u>
Public Defender	74,844	<u>82,700</u>
Assistant Public Defender - an average of		48,608.

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

The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not exceed \$48,608, and the minimum salary of any assistant district attorney or assistant public defender is at least \$24,816 effective July 1, 1994."

(b) The salaries in effect for fiscal year 1993-94 for permanent, full-time employees of the Judicial Department, except for those whose salaries are itemized in this act, shall be increased by four percent (4%), commencing July 1, 1994.

(c) The salaries in effect for fiscal year 1993-94 for all permanent, part-time employees of the Judicial Department shall be increased on and after July 1, 1994, by pro rata amounts of the four percent (4%).

Requested by: Senators Daniel, Plyler

CLERK OF SUPERIOR COURT SALARY DETERMINATION/INCREASE

Sec. 11.10. (a) G.S. 7A-101(a) reads as rewritten:

"(a) The clerk of superior court is a full-time employee of the State and shall receive an annual salary, payable in equal monthly installments, based on the population

1 of the county as determined in subsection (a1) of this section, according to the following
 2 schedule:

3 Population	Annual Salary	
4 Less than 100,000	\$48,391	<u>50,327</u>
5 100,000 to 149,999	-54,621	<u>56,806</u>
6 150,000 to 249,999	62,247	<u>64,737</u>
7 250,000 and above	68,256	<u>70,986</u>

8
 9 When a county changes from one population group to another, the salary of the clerk
 10 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
 11 salary appropriate for the new population group, except that the salary of an incumbent
 12 clerk shall not be decreased by any change in population group during his continuance
 13 in office."

14 (b) The increase required for the new annual salaries provided in subsection (a)
 15 of this section shall be funded from funds available to the Administrative Office of the
 16 Courts for fiscal year 1994-95.

17
 18 Requested by: Senator Odom

19 **CLERK OF SUPERIOR COURT SALARY DETERMINATION/INCREASE**

20 Sec. 11.10A. Effective January 1, 1995, G.S. 7A-101(a), as rewritten by
 21 Section 11.10 of this act, reads as rewritten:

22 "(a) The clerk of superior court is a full-time employee of the State and shall
 23 receive an annual salary, payable in equal monthly installments, based on the population
 24 of the county as determined in subsection (a1) of this section, according to the following
 25 schedule:

26 Population	Annual Salary	
27 Less than 100,000	\$50,327	<u>53,230</u>
28 100,000 to 149,999	-56,806	<u>60,083</u>
29 150,000 to 249,999		64,737
30 250,000 and above		70,986.

31
 32 When a county changes from one population group to another, the salary of the clerk
 33 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
 34 salary appropriate for the new population group, except that the salary of an incumbent
 35 clerk shall not be decreased by any change in population group during his continuance
 36 in office."

37
 38 Requested by: Senators Daniel, Plyler

39 **ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE**

40 Sec. 11.11. G.S. 7A-102(c) reads as rewritten:

41 "(c) Notwithstanding the provisions of subsection (a), the Administrative Officer
 42 of the Courts shall establish an incremental salary plan for assistant clerks and for
 43 deputy clerks based on a series of salary steps corresponding to the steps contained in
 44 the Salary Plan for State Employees adopted by the Office of State Personnel, subject to

1 a minimum and a maximum annual salary as set forth below. On and after July 1, 1985,
 2 each assistant clerk and each deputy clerk shall be eligible for an annual step increase in
 3 his salary plan based on satisfactory job performance as determined by each clerk.
 4 Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the
 5 office of superior court clerk would warrant an annual salary greater than the salary first
 6 established under this section, that assistant or deputy clerk shall be eligible on and after
 7 July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after
 8 July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps
 9 in his salary plan, and shall remain eligible for a two-step increase each year as
 10 recommended by each clerk until that assistant or deputy clerk's annual salary
 11 corresponds to his number of years of service. Any person covered by this subsection
 12 who would not receive a step increase in fiscal year ~~1993-94~~ 1994-95 because that
 13 person is at the top of the salary range as it existed for fiscal year ~~1992-93~~ 1993-94 shall
 14 receive a salary increase to the maximum annual salary provided by subsection (c1) of
 15 this section."

16 Sec. 11.12. G.S. 7A-102(c1) reads as rewritten:

17 "(c1) A full-time assistant clerk or a full-time deputy ~~clerk-clerk, and up to one full-~~
 18 time deputy clerk serving as head bookkeeper per county, shall be paid an annual salary
 19 subject to the following minimum and maximum rates:

20 Assistant Clerks <u>and Head Bookkeeper</u>	Annual Salary
21 Minimum \$20,712 <u>21,126</u>	
22 Maximum 35,967 <u>37,406</u>	

24 Deputy Clerks	Annual Salary
25 Minimum \$16,560 <u>16,891</u>	
26 Maximum 27,705 <u>28,813</u>	

27
 28 Requested by: Senators Odom, Ballance, Gulley, Blackmon, and Marshall

29 **RAISE EDUCATIONAL QUALIFICATIONS OF MAGISTRATES/MODIFY**
 30 **MAGISTRATES' PAY PLAN**

31 Sec. 11.13. (a) G.S. 7A-171.2 reads as rewritten:

32 "**§ 7A-171.2. Qualifications for nomination or renomination.**

33 (a) In order to be eligible for nomination or for renomination as a magistrate an
 34 individual ~~must~~ shall be a resident of the county for which he is appointed.

35 (b) ~~To be eligible for nomination as a magistrate, an individual must have~~
 36 ~~successfully completed a high school education, or have qualified for a certificate of~~
 37 ~~high school equivalency, or have successfully completed the course of basic training~~
 38 ~~prescribed by G.S. 7A-177. To be eligible for nomination as a magistrate, an individual~~
 39 shall have a four-year degree from an accredited senior institution of higher education
 40 or shall have a two-year associate degree and four years of work experience in a related
 41 field, including teaching, social services, law enforcement, arbitration or mediation, the
 42 court system, or counseling. The Administrative Officer of the Courts may determine
 43 whether the work experience is sufficiently related to the duties of the office of
 44 magistrate for the purposes of this subsection. In determining whether an individual's

1 work experience is in a related field, the Administrative Officer of the Courts shall
 2 consider the requisite knowledge, skills, and abilities for the office of magistrate.

3 The eligibility requirements prescribed by this subsection do not apply to individuals
 4 holding the office of magistrate on June 30, 1994, and do not apply to individuals who
 5 have been nominated by June 30, 1994, but who have not been appointed or taken the
 6 oath of office by that date.

7 (c) In order to be eligible for renomination as a magistrate an individual ~~must~~
 8 shall have successfully completed the course of basic training for magistrates prescribed
 9 by G.S. 7A-177.

10 (d) Notwithstanding any other provision of this subsection, an individual who
 11 holds the office of magistrate on July 1, 1977, shall not be required to have successfully
 12 completed the course of basic training for magistrates prescribed by G.S. 7A-177 in
 13 order to be eligible for renomination as a magistrate."

14 (b) G.S. 7A-171.1 reads as rewritten:

15 **"§ 7A-171.1. Duty hours, salary, and travel expenses within county.**

16 (a) The Administrative Officer of the Courts, after consultation with the chief
 17 district judge and pursuant to the following provisions, shall set an annual salary for
 18 each magistrate.

19 (1) ~~A full-time magistrate, so designated by the Administrative Officer of~~
 20 ~~the Courts, magistrate shall be paid the annual salary indicated in the~~
 21 ~~table below according to the number of years he has served as a~~
 22 ~~magistrate. The salary steps shall take effect on the anniversary of the~~
 23 ~~date the magistrate was originally appointed: set out in this~~
 24 ~~subdivision. A full-time magistrate is a magistrate who is assigned to~~
 25 ~~work an average of not less than 40 hours a week during the term of~~
 26 ~~office. The Administrative Officer of the Courts shall designate~~
 27 ~~whether a magistrate is full-time. Initial appointment shall be at the~~
 28 ~~entry rate. A magistrate's salary shall increase to the next step every~~
 29 ~~two years on the anniversary of the date the magistrate was originally~~
 30 ~~appointed for increases to Steps 1 through 3, and every four years on~~
 31 ~~the anniversary of the date the magistrate was originally appointed for~~
 32 ~~increases to Steps 4 through 6.~~

33 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

Number of Prior Years of Service	Annual Salary
Less than 1	\$17,399
1 or more but less than 3	18,293
3 or more but less than 5	20,092
5 or more but less than 7	22,075
7 or more but less than 9	24,290
9 or more but less than 11	26,702
11 or more	29,333.
	Annual Salary
<u>Entry Rate</u>	<u>\$22,958</u>
<u>Step 1</u>	<u>25,262</u>

1	<u>Step 2</u>	<u>27,770</u>
2	<u>Step 3</u>	<u>30,506</u>
3	<u>Step 4</u>	<u>33,503</u>
4	<u>Step 5</u>	<u>36,797</u>
5	<u>Step 6</u>	<u>40,420.</u>

6 A ~~'Full-time magistrate'~~ is a magistrate who is assigned to work an
7 average of not less than 40 hours a week during his term of office.
8 Notwithstanding any other provision of this subdivision, a full-time
9 magistrate, who was serving as a magistrate on December 31, 1978,
10 and who was receiving an annual salary in excess of that which would
11 ordinarily be allowed under the provisions of this subdivision, shall
12 not have the salary, which he was receiving reduced during any
13 subsequent term as a full-time magistrate. That magistrate's salary
14 shall be fixed at the salary level from the table above which is nearest
15 and higher than the latest annual salary he was receiving on December
16 31, 1978, and, thereafter, shall advance in accordance with the
17 schedule in the table above.

18 (2) A part-time magistrate, so designated by the Administrative
19 Officer of the Courts, is included, in accordance with G.S. 7A-170,
20 under the provisions of G.S. 135-1(10) and 135-40.2(a) and
21 magistrate is a magistrate who is assigned to work an average of less
22 than 40 hours of work a week during the term, except that no
23 magistrate shall be assigned an average of less than 10 hours of work
24 a week during the term. A part-time magistrate is included, in
25 accordance with G.S. 7A-170, under the provisions of G.S. 135-
26 1(10) and G.S. 135-40.2(a). The Administrative Officer of the
27 Courts designates whether a magistrate is a part-time magistrate. A
28 part-time magistrate shall receive an annual salary based on the
29 following formula: The average number of hours a week that a part-
30 time magistrate is assigned work during his—the term shall be
31 multiplied by the annual salary payable to a full-time magistrate who
32 has the same number of years of service prior to the beginning of
33 that term as does the part-time magistrate and the product of that
34 multiplication shall be divided by the number 40. The quotient shall
35 be the annual salary payable to that part-time magistrate.

36 A ~~'part-time magistrate'~~ is a magistrate who is assigned to work an
37 average of less than 40 hours of work a week during his term. No
38 magistrate may be assigned an average of less than 10 hours of work a
39 week during his term.

40 Notwithstanding any other provision of this subdivision, upon
41 reappointment as a magistrate and being assigned to work the same or
42 greater number of hours as he worked as a magistrate for a term of
43 office ending on December 31, 1978, a person who received an annual
44 salary in excess of that to which he would be entitled under the

1 formula contained in this subdivision shall receive an annual salary
2 equal to that received during the prior term. That magistrate's salary
3 shall increase in accordance with the salary formula contained in this
4 subdivision.

5 (3) Notwithstanding any other provision of this section, a
6 magistrate with a two-year Associate in Applied Science degree in
7 criminal justice or paralegal training from a North Carolina
8 community college or the equivalent degree from a private
9 educational institution in North Carolina, shall receive the annual
10 salary provided in the table above for a magistrate with three years
11 of service in addition to those which the magistrate has served; a
12 magistrate with a four-year degree from an accredited senior
13 institution of higher education shall receive the annual salary
14 provided in the table above for a magistrate with five years of
15 service in addition to those which the magistrate has served; a
16 magistrate who holds a law degree from an accredited law school
17 shall receive the annual salary provided in the table above for a
18 magistrate with seven years of service in addition to those which the
19 magistrate has served; and a magistrate who is licensed to practice
20 law in North Carolina shall receive the annual salary provided in the
21 table above for a magistrate with nine years of service in addition to
22 those which the magistrate has served.

23 Magistrates with a two or four year degree or a law degree
24 described herein who became magistrates before July 1, 1979 are
25 entitled to an increase of three, five and seven years, respectively, in
26 their seniority, for pay purposes only. Full-time magistrates licensed to
27 practice law in North Carolina who became magistrates before July 1,
28 1979 are entitled to the pay of a magistrate with 9 or more years of
29 service, and part-time magistrates holding a law degree or a license to
30 practice law as described above who became magistrates before July 1,
31 1979 are entitled to a proportionate adjustment in their pay. Pay
32 increases authorized by this paragraph of this subdivision are not
33 retroactive. Notwithstanding any other provision of this subsection, an
34 individual who, when initially appointed as a full-time magistrate, is
35 licensed to practice law in North Carolina, shall receive the annual
36 salary provided in the Table in subdivision (1) of this subsection for
37 Step 4. This magistrate's salary shall increase to the next step every
38 four years on the anniversary of the date the magistrate was originally
39 appointed. An individual who, when initially appointed as a part-time
40 magistrate, is licensed to practice law in North Carolina, shall be paid
41 an annual salary based on that for Step 4 and determined according to
42 the formula in subdivision (2) of this subsection. This magistrate's
43 salary shall increase to the next step every four years on the
44 anniversary of the date the magistrate was originally appointed. The

1 salary of a full-time magistrate who acquires a license to practice law
 2 in North Carolina while holding the office of magistrate and who at the
 3 time of acquiring the license is receiving a salary at a level lower than
 4 Step 4 shall be adjusted to Step 4 and, thereafter, shall advance in
 5 accordance with the Table's schedule. The salary of a part-time
 6 magistrate who acquires a license to practice law in North Carolina
 7 while holding the office of magistrate and who at the time of acquiring
 8 the license is receiving an annual salary as determined by subdivision
 9 (2) of this subsection based on a salary level lower than Step 4 shall be
 10 adjusted to a salary based on Step 4 in the Table and, thereafter, shall
 11 advance in accordance with the provision in subdivision (2) of this
 12 subsection.

13 (4) ~~Notwithstanding any other provision of this section, a magistrate with
 14 10 years' experience within the last 12 years as a sheriff or deputy
 15 sheriff, administrative officer for a district attorney, city or county
 16 police officer, campus police officer, wildlife officer, or highway
 17 patrolman in the State of North Carolina, or with 20 years' experience
 18 as a sheriff or deputy sheriff, city or county police officer, campus
 19 police officer, wildlife officer, or highway patrolman in the State of
 20 North Carolina, or with 10 years' experience within the last 12 years as
 21 clerk of superior court or an assistant or deputy clerk of court in the
 22 State of North Carolina shall receive the annual salary provided in the
 23 table in subdivision (1) for a magistrate with five years of service in
 24 addition to those the magistrate has served. A magistrate who qualifies
 25 for the increased salary under both subdivisions (3) and (4) of this
 26 subsection shall receive either the salary determined under subdivision
 27 (3) or that determined under subdivision (4), whichever is higher, but
 28 no more.~~

29 (a1) Notwithstanding subsection (a) of this section, the following salary provisions
 30 apply to individuals who were serving as magistrates on June 30, 1994:

31 (1) The salaries of magistrates who on June 30, 1994, were paid at a salary
 32 level of less than five years of service under the table in effect that
 33 date shall be as follows:

<u>Less than 1 year of service</u>	<u>\$ 18,095</u>
<u>1 or more but less than 3 years of service</u>	<u>19,025</u>
<u>3 or more but less than 5 years of service</u>	<u>20,896.</u>

37 Upon completion of four years of service, those magistrates shall
 38 receive the salary set as the Entry Rate in the table in subsection (a).

39 (2) The salaries of magistrates who on June 30, 1994, were paid at a salary
 40 level of five or more years of service shall be based on the rates set out
 41 in subsection (a) as follows:

Salary Level on June 30, 1994	<u>Salary Level on</u> <u>July 1, 1994</u>
<u>5 or more but less than 7 years of service</u>	<u>Entry Rate</u>

- 1 7 or more but less than 9 years of service Step 1
 2 9 or more but less than 11 years of service Step 2
 3 11 or more years of service Step 3.
 4 Thereafter, their salaries shall be set in accordance with the
 5 provisions in subsection (a).
 6 (3) The salaries of magistrates who are licensed to practice law in North
 7 Carolina shall be adjusted to the annual salary provided in the table in
 8 subsection (a) as Step 4, and, thereafter, their salaries shall be set in
 9 accordance with the provisions in subsection (a).
 10 (4) The salaries of 'part-time magistrates' shall be set under the formula set
 11 out in subdivision (2) of subsection (a) but according to the rates set
 12 out in this subsection.
 13 ~~(5)~~ (a2) The Administrative Officer of the Courts shall provide magistrates with
 14 longevity pay at the same rates as are provided by the State to its employees subject to
 15 the State Personnel Act.
 16 (b) Notwithstanding G.S. 138-6, a magistrate may not be reimbursed by the State
 17 for travel expenses incurred on official business within the county in which the
 18 magistrate resides."
 19 (c) Subsection (a1) of G.S. 7A-171.1, as added by subsection (b) of this section,
 20 expires June 30, 1998.

21 ..

22 **AUTHORIZED TRANSFERS/SALARY ADJUSTMENT FUNDS**

23 Sec. 11.14. The Director of the Budget may transfer to General Fund budget
 24 codes from the General Fund salary adjustment appropriation, and may transfer to
 25 Highway Fund budget codes from the Highway Fund salary adjustment appropriation,
 26 amounts required to support approved salary adjustments made necessary by difficulties
 27 in recruiting and holding qualified employees in State government. The funds may be
 28 transferred only when the use of salary reserve funds in individual operating budgets is
 29 not feasible.

30

31 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

32 Sec. 11.15. The Director of the Budget shall transfer from the Reserve for
 33 Salary Increases created in Sections 3 and 4 of this act for fiscal year 1994-95 funds to
 34 the Department of Community Colleges necessary to provide an average annual salary
 35 increase of four percent (4%), including funds for the employer's retirement and Social
 36 Security contributions, commencing July 1, 1994, for all permanent full-time
 37 community college institutional personnel supported by State funds. The State Board of
 38 Community Colleges shall establish guidelines for providing their salary increases to
 39 community college institutional personnel. Salary funds shall be used to provide an
 40 average annual salary increase of four percent (4%) to all full-time employees and part-
 41 time employees on a pro rata basis.

42
 43 Requested by: Senators Daniel, Plyler

44 **UNIVERSITY OF NORTH CAROLINA SYSTEM - EPA SALARY INCREASES**

1 Sec. 11.17. The Director of the Budget shall transfer to the Board of
2 Governors of The University of North Carolina sufficient funds from the Reserve for
3 Salary Increases created in Sections 3 and 4 of this act for fiscal year 1994-95 to provide
4 an annual average salary increase of four percent (4%), including funds for the
5 employer's retirement and Social Security contributions, commencing July 1, 1994, for
6 all employees of The University of North Carolina, as well as employees of the North
7 Carolina School of Science and Mathematics, supported by State funds and whose
8 salaries are exempt from the State Personnel Act (EPA). These funds shall be allocated
9 to individuals according to the rules adopted by the General Assembly, the Board of
10 Governors, or the Board of Trustees of the North Carolina School of Science and
11 Mathematics, as appropriate, and may not be used for any purpose other than for salary
12 increases and necessary employer contributions provided by this section.

13
14 Requested by: Senators Daniel, Plyler

15 **UNIVERSITY OF NORTH CAROLINA COMPETITIVE FACULTY SALARY**
16 **LEVELS**

17 Sec. 11.18. Of the funds appropriated in Section 3 of this act to the Board of
18 Governors of The University of North Carolina for University Institutional Programs,
19 the sum of eight million thirty-seven thousand seven hundred seventy-one dollars
20 (\$8,037,771) for the 1994-95 fiscal year shall be allocated by the Board of Governors
21 for the enhancement of teaching faculty salaries as the Board of Governors considers
22 appropriate. These funds represent approximately one and one-half percent (1.5%) of
23 salary funds for those teaching faculty whose salaries are exempt from the State
24 Personnel Act (EPA), including funds for employer retirement and Social Security
25 contributions, and are in addition to the seven million one hundred thousand dollars
26 (\$7,100,000) appropriated in Section 3 of Chapter 321 of the 1993 Session Laws (also
27 see Section 101.1 of that Chapter).

28
29 Requested by: Senators Daniel, Plyler

30 **MOST STATE EMPLOYEES/SALARY INCREASES/1994-95**

31 Sec. 11.19. (a) The salaries in effect June 30, 1994, of all permanent full-time
32 State employees whose salaries are set in accordance with the State Personnel Act, who
33 are covered by G.S. 126-7, and who are paid from the General Fund or the Highway
34 Fund shall be increased, on or after July 1, 1994, unless otherwise provided by this act,
35 within funds authorized by this act consistent with the Comprehensive Compensation
36 System enacted in Chapter 388 of the 1993 Session Laws. Employees covered by G.S.
37 126-7 are eligible as provided by that law for a career growth recognition award of two
38 percent (2%), a cost-of-living adjustment of two percent (2%), and a performance bonus
39 of not less than one percent (1%), except that employees covered by G.S. 20-187.3(a)
40 are not eligible for the performance bonus in fiscal year 1994-95. For fiscal year 1994-
41 95, the performance bonus may not be paid prior to December 1994.

42 (a1) No person receiving the compensation bonus under Section 11.20 of this
43 act may receive a performance bonus under G.S. 126-7 during the 1994-95 fiscal year.

44 (b) Except as otherwise provided in this act, salaries in effect June 30, 1994, for:

1 (1) Permanent full-time State employees not covered by G.S. 126-7,
2 whose salaries were not increased by any other provision of this part
3 other than Section 11.20, or who were not eligible for increase under
4 Sections 11.15, 11.17, or 11.18 of this act,

5 (2) Permanent full-time State officials and persons in exempt positions
6 that are recommended by the Governor or the Governor and the
7 Advisory Budget Commission and set by the General Assembly
8 shall be increased by four percent (4%), commencing July 1, 1994.

9 (c) The salaries in effect June 30, 1994, for all permanent part-time State
10 employees shall be increased on and after July 1, 1994, by pro rata amounts of the
11 salary increases provided for permanent full-time employees covered under subsection
12 (a) of this section.

13 (d) The Director of the Budget may allocate out of special operating funds or
14 from other sources of the employing agency, except tax revenues, sufficient funds to
15 allow a salary increase on and after July 1, 1994, in accordance with subsections (a),
16 (b), or (c) of this section, including funds for the employer's retirement and Social
17 Security contributions, of the permanent full-time and part-time employees of the
18 agency.

19 (e) Within regular Executive Budget Act procedures as limited by this act, all
20 State agencies and departments may increase on an equitable basis the rate of pay of
21 temporary and permanent hourly State employees, subject to availability of funds in the
22 particular agency or department, by pro rata amounts salary increase provided for
23 permanent full-time employees covered by the provisions of subsection (a) of this
24 section, commencing July 1, 1994.

25 (f) The provisions of this section do not apply to employees whose salaries
26 are determined in accordance with G.S. 7A-102 or G.S. 20-187.3(a). Employees who
27 would not receive a salary increment for the 1994-95 fiscal year under G.S. 7A-102 or
28 G.S. 20-187.3(a) because they are at the top of their salary range will be moved to the
29 new top of their salary range.

30

31 Requested by: Senators Daniel, Plyler

32 ANNUAL PERFORMANCE APPRAISALS FOR SPA SALARY INCREASES

33 Sec. 11.19A. (a) For the purpose of establishing employee eligibility for the career
34 growth recognition award and cost-of-living adjustment, the State Personnel Director
35 may assign a final annual performance appraisal level to current State employees
36 subject to G.S. 126-7 who were employed on or before September 1, 1993, and have
37 been employed continuously by the State since that date, but who did not receive a final
38 annual performance appraisal within the preceding 12-month period.

39 (b) The State agency, department, or institution employing an employee who
40 receives a final annual performance appraisal level pursuant to subsection (a) of this
41 section shall notify the employee of the performance appraisal level assigned by the
42 State Personnel Director.

43

44 Requested by: Senators Daniel, Plyler

1 COMPENSATION BONUS

2 Sec. 11.20. (a) Any person:

3 (1) Whose salary is set by or under this Part;

4 (2) Who is not subject to G.S. 126-7;

5 (3) Who was, in the first half of the 1994-95 fiscal year:

6 a. A permanent officer or permanent employee whose salary is set
7 by or under this Part; or

8 b. A public school bus driver, covered by Section 11.24 of this act;
9 and

10 (4) Who was such an officer or employee for the entire first half of the
11 fiscal year, or, if the position was for a contract which provides for a
12 term of four months or more during the period July 1, 1994, through
13 December 31, 1994, held the position for the entire term of the
14 contract

15 shall receive in December of 1994 a compensation bonus of one percent (1%) of the
16 annual salary for that position.

17 (b) The annual salary on which the percentage bonus is based is the annual salary
18 in effect during the pay period in which the bonus is paid.

19 (c) The provisions of this section do not apply to persons whose salaries are set
20 by G.S. 120-3. The provisions of this section do not apply to employees covered by
21 G.S. 20-187.3(a) unless the employee was moved to the new top of the salary range
22 because the employee was at the top of the salary range, and in such case subdivision
23 (a)(2) of this section does not apply to such person.

24 (d) The Director of the Budget shall transfer from the Reserve for Compensation
25 Bonus provided by this act sufficient funds to implement this section.

26
27 Requested by: Senators Daniel, Plyler

28 SALARY INCREASE FOR STATE-FUNDED LOCAL PROGRAMS

29 Sec. 11.21. Of the funds appropriated from the General Fund for the Reserve
30 for Salary Increases in Section 3 of this act for the 1994-95 fiscal year, funds shall be
31 made available for employees in locally operated State-funded programs in an amount
32 equivalent to a four percent (4%) across-the-board salary increase. These employees do
33 not receive the compensation bonus provided in Section 11.20 of this act.

34
35 Requested by: Senator Ward

36 TEACHER SALARY SCHEDULES

37 Sec. 11.22. (a) The Director of the Budget may transfer from the Reserve for
38 Salary Increases for the 1994-95 fiscal year funds necessary to implement the teacher
39 salary schedule set out in subsection (b) of this section, including funds for the
40 employer's retirement and social security contributions and funds for annual longevity
41 payments as provided in Section 127 of Chapter 321 of the 1993 Session Laws,
42 commencing July 1, 1994, for all teachers whose salaries are supported from the State's
43 General Fund. These funds shall be allocated to individuals according to rules adopted

1 by the State Board of Education and the Superintendent of Public Instruction. The
 2 longevity payment shall be paid in a lump sum once a year.

3 (b)(1) Beginning July 1, 1994, the following monthly salary schedule shall
 4 apply to certified personnel of the public schools who are classified as
 5 "A"teachers. The schedule contains 30 steps with each step
 6 corresponding to one year of teaching experience.

	<u>Years of</u> <u>Experience</u>	1994-95 <u>Salary</u>
9	00	2,042
10	01	2,083
11	02	2,125
12	03	2,168
13	04	2,211
14	05	2,255
15	06	2,300
16	07	2,346
17	08	2,393
18	09	2,441
19	10	2,490
20	11	2,540
21	12	2,591
22	13	2,643
23	14	2,696
24	15	2,750
25	16	2,805
26	17	2,861
27	18	2,918
28	19	2,976
29	20	3,036
30	21	3,097
31	22	3,159
32	23	3,222
33	24	3,286
34	25	3,352
35	26	3,419
36	27	3,487
37	28	3,557
38	29+	3,628

39 (2) Beginning July 1, 1994, the following monthly salary schedule shall
 40 apply to certified personnel of the public schools who are classified as
 41 "G"teachers. The schedule contains 30 steps with each step
 42 corresponding to one year of teaching experience.

	<u>Years of</u> <u>Experience</u>	1994-95 <u>Salary</u>
--	--------------------------------------	--------------------------

1	00	2,170
2	01	2,213
3	02	2,257
4	03	2,302
5	04	2,348
6	05	2,395
7	06	2,443
8	07	2,492
9	08	2,542
10	09	2,593
11	10	2,645
12	11	2,698
13	12	2,752
14	13	2,807
15	14	2,863
16	15	2,920
17	16	2,978
18	17	3,038
19	18	3,099
20	19	3,161
21	20	3,224
22	21	3,288
23	22	3,354
24	23	3,421
25	24	3,489
26	25	3,559
27	26	3,630
28	27	3,703
29	28	3,777
30	29+	3,853

(3) Certified public school teachers with certification based on academic preparation at the six-year degree level and at the doctoral degree level shall receive a salary supplement as provided in Section 127 of Chapter 321 of the 1993 Session Laws.

(c) The first step of the salary schedule for school psychologists shall be equivalent to Step 5, corresponding to five years of experience, on the salary schedule established in this section for certified personnel of the public schools who are classified as "G"teachers. Certified psychologists shall be placed on the salary schedule at an appropriate step based on their years of experience. Certified psychologists shall receive longevity payments based on years of State service in the same manner as teachers.

Requested by: Senator Ward

SCHOOL-BASED ADMINISTRATOR SALARIES

1 Sec. 11.23. (a) Funds appropriated to the Reserve for Salary Increases shall be
 2 used to complete the implementation of a new salary schedule for school-based
 3 administrators as provided in this act. These funds shall be used for State-paid
 4 employees only.

5 (b) The salary schedule for school-based administrators shall apply only to
 6 principals and assistant principals. The salary schedule for the 1994-95 fiscal year is as
 7 follows:

	Asst.								
Step	Prin.	Prin.I	Prin.II	Prin.III	Prin.IV		Prin.V	Prin.VI	Prin.VII
0	—	—	—	—	—	—	—	—	—
1	—	—	—	—	—	—	—	—	—
2	—	—	—	—	—	—	—	—	—
3	—	—	—	—	—	—	—	—	—
4	\$2,418	—	—	—	—	—	—	—	—
5	2,466	—	—	—	—	—	—	—	—
6	2,515	—	—	—	—	—	—	—	—
7	2,565	—	—	—	—	—	—	—	—
8	2,616	\$2,616	—	—	—	—	—	—	—
9	2,668	2,668	—	—	—	—	—	—	—
10	2,721	2,721	\$2,775	—	—	—	—	—	—
11	2,775	2,775	2,831	—	—	—	—	—	—
12	2,831	2,831	2,888	\$2,946	—	—	—	—	—
13	2,888	2,888	2,946	3,005	\$3,065	—	—	—	—
14	2,946	2,946	3,005	3,065	3,126	\$3,189	—	—	—
15	3,005	3,005	3,065	3,126	3,189	3,253	—	—	—
16	3,065	3,065	3,126	3,189	3,253	3,318	\$3,384	—	—
17	3,126	3,126	3,189	3,253	3,318	3,384	3,452	\$3,521	—
18	3,189	3,189	3,253	3,318	3,384	3,452	3,521	3,591	3,591
19	3,253	3,253	3,318	3,384	3,452	3,521	3,591	3,663	3,663
20	3,318	3,318	3,384	3,452	3,521	3,591	3,663	3,736	3,736
21	3,384	3,384	3,452	3,521	3,591	3,663	3,736	3,811	3,811
22	3,452	3,452	3,521	3,591	3,663	3,736	3,811	3,887	3,887
23	3,521	3,521	3,591	3,663	3,736	3,811	3,887	3,965	3,965
24	3,591	3,591	3,663	3,736	3,811	3,887	3,965	4,044	4,044
25	3,663	3,663	3,736	3,811	3,887	3,965	4,044	4,125	4,125
26	3,736	3,736	3,811	3,887	3,965	4,044	4,125	4,208	4,208
27	3,811	3,811	3,887	3,965	4,044	4,125	4,208	4,292	4,292
28	3,887	3,887	3,965	4,044	4,125	4,208	4,292	4,378	4,378
29	3,965	3,965	4,044	4,125	4,208	4,292	4,378	4,466	4,466
30	4,044	4,044	4,125	4,208	4,292	4,378	4,466	4,555	4,555

1	31	4,125	4,125	4,208	4,292	4,378	4,466	4,555	4,646
2	32	—	4,208	4,292	4,378	4,466	4,555	4,646	4,739
3	33	—	—	4,378	4,466	4,555	4,646	4,739	4,834
4	34	—	—	4,466	4,555	4,646	4,739	4,834	4,931
5	35	—	—	—	4,646	4,739	4,834	4,931	5,030
6	36	—	—	—	4,739	4,834	4,931	5,030	5,131
7	37	—	—	—	—	4,931	5,030	5,131	5,234
8	38	—	—	—	—	—	5,131	5,234	5,339
9	39	—	—	—	—	—	—	5,339	5,446
10	40	—	—	—	—	—	—	5,446	5,555
11	41	—	—	—	—	—	—	—	5,666.

12 (c) The appropriate classification for placement of principals and assistant
 13 principals on the salary schedule shall be determined in accordance with the following
 14 schedule:

15		Number of Teachers
16	Classification	Supervised
17	Assistant Principal	
18	Principal I	Less than 11 Teachers
19	Principal II	11-21 Teachers
20	Principal III	22-32 Teachers
21	Principal IV	33-43 Teachers
22	Principal V	44-54 Teachers
23	Principal VI	55-65 Teachers
24	Principal VII	More than 65 Teachers.

25 The number of teachers supervised includes teachers and assistant principals paid from
 26 State funds only; it does not include teachers or assistant principals paid from non-State
 27 funds or the principal or teacher assistants.

28 (d) An assistant principal shall be placed on the step on the salary schedule that
 29 reflects total years of experience as a certificated employee of the public schools.

30 A principal shall be placed on the step on the salary schedule that reflects
 31 total number of years of experience as a certificated employee of the public schools and
 32 an additional step for every three years of experience as a principal.

33 (e) Principals and assistant principals with certification based on academic
 34 preparation at the six-year degree level and at the doctoral degree level shall be paid a
 35 salary increment as provided in Section 132 of Chapter 321 of the 1993 Session Laws.

36 (f) There shall be no State requirement that superintendents in each local
 37 school unit shall receive in State-paid salary at least one percent (1%) more than the
 38 highest paid principal receives in State salary in that school unit: Provided, however,
 39 the additional State-paid salary a superintendent who was employed by a local school
 40 administrative unit for the 1992-93 fiscal year received because of that requirement
 41 shall not be reduced because of this subsection for subsequent fiscal years that the
 42 superintendent is employed by that local school administrative unit so long as the
 43 superintendent is entitled to at least that amount of additional State-paid salary under the
 44 rules in effect for the 1992-93 fiscal year.

1 (g) Longevity pay for principals and assistant principals shall be as provided
2 for State employees.

3 (h) (1) If a principal is reassigned to a higher job classification because the
4 principal is transferred to a school within a local school administrative
5 unit with a larger number of State-allotted teachers, the principal shall
6 be placed on the salary schedule as if the principal had served the
7 principal's entire career as a principal at the higher job classification.

8 (2) If a principal is reassigned to a lower job classification because
9 the principal is transferred to a school within a local school
10 administrative unit with a smaller number of State-allotted
11 teachers, the principal shall be placed on the salary schedule as
12 if the principal had served the principal's entire career as a
13 principal at the lower job classification.

14 This subdivision applies to all transfers on or after the ratification
15 date of this act, except transfers in school systems that have been
16 created, or will be created, by merging two or more school systems.
17 Transfers in these merged systems are exempt from the provisions of
18 this subdivision for one calendar year following the date of the merger.
19

20 Requested by: Senators Daniel, Plyler

21 CERTAIN PUBLIC SCHOOL EMPLOYEES' SALARY INCREASE

22 Sec. 11.24. (a) Superintendents, Assistant Superintendents, Associate
23 Superintendents, Supervisors, Directors, Coordinators, Evaluators, and Program
24 Administrators. – The Director of the Budget may transfer from the Reserve for Salary
25 Increases created in this act for fiscal year 1994-95 funds necessary to provide a salary
26 increase of four percent (4%), including funds for the employer's retirement and Social
27 Security contributions, commencing July 1, 1994, for all superintendents, assistant
28 superintendents, associate superintendents, supervisors, directors, coordinators,
29 evaluators, and program administrators whose salaries are supported from the State's
30 General Fund. These funds may not be used for any purpose other than for the salary
31 increase and necessary employer contributions provided by this subsection.

32 (b) Noncertified Employees. – The Director of the Budget may transfer from the
33 Reserve for Salary Increases created in this act for fiscal year 1994-95 funds necessary
34 to provide a salary increase of four percent (4%), including funds for the employer's
35 retirement and Social Security contributions, commencing July 1, 1994, for all
36 noncertified public school employees, except school bus drivers, whose salaries are
37 supported from the State's General Fund. These funds may not be used for any purpose
38 other than for the salary increases and necessary employer contributions provided by
39 this subsection.

40 (c) The fiscal year 1993-94 pay rates adopted by local boards of education for
41 school bus drivers shall be increased by at least four percent (4%) on and after July 1,
42 1994, to the extent that such rates of pay are supported by the allocation of State funds
43 from the State Board of Education. Local boards of education shall increase the rates of
44 pay for all school bus drivers who were employed during fiscal year 1993-94 and who

1 continue their employment for fiscal year 1994-95 by at least four percent (4%) on and
2 after July 1, 1994. The Director of the Budget may transfer from the salary increase
3 reserve fund created in this act for fiscal year 1994-95 funds necessary to provide the
4 salary increases for school bus drivers whose salaries are supported from the State's
5 General Fund in accordance with the provisions of this subsection.

6
7 Requested by: Senators Daniel, Plyler

8 **ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES**

9 Sec. 11.25. (a) Salaries and related benefits for positions that are funded partially
10 from the General Fund or Highway Fund and partially from sources other than the
11 General Fund or Highway Fund shall be increased from the General Fund or Highway
12 Fund appropriation only to the extent of the proportionate part of the salaries paid from
13 the General Fund or Highway Fund.

14 (b) The granting of the salary increases under this act does not affect the status of
15 eligibility for salary increments for which employees may be eligible unless otherwise
16 required by this act.

17 (c) The salary increases provided in this Part are to be effective July 1, 1994, do
18 not apply to persons separated from State service due to resignation, dismissal,
19 reduction in force, death, or retirement, whose last workday is prior to July 1, 1994, or
20 to employees involved in final written disciplinary procedures. The employee shall
21 receive the increase on a current basis when the final written disciplinary procedure is
22 resolved.

23 Payroll checks issued to employees after July 1, 1994, which represent
24 payment of services provided prior to July 1, 1994, shall not be eligible for salary
25 increases provided for in this act. This subsection shall apply to all employees, subject
26 to or exempt from the State Personnel Act, paid from State funds, including public
27 schools, community colleges, and The University of North Carolina.

28 (d) The Director of the Budget shall transfer from the Reserve for Salary
29 Increases in Sections 3 and 4 of this act for fiscal year 1994-95 all funds necessary for
30 the salary increases provided by this act, including funds for the employer's retirement
31 and Social Security contributions.

32 (e) Nothing in this act authorizes the transfer of funds between the General
33 Fund and the Highway Fund for salary increases.

34
35 Requested by: Senators Daniel, Plyler

36 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

37 Sec. 11.26. (a) Required employer salary-related contributions for employees
38 whose salaries are paid from department, office, institution, or agency receipts shall be
39 paid from the same source as the source of the employees' salary. If an employee's
40 salary is paid in part from the General Fund or Highway Fund and in part from
41 department, office, institution, or agency receipts, required employer salary-related
42 contributions may be paid from the General Fund or Highway Fund only to the extent of
43 the proportionate part paid from the General Fund or Highway Fund in support of the
44 salary of the employee, and the remainder of the employer's requirements shall be paid

1 from the source that supplies the remainder of the employee's salary. The requirements
2 of this section as to source of payment are also applicable to payments on behalf of the
3 employee for hospital-medical benefits, longevity pay, unemployment compensation,
4 accumulated leave, workers' compensation, severance pay, separation allowances, and
5 applicable disability income and disability salary continuation benefits.

6 (b) Effective July 1, 1994, the State's employer contribution rates budgeted for
7 retirement and related benefits as a percentage of covered salaries for the 1994-95 fiscal
8 year are (i) ten and ninety-six hundredths percent (10.96%) - Teachers and State
9 Employees; (ii) fifteen and ninety-six hundredths percent (15.96%) - State Law
10 Enforcement Officers; (iii) nine percent (9.00%) - University Employees' Optional
11 Retirement Program; (iv) twenty-four and eighty-three hundredths percent (24.83%) -
12 Consolidated Judicial Retirement System; and (v) thirty-nine and seventy-three
13 hundredths percent (39.73%) - Legislative Retirement System. Each of the foregoing
14 contribution rates includes two percent (2%) for hospital and medical benefits. The rate
15 for State Law Enforcement Officers includes five percent (5%) for the Supplemental
16 Retirement Income Plan. The rates for Teachers and State Employees, State Law
17 Enforcement Officers, and for the University Employees' Optional Retirement Program
18 includes forty-two hundredths percent (0.42%) for the Disability Income Plan.

19 (c) The maximum annual employer contributions, payable monthly, by the State
20 for each covered employee or retiree for the 1994-95 fiscal year to the Teachers' and
21 State Employees' Comprehensive Major Medical Plan are: (i) Medicare-eligible
22 employees and retirees - one thousand three hundred twenty-one dollars (\$1,321); and
23 (ii) Non-Medicare-eligible employees and retirees - one thousand seven hundred thirty-
24 six dollars (\$1,736).

25
26 Requested by: Senators Daniel, Plyler

27 **RESTORATION OF THE TWELFTH MONTH TEACHER PAYROLL**

28 Sec. 11.27. The funds appropriated in Section 4 of this act to the Office of
29 State Budget and Management for a Reserve for Paydate Restoration in the amount of
30 one hundred twenty million dollars (\$120,000,000) shall be used to restore the twelfth
31 month of teacher payroll for school teachers paid from the General Fund.

32 In no event shall any allotments made pursuant to this section exceed the
33 actual General Fund requirements.

34
35 Requested by: Senator Daniel

36 **STATE EMPLOYEE SUBSISTENCE ALLOWANCE**

37 Sec. 11.27A. G.S. 138-6(a)(3) reads as rewritten:

38 "(3) For expenses incurred for subsistence, payment of ~~fifty-five dollars~~
39 ~~(\$55.00)~~ seventy-one dollars (\$71.00) per day when traveling in-state
40 or ~~sixty-seven dollars (\$67.00)~~ eighty-three dollars (\$83.00) per day
41 when traveling out-of-state. When travel involves less than a full day
42 (24-hour period), a reasonable prorated amount shall be paid in
43 accordance with regulations and criteria which shall be promulgated
44 and published by the Director of the Budget. Reimbursement to State

1 employees for lunches eaten while on official business may be made
2 only in the following circumstances:

- 3 a. When an overnight stay is required reimbursement is allowed
4 while an employee is in travel status;
5 b. When the cost of the lunch is included as part of a registration
6 fee for a formal congress, conference, assembly, or
7 convocation, by whatever name called. Such assembly must
8 involve the active participation of persons other than the
9 employees of a single State department, institution, or agency
10 and must be necessary for conducting official State business; or
11 c. When the State employee is a member of a State board,
12 commission, committee, or council which operates from funds
13 deposited with the State Treasurer, and the lunch is preplanned
14 as part of the meeting for the entire board, commission,
15 committee, or council."
16

17 Requested by: Senators Daniel, Plyler

18 **PER DIEM/MILEAGE CONFORM TO FEDERAL CHANGES**

19 Sec. 11.28. Effective upon convening of the 1995 Regular Session of the
20 General Assembly, G.S. 120-3.1(a) reads as rewritten:

21 (a) In addition to compensation for their services, members of the General
22 Assembly shall be paid the following allowances:

- 23 (1) A weekly travel allowance for each week or fraction thereof that the
24 General Assembly is in regular or extra session. The amount of the
25 weekly travel allowance shall be calculated for each member by
26 multiplying the actual round-trip mileage from that member's home to
27 the City of Raleigh by the rate per mile which is the business standard
28 mileage rate set by the Internal Revenue Service in ~~Rev. Proc. 92-104,~~
29 ~~December 28, 1992.~~ Rev. Proc. 93-51, December 27, 1993.
30 (2) A travel allowance at the rate which is the business standard mileage
31 rate set by the Internal Revenue Service in ~~Rev. Proc. 92-104,~~
32 ~~December 28, 1992,~~ Rev. Proc. 93-51, December 27, 1993, whenever
33 the member travels, whether in or out of session, as a representative of
34 the General Assembly or of its committees or commissions, with the
35 approval of the Legislative Services Commission.
36 (3) A subsistence allowance for meals and lodging at a daily rate equal to
37 the maximum per diem rate for federal employees traveling to Raleigh,
38 North Carolina, as set out at ~~57 Federal Register 6684 (February 27,~~
39 ~~1992),~~ 58 Federal Register 67959 (December 22, 1993), while the
40 General Assembly is in session and, except as otherwise provided in
41 this subdivision, while the General Assembly is not in session when,
42 with the approval of the Speaker of the House in the case of
43 Representatives or the President Pro Tempore of the Senate in case of
44 Senators, the member is:

- 1 a. Traveling as a representative of the General Assembly or of its
2 committees or commissions, or
3 b. Otherwise in the service of the State.

4 A member who is authorized to travel, whether in or out of session,
5 within the United States outside North Carolina, may elect to receive,
6 in lieu of the amount provided in the preceding paragraph, a
7 subsistence allowance of twenty-six dollars (\$26.00) a day for meals,
8 plus actual expenses for lodging when evidenced by a receipt
9 satisfactory to the Legislative Administrative Officer, the latter not to
10 exceed the maximum per diem rate for federal employees traveling to
11 the same place, as set out at ~~57 Federal Register 6678-6687 (February~~
12 ~~27, 1992)~~ and at ~~57 Federal Register 24474-24477 (June 9, 1992)~~. 58
13 Federal Register 67950-67964 (December 22, 1993) and at 59 Federal
14 Register 23702-23709 (May 6, 1994).

- 15 (4) A member may be reimbursed for registration fees as permitted by the
16 Legislative Services Commission."
17

18 Requested by: Senator Harris

19 **INCLUDE EXPENSE ALLOWANCES AS COMPENSATION UNDER THE**
20 **LEGISLATIVE RETIREMENT SYSTEM**

21 Sec. 11.29. (a) Effective upon the convening of the 1995 Regular Session of
22 the General Assembly, G.S. 120-4.8(5) reads as rewritten:

23 "(5) 'Compensation' means salary and expense allowance paid as a
24 legislator for service in the North Carolina General Assembly,
25 exclusive of ~~travel, per diem and expense allowances.~~ travel and per
26 diem."

27 (b) This section applies to expense allowances paid on or after January 1,
28 1994.
29

30 Requested by: Senator Harris

31 **CHANGE THE METHOD FOR CALCULATING THE REDUCTION FOR**
32 **EARLY RETIREMENT IN THE TEACHERS' AND STATE EMPLOYEES'**
33 **RETIREMENT SYSTEM; TO INCREASE THE RETIREMENT FORMULA**
34 **WITH AN ADJUSTING INCREASE TO RETIREES OF THE TEACHERS' AND**
35 **STATE EMPLOYEES' RETIREMENT SYSTEM AND OF THE LOCAL**
36 **GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM; AND TO**
37 **PROVIDE AN INCREASE TO RETIREES OF THE TEACHERS' AND STATE**
38 **EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENTAL**
39 **EMPLOYEES' RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT**
40 **SYSTEM AND THE JUDICIAL RETIREMENT SYSTEM**

41 Sec. 11.30. (a) G.S. 128-24(5)a reads as rewritten:

42 "a. Notwithstanding any other provision of this Chapter, any
43 member who separates from service prior to the attainment of
44 the age of 60 years for any reason other than death or retirement

1 for disability as provided in G.S. 128-27(c), after completing 15
2 or more years of creditable service, and who leaves his total
3 accumulated contributions in said System shall have the right to
4 retire on a deferred retirement allowance upon attaining the age
5 of 60 years; provided that such member may retire only upon
6 written application to the Board of Trustees setting forth at what
7 time, not less than one day nor more than 90 days subsequent to
8 the execution and filing thereof, he desires to be retired; and
9 further provided that in the case of a member who so separates
10 from service on or after July 1, 1967, the aforesated
11 requirement of 15 or more years of creditable service shall be
12 reduced to 12 or more years of creditable service; and further
13 provided that in the case of a member who so separates from
14 service on or after July 1, 1971, or whose account is active on
15 July 1, 1971, the aforesated requirement of 12 or more years of
16 creditable service shall be reduced to five or more years of
17 creditable service. ~~Such deferred retirement allowance shall be~~
18 ~~computed in accordance with the provisions of G.S. 128-27(b1),~~
19 ~~provided that such benefits will be computed in accordance~~
20 ~~with subsection (b2) on or after July 1, 1967, but prior to July 1,~~
21 ~~1969; and provided further that such benefits will be computed~~
22 ~~in accordance with subsection (b3) on or after July 1, 1969.~~
23 Such deferred retirement allowance shall be computed in
24 accordance with the service retirement provisions of this Article
25 pertaining to a member who is not a law enforcement officer or
26 eligible former law enforcement officer."

27 (b) G.S. 128-27 is amended by adding a new subsection to read:

28 "(a1) Early Service Retirement Benefits. – Any member may retire and receive a
29 reduced retirement allowance upon written application to the Board of Trustees setting
30 forth at what time, as of the first day of a calendar month, not less than one day nor
31 more than 90 days subsequent to the execution and filing thereof, he desires to be
32 retired: Provided, that the said member at the time so specified for his retirement shall
33 have attained the age of 50 years and have at least 20 years of creditable service."

34 (c) G.S. 128-27(b13) reads as rewritten:

35 "(b13) Service Retirement Allowance of Members Retiring on or after July 1,
36 1992, 1992, but before July 1, 1994. – Upon retirement from service in accordance with
37 subsection (a) above, on or after July 1, 1992, but before July 1, 1994, a member shall
38 receive the following service retirement allowance:

39 (1) A member who is a law enforcement officer or an eligible former law
40 enforcement officer shall receive a service retirement allowance
41 computed as follows:

42 a. If the member's service retirement date occurs on or after his
43 55th birthday, and completion of five years of creditable service
44 as a law enforcement officer, or after the completion of 30 years

1 of creditable service, the allowance shall be equal to one and
2 seventy hundredths percent (1.70%) of his average final
3 compensation, multiplied by the number of years of his
4 creditable service.

5 b. This allowance shall also be governed by the provisions of G.S.
6 128-27(b8)(2).

7 (2) A member who is not a law enforcement officer or an eligible former
8 law enforcement officer shall receive a service retirement allowance
9 computed as follows:

10 a. If the member's service retirement date occurs on or after his
11 65th birthday upon the completion of five years of creditable
12 service or after the completion of 30 years of creditable service
13 or on or after his 60th birthday upon the completion of 25 years
14 of creditable service, the allowance shall be equal to one and
15 seventy hundredths percent (1.70%) of his average final
16 compensation, multiplied by the number of years of creditable
17 service.

18 b. This allowance shall also be governed by the provisions of G.S.
19 128-27(b7)(2a), (2b), and (3)."

20 (d) G.S. 128-27 is amended by adding a new subsection to read:

21 "(b14) Service Retirement Allowance of Members Retiring on or after July 1,
22 1994. – Upon retirement from service in accordance with subsection (a) or (a1) above,
23 on or after July 1, 1994, a member shall receive the following service retirement
24 allowance:

25 (1) A member who is a law enforcement officer or an eligible former law
26 enforcement officer shall receive a service retirement allowance
27 computed as follows:

28 a. If the member's service retirement date occurs on or after his
29 55th birthday, and completion of five years of creditable service
30 as a law enforcement officer, or after the completion of 30 years
31 of creditable service, the allowance shall be equal to one and
32 seventy-one hundredths percent (1.71%) of his average final
33 compensation, multiplied by the number of years of his
34 creditable service.

35 b. This allowance shall also be governed by the provisions of G.S.
36 128-27(b8)(2).

37 (2) A member who is not a law enforcement officer or an eligible former
38 law enforcement officer shall receive a service retirement allowance
39 computed as follows:

40 a. If the member's service retirement date occurs on or after his
41 65th birthday upon the completion of five years of creditable
42 service or after the completion of 30 years of creditable service
43 or on or after his 60th birthday upon the completion of 25 years
44 of creditable service, the allowance shall be equal to one and

1 seventy-one hundredths percent (1.71%) of his average final
2 compensation, multiplied by the number of years of creditable
3 service.

4 b. This allowance shall also be governed by the provisions of G.S.
5 128-27(b7)(2a), (2b), and (3)."

6 (e) G.S. 135-3(8)a reads as rewritten:

7 "a. Notwithstanding any other provision of this Chapter, any
8 member who separates from service prior to the attainment of
9 the age of 60 years for any reason other than death or retirement
10 for disability as provided in G.S. 135-5(c), after completing 15
11 or more years of creditable service, and who leaves his total
12 accumulated contributions in said System shall have the right to
13 retire on a deferred retirement allowance upon attaining the age
14 of 60 years; provided that such member may retire only upon
15 written application to the Board of Trustees setting forth at what
16 time, not less than one day nor more than 90 days subsequent to
17 the execution and filing thereof, he desires to be retired; and
18 further provided that in the case of a member who so separates
19 from service on or after July 1, 1967, or whose account is active
20 on July 1, 1967, or has not withdrawn his contributions, the
21 aforestated requirement of 15 or more years of creditable
22 service shall be reduced to 12 or more years of creditable
23 service; and further provided that in the case of a member who
24 so separates from service on or after July 1, 1971, or whose
25 account is active on July 1, 1971, the aforestated requirement of
26 12 or more years of creditable service shall be reduced to five
27 or more years of creditable service. ~~Such deferred retirement~~
28 ~~allowance shall be computed in accordance with the provisions~~
29 ~~of G.S. 135-5(b1); provided that such benefits will be computed~~
30 ~~in accordance with (b2) on or after July 1, 1967, but prior to~~
31 ~~July 1, 1969; and provided further that such benefits will be~~
32 ~~computed in accordance with (b3) on or after July 1, 1969.~~
33 Such deferred retirement allowance shall be computed in
34 accordance with the service retirement provisions of this Article
35 pertaining to a member who is not a law enforcement officer or
36 an eligible former law enforcement officer. Notwithstanding
37 the foregoing, any member whose services as a teacher or
38 employee are terminated for any reason other than retirement,
39 who becomes employed by a nonprofit, nonsectarian private
40 school in North Carolina below the college level within one
41 year after such teacher or employee has ceased to be a teacher
42 or employee, may elect to leave his total accumulated
43 contributions in the Teachers' and State Employees' Retirement
44 System during the period he is in the employment of such

1 employer; provided that he files notice thereof in writing with
2 the Board of Trustees of the Retirement System within five
3 years after separation from service as a public school teacher or
4 State employee; such member shall be deemed to have met the
5 requirements of the above provisions of this subdivision upon
6 attainment of age 60 while in such employment provided that
7 he is otherwise vested."

8 (f) G.S. 135-3(8) is amended by adding a new subdivision to read:

9 "b3. Vested deferred retirement allowance of members retiring on or
10 after July 1, 1994. – In lieu of the benefits provided in
11 paragraphs a. and b. of this subdivision, any member who
12 separates from service prior to attainment of age 60 years, after
13 completing 20 or more years of creditable service, and who
14 leaves his total accumulated contributions in said System, may
15 elect to retire on a deferred retirement allowance upon attaining
16 the age of 50 years or any time thereafter; provided that such
17 member may so retire only upon written application to the
18 Board of Trustees setting forth at what time, not less than one
19 day nor more than 90 days subsequent to the execution and
20 filing thereof, he desires to be retired. Such deferred retirement
21 allowance shall be computed in accordance with the service
22 retirement provisions of this Article pertaining to a member
23 who is not a law enforcement officer or an eligible former law
24 enforcement officer."

25 (g) G.S. 135-5 is amended by adding a new subsection to read:

26 "(a1) Early Service Retirement Benefits. – Any member may retire and receive a
27 reduced retirement allowance upon written application to the Board of Trustees setting
28 forth at what time, as of the first day of a calendar month, not less than one day nor
29 more than 90 days subsequent to the execution of and filing thereof, he desires to be
30 retired: Provided, that the said member at the time so specified for his retirement shall
31 have attained the age of 50 years and have at least 20 years of creditable service."

32 (h) G.S. 135-5(b14) reads as rewritten:

33 "(b14) Service Retirement Allowance of Members Retiring on or after July 1,
34 1993-1993, but before July 1, 1994. – Upon retirement from service in accordance with
35 subsection (a) above, on or after July 1, 1993, but before July 1, 1994, a member shall
36 receive the following service retirement allowance:

37 (1) A member who is a law enforcement officer or an eligible former law
38 enforcement officer shall receive a service retirement allowance
39 computed as follows:

40 a. If the member's service retirement date occurs on or after his
41 55th birthday, and completion of five years of creditable service
42 as a law enforcement officer, or after the completion of 30 years
43 of creditable service, the allowance shall be equal to one and
44 seventy-one hundredths percent (1.71%) of his average final

- 1 compensation, multiplied by the number of years of his
2 creditable service.
- 3 b. If the member's service retirement date occurs after his 50th and
4 before his 55th birthday with 15 or more years of creditable
5 service as a law enforcement officer and prior to the completion
6 of 30 years of creditable service, the allowance shall be
7 computed as in G.S. 135-5(b14)(1)a., but shall be reduced by
8 one-third of one percent (1/3 of 1%) thereof for each month by
9 which the retirement date precedes the first day of the month
10 coincident with or next following his 55th birthday.
- 11 (2) A member who is not a law enforcement officer or an eligible former
12 law enforcement officer shall receive a service retirement allowance
13 computed as follows:
- 14 a. If the member's service retirement date occurs on or after his
15 65th birthday upon the completion of five years of creditable
16 service or after the completion of 30 years of creditable service
17 or on or after his 60th birthday upon the completion of 25 years
18 of creditable service, the allowance shall be equal to one and
19 seventy-one hundredths percent (1.71%) of his average final
20 compensation, multiplied by the number of years of creditable
21 service.
- 22 b. If the member's service retirement date occurs after his 60th
23 birthday and before his 65th birthday and prior to the
24 completion of 25 years or more of creditable service, the
25 retirement allowance shall be computed as in G.S. 135-
26 5(b14)(2)a. but shall be reduced by one-quarter of one percent
27 (1/4 of 1%) thereof for each month by which his retirement date
28 precedes the first day of the month coincident with or next
29 following his 65th birthday.
- 30 c. If the member's service retirement date occurs before his 60th
31 birthday and prior to the completion of 30 or more years of
32 creditable service, the service retirement allowance shall be the
33 actuarial equivalent of the allowance payable at the age of 60
34 years as computed in G.S. 135(b14)(2)b [G.S. 135-5(b14)(2)b.].
- 35 d. Notwithstanding the foregoing provisions, any member whose
36 creditable service commenced prior to July 1, 1963, shall
37 receive not less than the benefit provided by ~~G.S.~~ G.S. 135-
38 5(b)."
- 39 (i) G.S. 135-5 is amended by adding a new subsection to read:
40 "(b15) Service Retirement Allowance of Members Retiring on or after July 1,
41 1994. – Upon retirement from service in accordance with subsection (a) or (a1) above,
42 on or after July 1, 1994, a member shall receive the following service retirement
43 allowance:

- 1 (1) A member who is a law enforcement officer or an eligible former law
2 enforcement officer shall receive a service retirement allowance
3 computed as follows:
- 4 a. If the member's service retirement date occurs on or after his
5 55th birthday, and completion of five years of creditable service
6 as a law enforcement officer, or after the completion of 30 years
7 of creditable service, the allowance shall be equal to one and
8 seventy-three hundredths percent (1.73%) of his average final
9 compensation, multiplied by the number of years of his
10 creditable service.
- 11 b. If the member's service retirement date occurs on or after his
12 50th birthday and before his 55th birthday with 15 or more
13 years of creditable service as a law enforcement officer and
14 prior to the completion of 30 years of creditable service, his
15 retirement allowance shall be equal to the greater of:
- 16 1. The service retirement allowance payable under G.S.
17 135-5(b15)(1)a. reduced by one-third of one percent (1/3
18 of 1%) thereof for each month by which his retirement
19 date precedes the first day of the month coincident with
20 or next following the month the member would have
21 attained his 55th birthday; or
- 22 2. The service retirement allowance as computed under
23 G.S. 135-5(b15)(1)a. reduced by five percent (5%) times
24 the difference between 30 years and his creditable
25 service at retirement.
- 26 (2) A member who is not a law enforcement officer or an eligible former
27 law enforcement officer shall receive a service retirement allowance
28 computed as follows:
- 29 a. If the member's service retirement date occurs on or after his
30 65th birthday upon the completion of five years of creditable
31 service or after the completion of 30 years of creditable service
32 or on or after his 60th birthday upon the completion of 25 years
33 of creditable service, the allowance shall be equal to one and
34 seventy-three hundredths percent (1.73%) of his average final
35 compensation, multiplied by the number of years of creditable
36 service.
- 37 b. If the member's service retirement date occurs after his 60th and
38 before his 65th birthday and prior to his completion of 25 years
39 or more of creditable service, his retirement allowance shall be
40 computed as in G.S. 135-5(b15)(2)a. but shall be reduced by
41 one-quarter of one percent (1/4 of 1%) thereof for each month
42 by which his retirement date precedes the first day of the month
43 coincident with or next following his 65th birthday.

- 1 c. If the member's early service retirement date occurs on or after
2 his 50th birthday and before his 60th birthday and after
3 completion of 20 years of creditable service but prior to the
4 completion of 30 years of creditable service, his early service
5 retirement allowance shall be equal to the greater of:
- 6 1. The service retirement allowance as computed under
7 G.S. 135-5(b15)(2)a. but reduced by the sum of five-
8 twelfths of one percent (5/12 of 1%) thereof for each
9 month by which his retirement date precedes the first day
10 of the month coincident with or next following the
11 month the member would have attained his 60th
12 birthday, plus one-quarter of one percent (1/4 of 1%)
13 thereof for each month by which his 60th birthday
14 precedes the first day of the month coincident with or
15 next following his 65th birthday; or
- 16 2. The service retirement allowance as computed under
17 G.S. 135-5(b15)(2)a. reduced by five percent (5%) times
18 the difference between 30 years and his creditable
19 service at retirement; or
- 20 3. If the member's creditable service commenced prior to
21 July 1, 1994, the service retirement allowance provided
22 by G.S. 135-5(b14)(2)c.
- 23 d. Notwithstanding the foregoing provisions, any member whose
24 creditable service commenced prior to July 1, 1963, shall not
25 receive less than the benefit provided by G.S. 135-5(b)."

26 (j) G.S. 135-5(m) reads as rewritten:

27 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
28 principal beneficiary designated to receive a return of accumulated contributions shall
29 have the right to elect to receive in lieu thereof the reduced retirement allowance
30 provided by Option 2 of subsection (g) above computed by assuming that the member
31 had retired on the first day of the month following the date of his death, provided that ~~all~~
32 ~~three~~ of the following conditions apply:

- 33 ~~(1) The member had attained such age and/or creditable service to be~~
34 ~~eligible to commence retirement with an early or service retirement~~
35 ~~allowance or had attained 20 years of creditable service.~~
- 36 (1) a. The member had attained such age and/or creditable service to be
37 eligible to commence retirement with an early or service retirement
38 allowance, or
- 39 b. The member had obtained 20 years of creditable service in
40 which case the retirement allowance shall be computed in
41 accordance with G.S. 135-5(b15)(1)b. or G.S. 135-5(b15)(2)c.,
42 notwithstanding the requirement of obtaining age 50.

- 1 (2) The member had designated as the principal beneficiary to receive a
2 return of his accumulated contributions one and only one person who
3 was living at the time of his death.
4 (3) The member had not instructed the Board of Trustees in writing that he
5 did not wish the provisions of this subsection to apply.

6 For the purpose of this benefit, a member is considered to be in service at the date of
7 his death if his death occurs within 180 days from the last day of his actual service. The
8 last day of actual service shall be determined as provided in subsection (l) of this
9 section. Upon the death of a member in service, the surviving spouse may make all
10 purchases for creditable service as provided for under this Chapter for which the
11 member had made application in writing prior to the date of death, provided that the
12 date of death occurred prior to or within 60 days after notification of the cost to make
13 the purchase. The term 'in service' as used in this subsection includes a member in
14 receipt of a benefit under the Disability Income Plan as provided in Article 6 of this
15 Chapter."

16 (k) G.S. 120-4.22A is amended by adding a new subsection to read:

17 "(i) In accordance with subsection (a) of this section, from and after July 1, 1994,
18 the retirement allowance to or on account of beneficiaries whose retirement commenced
19 on or before January 1, 1994, shall be increased by three and one-half percent (3.5%) of
20 the allowance payable on January 1, 1994. Furthermore, from and after July 1, 1994,
21 the retirement allowance to or on account of beneficiaries whose retirement commenced
22 after January 1, 1994, but before June 30, 1994, shall be increased by a prorated amount
23 of three and one-half percent (3.5%) of the allowance payable as determined by the
24 Board of Trustees based upon the number of months that a retirement allowance was
25 paid between January 1, 1994, and June 30, 1994."

26 (l) G.S. 128-27 is amended by adding two new subsections to read:

27 "(mm) Increase in Allowance as to Persons on Retirement Rolls as of June 1,
28 1994. – From and after July 1, 1994, the retirement allowance to or on account of
29 beneficiaries on the retirement rolls as of June 1, 1994, shall be increased by six-tenths
30 of one percent (.6%) of the allowance payable on June 1, 1994. This allowance shall be
31 calculated on the allowance payable and in effect on June 30, 1994, so as not to be
32 compounded on any other increase payable under subsection (k) of this section or
33 otherwise granted by act of the 1993 General Assembly in 1994.

34 "(nn) From and after July 1, 1994, the retirement allowance to or on account of
35 beneficiaries whose retirement commenced on or before July 1, 1993, shall be increased
36 by two and eight-tenths percent (2.8%) of the allowance payable on July 1, 1993, in
37 accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1994, the
38 retirement allowance to or on account of beneficiaries whose retirement commenced
39 after July 1, 1993, but before June 30, 1994, shall be increased by a prorated amount of
40 two and eight-tenths percent (2.8%) of the allowance payable as determined by the
41 Board of Trustees based upon the number of months that a retirement allowance was
42 paid between July 1, 1993, and June 30, 1994."

43 (m) G.S. 135-5 is amended by adding two new subsections to read:

1 "(xx) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1994. –
2 From and after July 1, 1994, the retirement allowance to or on account of beneficiaries
3 on the retirement rolls as of June 1, 1994, shall be increased by one and two-tenths of
4 one percent (1.2%) of the allowance payable on June 1, 1994. This allowance shall be
5 calculated on the allowance payable and in effect on June 30, 1994, so as not to be
6 compounded on any other increase granted by act of the 1993 General Assembly, 1994
7 Regular Session.

8 "(yy) From and after July 1, 1994, the retirement allowance to or on account of
9 beneficiaries whose retirement commenced on or before July 1, 1993, shall be increased
10 by three and one-half percent (3.5%) of the allowance payable on July 1, 1993, in
11 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1994, the
12 retirement allowance to or on account of beneficiaries whose retirement commenced
13 after July 1, 1993, but before June 30, 1994, shall be increased by a prorated amount of
14 three and one-half percent (3.5%) of the allowance payable as determined by the Board
15 of Trustees based upon the number of months that a retirement allowance was paid
16 between July 1, 1993, and June 30, 1994."

17 (n) G.S. 135-65 is amended by adding a new subsection to read:

18 "(o) From and after July 1, 1994, the retirement allowance to or on account of
19 beneficiaries whose retirement commenced on or before July 1, 1993, shall be increased
20 by three and one-half percent (3.5%) of the allowance payable on July 1, 1993.
21 Furthermore, from and after July 1, 1994, the retirement allowance to or on account of
22 beneficiaries whose retirement commenced after July 1, 1993, but before June 30, 1994,
23 shall be increased by a prorated amount of three and one-half percent (3.5%) of the
24 allowance payable as determined by the Board of Trustees based upon the number of
25 months that a retirement allowance was paid between July 1, 1993, and June 30, 1994."

26 (o) This section becomes effective July 1, 1994.

27
28 Requested by: Senators Sherron, Carpenter

29 **MODIFY THE BENEFIT RESTRICTIONS FOR REEMPLOYED RETIREES IN**
30 **THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, IN**
31 **THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, AND**
32 **IN THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM**

33 Sec. 11.31. (a) G.S. 128-24(5)c. reads as rewritten:

34 "c. Should a beneficiary who retired on an early or service
35 retirement allowance be ~~reemployed-reemployed, or otherwise~~
36 engaged to perform services, by an employer participating in
37 the Retirement System on a ~~permanent full-time,—part-time,~~
38 temporary, interim, or on fee-for-service basis, whether
39 contractual or otherwise, ~~the retirement allowance shall be~~
40 ~~suspended if the beneficiary receives or earns any of the~~
41 ~~following:~~

42 1. ~~Salary or fees or both in excess of one thousand five~~
43 ~~hundred dollars (\$1,500) per month;~~

2. ~~Salary or fees or both in excess of thirteen thousand five hundred dollars (\$13,500) during any consecutive 12 calendar months;~~
3. ~~Salary or fees or both during any consecutive 12 calendar months, which is greater than fifty percent (50%) of the reported compensation during the 12 months of service preceding the effective date of retirement; or~~
4. ~~Salary or fees or both during any month, which when added to the retirement allowance at retirement exceeds the monthly compensation earned immediately prior to retirement, if reemployed by the same employer within 90 days of the effective date of retirement.~~

~~The suspension of the retirement allowance shall be effective as of the first day of the month in which the beneficiary meets the conditions set forth in conditions 1 or 4 of this paragraph and effective as of the first day of the next succeeding month following the month in which the beneficiary meets the conditions set forth in conditions 2 or 3 of this paragraph. The retirement allowance shall be reinstated the month following termination of reemployment or the month following the month in which the conditions set forth in this paragraph are no longer met. The Board of Trustees may adjust the monetary limits in this paragraph by an amount equivalent to any across the board salary increase granted to employees of the State by the General Assembly. Each employer shall report information monthly to the Board of Trustees on forms provided by the Board on each reemployed beneficiary sufficient for the effective enforcement of this paragraph. Notwithstanding the foregoing, any beneficiary may irrevocably elect to recommence membership in the Retirement System immediately upon being restored to service, whereupon the retirement allowance shall cease, and if such beneficiary earns an amount in any calendar year which exceeds fifty percent (50%) of the reported compensation, excluding terminal payments, during the 12 months of service preceding the effective date of retirement, or twenty thousand dollars (\$20,000), whichever is greater, as hereinafter indexed, then the retirement allowance shall be suspended as of the first day of the month following the month in which the reemployment earnings exceed the amount above, for the balance of the calendar year. The retirement allowance of the beneficiary shall be reinstated as of January 1 of each year following suspension. The amount that may be earned before suspension shall be increased on January 1 of each year by the~~

1 ratio of the Consumer Price Index to the Index one year earlier,
2 calculated to the nearest tenth of a percent (1/10 of 1%)."

3 (b) G.S. 128-24(5)d. reads as rewritten:

4 "d. Should a ~~A~~ beneficiary who retired on an early or service
5 retirement allowance be whose retirement allowance is
6 suspended in accordance with the provisions of paragraph e and
7 who is restored to service as an employee, then the retirement
8 allowance shall cease as of the first day of the month following
9 the month in which the beneficiary is restored to service and the
10 beneficiary shall become a member of the Retirement System
11 and shall contribute thereafter as allowed by law at the uniform
12 contribution payable by all members.

13 Upon his subsequent retirement, he shall be paid a
14 retirement allowance determined as follows:

- 15 1. For a member who earns at least three years' membership
16 service after restoration to service, the retirement
17 allowance shall be computed on the basis of his
18 compensation and service before and after the period of
19 prior retirement without restriction; provided, that if the
20 prior allowance was based on a social security leveling
21 payment option, the allowance shall be adjusted
22 actuarially for the difference between the amount
23 received under the optional payment and what would
24 have been paid if the retirement allowance had been paid
25 without optional modification.
- 26 2. For a member who does not earn three years'
27 membership service after restoration to service, the
28 retirement allowance shall be equal to the sum of the
29 retirement allowance to which he would have been
30 entitled had he not been restored to service, without
31 modification of the election of an optional allowance
32 previously made, and the retirement allowance that
33 results from service earned since being restored to
34 service; provided, that if the prior retirement allowance
35 was based on a social security leveling payment option,
36 the prior allowance shall be adjusted actuarially for the
37 difference between the amount that would have been
38 paid for each month had the payment not been suspended
39 and what would have been paid if the retirement
40 allowance had been paid without optional modification."

41 (c) G.S. 135-1(10) reads as rewritten:

42 "(10) 'Employee' shall mean all full-time employees, agents or officers of the
43 State of North Carolina or any of its departments, bureaus and
44 institutions other than educational, whether such employees are

1 elected, appointed or employed: Provided that the term 'employee'
2 shall not include any person who is a member of the ~~Uniform~~
3 Consolidated Judicial Retirement System, any member of the General
4 Assembly or any part-time or temporary employee. Notwithstanding
5 any other provision of law, 'employee' shall include all employees of
6 the General Assembly except participants in the Legislative Intern
7 ~~Program and pages.~~ Program, pages, and reemployed beneficiaries in
8 receipt of a monthly retirement allowance under this Chapter. In all
9 cases of doubt, the Board of Trustees shall determine whether any
10 person is an employee as defined in this Chapter. 'Employee' shall also
11 mean every full-time civilian employee of the army national guard and
12 air national guard of this State who is employed pursuant to section
13 709 of Title 32 of the United States Code and paid from federal
14 appropriated funds, but held by the federal authorities not to be a
15 federal employee: Provided, however, that the authority or agency
16 paying the salaries of such employees shall deduct or cause to be
17 deducted from each employee's salary the employee's contribution in
18 accordance with applicable provisions of G.S. 135-8 and remit the
19 same, either directly or indirectly, to the Retirement System; coverage
20 of employees described in this sentence shall commence upon the first
21 day of the calendar year or fiscal year, whichever is earlier, next
22 following the date of execution of an agreement between the Secretary
23 of Defense of the United States and the Adjutant General of the State
24 acting for the Governor in behalf of the State, but no credit shall be
25 allowed pursuant to this sentence for any service previously rendered
26 in the above-described capacity as a civilian employee of the national
27 guard: Provided, further, that the Adjutant General, in his discretion,
28 may terminate the Retirement System coverage of the above-described
29 national guard employees if a federal retirement system is established
30 for such employees and the Adjutant General elects to secure coverage
31 of such employees under such federal retirement system. Any full-time
32 civilian employee of the national guard described above who is now or
33 hereafter may become a member of the Retirement System may secure
34 Retirement System credit for such service as a national guard civilian
35 employee for the period preceding the time when such employees
36 became eligible for Retirement System coverage by paying to the
37 Retirement System an amount equal to that which would have
38 constituted employee contributions if he had been a member during the
39 years of ineligibility, plus interest. Employees of State agencies,
40 departments, institutions, boards, and commissions who are employed
41 in permanent job positions on a recurring basis and who work 30 or
42 more hours per week for nine or more months per calendar year are
43 covered by the provisions of this subdivision."

44 (d) G.S. 135-3(8)c. reads as rewritten:

- 1 " c. Should a beneficiary who retired on an early or service
2 retirement allowance under this Chapter be reemployed, or
3 otherwise engaged to perform services, be reemployed by an
4 employer participating in the Retirement System on a
5 permanent full-time, part-time, temporary, interim, or on fee-
6 for-service basis, whether contractual or otherwise, the
7 retirement allowance shall be suspended if the beneficiary
8 receives or earns any of the following:
- 9 1. ~~Salary or fees or both in excess of one thousand five~~
10 ~~hundred dollars (\$1,500) per month;~~
 - 11 2. ~~Salary or fees or both in excess of thirteen thousand five~~
12 ~~hundred (\$13,500) during any consecutive 12 calendar~~
13 ~~months;~~
 - 14 3. ~~Salary or fees or both during any consecutive 12~~
15 ~~calendar months, which is greater than fifty percent~~
16 ~~(50%) of the reported compensation during the 12~~
17 ~~months of service preceding the effective date of~~
18 ~~retirement; or~~
 - 19 4. ~~Salary or fees or both during any month, which when~~
20 ~~added to the retirement allowance at retirement exceeds~~
21 ~~the monthly compensation earned immediately prior to~~
22 ~~retirement, if reemployed by the same employer within~~
23 ~~90 days of the effective date of retirement.~~

24 The suspension of the retirement allowance shall be effective as
25 of the first day of the month in which the beneficiary meets the
26 conditions set forth in conditions 1 or 4 of this paragraph and
27 effective as of the first day of the next succeeding month
28 following the month in which the beneficiary meets the
29 conditions set forth in conditions 2 or 3 of this paragraph. The
30 retirement allowance shall be reinstated the month following
31 termination of reemployment or the month following the month
32 in which the conditions set forth in this paragraph are no longer
33 met. The Board of Trustees may adjust the monetary limits in
34 this paragraph by an amount equivalent to any across-the-board
35 salary increase granted to employees of the State by the General
36 Assembly. Each employer shall report information monthly to
37 the Board of Trustees on forms provided by the Board on each
38 reemployed beneficiary sufficient for the effective enforcement
39 of this paragraph. Notwithstanding the foregoing, any
40 beneficiary may irrevocable elect to recommence membership
41 in the Retirement System immediately upon being restored to
42 service, whereupon the retirement allowance shall cease. and if
43 such beneficiary earns an amount in any calendar year which
44 exceeds fifty percent (50%) of the reported compensation,

1 excluding terminal payments, during the 12 months of service
2 preceding the effective date of retirement, or twenty thousand
3 dollars (\$20,000), whichever is greater, as hereinafter indexed,
4 then the retirement allowance shall be suspended as of the first
5 day of the month following the month in which the
6 reemployment earnings exceed the amount above, for the
7 balance of the calendar year. The retirement allowance of the
8 beneficiary shall be reinstated as of January 1 of each year
9 following suspension. The amount that may be earned before
10 suspension shall be increased on January 1 of each year by the
11 ratio of the Consumer Price Index to the Index one year earlier,
12 calculated to the nearest tenth of a percent (1/10 of 1%)."

13 (e) G.S. 135-3(8)d. reads as rewritten:

14 "d. Should a A-beneficiary who retired on an early or service
15 retirement allowance under this Chapter be whose retirement
16 allowance is suspended in accordance with the provisions of
17 paragraph e and who is restored to service as an employee or
18 teacher, then the retirement allowance shall cease as of the first
19 of the month following the month in which the beneficiary is
20 restored to service and the beneficiary shall become a member
21 of the Retirement System and shall contribute thereafter as
22 allowed by law at the uniform contribution payable by all
23 members.

24 Upon his subsequent retirement, he shall be paid a
25 retirement allowance determined as follows:

- 26 1. For a member who earns at least three years' membership
27 service after restoration to service, the retirement
28 allowance shall be computed on the basis of his
29 compensation and service before and after the period of
30 prior retirement without restrictions; provided, that if the
31 prior allowance was based on a social security leveling
32 payment option, the allowance shall be adjusted
33 actuarially for the difference between the amount
34 received under the optional payment and what would
35 have been paid if the retirement allowance had been paid
36 without optional modification.
- 37 2. For a member who does not earn three years'
38 membership service after restoration to service, the
39 retirement allowance shall be equal to the sum of the
40 retirement allowance to which he would have been
41 entitled had he not been restored to service, without
42 modification of the election of an optional allowance
43 previously made, and the retirement allowance that
44 results from service earned since being restored to

1 service; provided, that if the prior retirement allowance
 2 was based on a social security leveling payment option,
 3 the prior allowance shall be adjusted actuarially for the
 4 difference between the amount that would have been
 5 paid for each month had the payment not been suspended
 6 and what would have been paid if the retirement
 7 allowance had been paid without optional modification.

- 8 e. Any beneficiary who retired on an early or service retirement
 9 allowance as an employee of any State department, agency or
 10 institution under the Law Enforcement Officers' Retirement
 11 System and becomes employed as an employee by a State
 12 department, agency, or institution as an employer participating
 13 in the Retirement System shall become subject to the provisions
 14 of G.S. 135-3(8)c and G.S. 135-3(8)d on and after January 1,
 15 1989."

16 (f) This section becomes effective January 1, 1995.

17
 18 **PART 7. OFFICE OF STATE BUDGET AND MANAGEMENT**

19
 20 **BUDGET REFORM STATEMENTS/APPROPRIATIONS ADJUSTMENTS**

21 Sec. 12. The General Fund and availability used in developing the 1993-95
 22 budget is as shown below:

	<u>1993-94</u>	<u>1994-95</u>	
		<u>Recurring</u>	<u>Nonrecurring</u>
23			
24			
25			
26			
27	AVAILABILITY:		
28	Estimated Remaining		
29	\$ -	\$ -	\$519.2
30	Unappropriated Balance		
31	4.7	209.6	-
32	294.7	294.7	-
33	Additional Increases:		
34	Insurance Fund		
35	-	1.3	-
36	Non-Tax Revenue		
37	-	2.7	-
38	\$299.4	\$508.3	\$519.2
39	1994 Crime Session		
40	\$ 26.9	\$168.3	\$ 61.5
41	Unobligated Availability		
42	272.5		
43	<u>233.2</u>		
44	\$505.7		

1				
2	Earmarking:			
3	Savings Reserve	126.4		
4	Repairs and Renovations			
5	Reserve <u>60.0</u>			
6	Total Earmarking	\$ 186.4		
7				
8	Balance \$ 319.3	\$340.0	\$457.7	
9				
10	Additional Availability:			
11	Disproportionate Share			
12	Funds (Earmarked)	114.2	-	-
13	Disproportionate Share			
14	Funds - Additional	<u>85.7</u>	-	<u>94.0</u>
15	Total Additional Availability	\$199.9	-	\$94.0
16				
17	Budget Reductions	-	172.9	.2
18				
19	TOTAL BALANCE	\$519.2	\$512.9	\$551.9
20				

21 Requested by: Senators Daniel, Plyler

22 **RESERVE FOR IMPLEMENTATION OF FEDERAL OSHA REGULATIONS**
 23 **REGARDING BLOODBORNE PATHOGENS/USE OF FUNDS; LONG-RANGE**
 24 **PLAN**

25 Sec. 12.1. Funds appropriated in this act to the Office of State Budget and
 26 Management for the implementation of the federal OSHA regulations regarding
 27 bloodborne pathogens shall be used only to support the cost of testing, inoculations,
 28 personal protective equipment, and required cleanup equipment and supplies for
 29 employees who are subject to these regulations and only if adequate funds are not
 30 available for these purposes. They shall not be used as planning money or for salaries
 31 for any new positions or for any other purpose than specifically authorized by this
 32 section.

34 **PART 8. GENERAL ASSEMBLY**

36 Requested by: Senators Plexico, Martin of Guilford

37 **FINANCIAL AUDIT OF THE DEPARTMENT OF INSURANCE**

38 Sec. 13. Of the funds appropriated in this act to the General Assembly,
 39 Legislative Services Commission, the sum of seventy-five thousand dollars (\$75,000)
 40 for the 1994-95 fiscal year shall be used to contract for an independent financial audit of
 41 the Department of Insurance in accordance with the auditing standards set forth in
 42 Government Auditing Standards. The audit shall be completed on or before January 15,
 43 1995.

1 Requested by: Senator Plexico

2 **JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE**
3 **STEERING COMMITTEE**

4 Sec. 14. Of the funds appropriated in this act to the General Assembly, the
5 sum of twenty-five thousand dollars (\$25,000) in the 1994-95 fiscal year may be used to
6 support the official activities of the Joint Legislative Commission on Seafood and
7 Aquaculture Steering Committee. The Legislative Research Commission may allocate
8 these funds for the purposes stated in this section only if Senate Bill 1436 is enacted by
9 the 1993 General Assembly.

10

11 **PART 9. GENERAL GOVERNMENT**

12

13 Requested by: Senator Plexico

14 **NORTH CAROLINA INFORMATION HIGHWAY GRANT PROGRAM**

15 Sec. 15. **Controller's Funds Revert:** Notwithstanding any other law, funds
16 in the amount of four million one hundred thousand dollars (\$4,100,000) appropriated
17 to the Office of the State Controller in Chapter 561 of the 1993 Session Laws for the
18 1993-94 fiscal year for the State Telecommunications System shall revert to the General
19 Fund.

20 Sec. 15.1. Aid to Local School Administrative Units:

21 (a) Of the funds appropriated to Aid to Local School Administrative Units for the
22 1994-95 fiscal year, the sum of three million seven hundred ninety-two thousand dollars
23 (\$3,792,000) shall be used for the North Carolina Information Highway (NCIH) Grant
24 Program. These funds shall be allocated to 24 local school administrative units for pilot
25 projects demonstrating the use of broadband telecommunication technology to improve
26 student performance.

27 (b) Only local school administrative units eligible to receive low-wealth school
28 supplemental funding or small school system supplemental funding shall be eligible for
29 grants: Provided, however, any local school administrative unit that has a plan for using
30 broadband telecommunication technology to improve student performance may use
31 funds from other sources to participate in the North Carolina Information Highway. A
32 low-wealth school system that loses its low-wealth status shall not continue to receive
33 grant funding. A local school administrative unit applying for a grant shall submit to
34 the State Board of Education an application that indicates (i) how the use of the grant
35 funds will be used to improve student performance (ii) and any other criteria adopted by
36 the State Board.

37 The Department of Public Instruction shall review grant applications to
38 determine the likelihood that the proposed project will improve student performance,
39 the evidence that the school is willing to sustain its participation in the program, the
40 demonstrated special need for broadband telecommunications access, and the evidence
41 of the applicant's readiness to use the technology. In selecting grant recipients, the State
42 Board of Education shall:

43 (1) Consider the recommendations of the Department of Public
44 Instruction,

1 (2) Give highest priority to qualified applicants that have the least ability
2 to fund broadband telecommunication technology without a grant of
3 State funds, and

4 (3) Give additional priority to qualified applicants that have been placed
5 on warning or low-performing status by the State Board of Education.

6 (c) Each grant awarded shall consist of a capital component and an operating
7 component. The capital component of the grant shall be used to convert and equip one
8 classroom for interactive video use. The capital component shall be a nonrecurring
9 award in an amount not to exceed one hundred twenty-five thousand dollars (\$125,000).

10 The operating component of a grant award shall extend for a three-year
11 period and shall be used for monthly operating charges arising from the instructional
12 use of broadband telecommunications technology.

13 (d) The Superintendent of Public Instruction shall administer the grant
14 program and provide technical assistance pertaining to the educational aspects of
15 technology-based instruction to grant applicants and recipients. The Superintendent may
16 contract with outside consultants to provide the technical assistance.

17 The Superintendent may request assistance from the Office of the State
18 Controller in providing technical assistance requested by local school administrative
19 units pertaining to the aspects of technology-based instruction other than the educational
20 aspects.

21 (d1) The North Carolina School of Science and Mathematics shall provide
22 courses to students and teachers that are public school pilot projects funded under this
23 section. The North Carolina School of Science and Mathematics may also provide
24 courses to students and teachers in other public schools participating in the North
25 Carolina Information Highway, to the extent that funds are available to do so.

26 The North Carolina School of Science and Mathematics shall consider the
27 needs of the schools participating in the pilot projects and shall work with these schools
28 in offering courses and services through the North Carolina Information Highway.

29 (e) The State Board of Education shall contract with an outside researcher to
30 evaluate the results of the pilot projects. The goal of the evaluation shall be to identify
31 and isolate the particular role interactive video, via a fiber optics foundation, plays in
32 improving student achievement, attitudes, motivation, and behavior, when compared to
33 other (i) traditional classroom settings, (ii) analog or digital TV with keypad interaction,
34 (iii) satellite television with keypad interaction, and (iv) other technologies.

35 The outside researcher shall compare the performance of the students who
36 have access to broadband telecommunications technology to those who do not. The
37 research shall be conducted in two phases. The first phase shall include a review of
38 available studies, including data gathered in other states or by federal agencies, to
39 determine the relationship between student performance and broadband
40 telecommunications applications in schools. The second phase shall measure and
41 compare the performance of students who are participating in a pilot project to those
42 who are not. In conducting these measures and comparisons, the researcher shall match
43 the demographic characteristics and the learning styles of students, the teaching styles
44 of teachers, and other relevant factors.

1 The State Board of Education shall report the results of the study on a
2 periodic basis to the Joint Legislative Education Oversight Committee and to the Joint
3 Legislative Commission on Governmental Operations. The State Board of Education
4 shall also report, in conjunction with the Office of the State Controller, to the Joint
5 Legislative Education Oversight Committee on the implementation of the Grant
6 Program, including staff development and maintenance activities. The State Board shall
7 make a final report to the Joint Legislative Education Oversight Committee and to the
8 Joint Legislative Commission on Governmental Operations prior to the convening of
9 the 1997 General Assembly. The 1997 General Assembly shall use the report to make
10 its determination of whether to continue the pilot projects, and if so, at what level and in
11 what form.

12 (f) Of the funds appropriated to Aid to Local School Administrative Units for
13 the 1994-95 fiscal year, the sum of two hundred thousand dollars (\$200,000) shall be
14 allocated to the State Board of Education to implement subsection (e) of this section.

15 (g) The Superintendent shall create a Division of Information Resources
16 Management within the Department to manage the Department's information systems
17 and information technology initiatives, and to provide technical assistance to local
18 school administrative units regarding the use of education technology, business systems,
19 instructional management systems, and the North Carolina Information Highway.

20 **Sec. 15.2. Department of Community Colleges:** (a) Of the funds appropriated
21 to the Department of Community Colleges for the 1994-95 fiscal year, the sum of five
22 hundred seventy-six thousand dollars (\$576,000) shall be used for the North Carolina
23 Information Highway (NCIH) Community College Grant Program. These funds shall
24 be allocated to 12 community colleges for pilot projects demonstrating the use of
25 broadband telecommunication technology to improve student performance: Provided,
26 however, any community college that has a plan for using broadband
27 telecommunication technology to improve student performance or otherwise
28 significantly enhance other educational objectives may use funds from other sources to
29 participate in the North Carolina Information Highway.

30 (b) A community college applying for a grant shall submit to the State Board of
31 Community Colleges an application that indicates (i) how the use of the grant funds will
32 be used to improve student performance (ii) and any other criteria adopted by the State
33 Board.

34 (c) The Department of Community Colleges shall review grant applications to
35 determine the likelihood that the proposed project will improve student performance,
36 the evidence that the school is willing to sustain its participation in the program, and the
37 demonstrated special need for broadband telecommunications access. In selecting grant
38 recipients, the State Board of Community Colleges shall consider the recommendations
39 of the Department of Community Colleges. The State Board shall give highest priority
40 to qualified applicants that have the lowest curriculum FTE and, within that criteria, to
41 applicants who have progressed further in their plans for the development of the
42 program.

1 (d) Each grant awarded shall consist of operating funds only. The grant award
2 shall extend for a three-year period and shall be used for monthly operating charges
3 arising from the instructional use of broadband telecommunications technology.

4 (e) The Department of Community Colleges shall administer the grant
5 program and provide technical assistance to pertaining to the educational aspects of
6 technology-based instruction to grant applicants and recipients. The Department may
7 contract with outside consultants to provide the technical assistance.

8 The Department may request assistance from the Office of the State
9 Controller in providing technical assistance requested by community colleges pertaining
10 to the aspects of technology-based instruction other than the educational aspects.

11 (f) The State Board of Community Colleges shall contract with an outside
12 researcher to evaluate the results of the pilot project. The goal of the evaluation shall be
13 to identify and isolate the particular role interactive video, via a fiber optics foundation,
14 plays in improving student achievement when compared to other (i) traditional
15 classroom settings, (ii) analog or digital TV with keypad interaction, (iii) satellite
16 television with keypad interaction, and (iv) other technologies.

17 The outside researcher shall compare the performance of the students who
18 have access to broadband telecommunications technology to those who do not. The
19 research shall be conducted in two phases. The first phase shall include a review of
20 available studies, including data gathered in other states or by federal agencies, to
21 determine the relationship between student performance and broadband
22 telecommunications applications in schools. The second phase shall measure and
23 compare the performance of community college students who are participating in a pilot
24 project to those community college students who are not participating in a pilot project.
25 In conducting these measures and comparisons, the researcher shall match the
26 demographic characteristics and the learning styles of students, the teaching styles of
27 teachers, and other relevant factors.

28 The State Board of Community Colleges shall report the results of the study
29 on a periodic basis to the Joint Legislative Education Oversight Committee and to the
30 Joint Legislative Commission on Governmental Operations. The State Board of
31 Community Colleges shall also report, in conjunction with the Office of the State
32 Controller, to the Joint Legislative Education Oversight Committee on the
33 implementation of the Grant Program, including staff development and maintenance
34 activities. The State Board shall make a final report to the Joint Legislative Education
35 Oversight Committee and to the Joint Legislative Commission on Governmental
36 Operations prior to the convening of the 1997 General Assembly. The 1997 General
37 Assembly shall use the report to make its determination of whether to continue the pilot
38 project, and if so, at what level and in what form.

39 (g) Of the funds appropriated to the Department of Community Colleges for
40 the 1994-95 fiscal year, the sum of one hundred thousand dollars (\$100,000) shall be
41 allocated to implement subsection (f) of this section.

42 **Sec. 15.3. Grant Programs Advisory Council:** The State Board of
43 Education and the State Board of Community Colleges shall jointly create an Advisory
44 Council to assist them in coordinating the North Carolina Information Highway Grant

1 Program created in this act, developing implementation strategies for the Grant
2 Programs, and evaluating the Grant Programs. The Advisory Council shall also advise
3 the Office of the State Controller on issues relating to staff development and
4 maintenance activities as they apply to the North Carolina Information Highway in the
5 public schools and community colleges.

6 The Advisory Council shall consist of the following members:

- 7 (1) Three members of the Senate appointed by the President Pro Tempore
8 of the Senate, one of whom shall be designated by the President Pro
9 Tempore of the Senate as cochair;
- 10 (2) Three members of the House of Representatives appointed by the
11 Speaker of the House of Representatives, one of whom shall be
12 designated by the Speaker of the House of Representatives as cochair;
13 and
- 14 (3) No more than 9 additional members who are representatives of one or
15 more of the following agencies appointed by the heads of those
16 agencies upon the joint request of the State Board of Education and the
17 State Board of Community Colleges:
 - 18 a. The Office of the Governor,
 - 19 b. The Department of Public Instruction,
 - 20 c. The Department of Community Colleges,
 - 21 d. The University of North Carolina,
 - 22 e. The Division of Information Resources Management of the
23 Office of the Controller,
 - 24 f. The Division of State Information Processing Services of the
25 Office of the Controller,
 - 26 g. The North Carolina School of Science and Mathematics, and
 - 27 h. Other State agencies that may add knowledge needed by the
28 Advisory Council.

29 The appointing agency shall pay the per diem and expenses of the members it appoints.

30 The Department of Public Instruction and the Department of Community
31 Colleges shall provide clerical assistance to the Advisory Council.

32 Sec. 15.4. **MCNC:** Of the funds appropriated in this act to the
33 Microelectronic Center of North Carolina (MCNC) for the 1994-95 fiscal year, the sum
34 of one million three hundred thirteen thousand dollars (\$1,313,000) shall be used to pay
35 the connecting charges and operating costs to join the following universities to the
36 North Carolina Research and Education Network: Appalachian State University,
37 Elizabeth City State University, Fayetteville State University, North Carolina Central
38 University, Pembroke State University, University of North Carolina at Greensboro,
39 University of North Carolina at Wilmington, and Western Carolina University.

40 Sec. 15.5. G.S. 116C-1(c) reads as rewritten:

41 "(c) The Education Cabinet shall be a nonvoting body that:

- 42 (1) Works to resolve issues between existing providers of education.
- 43 (2) Sets the agenda for the State Education Commission.

- 1 (3) Develops a strategic design for a continuum of education programs, in
2 accordance with G.S. 116C-3.
- 3 (3a) Work to resolve issues within institutions and between institutions
4 relating to funding of the instructional aspects of the North Carolina
5 Information Highway, including the transfer of credits, enrollment
6 issues related to the budget formulas, and agreements between
7 institutions, and report its progress to the Joint Legislative Education
8 Oversight Committee by January 1, 1995, and biannually thereafter.
- 9 (4) Studies other issues referred to it by the Governor or the General
10 Assembly."

11 Sec. 15.6. G.S. 143B-426.39(14) reads as rewritten:

- 12 "(14) With respect to State agencies, exercise general coordinating authority
13 for all telecommunications matters relating to the internal management
14 and operations of these agencies. In discharging that responsibility the
15 State Controller may in cooperation with affected State agency heads,
16 do such of the following things as he deems necessary and advisable:
- 17 a. Provide for the establishment, management, and operation,
18 through either State ownership or commercial leasing, of the
19 following systems and services as they affect the internal
20 management and operation of State agencies:
- 21 1. Central telephone systems and telephone networks;
 - 22 2. Teleprocessing systems;
 - 23 3. Teletype and facsimile services;
 - 24 4. Satellite services;
 - 25 5. Closed-circuit TV systems;
 - 26 6. Two-way radio systems;
 - 27 7. Microwave systems;
 - 28 8. Related systems based on telecommunication
29 technologies.
- 30 b. With the approval of the Information Technology Council,
31 coordinate the development of cost-sharing systems for
32 respective user agencies for their proportionate parts of the cost
33 of maintenance and operation of the systems and services listed
34 in item "a." of this subdivision.
- 35 c. Assist in the development of coordinated telecommunications
36 services or systems within and among all State agencies and
37 recommend, where appropriate, cooperative utilization of
38 telecommunication facilities by aggregating users.
- 39 d. Perform traffic analysis and engineering for all
40 telecommunications services and systems listed in item "a." of
41 this subdivision.
- 42 e. Pursuant to G.S. 143-49, establish telecommunications
43 specifications and designs so as to promote and support
44 compatibility of the systems within State agencies.

- 1 f. Pursuant to G.S. 143-49 and G.S. 143-50, coordinate the review
2 of requests by State agencies for the procurement of
3 telecommunications systems or services.
- 4 g. Pursuant to G.S. 143-341 and Chapter 146 of the General
5 Statutes, coordinate the review of requests by State agencies for
6 State government property acquisition, disposition, or
7 construction for telecommunications systems requirements.
- 8 h. Provide a periodic inventory of telecommunications costs,
9 facilities, systems, and personnel within State agencies.
- 10 i. Promote, coordinate, and assist in the design and engineering of
11 emergency telecommunications systems, including but not
12 limited to the 911 emergency telephone number program,
13 Emergency Medical Services, and other emergency
14 telecommunications services.
- 15 j. Perform frequency coordination and management for State
16 agencies and local governments, including all public safety
17 radio service frequencies, in accordance with the rules and
18 regulations of the Federal Communications Commission or any
19 successor federal agency.
- 20 k. Advise all State agencies on telecommunications management
21 planning and related matters and provide through the State
22 Personnel Training Center or the State Information Processing
23 Services training to users within State agencies in
24 telecommunications technology and systems.
- 25 l. Assist and coordinate the development of policies and long-
26 range plans, consistent with the protection of citizens' rights to
27 privacy and access to information, for the acquisition and use of
28 telecommunications systems; and base such policies and plans
29 on current information about State telecommunications
30 activities in relation to the full range of emerging technologies.
- 31 m. Work cooperatively with the North Carolina Agency for Public
32 Telecommunications in furthering the purpose of this
33 subdivision.
- 34 n. Coordinate the operational, technical, staff development, and
35 maintenance activities related to the North Carolina Information
36 Highway, and provide technical assistance to participating local
37 school administrative units and community colleges as
38 requested by the Superintendent of Public Instruction and the
39 Department of Community Colleges.

40 The provisions of this subdivision shall not apply to the Criminal
41 Information Division of the Department of Justice or to the Judicial
42 Information System in the Judicial Department."

43 Sec. 15.7. Of the funds appropriated to the Office of the Controller in this
44 act, the sum of three hundred thousand dollars (\$300,000) shall be used to provide

1 technical assistance to local school administrative units and local community colleges in
2 accordance with G.S. 143B-426.39(14)n.

3 Sec. 15.8. The General Assembly encourages the concept of a switched
4 broadband information highway run by private sector industry, where the State could be
5 a customer, that would (i) enhance the delivery of education, health care, and other
6 services to all of the people of North Carolina and (ii) promote economic development
7 throughout all the counties of North Carolina.

8

9 **PART 10. DEPARTMENT OF ADMINISTRATION**

10

11 Requested by: Senator Plexico

12 **DOMESTIC VIOLENCE CENTER FUNDS TRANSFERRED**

13 Sec. 16. (a) Funds appropriated to the Department of Administration for
14 domestic violence centers in Chapter 321 and Chapter 561 of the 1993 Session Laws are
15 transferred to the Domestic Violence Center Fund established under G.S. 50B-9.

16 (b) Section 31 of Chapter 321 of the 1993 Session Laws, as amended by Section
17 30 of Chapter 561 of the 1993 Session Laws, reads as rewritten:

18 "Sec. 31. The funds appropriated to the Department of Administration, the North
19 Carolina Council for Women, for the ~~1993-94 fiscal year and for the 1994-95 fiscal year~~
20 for domestic violence centers shall be ~~allocated equally among domestic violence~~
21 ~~centers in operation on July 1, 1993, that offer services including a hotline,~~
22 ~~transportation services, community education programs, daytime services, and call~~
23 ~~forwarding during the night and that fulfill other criteria established by the Department~~
24 ~~of Administration. Grants shall be awarded based on criteria established by the~~
25 ~~Department of Administration and disbursed on a quarterly basis. The North Carolina~~
26 ~~Coalition against Domestic Violence, Incorporated, is eligible for a grant of ten~~
27 ~~thousand dollars (\$10,000) under this section. administered in accordance with G.S.~~
28 50B-9."

29

30 **DEPARTMENT OF CULTURAL RESOURCES**

31

32 Requested by: Senator Plyler

33 **CULTURAL RESOURCES FUNDS REALLOCATION**

34 Sec. 18. Of the funds appropriated in Section 4 of Chapter 561 of the 1993
35 Session Laws to the Department of Cultural Resources for the Museum of History -
36 Core Exhibition Design and Construction, the sum of seven hundred thousand dollars
37 (\$700,000) for the 1994-95 fiscal year shall be reallocated in the following amounts and
38 shall be used for the following purposes:

- 39 (1) \$300,000 for the Museum of the Cape Fear,
- 40 (2) \$50,000 for the Thomas Day House,
- 41 (3) \$50,000 for the Newbold White House,
- 42 (4) \$50,000 for the Albemarle-Stanly County Historic Preservation
43 Commission,
- 44 (5) \$150,000 for the Chinqua-Penn Plantation - Planning Grant,

- 1 (6) \$50,000 for the Union County Arts Council, and
2 (7) \$50,000 for the Alamance County Arts Council.

3
4 **PART 11. OFFICE OF THE GOVERNOR**

5
6 Requested by: Senators Martin of Guilford, Plexico

7 **REPORT TO AUDITOR ON TRANSFERS BETWEEN OBJECTS AND ITEMS**

8 Sec. 19. G.S. 143-23(a1) reads as rewritten:

9 "(a1) No transfers may be made between objects or line items in the budget of any
10 department, institution, or other spending agency; however, with the approval of the
11 Director of the Budget, a department, institution, or other spending agency may spend
12 more than was appropriated for an object or line item if the overexpenditure is:

- 13 (1) In a purpose or program for which funds were appropriated for that
14 fiscal period and the total amount spent for the purpose or program is
15 no more than was appropriated for the purpose or program for the
16 fiscal period;
17 (2) Required to continue a purpose or program because of unforeseen
18 events, so long as the scope of the purpose or program is not increased;
19 (3) Required by a court, Industrial Commission, or administrative hearing
20 officer's order or award or to match unanticipated federal funds;
21 (4) Required to respond to an unanticipated disaster such as a fire,
22 hurricane, or tornado; or
23 (5) Required to call out the National Guard.

24 The Director of the Budget shall report on a quarterly basis to the Joint Legislative
25 Commission on Governmental ~~Operations and to Operations,~~ the Fiscal Research
26 Division of the Legislative Services ~~Office-Office,~~ and the State Auditor the reason if
27 the amount expended for a purpose or program is more than the amount appropriated for
28 it from all sources. If the overexpenditure was authorized under subdivision (2) of
29 this subsection, the Director of the Budget shall identify in the report the unforeseen
30 event that required the overexpenditure.

31 Funds appropriated for salaries and wages are also subject to the limitation that they
32 may only be used for (i) salaries and wages or for premium pay, overtime pay,
33 longevity, unemployment compensation, workers' compensation, temporary wages,
34 contracted personal services, moving expenses, payment of accumulated annual leave,
35 certain awards to employees, tort claims, and employer's social security, retirement, and
36 hospitalization payments; or (ii) uses for which over expenditures are permitted by
37 subdivisions (3), (4), and (5) of this subsection but the Director of the Budget shall
38 include such use and the reason for it in his quarterly report to the Joint Legislative
39 Commission on Governmental ~~Operations and to Operations,~~ the Fiscal Research
40 Division of the Legislative Services ~~Office-Office,~~ and the State Auditor.

41 Lapsed salary funds that become available from vacant positions are also subject to
42 the limitation that they may not be used for new permanent employee positions or to
43 raise the salary of existing employees.

1 The requirements in this section that the Director of the Budget report to the Joint
 2 Legislative Commission on Governmental Operations and the State Auditor shall not
 3 apply to expenditures of receipts by entities that are wholly receipt supported, except for
 4 entities supported by the Wildlife Resources Fund.

5 The State Auditor shall review the report received from the Director of the Budget to
 6 ensure that the transfer complied with the intent and the provisions of this Article and
 7 shall report the Auditor's findings to the Joint Legislative Commission on Governmental
 8 Operations and to the Fiscal Research Division."

9
 10 **PART 12. DEPARTMENT OF INSURANCE**

11
 12 Requested by: Senator Plexico

13 **CONTROLLER'S RECOMMENDATIONS/INSURANCE DEPARTMENT'S**
 14 **CHART OF ACCOUNTS**

15 Sec. 20. The Office of the State Controller performed a review of the
 16 Department of Insurance's chart of accounts in accordance with Section 42 of Chapter
 17 321 of the 1993 Session Laws and reported its findings and recommendations in a letter
 18 dated March 1, 1994, to the President Pro Tempore of the Senate and the Speaker of the
 19 House of Representatives. The Office of the State Controller made several
 20 recommendations to bring the Department's accounting practices in compliance with
 21 standards promulgated by the Governmental Accounting Standards Board (GASB) and
 22 to be consistent with the accounting principles and guidelines prescribed for use within
 23 the State's accounting system. The Department of Insurance and the Office of State
 24 Budget and Management under the supervision of the Office of the State Controller
 25 shall implement the first three recommendations of the Office of the State Controller
 26 with regard to the following:

- 27 (1) Governmental Accounting Standards Board Classifications. – The
 28 Office of State Budget and Management and the Department of
 29 Insurance shall establish two special revenue budget codes, interest
 30 bearing and non-interest bearing, to be on deposit with the State
 31 Treasurer. The following list of funds within budget code number
 32 63900 shall be recorded in an interest bearing special revenue budget
 33 code:

<u>Fund</u>	<u>Title</u>	<u>GASB</u> <u>No.</u>	<u>Reassigned</u> <u>GASB No.</u>
6112	Safety Grants Program	3100	1319
6123	Volunteer Rescue/EMS	3100	1319
6133	Volunteer Fire Dept.	3100	1319
6134	Special Training Schools	3900	1300
6135	Fire and Rescue Journals	3900	1319
6140	Fire Prevention Week	3900	1319
6501	Qualification Board Fund	3900	1319

43 The following list of funds within budget code number 63901 shall be
 44 recorded in a non-interest bearing special revenue fund:

	<u>Fund</u>	<u>Title</u>	<u>GASB</u> <u>No.</u>	<u>Reassigned</u> <u>GASB No.</u>
1				
2				
3	6121	NC Firemen's Assoc. Grant	3100	1319
4	6122	Res. Squad Workers Relief	3100	1319
5				

(2) Incorrect Budget Code. – The Department of Insurance Fund (DAS Fund 6000) and the Consumer Protection Fund (DAS Fund 6001) shall be accounted for in an interest bearing special revenue budget code. The Continuing Education Program (DAS Fund 6231) shall be accounted for in a non-interest bearing special revenue budget code. The funds are being recorded as a special revenue fund for financial reporting purposes.

(3) Classification of Divisions Currently Accounted For in Trust Funds. – The revenue for the field audit division (DAS fund 6222), market conduct division (DAS fund 6223), and regulatory actions division (DAS fund 6226) of the Department of Insurance shall be recorded in the General Fund as receipts of the Department rather than in trust funds from which transfers are periodically made to the General Fund.

Requested by: Senator Martin of Guilford

CONSUMER PROTECTION FUND

Sec. 21. G.S. 58-2-215(d) reads as rewritten:

"(d) In no event shall more than ~~fifty percent (50%)~~ seventy percent (70%) of the amount in the Fund be allocated or spent for any one purpose specified in subsection (b) of this section in any fiscal year."

Requested by: Senator Plyler

PROVIDE STAFF POSITIONS TO ADMINISTER FIRE AND RESCUE CERTIFICATION PROGRAMS

Sec. 21.1. The North Carolina Fire and Rescue Commission is authorized four staff positions to administer fire and rescue certification programs. Of the four positions, three shall be field positions and one shall be clerical. The positions shall be funded by the Department of Insurance Fund and shall become part of the Commission's continuation budget.

PART 13. DEPARTMENT OF REVENUE

Requested by: Senator Plexico

STATE CONTROLLER REVIEW OF REVENUE CHART OF ACCOUNTS

Sec. 22. The Office of the State Controller as authorized by G.S. 143B-426.39 and this section shall review the chart of accounts used by the Department of Revenue and shall report to the 1995 General Assembly and to the Department of Revenue by March 1, 1995, the findings and recommendations of the State Controller's office regarding changes needed to align the accounting practices in the Department of

1 Revenue with standards of the Government Accounting Standards Board and generally
2 accepted principles of governmental accounting used within the State's accounting
3 system.

4

5 **PART 14. OFFICE OF THE STATE AUDITOR**

6

7 Requested by: Senator Plexico

8 **COST ANALYSIS OF BROADBAND TELECOMMUNICATIONS**

9 Sec. 23. The State Auditor shall conduct a comprehensive analysis to
10 determine costs of applying broadband telecommunications technology to: public
11 schools, community colleges, universities, hospitals, State agencies and other State-
12 owned institutions. Issues to be addressed during the study shall include the following:

13 (1) The costs to the State of using this technology including the following:
14 hardware and software contracts; consultant, service, and
15 communication provider contracts; and executed site plan
16 commitments (Documents of Understanding).

17 (2) The projected costs to the State of using this technology including the
18 following: projected hardware and software costs for all sites;
19 projected costs of consultant, service, and communication provider
20 services; projected personnel and equipment costs associated with the
21 use of broadband technology at all sites including State Information
22 Processing Services in the Office of the State Controller and also the
23 MCNC.

24 (3) Any other issues relating to broadband technology and the State's use
25 of this technology that the Office of the State Auditor, in the exercise
26 of its discretion, deems necessary or advisable.

27 All State agencies and officials shall cooperate fully with the Office of the
28 State Auditor in its performance of this study. This includes providing ready and
29 complete access to all materials, including those in draft form and those that may
30 contain confidential, proprietary, or similar information. It is the intent of the General
31 Assembly that the Office of the State Auditor have the same independence in
32 conducting this study as is provided by G.S. 147-64.8 for an audit.

33

34 **PART 15. STATE BOARD OF ELECTIONS**

35

36 Requested by: Senator Plexico

37 **STATE BOARD OF ELECTIONS NEEDS ASSESSMENT**

38 Sec. 25. (a) The State Board of Elections shall conduct a needs assessment and
39 requirements analysis for computerized voter registration. The needs assessment shall
40 determine whether there is a need for additional computerization of voter registration on
41 a statewide basis, on the county level, or both. The requirements analysis shall prepare
42 specifications for the additional computerization, if any, that the needs assessment
43 determines is needed. Those specifications shall include, but not necessarily be limited
44 to, functional requirements, performance requirements, interface requirements with

1 other computer applications, data communications requirements, computer application
2 design requirements, and project development standards.

3 The State Board of Elections shall use an outside consultant, procured
4 through the Department of Administration, Division of Purchase and Contract, to
5 conduct the needs assessment and requirements analysis. In requests for bids, requests
6 for quotes, requests for proposals, or other procurement actions issued through the
7 Department of Administration, Division of Purchase and Contract, or through any other
8 State agency, for a consultant to write these specifications there shall be a provision that
9 reads as follows:

10 "Eligibility for Future Requirements: The successful offeror on this
11 project will not be considered for an award on subsequent hardware,
12 software, software support, and related procurements which are based on
13 specifications or recommendations resulting from this procurement."

14 The Division of Purchase and Contract and the State agency or agencies
15 involved in the procurement may delete this provision in a procurement request by
16 jointly:

- 17 (1) Filing a written request with the Director of the Budget for
18 authorization to delete this provision from the procurement effort,
- 19 (2) Sending a copy of this written request for authorization to the Director
20 of the Fiscal Research Division at the time it is filed with the Office of
21 State Budget,
- 22 (3) Receiving written authorization to delete the provision from the
23 Director of the Budget, and
- 24 (4) Reporting the authorization, if it is granted, to the Director of the
25 Fiscal Research Division and to the next meeting of the Joint
26 Legislative Commission on Governmental Operations.

27 (b) Of the funds appropriated in this act to the State Board of Elections the sum
28 of one million five hundred thousand dollars (\$1,500,000) for fiscal year 1994-95 shall
29 be deposited into a reserve fund for computerized voter registration. The State Board of
30 Elections may spend money from the reserve fund only after the following conditions
31 have been met:

- 32 (1) A needs assessment and requirements analysis has been conducted in
33 accordance with subsection (a) of this section and has recommended
34 that investments be made in computerized voter registration, and that
35 the State Board of Elections has developed a specific proposal for
36 computerization in accordance with the recommendations of that needs
37 assessment and requirements analysis.
- 38 (2) The specific proposal developed with the State Board of Elections in
39 accordance with subdivision (1) of this subsection has been approved
40 by the Information Resource Management Commission.
- 41 (3) After the conditions of subdivisions (1) and (2) of this subsection have
42 been met, the State Board of Elections has reported its specific plans
43 for computerized voter registration to the Joint Legislative
44 Commission on Governmental Operations.

1 After the conditions in subdivisions (1) through (3) of this subsection have been met,
2 the State Board of Elections may spend money from the fund created by this subsection,
3 but only for a computerization plan that has met those three conditions.

4 (c) To the extent that this section conflicts with G.S. 163-82.11, G.S. 163-82.12,
5 or G.S. 163-82.13, if enacted, this section prevails to the extent of the conflict.

7 PART 16. COLLEGES AND UNIVERSITIES

9 Requested by: Senator Ward

10 AID TO STUDENTS ATTENDING PRIVATE COLLEGES/ PROCEDURE

11 Sec. 26. Subsections (a) and (b) of Section 80 of Chapter 321 of the 1993
12 Session Laws read as rewritten:

13 "Sec. 80. (a) Funds appropriated in Section 3 of this act to the Board of
14 Governors of The University of North Carolina for aid to private colleges shall be
15 disbursed in accordance with the provisions of G.S. 116-19, 116-21, 116-22. These
16 funds shall provide up to ~~four hundred fifty dollars (\$450.00)~~ five hundred fifty dollars
17 (\$550.00) per full-time equivalent North Carolina undergraduate student enrolled at a
18 private institution as of October 1 of each fiscal year.

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

26 (b) In addition to any funds appropriated pursuant to G.S. 116-19, and in addition
27 to all other financial assistance made available to private educational institutions located
28 within the State, or to students attending these institutions, there is granted to each full-
29 time North Carolina undergraduate student attending an approved institution as defined
30 in G.S. 116-22, a sum not to exceed ~~one thousand one hundred fifty dollars (\$1,150)~~ one
31 thousand two hundred fifty dollars (\$1,250) per academic year, which shall be
32 distributed to the student as hereinafter provided.

33 The tuition grants provided for in this section shall be administered by the State
34 Education Assistance Authority pursuant to rules adopted by the State Education
35 Assistance Authority not inconsistent with this section. The State Education Assistance
36 Authority shall not approve any grant until it receives proper certification from an
37 approved institution that the student applying for the grant is an eligible student. Upon
38 receipt of the certification, the State Education Assistance Authority shall remit, at such
39 times as it shall prescribe, the grant to the approved institution on behalf and to the
40 credit of the student.

41 In the event a student on whose behalf a grant has been paid is not enrolled and
42 carrying a minimum academic load as of October 1 of the first academic term or on the
43 tenth classroom day following the beginning of the second school term for which the
44 grant was paid, the institution shall refund the full amount of the grant to the State

1 Education Assistance Authority. Each approved institution shall be subject to
2 examination by the State Auditor for the purpose of determining whether the institution
3 has properly certified eligibility and enrollment of students and credited grants paid on
4 the behalf of the students.

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

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

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

14 Any remaining funds shall revert to the General Fund."

15
16 Requested by: Senator Ward

17 **NATIVE AMERICAN SCHOLARSHIP ELIGIBILITY**

18 Sec. 27. The Board of Governors of The University of North Carolina shall
19 adopt policies that ensure that Native Americans are eligible for the Minority Presence
20 Grants at each of the constituent institutions.

21
22 Requested by: Senator Ward

23 **AGRICULTURAL PROGRAMS**

24 Sec. 28. Of the funds appropriated in this act to the Board of Governors of
25 The University of North Carolina, four hundred fifty thousand dollars (\$450,000) shall
26 be allocated for matching federal funds and enhancement of the agricultural research
27 and extension programs at North Carolina Agricultural and Technical State University.

28 North Carolina Agricultural and Technical State University and North
29 Carolina State University shall establish a joint committee to coordinate the efforts of
30 the two campuses in agricultural research and extension and to avoid duplication of
31 efforts.

32
33 Requested by: Senator Ward

34 **AGRICULTURAL AND AQUACULTURAL EXPORT MARKET** 35 **DEVELOPMENT FUNDS**

36 Sec. 29. Of the funds appropriated in this act for enhancement of agricultural
37 programs at North Carolina State University, one million eight hundred ninety thousand
38 dollars (\$1,890,000) shall be used to further develop export market potential for
39 agricultural and aquacultural products.

40
41 Requested by: Senator Ward

42 **UNC-CH SMITH CENTER FUNDS**

43 Sec. 30. Of the funds appropriated in this act to the University of North
44 Carolina at Chapel Hill, the sum of four hundred thousand dollars (\$400,000) is

1 included from nonrecurring funds to offset operating losses at the Smith Center. The
2 University of North Carolina shall include these funds in its 1995-97 continuation
3 budget request. The General Assembly recommends that the Director of the Budget
4 include these funds in the 1995-97 budget recommended to the 1995 General Assembly.

5
6 Requested by: Senator Ward

7 UNIVERSITY OF NORTH CAROLINA MANAGEMENT FLEXIBILITY

8 Sec. 31. (a) Subsection (f) of Section 206.2 of Chapter 689 of the 1991
9 Session Laws reads as rewritten:

10 "(f) This section is effective upon ratification. ~~This section expires~~ Subsection (c)
11 of this section expires June 30, 1994."

12 (b) Part 2A of Chapter 116 of the General Statutes is amended by adding a new
13 section to read:

14 **"§ 116-30.6. Reports of results.**

15 The Board of Governors shall report annually by March 31 of each year on its
16 decisions and directives implementing this Part to the Joint Legislative Education
17 Oversight Committee. In particular, the Board shall report on the impact on
18 undergraduate student learning and development as demonstrated by the standard
19 assessment measures established in the institutional effectiveness plans, fiscal savings,
20 management initiatives, increased efficiency and effectiveness, and other outcomes
21 made possible by the flexibility provided by this Part to the special responsibility
22 constituent institutions. These reports shall include documentation of any reallocation
23 of resources, the use of nonreverted appropriations, and any additional costs incurred."

24 (c) G.S. 143-53.1 reads as rewritten:

25 **"§ 143-53.1. Setting of benchmarks; increase by Secretary.**

26 On and after July 1, 1990, the expenditure benchmark prescribed by G.S. 143-52
27 with respect to competitive bid procedures and the bid value benchmark authorized by
28 G.S. 143-53(2) with respect to rule making by the Secretary of Administration for
29 competitive bidding shall be ten thousand dollars (\$10,000); provided, the Secretary of
30 Administration may, in his discretion, increase the benchmarks effective as of the
31 beginning of any fiscal biennium of the State commencing after June 30, 1992, in an
32 amount whose increase, expressed as a percentage, does not exceed the rise in the
33 Consumer Price Index during the fiscal biennium next preceding the effective date of
34 the benchmark increase. For a special responsibility constituent institution of The
35 University of North Carolina, the benchmark prescribed in this section shall be ~~twenty-~~
36 ~~five thousand dollars (\$25,000) on and after July 1, 1991.~~ fifty thousand dollars
37 (\$50,000). The special responsibility constituent institutions, in exercising their
38 authority above and beyond the benchmarks set by the Secretary of Administration,
39 shall (i) determine State contract pricing for the item being purchased, and (ii) report
40 these purchases to the State Purchase and Contract Division on a quarterly basis."

41 (d) G.S. 116-30.2 reads as rewritten:

42 **"§ 116-30.2. Appropriations to special responsibility constituent institutions.**

43 All General Fund appropriations made by the General Assembly for continuing
44 operations of a special responsibility constituent institution of The University of North

1 Carolina shall be made in the form of a single sum to each budget code of the institution
2 for each year of the fiscal period for which the appropriations are being made.
3 Notwithstanding G.S. 143-23(a1), G.S. 143-23(a2), and G.S. 143-23(a3), each special
4 responsibility constituent institution may expend the General Fund monies so
5 appropriated to it in the manner deemed by the Chancellor to be calculated to maintain
6 and advance the programs and services of the institutions, consistent with the directives
7 and policies of the Board of Governors. The preparation, presentation, and review of
8 General Fund budget requests of special responsibility constituent institutions shall be
9 conducted in the same manner as are requests of other constituent institutions. The
10 quarterly allotment procedure established pursuant to G.S.143-17 shall apply to the
11 General Fund appropriations made for the current operations of each special
12 responsibility constituent institution. All General Fund monies so appropriated to each
13 special responsibility constituent institution shall be recorded, reported, and audited in
14 the same manner as are General Fund appropriations to other constituent institutions."

15 (e) This subsection and subsection (d) of this section are effective upon
16 ratification. Subsection (a) of this section becomes effective June 30, 1994.
17 Subsections (b) and (c) of this section become effective July 1, 1994.

18
19 Requested by: Senator Ward.

20 **UNC COOPERATIVE INSTITUTE FOR FISHERIES OCEANOGRAPHY**
21 **STUDY**

22 Sec. 32. Of the funds appropriated in this act to the Board of Governors of
23 The University of North Carolina, the sum of two hundred twenty-five thousand dollars
24 (\$225,000) for the 1994-95 fiscal year shall be used for the Cooperative Institute for
25 Fisheries Oceanography to study the fisheries resource and management structure.
26 These funds may be used for personnel, administrative, and consulting costs. These
27 funds may be allocated by the Board only if Senate Bill 1436 is enacted by the 1993
28 General Assembly.

29
30 Requested by: Senator Daniel

31 **NCSU COMPETITIVE INDUSTRIES/FUNDS**

32 Sec. 32.1. (a) Of the funds appropriated to the Board of Governors of The
33 University of North Carolina in Section 3 of this act, the sum of one million three
34 hundred sixty thousand dollars (\$1,360,000) shall be allocated to North Carolina State
35 University at Raleigh to enhance efforts to assure the competitiveness of several
36 traditional industries. The funds shall be allocated to provide:

- 37 (1) \$200,000 to transfer the Agricultural Education Program to the
38 College of Agriculture and Life Sciences;
39 (2) \$500,000 for extension, research, and support of the furniture industry;
40 (3) \$360,000 for enhancement of pulp and paper technology efforts; and
41 (4) \$300,000 for the Nonwovens Cooperative Research Center.
42 (b) Effective July 1, 1994, Section 81 of Chapter 321 is repealed.

43
44 Requested by: Senator Daniel

NURSE ANESTHETIST TRAINING FUNDS

Sec. 32.2. Section 98 of Chapter 321 of the 1993 Session Laws reads as rewritten:

"Sec. 98. Of the funds appropriated to the Board of Governors of The University of North Carolina in this act, the sum of fifty thousand dollars (\$50,000) for the 1993-94 fiscal year and the sum of fifty thousand dollars (\$50,000) for the 1994-95 fiscal year shall be used for the Area Health Education Center program to contract with the Raleigh School of Nurse Anesthesia for training of certified, registered nurse anesthetists."

PART 17. DEPARTMENT OF COMMUNITY COLLEGES

Requested by: Senators Ward, Perdue

PROGRAM REGIONALISM

Sec. 33. The State Board of Community Colleges shall require that all new programs it approves be developed using a regional approach unless there are extreme extenuating circumstances documented by the college detailing reasons a regional program is not feasible. The college shall demonstrate that it has attempted to develop a regional program and explain what barriers were in existence.

It is the intent of the General Assembly to increase the number of regional program offerings in community colleges and to eliminate as much duplication of programs by colleges that are within reasonably close proximity to each other. The General Assembly urges the State Board's Government Performance Audit Committee (GPAC) Task Force on Regionalism to provide more substantive recommendations on how existing, as well as, new programs can be offered regionally as recommended by the GPAC in its next report due in January 1995.

The Department of Community Colleges shall report quarterly to the Joint Legislative Education Oversight Committee on the progress made on regional programs. The report shall list all programs approved by the State Board that are not regional and the reasons for their approval.

Requested by: Senator Ward

CONTINUING BUDGET CONCEPT

Sec. 34. The State Board of Community Colleges shall implement the new continuing budget concept presented to the House and Senate Appropriations Subcommittees during the 1994 Regular Session of the 1993 General Assembly for the 1995-97 biennium and in subsequent years. In order to ensure more stability in funding, community colleges that experience a decline in enrollment shall not receive a decrease in full-time equivalent student (FTE) enrollment funds until their enrollment declines more than four percent (4%). At that time, they shall experience a decline of only the amount over four percent (4%). Community colleges that experience an increase in enrollment shall not experience an increase in full-time equivalent student (FTE) enrollment funds until their enrollment increases more than four percent (4%). At that time, they shall experience an increase of only the amount over four percent (4%).

1 It is the intent of this section to implement the recommendation of the
2 Government Performance Audit Committee regarding changing the community college
3 funding formula to one that is a combination of a base funding source with an FTE
4 component.

5 In addition, the State Board of Community Colleges shall develop a program-
6 based FTE cost model that will fund future FTE's in excess of the four percent (4%)
7 growth on the basis of actual program cost as opposed to an overall average FTE cost.
8 This plan shall be reported to the 1995 General Assembly.

9
10 Requested by: Senator Ward

11 **STATE BOARD RESERVE FUNDS**

12 Sec. 35. Of the funds appropriated to the Department of Community
13 Colleges in Chapter 321 of the 1993 Session Laws for the State Board Reserve, forty-
14 six thousand dollars (\$46,000) shall be allocated to fund the additional costs associated
15 with the automated central cataloging of library books.

16 Notwithstanding G.S. 143-16.3, the State Board may use up to three hundred
17 thousand dollars (\$300,000) from the State Board Reserve to fund the community
18 colleges leadership development programs that were a part of the State Board's budget
19 request to the 1994 Regular Session of the 1993 General Assembly.

20
21 Requested by: Senator Ward

22 **PRISON CLASSES**

23 Sec. 36. G.S. 115D-5 is amended by adding a new subsection to read:

24 "(c1) Community colleges shall report full-time equivalent (FTE) student hours for
25 correction education programs on the basis of contact hours rather than student
26 membership hours. No community college shall operate a multi-entry/multi-exit class
27 or program in a prison facility.

28 The State Board shall work with the Department of Correction on offering classes
29 and programs that match the average length of stay of an inmate in a prison facility."

30
31 Requested by: Senator Ward

32 **1993 PROFESSIONAL COUNSELOR LICENSING ACT EXEMPTION**

33 Sec. 37. G.S. 90-332.1(a) is amended by inserting a new subdivision to read:

34 "(4.1) Any counselor employed by a local community college."

35 36 **PART 18. PUBLIC SCHOOLS**

37
38 Requested by: Senator Winner of Mecklenburg

39 **SCHOOL TECHNOLOGY PLANS/FUNDS**

40 Sec. 38. (a) G.S. 115C-102.5(a) reads as rewritten:

41 "(a) There is created the Commission on School Technology. The Commission
42 shall be located administratively in the Department of Public Instruction but shall
43 exercise all its prescribed statutory powers independently of the Department of Public
44 Instruction. The Commission shall expire June 30, 1997."

1 (b) G.S. 115C-102.5(c) reads as rewritten:

2 "(c) Notwithstanding G.S. 120-123 and subsection (b) of this section, ~~for the~~
3 ~~1993-94 fiscal year only~~, the Commission shall also include one member of the Senate
4 appointed by the President Pro Tempore of the Senate and one member of the House of
5 Representatives appointed by the Speaker of the House of Representatives. These
6 members shall be voting members. The term of office of these members shall end
7 November 1, 1994."

8 (c) G.S. 115C-102.6 reads as rewritten:

9 "**§ 115C-102.6. Duties. Duty to prepare a requirements analysis and propose a**
10 **State school technology plan.**

11 The Commission shall prepare a requirements analysis and propose a State school
12 technology plan ~~to the Joint Legislative Commission on Governmental Operations and~~
13 ~~the Joint Legislative Education Oversight Committee~~ for improving student
14 performance in the public schools through the use of learning and instructional
15 management technologies.

16 In developing this plan, the Commission shall:

- 17 (1) Assess factors related to the current use of learning and instructional
18 management technologies in the schools, including what is currently
19 being used, how the current use of technology relates to the standard
20 course of study, how the effectiveness of learning and instructional
21 management technologies is being evaluated, how schools are paying
22 for learning and instructional management technologies, and what
23 training school employees have received in the use of learning and
24 instructional management technology and networks.
- 25 (2) Identify the instructional goals that can be met through the use of
26 learning and instructional management technologies. The goals may
27 include teaching the standard course of study, reaching students with a
28 broad range of abilities, and ensuring that all students have access to a
29 complete curriculum regardless of the geographical location or the
30 financial resources of the school.
- 31 (3) Examine the types of learning and instructional management
32 technologies available to meet the identified instructional goals,
33 including computers, audiovisual aids, science laboratory equipment,
34 vocational education equipment, and distance learning networks. The
35 Commission shall consider the compatibility and accessibility of
36 different types of learning and instructional management technologies,
37 including compatibility with the planned statewide broadband ISDN
38 network, and whether they may be easily communicated from one site
39 to another. The Commission shall also consider linkages between
40 learning and instructional management technologies and existing State
41 and local administrative systems.
- 42 (4) Develop a basic level of learning and instructional management
43 technology for every school in the State. The basic level may include:

- a. A computer lab with student stations or a specified number of student computer stations in each classroom for the use of instructional software such as computer-assisted instruction, integrated learning systems, instructional management systems, and applications software such as word processing, database, spreadsheet, and desktop publishing.
 - b. A computer workstation in every classroom for teachers to use in preparation and delivery of instruction and for administrative record keeping.
 - c. A television monitor and video cassette-recorder in every classroom to take advantage of open-air broadcast programs, satellite programs, and instructional video tapes available from the library/media center.
 - d. Computer workstations at each elementary and secondary school, housed in the library/media center, for individual students to use for basic skills instructional software.
 - e. A telecommunications line, modem, and software in each school's library/media center that will allow students and teachers access to external databases and resources for research purposes.
 - f. The availability of telephones for teachers.
 - g. Initial training for the principal and teachers from each school in the use of the new technology.
- (5) Consider staffing required to operate the learning and instructional management technologies and options for maintaining the equipment.
 - (6) Consider the types of staff development necessary to maximize the benefits of learning and instructional management technologies and determine the appropriate ways to provide the necessary staff development.
 - (7) Develop a cost analysis of any plans and proposals that it develops."

(d) Part 3A of Article 8 of Chapter 115C of the General Statutes is amended by adding four new sections to read:

"§ 115C-102.6A. Elements of the State school technology plan.

(a) The State school technology plan shall be a long-term State implementation plan for using funds from the State School Technology Fund and other sources to improve student performance in the public schools through the use of learning and instructional management technologies. The plan shall provide for a foundation of flexible and long-lasting technology that will result in the achievement of substantial gains in student performance in a cost-effective manner.

(b) Components of the State school technology plan shall include at least the following:

- (1) Common technical standards and uniform practices and procedures that provide statewide economies of scale in procurements, training, support, planning, and operations.

- 1 (2) Conceptual technical architecture that includes:
 - 2 a. Principles – Statements of direction, goals, and concepts to
3 guide the development of technical architecture;
 - 4 b. Standards – Detailed specifications to ensure hardware,
5 software, databases, and other products that may have been
6 developed independently or purchased from different vendors
7 will work together; and
 - 8 c. Implementation strategies – Approaches or guidelines for
9 developing and installing the components of the technical
10 infrastructure.
- 11 (3) A quality assurance policy for all school technology projects, training
12 programs, systems documentation, and maintenance plans.
- 13 (4) Policies and procedures for the fair and competitive procurement of
14 school technology that provide local school administrative units with a
15 vendor-neutral operating environment in which different school
16 technology hardware, software, and networks operate together easily
17 and reliably, to the extent feasible consistent with meeting
18 instructional goals.
- 19 (5) A comprehensive policy for inventory control.
- 20 (6) Parameters for continuous, ongoing training for all personnel involved
21 in the use of school technology. Training shall focus on the integration
22 of technology and instruction and on the use of particular applications.
- 23 (7) Recommendations to the State Board of Education of requirements for
24 preservice teacher training on the integration of teaching and school
25 technology.
- 26 (8) Proposals for leadership training on the use of school technology to
27 improve instruction and as a management tool.
- 28 (9) Development of expertise at the State and regional levels on school
29 technology.
- 30 (10) Flexibility to enable local school administrative units and individual
31 schools to meet individual school unit and building needs.
- 32 (11) Flexibility to meet the needs of all students, allow support to students
33 with a wide range of abilities, and ensure access to challenging
34 curricula and instruction for children at risk of school failure.
- 35 (12) Use of technologies to support challenging State and local educational
36 performance goals.
- 37 (13) Effective and integrated use of technologies compatible with (i) the
38 standard course of study, (ii) the State assessment program, and (iii)
39 related student data management.
- 40 (14) Use of technologies as a communication, instructional, and
41 management tool and for problem-solving, exploration, and advanced
42 skills.
- 43 (15) Proposals for addressing equipment needs for vocational education,
44 Tech Prep, and science instruction.

1 (16) Specifications for minimum components of local school system
2 technology plans.

3 **"§ 115C-102.6B. Approval of State school technology plan.**

4 (a) The Commission shall present the State school technology plan it develops to
5 the Joint Legislative Commission on Governmental Operations and the Joint Legislative
6 Education Oversight Committee for their comments prior to January 1, 1995. At least
7 every two years thereafter, the Commission shall develop any necessary modifications
8 to the State school technology plan and present them to the Joint Legislative
9 Commission on Governmental Operations and the Joint Legislative Education
10 Oversight Committee.

11 (b) After presenting the plan or any proposed modifications to the plan to the
12 Joint Legislative Commission on Governmental Operations and the Joint Legislative
13 Education Oversight Committee, the Commission shall submit the plan or any proposed
14 modifications to (i) the Information Resources Management Commission for its
15 approval of the technical components of the plan set out in G.S. 115C-102.6A(1)
16 through (4), and (ii) the State Board of Education for its approval of the components of
17 the plan set out in G.S. 115C-103.6A (5) through (16).

18 (c) If no changes are made to the plan or the proposed modifications to the plan
19 after the submission to the Information Resources Management Commission and the
20 State Board of Education, the plan or the proposed modifications shall take effect upon
21 approval by the Information Resources Management Commission and the State Board
22 of Education.

23 If changes are made to the plan or the proposed modifications after the submission to
24 the Information Resources Management Commission and the State Board of Education,
25 the plan or the proposed modifications shall take effect after the Commission (i)
26 reports the changes to the Joint Legislative Commission on Governmental
27 Operations and the Joint Legislative Education Oversight Committee, and (ii) considers
28 the comments of the Joint Legislative Commission on Governmental Operations and the
29 Joint Legislative Education Oversight Committee.

30 **"§ 115C-102.6C. Approval of local school system technology plans.**

31 (a) Each local board of education shall develop a local school system technology
32 plan that meets the requirements of the State school technology plan. In developing a
33 local school system technology plan, a local board of education is encouraged to
34 coordinate its planning with other agencies of State and local government, including
35 other local school administrative units. The Information Resources Management
36 Commission shall assist the local boards of education in developing the parts of the plan
37 related to its technological aspects, and the Department of Public Instruction shall assist
38 the local boards of education in developing the instructional aspects of the plan.

39 Each local board of education shall submit the local plan it develops to the
40 Information Resources Management Commission for its approval of the parts of the
41 plan related to its technological aspects and to the Department of Public Instruction for
42 its review of the instructional aspects of the plan. The Department of Public Instruction
43 shall evaluate the local plans for the State Board and recommend to the State Board
44 whether the local plans comply with the requirements of the State school technology

1 plan not subject to the approval of the Information Resources Management Commission
2 and should therefore be approved by the State Board of Education.

3 (b) After a local school system technology plan is approved by the Information
4 Resources Management Commission and the State Board of Education, all State funds
5 spent by the local board of education for any aspect of school technology shall be used
6 to implement the local school system technology plan.

7 (c) After a local school system technology plan is approved by the Information
8 Resources Management Commission and the State Board of Education, the local board
9 of education may use funds in the State School Technology Fund that are allocated to
10 the local school administrative unit to implement the plan.

11 **"§ 115C-102.6D. Establishment of the State School Technology Fund; allocation**
12 **and use of funds.**

13 (a) There is established under the control and direction of the State Board of
14 Education the State School Technology Fund. This fund shall be a nonreverting special
15 revenue fund consisting of any monies appropriated to it by the General Assembly.

16 (b) Funds in the State School Technology Fund shall be allocated to local school
17 administrative units as directed by the General Assembly. Funds allocated to each local
18 school administrative unit shall be credited with interest by the State Treasurer pursuant
19 to G.S. 147-69.2 and G.S. 147-69.3.

20 (c) Each local school administrative unit with a local school system technology
21 plan approved by the State Board of Education may use funds allocated to it to
22 implement its local plan or as otherwise specified by the General Assembly."

23 (e) G.S. 115C-102.7 reads as rewritten:

24 **"§ 115C-102.7. Reports.—Monitoring and evaluation of State and local school**
25 **system technology plans; reports.**

26 (a) The Commission shall monitor and evaluate the development and
27 implementation of the State and local school technology plans. The evaluation shall
28 consider the effects of technology on student learning, the effects of technology on
29 students' workforce readiness, the effects of technology on teacher productivity, and the
30 cost-effectiveness of the technology. ~~The Commission shall make a progress report~~
31 ~~prior to March 15, 1994, and a final report prior to May 15, 1994, on the plan it~~
32 ~~develops to~~ The Commission shall report in October of each year to the State Board of
33 Education, the Joint Legislative Commission on Governmental ~~Operations~~ Operations,
34 and the Joint Legislative Education Oversight ~~Committee~~ Committee on the
35 development and the implementation of State and local school system technology plans.

36 (a1) The Joint Legislative Commission on Governmental Operations and the Joint
37 Legislative Education Oversight Committee may meet jointly to consider ~~the~~ reports
38 from the Commission on School Technology and they may appoint subcommittees to
39 jointly consider the reports.

40 (b) The Commission shall provide notice of meetings, copies of minutes, and
41 periodic briefings to the chair of the Information Resources Management Commission
42 and the chair of the Technical Committee of the Information Resources Management
43 Commission."

1 (f) The funds in the amount of one hundred thousand dollars (\$100,000)
2 appropriated to the Commission on School Technology in this act shall be used to
3 complete the development of the State school technology plan, to develop a mechanism
4 for monitoring and evaluation the State and local school system technology plans, and
5 to otherwise carry out the duties of the Commission.

6 (g) Funds in the amount of ten million dollars (\$10,000,000) are appropriated
7 to the School Technology Fund in this act. Ninety percent (90%) of these funds shall
8 be allocated to local school administrative units on the basis of average daily
9 membership. Ten percent (10%) of these funds shall be allocated on a per county basis.

10 Each local school administrative unit located in whole within the county shall
11 receive a share of the funds allocated to the county on the basis of the average daily
12 membership of the unit. Each local school administrative unit located in part within the
13 county shall receive a share of the funds allocated to a county on the basis of the
14 average daily membership of the number of children in the unit who reside in that
15 county.

16 Before a local school system technology plan is approved by the State Board
17 of Education and the Information Resources Management Commission, a local board of
18 education may use up to ten percent (10%) of the funds allocated to it from the Fund to
19 develop its local school system technology plan or, to the extent that these funds are not
20 needed to develop the local school system technology plan, for staff development to
21 improve the use of instructional technology. After a local school system technology
22 plan is approved by the State Board of Education and the Information Resources
23 Management Commission, a local board of education may use the remainder of these
24 funds for nonrecurring expenses to implement its local school system technology plan,
25 including staff development, equipment, hardware, software, and maintenance
26 contracts.

27 Two or more local school administrative units may jointly expend funds to
28 develop their individual local school system technology plans, for staff development, or
29 to implement their individual local school system technology plans.

30 (h) Of the funds appropriated to the Office of the State Controller, Division of
31 Information Resources Management, in this act, the sum of three hundred thousand
32 dollars (\$300,000) shall be used for three professional employee positions to be located
33 in Raleigh, one clerical employee position to be located in Raleigh, six professional
34 employee positions to be located in the Technical Assistance Centers of the Department
35 of Public Instruction, and necessary office furniture, supplies, and equipment. These
36 employees shall respond to requests for advice from the State Board of Education and
37 the Department of Public Instruction, assist local school administrative units in
38 developing local school system technology plans, advise the Information Resources
39 Management Commission concerning the approval of the technological aspects of the
40 local school system technology plans, and assist local governments with regard to the
41 use of technology.

42 (i) Subsection (b) of this section becomes effective June 30, 1994. G.S.
43 115C-102.6B, which is enacted in subsection (d) of this section, becomes effective
44 November 1, 1994. The remainder of this section becomes effective July 1, 1994.

1

2 Requested by: Senator Perdue

3 **TASK FORCE ON VOCATIONAL AND TECHNICAL EDUCATION**

4 Sec. 39. (a) Task Force on Vocational and Technical Education created
5 membership. – There is created the Task Force on Vocational and Technical Education.
6 The Task Force shall be located administratively in the Department of Public Instruction
7 but shall exercise all its prescribed statutory powers independently of the Department of
8 Public Instruction.

9 (b) The Task Force shall consist of the following 11 members:

- 10 (1) The State Superintendent of Public Instruction or a designee;
- 11 (2) One representative of The University of North Carolina, appointed by
12 the President of The University of North Carolina;
- 13 (3) One representative of the North Carolina Community College System,
14 appointed by the President of the North Carolina Community College
15 System;
- 16 (4) Two members appointed by the Governor;
- 17 (5) Two members of the Senate appointed by the President Pro Tempore
18 of the Senate, one of whom shall be designated by the President Pro
19 Tempore of the Senate to serve as cochair;
- 20 (6) One businessperson involved in vocational and technical education
21 appointed by the President Pro Tempore of the Senate;
- 22 (7) Two members of the House of Representatives appointed by the
23 Speaker of the House of Representatives, one of whom shall be
24 designated by the Speaker of the House of Representatives to serve as
25 cochair; and
- 26 (8) One vocational and technical education teacher appointed by the
27 Speaker of the House of Representatives.

28 Vacancies in terms of members shall be filled by the appointing officers.

29 (c) The Task Force, in consultation with the Department of Community Colleges,
30 the Department of Public Instruction, and the Governor's Commission on Work Force
31 Preparedness shall study the following issues related to vocational and technical
32 education:

- 33 (1) The quality and focus of vocational and technical education programs
34 in the public schools, including the current status of local Tech Prep
35 and apprenticeship programs in North Carolina;
- 36 (2) Funding levels of programs, students served, and cost per student
37 comparisons;
- 38 (3) Program evaluation and current performance indicators, including
39 employment outcomes;
- 40 (4) Relationship of program focus to current and future labor market;
- 41 (5) Linkage of programs to higher education, other governmental work
42 force programs, and the business community;
- 43 (6) Identification of duplication and overlapping of programs;

- 1 (7) Current State agency staffing related to vocational and technical
 2 education;
 3 (8) Vocational and technical education curriculum and linkage to core
 4 academic areas;
 5 (9) Career counseling in the public schools; and
 6 (10) Current staff development and necessary changes in staff development.

7 The Task Force shall report the results of its study and its recommendations
 8 for modifications in vocational and technical education to the Joint Education
 9 Oversight Committee and the State Board of Education prior to January 15, 1995.

10 (d) Members of the Task Force who are also members of the General Assembly
 11 shall be paid subsistence and travel expenses at the rate set forth in G.S. 120-3.1.
 12 Members of the Task Force who are officials or employees of the State shall receive
 13 travel allowances at the rate set forth in G.S. 138-6. All other members of the Task
 14 Force shall be paid the per diem and allowances set forth in G.S. 138-5.

15 (e) The Department of Public Instruction shall provide requested professional
 16 and clerical staff to the Task Force. The Task Force may also employ professional and
 17 clerical staff and shall hire outside consultants to assist it in its work.

18 (f) Of the funds appropriated to the Department of Public Instruction in this
 19 act, the sum of one hundred thousand dollars (\$100,000) shall be used for the work of
 20 the Task Force on Vocational and Technical Education.

21
 22 Requested by: Senators Ward, Perdue, Lee, Winner, Smith, Warren.

23 **NONCERTIFIED SCHOOL EMPLOYEE SALARIES**

24 Sec. 40. (a) G.S. 115C-12(16) reads as rewritten:

25 "(16) Power with Regard to Salary Schedules. –

- 26 a. Support personnel refers to all public school employees who are
 27 not required by statute or regulation to be certified in order to
 28 be employed. The State Board of Education is authorized and
 29 empowered to adopt all necessary rules for full implementation
 30 of all schedules to the extent that State funds are made available
 31 for support personnel.
 32 b. Salary schedules for the following public school support
 33 personnel shall be adopted by the State Board of Education:
 34 school finance officer, office support personnel, ~~property and~~
 35 ~~east clerks,~~ teacher assistants, maintenance supervisors,
 36 custodial personnel, and transportation personnel. The Board
 37 shall classify these support positions in terms of uniform pay
 38 grades included in the salary schedule of the State Personnel
 39 Commission.

40 ~~Prior to~~ By the end of the third payroll period of the 1995-96
 41 ~~school fiscal year,~~ local boards of education shall place State-
 42 allotted office support personnel, teacher assistants, and
 43 custodial personnel on the salary schedule adopted by the State
 44 Board of Education so that the average salary paid is the State-

1 allotted amount for the category. In placing employees on the
2 salary schedule, the local board shall consider the education,
3 training, and experience of each employee. It is the intent of
4 the General Assembly that a local school administrative unit not
5 fail to employ an employee who was employed for the prior
6 school year in order to implement the provisions of this sub-
7 subdivision. A local board of education is in compliance with
8 this sub-subdivision if the average salary paid is at least ninety-
9 five percent (95%) of the State-allotted amount for the category
10 at the end of the third payroll period of the 1995-96 fiscal year,
11 and at least ninety-eight percent (98%) of the State-allotted
12 amount for the category at the end of the third payroll period of
13 each subsequent fiscal year. The Department of Public
14 Instruction shall provide technical assistance to local school
15 administrative units regarding the implementation of this sub-
16 subdivision.

17 ~~The average salary paid to employees in each category from~~
18 ~~State-allotted funds for the 1993-94 school year shall be at least~~
19 ~~two percent (2%) higher than the average salary paid to~~
20 ~~employees in that category from State-allotted funds for the~~
21 ~~1992-93 school year.~~

22 The State Board of Education shall report to the General
23 Assembly, prior to ~~March 31, 1994,~~ and March 31, 1995, and
24 March 31, 1996, on the implementation of this sub-subdivision.

- 25 c. Salary schedules for other support personnel, including but not
26 limited to maintenance and school food service personnel, shall
27 be adopted by the State Board of Education. The Board shall
28 classify these support positions in terms of uniform pay grades
29 included in the salary schedule of the State Personnel
30 Commission. These schedules shall apply if the local board of
31 education does not adopt a salary schedule of its own for
32 personnel paid from other than State appropriations."

33 (b) Beginning with the 1994-95 fiscal year, the State Board of Education shall
34 allot salary funds for State-allotted school custodian positions on the basis of one
35 thousand two hundred nine dollars (\$1,209) a month for each position plus any salary
36 increment authorized for school custodians by the General Assembly.

37
38 Requested by: Senators Perdue, Lee, Ward, Winner, Smith, Warren, Hartsell

39 **LOW-WEALTH AND SMALL SCHOOL SUPPLEMENTAL FUNDING**
40 **CHANGES**

41 Sec. 41. (a) Subsection (c) of Section 138 of Chapter 321 of the 1993 Session
42 Laws reads as rewritten:

43 "(c) **Definitions.** – As used in this section:

- 1 (1) 'Anticipated county property tax revenue availability' means the county
2 adjusted property tax base multiplied by the effective State average tax
3 rate.
- 4 (2) 'Anticipated total county revenue availability' means the sum of the
5 a. Anticipated county property tax revenue availability,
6 b. Local sales and use taxes received by the county that are levied
7 under Chapter 1096 of the 1967 Session Laws or under
8 Subchapter VIII of Chapter 105 of the General Statutes,
9 c. Food stamp exemption reimbursement received by the county
10 under G.S. 105-164.44C,
11 d. Homestead exemption reimbursement received by the county
12 under G.S. 105-277.1A,
13 e. Inventory tax reimbursement received by the county under G.S.
14 105-275.1 and G.S. 105-277A,
15 f. Intangibles tax distribution and reimbursement received by the
16 county under G.S. 105-213 and G.S. 105-213.1, and
17 g. Fines and forfeitures deposited in the county school fund
18 for the most recent year for which data are available.
- 19 (3) 'Anticipated total county revenue availability per student' means the
20 anticipated total county revenue availability for the county divided by
21 the average daily membership of the county.
- 22 (4) 'Anticipated State average revenue availability per student' means the
23 sum of all anticipated total county revenue availability divided by the
24 average daily membership for the State.
- 25 (5) 'Average daily membership' means average daily membership as
26 defined in the North Carolina Public Schools Allotment Policy
27 Manual, adopted by the State Board of Education. If a county contains
28 only part of a local school administrative unit, the average daily
29 membership of that county includes all students who reside within the
30 county and attend that local school administrative unit.
- 31 (6) 'County adjusted property tax base' shall be computed as follows:
32 a. Subtract the present-use value of agricultural land, horticultural
33 land, and forestland in the county, as defined in G.S. 105-277.2,
34 from the total assessed real property valuation of the county,
35 b. Adjust the resulting amount by multiplying by a weighted
36 average of the three most recent annual sales assessment ratio
37 studies,
38 c. Add to the resulting amount the:
39 1. Present-use value of agricultural land, horticultural land,
40 and forestland, as defined in G.S. 105-277.2,
41 2. Value of property of public service companies,
42 determined in accordance with Article 23 of Chapter 105
43 of the General Statutes, and
44 3. Personal property value

- 1 for the county.
- 2 (7) 'County adjusted property tax base per square mile' means the county
3 adjusted property tax base divided by the number of square miles of
4 land area in the county.
- 5 (8) 'County wealth as a percentage of State average wealth' shall be
6 computed as follows:
- 7 a. Compute the percentage that the county per capita income is of
8 the State per capita income and weight the resulting percentage
9 by a factor of five-tenths,
- 10 b. Compute the percentage that the anticipated total county
11 revenue availability per student is of the anticipated State
12 average revenue availability per student and weight the
13 resulting percentage by a factor of four-tenths,
- 14 c. Compute the percentage that the county adjusted property tax
15 base per square mile is of the State adjusted property tax base
16 per square mile and weight the resulting percentage by a factor
17 of one-tenth,
- 18 d. Add the three weighted percentages to derive the county wealth
19 as a percentage of the State average wealth.
- 20 (9) 'Effective county tax rate' means the actual county tax rate multiplied
21 by a weighted average of the three most recent annual sales assessment
22 ratio studies.
- 23 (10) 'Effective State average tax rate' means the average of effective county
24 tax rates for all counties.
- 25 (10a) 'Local current expense funds' means the most recent county current
26 expense appropriations to public schools, as reported by counties in the
27 annual county financial information report to the State Treasurer.
- 28 (11) 'Per capita income' means the average for the most recent three years
29 for which data are available of the per capita income according to the
30 most recent report of the United States Department of Commerce,
31 Bureau of Economic Analysis, including any reported modifications
32 for prior years as outlined in the most recent report.
- 33 (12) 'Sales assessment ratio studies' means sales assessment ratio studies
34 performed by the Department of Revenue under G.S. 105-289(h).
- 35 (13) 'State average current expense appropriations per student' means the
36 most recent State total of county current expense appropriations to
37 public schools, as reported by counties in the annual county financial
38 information report to the State Treasurer, divided by the total State
39 average daily membership.
- 40 (14) 'State average adjusted property tax base per square mile' means the
41 sum of the county adjusted property tax bases for all counties divided
42 by the number of square miles of land area in the State.
- 43 (14a) 'Supplant' means to decrease local per student current expense
44 appropriations from one fiscal year to the next fiscal year.

1 (15) 'Weighted average of the three most recent annual sales assessment
2 ratio studies' means the weighted average of the three most recent
3 annual sales assessment ratio studies in the most recent years for which
4 county current expense appropriations and adjusted property tax
5 valuations are available. If real property in a county has been revalued
6 one year prior to the most recent sales assessment ratio study, a
7 weighted average of the two most recent sales assessment ratios shall
8 be used. If property has been revalued the year of the most recent
9 sales assessment ratio study, the sales assessment ratio for the year of
10 revaluation shall be used."

11 (b) Subsection (d) of Section 138 of Chapter 321 of the 1993 Session Laws reads
12 as rewritten:

13 "(d) **Eligibility for funds.** – Except as provided in subsection (h) of this section,
14 ~~The~~the State Board of Education shall allocate these funds to local school
15 administrative units located in whole or in part in counties in which the county wealth
16 as a percentage of the State average wealth is less than one hundred percent (100%)."

17 (c) Subsection (h) of Section 138 of Chapter 321 of the 1993 Session Laws reads
18 as rewritten:

19 "(h) **Nonsupplant requirement.** – A county in which a local school
20 administrative unit receives funds under this section shall use the funds to supplement
21 local current expense funds and shall not supplant existing State and local funding for
22 public schools.~~local current expense funds.~~ After July 1, 1994, the State Board of
23 Education shall not allocate funds under this section to a county found to have used
24 these funds to supplant local per student current expense funds. Unless a county can
25 show either (i) that extraordinary circumstances caused the county to supplant local
26 current expense funds with funds allocated under this section; or (ii) that it has remedied
27 any deficiency, the State Board of Education shall make a finding that a county has used
28 these funds to supplant local current expense funds in the prior year, or the year for
29 which the most recent data are available, if the average of the local per student current
30 expense appropriation for the three most recent years is less than ninety-five percent
31 (95%) of the greater of either (i) the local per student current expense appropriation for
32 the 1991-92 fiscal year; or (ii) the average local per student current expense
33 appropriation of the county for the three fiscal years immediately prior to the current
34 year. The State Board of Education shall adopt rules to implement this section.

35 ~~The Local Government Commission shall analyze the budgets and the expenditures~~
36 ~~of school administrative units that receive funds under this section in light of their~~
37 ~~budgets and expenditures for the previous year and shall determine whether those funds~~
38 ~~were used to supplement and not supplant State and local funding for public schools.~~
39 ~~The Local Government Commission shall report the results of its study to the State~~
40 ~~Board of Education, to the Joint Legislative Education Oversight Committee, and to the~~
41 ~~Appropriations Committees of the Senate and the House of Representatives, prior to~~
42 ~~May 1, 1994, and May 1, 1995."~~

43 (d) Subsection (i) of Section 138 of Chapter 321 of the 1993 Session Laws reads
44 as rewritten:

1 "(i) **Reports.** – Counties that receive funds under this section shall report to the
2 State Board of Education before March 1 each year on how they are using the funds for
3 the fiscal year. The State Board of Education shall report to the Joint Legislative
4 Education Oversight Committee prior to May 1, 1994, and May 1, ~~1995, 1995,~~ and
5 annually thereafter on how the funds are being used. In its report the State Board shall
6 analyze local appropriations and identify counties that supplant funds.

7 The Local Government Commission shall report on March 1, 1995, and annually
8 thereafter on county appropriations to local school current expense funds to the State
9 Board of Education and to the Appropriations Committees of the Senate and House of
10 Representatives."

11 (e) Section 138.1 of Chapter 321 of the 1993 Session Laws reads as
12 rewritten:

13 "Sec. 138.1. (a) **Funds for Small School Systems.** – Except as provided in
14 subsection (b) of this section, The the State Board of Education shall allocate funds
15 appropriated for small school system supplemental funding (i) to each county school
16 administrative unit with an average daily membership of less than 3,000 students and
17 (ii) to each county school administrative unit with an average daily membership of from
18 3,000 to 4,000 students if the county in which the local school administrative unit is
19 located has a county adjusted property tax base per student that is below the State
20 adjusted property tax base per student and if the total average daily membership of all
21 local school administrative units located within the county is from 3,000 to 4,000
22 students. The allocation formula shall:

- 23 (1) Round all fractions of positions to the next whole position.
- 24 (2) Provide ~~four~~ five and one-half additional regular classroom teachers in
25 counties in which the average daily membership per square mile is
26 greater than four and ~~six~~ seven additional regular classroom teachers in
27 counties in which the average daily membership per square mile is
28 four or less.
- 29 (3) Provide additional program enhancement teachers adequate to offer
30 the standard course of study.
- 31 (4) Change the duty-free period allocation to one teacher assistant per 400
32 average daily membership.
- 33 (5) Provide a base for the consolidated funds allotment of at least one
34 hundred fifty thousand dollars (\$150,000), excluding textbooks.
- 35 (6) Allot vocational education funds for grade 6 as well as for grades 7-12.

36 If funds appropriated for each fiscal year for small school system supplemental funding
37 are not adequate to fund fully the program, the State Board of Education shall reduce
38 the amount allocated to each county school administrative unit on a pro rata basis. This
39 formula is solely a basis for distribution of supplemental funding for certain county
40 school administrative units and is not intended to reflect any measure of the adequacy of
41 the educational program or funding for public schools. The formula is also not intended
42 to reflect any commitment by the General Assembly to appropriate any additional
43 supplemental funds for such county administrative units.

1 (b) **Nonsupplant requirement.** – A county in which a local school
2 administrative unit receives funds under this section shall use the funds to supplement
3 local current expense funds and shall not supplant existing State and local funding for
4 public schools. local current expense funds. After July 1, 1994, the State Board of
5 Education shall not allocate funds under this section to a county found to have used
6 these funds to supplant local per student current expense funds. Unless a county can
7 show either (i) that extraordinary circumstances caused the county to supplant local
8 current expense funds with funds allocated under this section; or (ii) that it has remedied
9 any deficiency, the State Board of Education shall make a finding that a county has used
10 these funds to supplant local current expense funds in the prior year, or the year for
11 which the most recent data are available, if the average of the local per student current
12 expense appropriation for the three most recent years is less than ninety-five percent
13 (95%) of the greater of either (i) the local per student current expense appropriation for
14 the 1991-92 fiscal year; or (ii) the average local per student current expense
15 appropriation of the county for the three fiscal years immediately prior to the current
16 year. The State Board of Education shall adopt rules to implement this section.

17 ~~The Local Government Commission shall analyze the budgets and the expenditures~~
18 ~~of school administrative units that receive funds under this section in light of their~~
19 ~~budgets and expenditures for the previous year and shall determine whether those funds~~
20 ~~were used to supplement and not supplant State and local funding for public schools.~~
21 ~~The Local Government Commission shall report the results of its study to the State~~
22 ~~Board of Education, the Joint Legislative Oversight Committee, and the Appropriations~~
23 ~~Committees of the Senate and the House of Representatives, prior to May 1, 1994 and~~
24 ~~May 1, 1995.~~

25 (c) **Definitions.** – As used in this section:

- 26 (1) 'Average daily membership' means within two percent (2%) of the
27 average daily membership as defined in the North Carolina Public
28 Schools Allotment Policy Manual, adopted by the State Board of
29 Education.
- 30 (2) 'County adjusted property tax base per student' means the total
31 assessed property valuation for each county, adjusted using a weighted
32 average of the three most recent annual sales assessment ratio studies,
33 divided by the total number of students in average daily membership
34 who reside within the county.
- 35 (2a) 'Local current expense funds' means the most recent county current
36 expense appropriations to public schools, as reported by counties in the
37 annual county financial information report to the State Treasurer.
- 38 (3) 'Sales assessment ratio studies' means sales assessment ratio studies
39 performed by the Department of Revenue under G.S. 105-289(h).
- 40 (4) 'State adjusted property tax base per student' means the sum of all
41 county adjusted property tax bases divided by the total number of
42 students in average daily membership who reside within the State.
- 43 (4a) 'Supplant' means to decrease local per student current expense
44 appropriations from one fiscal year to the next fiscal year.

1 (5) 'Weighted average of the three most recent annual sales assessment
2 ratio studies' means the weighted average of the three most recent
3 annual sales assessment ratio studies in the most recent years for which
4 county current expense appropriations and adjusted property tax
5 valuations are available. If real property in a county has been revalued
6 one year prior to the most recent sales assessment ratio study, a
7 weighted average of the two most recent sales assessment ratios shall
8 be used. If property has been revalued the year of the most recent
9 sales assessment ratio study, the sales assessment ratio for the year of
10 revaluation shall be used.

11 (d) **Reports.** – Counties that receive funds under this section shall report to the
12 State Board of Education before March 1 each year on how they are using the funds for
13 the fiscal year. The State Board of Education shall report to the Joint Legislative
14 Education Oversight Committee prior to May 1, 1994, and May 1, ~~1995~~, 1995, and
15 annually thereafter on how the funds are being used. In its report the State Board shall
16 analyze local appropriations and identify counties that supplant funds.

17 The Local Government Commission shall report on March 1, 1995, and annually
18 thereafter on county appropriations to local school current expense funds to the State
19 Board of Education and to the Appropriations Committees of the Senate and House of
20 Representatives."

21
22 Requested by: Senator Ward

23 **TRANSPORTATION INFORMATION MANAGEMENT SYSTEM FUNDS**

24 Sec. 42. Of the funds appropriated to Aid to Local School Administrative
25 Units for school transportation in this act, the sum of five hundred ten thousand dollars
26 (\$510,000) for the 1994-95 fiscal year shall be used for the continuation of the
27 Transportation Information Management System. These funds shall be used for
28 equipment, equipment maintenance, and contractual services to operate the program.

29 It is the intent of the General Assembly to include these funds in the
30 continuation budget for the 1995-97 fiscal biennium.

31
32 Requested by: Senator Ward

33 **FUNDS FOR NATIONAL BOARD FOR PROFESSIONAL TEACHING** 34 **STANDARDS**

35 Sec. 43. The National Board for Professional Teaching Standards (NBPTS)
36 was established in 1987 as an independent, nonprofit organization to establish high
37 standards for teachers' knowledge and performance and for development and operation
38 of a national voluntary system to assess and certify teachers who meet those standards.
39 In order to apply for the NBPTS certification process, teachers must have three years or
40 more of teaching experience, be currently teaching, have graduated from an accredited
41 college or university, and hold a valid state teaching license. Upon successful
42 completion of a year-long process of developing a portfolio of student work and
43 videotapes of teaching/learning activities for NBPTS review and then participating in

1 NBPTS assessment center simulation exercises, including performance-based activities
2 and a content knowledge examination, teachers may become NBPTS-certified.

3 Of the funds appropriated to the Department of Public Instruction in this act,
4 the sum of five hundred thousand dollars (\$500,000) for the 1994-95 fiscal year shall be
5 used to pay for:

- 6 (1) The National Board for Professional Teaching Standards (NBPTS)
7 participation fee and for up to five days of approved paid leave for
8 teachers participating in the NBPTS program during the 1994-95
9 school year for State-paid teachers who (i) have completed three years
10 of teaching in North Carolina schools operated by local boards of
11 education, the Department of Human Resources, the Department of
12 Correction, or The University of North Carolina prior to application
13 for NBPTS certification, and (ii) who have not previously received
14 State funds for participating in any certification area in the NBPTS
15 program. Teachers participating in the program shall take paid leave
16 only with the approval of their supervisors.

17 A teacher for whom the State pays the participation fee (i) who
18 does not complete the process or (ii) who completes the process but
19 does not teach in a North Carolina public school for at least one year
20 after completing the process, shall repay the certification fee to the
21 State. Repayment is not required if the process is not completed or
22 the teacher fails to teach for one year due to the death or disability of
23 the teacher or other extenuating circumstances as may be recognized
24 by the State Board.

- 25 (2) A one-time five thousand dollar (\$5,000) bonus for State-paid teachers
26 who (i) completed three years of teaching in North Carolina schools
27 operated by local boards of education, the Department of Human
28 Resources, the Department of Correction, or The University of North
29 Carolina prior to application for NBPTS certification and (ii) complete
30 the certification process in 1993-94 and receive NBPTS certification in
31 1994-95.

32 A teacher who does not teach in a North Carolina public school for
33 at least three years after receiving the bonus shall repay one-third of
34 the five thousand dollar (\$5,000) bonus to the State for each year not
35 taught. Repayment is not required if the teacher fails to teach for
36 three years due to the death or disability of the teacher or other
37 extenuating circumstances as may be recognized by the State Board.

38 The State Board of Education shall study incentive options for teachers who
39 obtain NBPTS certification and the cost of those incentives. The State Board shall also
40 study the impact of NBPTS certification on student performance. The State Board shall
41 report the results of this study to the Joint Legislative Education Oversight Committee
42 in December of 1994.

43
44 Requested by: Senator Ward

TEACHER ACADEMY FUNDS

Sec. 44. (a) Funds appropriated in this act for the operation of the Teacher Academy for the 1994-95 fiscal year shall be used for Teacher Academy training sessions offered for the summer of 1994 and for sessions offered for the summer of 1995 prior to July 1, 1995.

(b) The Task Force on Teacher Staff Development shall reconsider the Teacher Academy Plan it developed in accordance with Section 141 of Chapter 321 of the 1993 Session Laws and shall address more completely the factors it was directed to address by Section 141. The Task Force shall report the modifications it makes to the Plan to the Joint Legislative Education Oversight Committee no later than January 1, 1995.

Requested by: Senator Ward

OUTCOME-BASED EDUCATION FUNDS

Sec. 45. Of the funds appropriated for the Outcome-Based Education Program in this act, the sum of one hundred thousand dollars (\$100,000) shall be used by the Department of Public Instruction to provide technical assistance, evaluate programs, refine proficiencies and outcomes, and otherwise implement the program.

Requested by: Senator Ward

DEVELOPMENTAL DAY CENTERS' GRANT-IN-AID

Sec. 46. Section 216 of Chapter 321 of the 1993 Session Laws reads as rewritten:

"Sec. 216. Of the funds appropriated in this act to the Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of two million three hundred one thousand two hundred forty-eight dollars (\$2,301,248) for the 1993-94 fiscal year and the sum of two million three hundred one thousand two hundred forty-eight dollars (\$2,301,248) for the 1994-95 fiscal year are transferred to the Department of Public Instruction for handicapped children aged 3 through 4 years who have been identified through Division of Mental Health, Developmental Disabilities, and Substance Abuse Services statewide services and who are served in developmental day centers. These funds shall be used to contract with area mental health, developmental disabilities, and substance abuse authorities or with public or private nonprofit developmental day centers to continue to serve handicapped children aged 3 through 4 years who are identified as needing developmental day services.

It is the intent of the General Assembly to appropriate funds for this purpose to the continuation budget of the Department of Public Instruction for the 1995-97 fiscal biennium.

The Department of Public Instruction shall report to the General Assembly and to the Fiscal Research Division by May 1, 1994, and May 1, 1995, regarding the use of the funds transferred to it by this section."

Requested by: Senators Ward, Warren

SUBSTITUTE TEACHER STUDY

1 Sec. 47. The State Board of Education shall study issues concerning
2 substitute teachers including substitute teacher pay, the qualifications and availability of
3 substitute teachers throughout the State, and variations in the type and duration of
4 substitute assignments. The State Board shall report the results of its study to the Joint
5 Legislative Education Oversight Committee no later than December 9, 1994.

6
7 Requested by: Senator Ward

8 **OUTWARD BOUND**

9 Sec. 48. Of the funds appropriated to the Department of Public Instruction,
10 the sum of two hundred fifty thousand dollars (\$250,000) shall be used to implement the
11 North Carolina Partnership for Excellence in Education through the North Carolina
12 Outward Bound School. Funds shall be used to contract with North Carolina Outward
13 Bound School to implement a three-part effort, including a summer scholarship program
14 to focus on the needs of at-risk children, preservice training to focus on future teachers,
15 and in-service training to focus on the professional needs of current educators.

16
17 Requested by: Senator Ward

18 **TOTAL QUALITY EDUCATION**

19 Sec. 49. Of the funds appropriated to the Department of Public Instruction,
20 the sum of seven hundred fifty thousand dollars (\$750,000) shall be used for a grant to
21 the North Carolina Business Committee for Education to expand the Total Quality
22 Education (TQE) project currently sponsored by the North Carolina Business
23 Committee for Education, Inc. Funds shall be used to provide matching grants for up to
24 20 school systems who apply to be a part of the TQE initiative. Funds appropriated by
25 the General Assembly shall be matched by State businesses, industries, and
26 State/national foundations.

27
28 Requested by: Senator Ward

29 **JOBREADY/SCHOOL-TO-WORK DEMONSTRATION GRANTS**

30 Sec. 50. Of the funds appropriated to the State Board of Education in this act,
31 the sum of one million dollars (\$1,000,000) shall be used by the Governor's
32 Commission on Work Force Preparedness to provide at least 10 grants up to one
33 hundred thousand dollars (\$100,000) each to JobReady early demonstration sites in
34 fiscal year 1994-95. These demonstration sites will be selected according to criteria
35 consistent with that required by the federal school-to-work initiative and, to the extent
36 not inconsistent with the criteria required by the federal school-to-work initiative, shall
37 reflect the geographical diversity of the State. The selected sites will serve as role
38 models to other North Carolina communities as they develop their local JobReady
39 programs. Lessons learned from the demonstration sites shall be incorporated into
40 JobReady's implementation plan.

41
42 Requested by: Senator Perdue

43 **ADMINISTRATION OF THE INTERVENTION/PREVENTION GRANT**
44 **PROGRAM**

1 Sec. 51.1. Of the funds allocated under Section 42 of Chapter 24 of the 1994
2 Session Laws for the Intervention/Prevention Grant Program, up to two hundred
3 thousand dollars (\$200,000) may be used by the Department of Public Instruction to
4 implement that section.

5
6 Requested by: Senators Ward, Winner of Mecklenburg

7 **LIMITED ENGLISH PROFICIENCY (LEP) STUDENTS**

8 Sec. 52. (a) G.S. 115C-81(c) reads as rewritten:

9 "(c) Local boards of education shall provide for the efficient teaching at
10 appropriate grade levels of all materials set forth in the standard course of study,
11 including integrated instruction in the areas of citizenship in the United States of
12 America, government of the State of North Carolina, government of the United States,
13 fire prevention, the free enterprise system, the dangers of harmful or illegal drugs,
14 including alcohol, and cardio-pulmonary resuscitation (CPR) and the Heimlich
15 maneuver.

16 ~~Local~~ Except when a board authorizes teaching in a foreign language in order to
17 comply with federal law, local boards of education shall require all teachers and
18 principals to conduct classes except foreign language classes in English. Any teacher or
19 principal who refuses to do so may be dismissed."

20 (b) The State Board of Education shall study issues concerning Limited English
21 Proficiency (LEP) students and shall develop a resource guide for local school
22 administrative units that illustrates how to implement quality programs for LEP
23 students. The study shall review:

- 24 (1) Federal requirements for LEP students;
- 25 (2) The number of LEP students in the State and their geographic
26 distribution across the State;
- 27 (3) Methods for identifying LEP students;
- 28 (4) Methods for assessing the abilities of LEP students in their home
29 language;
- 30 (5) Criteria for entrance into and exit from LEP programs;
- 31 (6) Technical assistance needs of local school administrative units and the
32 Department of Public Instruction;
- 33 (7) Teacher training needs for regular classroom teachers and teachers in
34 LEP programs;
- 35 (8) Projections of the number of English as a Second Language or other
36 LEP teachers needed in the future and the role of The University of
37 North Carolina in meeting that need;
- 38 (9) Certification criteria for teachers of LEP students;
- 39 (10) Methods for assessing LEP children's needs for special education,
40 including programs for academically gifted students;
- 41 (11) Methods of instruction for LEP students including English as a Second
42 Language Programs and transitional bilingual education;

1 (12) Funding options for serving LEP students, including use of federal
2 Migrant Education funds and other federal, State, and local funds for
3 LEP students; and

4 (13) Programs in the State that currently serve LEP students.

5 The resource guide shall identify State and local funding sources for these programs,
6 how to obtain these funds, and methods for program evaluation. The State Board shall
7 provide a copy of the resource guide, the results of its study, and its recommendations
8 regarding issues concerning LEP students, to the Joint Legislative Education Oversight
9 Committee no later than December 1, 1994.

10 (c) If a local school administrative unit demonstrates that it has LEP students that
11 it is unable to serve within the regular school allotments due to extraordinary
12 circumstances, the State Board of Education may allocate funds from State Aid to Local
13 School Administrative Units for the 1994-95 fiscal year to provide services to those
14 students. No more than one million dollars (\$1,000,000) shall be allocated pursuant to
15 this subsection for the 1994-95 fiscal year.

16

17 Requested by: Senator Ward

18 **EXCEPTIONAL CHILDREN FUNDS**

19 Sec. 53.1. (a) Section 134(a) of Chapter 321 of the 1993 Session Laws reads
20 as rewritten:

21 "(a) The funds appropriated for exceptional children in this act shall be allocated
22 as follows:

23 (1) Each local school administrative unit shall receive for academically
24 gifted children the sum of ~~\$641.26~~ \$652.17 per child for three and
25 nine-tenths percent (3.9%) of the ~~1992-93-1993-94~~ actual average
26 daily membership in the local school administrative unit, regardless of
27 the number of children identified as academically gifted in the local
28 school administrative unit. The total number of children for which
29 funds shall be allocated pursuant to this subdivision is ~~43,114~~ 43,739
30 for the ~~1993-94-1994-95~~ school year.

31 (2) Each local school administrative unit shall receive for exceptional
32 children other than academically gifted children the sum of ~~\$1,923.79~~
33 \$1,956.52 per child for the lesser of (i) all children who are identified
34 as exceptional children other than academically gifted children or (ii)
35 twelve and five-tenths percent (12.5)% of the ~~1992-93-1993-94~~ actual
36 average daily membership in the local school administrative unit. The
37 maximum number of children for which funds shall be allocated
38 pursuant to this subdivision is ~~125,316~~ 127,668 for the ~~1993-94-1994-~~
39 95 school year.

40 (3) Each local school administrative unit in which more than twelve and
41 five-tenths percent (12.5%) of the ~~1992-93-1993-94~~ actual average
42 daily membership are identified as exceptional children other than
43 academically gifted children shall receive \$418.76 per child in excess
44 of the twelve and five-tenths percent (12.5%). These funds shall be

1 used only for nonrecurring expenditures and other expenditures for
2 exceptional children other than academically gifted children that do
3 not impose future obligations on the State or local governments.

4 The dollar amounts allocated under subdivisions (1) and (2) of this subsection for
5 exceptional children shall also increase in accordance with legislative salary increments
6 for personnel who serve exceptional children."

7 (b) Section 134(d) of Chapter 321 of the 1993 Session Laws reads as
8 rewritten:

9 "(d) The State Board of Education shall report its preliminary recommendations,
10 including any proposals for modified laws, rules, or policies and findings under
11 subsections (b) and (c) of this section to the Commission on Children with Special
12 Needs and to the chairs of the appropriations committees and the appropriations
13 subcommittees on education of the Senate and the House of Representatives by March
14 15, ~~1994~~. 1994, and its final recommendations by January 1, 1995.."

15 (c) Of the funds appropriated for increases in average daily membership for
16 the 1994-95 fiscal year, the sum of one million two hundred twenty-nine thousand four
17 hundred seventy-two dollars (\$1,229,472) shall be used for the recurring costs of
18 implementing subsection (a) of this section.

19

20 PART 19. DEPARTMENT OF TRANSPORTATION

21

22 Requested by: Senator Lee

23 BRANCH AGENT TRANSACTION RATE

24 Sec. 54. Section 155 of Chapter 321 of the 1993 Session Laws reads as
25 rewritten:

26 "Sec. 155. The Division of Motor Vehicles of the Department of Transportation
27 shall compensate a contractor with whom it has a contract under G.S. 20-63(h) at the
28 rate of ~~ninety two cents (92¢)~~ one dollar (\$1.00) for each transaction performed in
29 accordance with the requirements set by the Division. A transaction is any of the
30 following activities:

- 31 (1) Issuance of a registration plate, a registration card, a registration
32 renewal sticker, or a certificate of title.
- 33 (2) Issuance of a handicapped placard or handicapped identification card.
- 34 (3) Acceptance of an application for a personalized registration plate.
- 35 (4) Acceptance of a surrendered registration plate, registration card, or
36 registration renewal sticker, or acceptance of an affidavit stating why a
37 person cannot surrender a registration plate, registration card, or
38 registration renewal sticker.
- 39 (5) Cancellation of a title because the vehicle has been junked.
- 40 (6) Acceptance of an application for, or issuance of, a refund for a fee or a
41 tax, other than the highway use tax.
- 42 (7) Receipt of the civil penalty imposed by G.S. 20-309 for a lapse in
43 financial responsibility or receipt of the restoration fee imposed by that
44 statute.

1 (8) Acceptance of a notice of failure to maintain financial responsibility
2 for a motor vehicle.

3 (9) Collection of the highway use tax.

4 Performance at the same time of any combination of the items that are listed within
5 each subdivision or are listed within subdivisions (1) through (8) of this section is a
6 single transaction. Performance of the item listed in subdivision (9) of this section in
7 combination with any other items listed in this section is a separate transaction."
8

9 Requested by: Senator Lee

10 **FERRY ACQUISITIONS**

11 Sec. 55. Before approving the purchase of a ferry in a Transportation
12 Improvement Program, for addition to the fleet or as a replacement for an existing ship
13 in the fleet, the Board of Transportation shall prepare an estimate of any additional
14 operational costs or any additional capital costs associated with the new ship and shall
15 report those additional costs to the General Assembly pursuant to G.S. 136-12(b).
16

17 Requested by: Senator Lee

18 **DIVISION OF MOTOR VEHICLES TO REPORT ON EMISSION** 19 **INSPECTION PROGRAM**

20 Sec. 56. The Division of Motor Vehicles shall report quarterly, beginning in
21 January 1995, to the Joint Legislative Transportation Oversight Committee and the
22 Fiscal Research Division, on the Emission Inspection Program's compliance with
23 regulations the Environmental Protection Agency adopted for the inspection and
24 maintenance activities required in the Clean Air Amendments of 1990. The report shall
25 include the receipts and expenditures from the Emissions Program Account.
26

27 Requested by: Senator Speed

28 **REVIEW OF RIGHT-OF-WAY MOWING CONTRACTS**

29 Sec. 57. The Department of Transportation shall audit all contracts for
30 mowing rights-of-way by non-Department personnel to determine whether the
31 contractors are complying with the contract requirements. Not later than September 30,
32 1994, the Department shall report the results of this audit to the Joint Legislative
33 Transportation Oversight Committee along with recommendations on the nonrenewal
34 and cancellation of contracts when contractors are not meeting contract requirements.
35

36 Requested by: Senator Plyler

37 **SIGNING OF STATE MAINTAINED COUNTY ROADS**

38 Sec. 57.1. Five hundred thousand dollars (\$500,000) of the funds to be
39 allocated pursuant to G.S. 136-44.2A for secondary road construction during the 1994-
40 95 fiscal year shall be exempt from the county formula allocation in G.S. 136-44.5. The
41 Department of Transportation shall utilize the funds so excluded for the signing of State
42 maintained county roads in the 17 counties where signing has not already been funded.
43

44 **PART 20. DEPARTMENT OF CORRECTION**

1
2 Requested by: Senators Odom, Ballance

3 **CORRECTION ENTERPRISES PREFERENCE**

4 Sec. 58. The Department of Administration, Division of Purchase and
5 Contracts, shall prepare a written explanation of the purchasing procedures that State
6 agencies and departments must follow in giving a preference to Correction Enterprises
7 products pursuant to G.S. 148-70. The explanation shall be for distribution to all State
8 agencies and departments.

9 The Department shall provide a report on the explanation prepared pursuant
10 to this section and on goods purchased from Correction Enterprises by State agencies
11 and departments to the Joint Legislative Commission on Governmental Operations and
12 to the Chairs of the Senate and House Appropriations Subcommittees on Justice and
13 Public Safety by August 1, 1994. The Department shall also provide a report on goods
14 purchased from Correction Enterprises by State agencies and departments to the Joint
15 Legislative Commission on Governmental Operations and to the Chairs of the Senate
16 and House Appropriations Subcommittees on Justice and Public Safety by January 1,
17 1995.

18
19 Requested by: Senators Odom, Ballance

20 **RESERVE FOR PRISON CAPACITY INCREASE**

21 Sec. 59. Of the funds appropriated from the General
22 Fund to the Department of Correction for the 1994-95 fiscal
23 year, a reserve of eight million seven hundred forty-eight
24 thousand nine hundred ten dollars (\$8,748,910) shall be used to
25 add 2,074 beds at prison units covered by the Small v. Martin
26 lawsuit. In the event that the Small v. Martin lawsuit is not
27 modified to allow less than 50 square feet per inmate, the
28 reserve may not be expended.

29
30 Requested by: Senators Odom, Ballance

31 **SUBSTANCE ABUSE FUNDS SHALL NOT REVERT**

32 Sec. 60. The balance of the two hundred thousand
33 dollars (\$200,000) appropriated in Chapter 321 of the 1993
34 Session Laws to the Department of Correction for the 1993-94
35 fiscal year for a pilot community-based treatment program for
36 alcohol and drug abusers on probation and parole shall not
37 revert at the end of the fiscal year but shall remain in the
38 Department for that purpose.

39
40 Requested by: Senators Odom, Ballance, Lee, Marshall

41 **PRISON PROFITS TO VICTIMS COMPENSATION FUND**

42 Sec. 61. (a) G.S. 148-2 reads as rewritten:

43 "**§ 148-2. Prison moneys and earnings.**

44 (a) Persons authorized to collect or receive the moneys and earnings of the State
45 prison system shall enter into bonds payable to the State of North Carolina in penal

1 sums and with security approved by the Department of Correction, conditioned upon the
2 faithful performance by these persons of their duties in collecting, receiving, and paying
3 over prison moneys and earnings to the State Treasurer. Only corporate security with
4 sureties licensed to do business in North Carolina shall be accepted.

5 (b) All revenues from the sale of articles and commodities manufactured or
6 produced by prison enterprises shall be deposited with the State Treasurer to be kept and
7 maintained as a special revolving working-capital fund designated 'Prison Enterprises
8 Fund.' ~~The Revenue in the Prison Enterprises Fund shall be used for applied first to~~
9 capital and operating expenditures, including salaries and wages of supervisory
10 personnel, necessary to develop and operate prison industrial and forestry enterprises to
11 provide diversified employment for prisoners-prisoners, and incentive wages for non-
12 Prison Enterprises Inmates. Of the remaining revenue in the Fund, five percent (5%) of
13 the net profits, before expansion costs, shall be credited to the Crime Victims
14 Compensation Fund established in G.S. 15B-23 as soon as practicable after profits have
15 been determined for the previous year, and at the direction ~~When, in the opinion of the~~
16 ~~Governor, the Prison Enterprises Fund has reached a sum in excess of requirements for~~
17 ~~these purposes, the excess the remainder shall be used for other purposes within the~~
18 ~~State prison system or shall be transferred to the general fund as the Governor may~~
19 ~~direct.~~ General Fund. The provisions of this section shall not apply to revenues
20 generated from private prison enterprises conducted pursuant to G.S. 148-70 except for
21 lease and rental income.

22 (c) Notwithstanding G.S. 147-77, Article 6A of Chapter 147 of the General
23 Statutes, or any other provision of law, the Department of Correction may deposit
24 revenue from prison canteens in local banks. The profits from prison canteens shall be
25 deposited with the State Treasurer on a monthly ~~basis.~~ basis in a fund denominated as
26 the Correction Inmate Welfare Fund. Once the operating budget for the Correction
27 Inmate Welfare Fund has been met, an amount equal to the funds allocated to each
28 prison unit on a per inmate per year basis shall be credited to the Crime Victims
29 Compensation Fund established in G.S. 15B-23 as soon as practicable after the total
30 amount paid to each unit per inmate per year has been determined."

31 (b) G.S. 15B-23 reads as rewritten:

32 "**§ 15B-23. Crime Victims Compensation Fund.**

33 There is established the Crime Victims Compensation Fund. Revenue in the Crime
34 Victims Compensation Fund includes amounts credited to the Fund under G.S. 148-2
35 and other funds. Any surplus in the Crime Victims Compensation Fund shall not revert.
36 The Crime Victims Compensation Fund shall be kept on deposit with the State
37 Treasurer, as in the case of other State funds, and may be invested by the State
38 Treasurer in any lawful security for the investment of State money. The Crime Victims
39 Compensation Fund is subject to the oversight of the State Auditor pursuant to Article
40 5A of Chapter 147 of the General Statutes."

41
42 Requested by: Senators Odom, Ballance

43 **DEPARTMENT OF CORRECTION RESERVE FOR SUBSTANCE ABUSE**
44 **TREATMENT PILOT PROGRAM FOR PAROLEES AND PROBATIONERS**

1 Sec. 62. (a) Of the funds appropriated to the Department of Correction for the
2 1994-95 fiscal year, the sum of five hundred eighty-three thousand dollars (\$583,000)
3 shall be used to establish two positions and to cover associated expenses, including
4 equipment. Of this amount, the sum of four hundred eighty-five thousand eight hundred
5 thirty-four dollars (\$485,834) shall be used to contract with providers of services to
6 parolees and probationers with serious substance abuse histories.

7 (b) The Department of Correction shall report on the implementation of this
8 pilot program and the expected cost for the 1995-96 fiscal year and future fiscal years to
9 the Joint Legislative Commission on Governmental Operations, the Chairs of the Senate
10 and House Appropriations Committees, the Chairs of the Senate and House
11 Appropriations Subcommittees on Justice and Public Safety, and the Fiscal Research
12 Division of the Legislative Services Office by January 15, 1995.

13
14 Requested by: Senators Odom, Ballance

15 **DEPARTMENT OF CORRECTION WAREHOUSE REPORT**

16 Sec. 63. The Department of Correction shall determine the most centralized,
17 feasible location for a warehouse for the Department, based upon the distribution of
18 warehouse goods to State correctional facilities, the availability of State-owned land,
19 and the cost of leasing, purchasing, or constructing a warehouse. The Department shall
20 report to the Joint Legislative Commission on Governmental Operations as soon as the
21 determination has been made.

22
23 Requested by: Senators Odom, Ballance

24 **HARRIET'S HOUSE FUNDS**

25 Sec. 64. Of the funds appropriated from the General Fund to the Department
26 of Correction for the 1994-95 fiscal year, the sum of three hundred thousand dollars
27 (\$300,000) shall be used to support the programs at Harriet's House, a transitional home
28 for female ex-offenders and their children. Harriet's House shall report quarterly to the
29 Joint Legislative Commission on Governmental Operations on the expenditure of State
30 appropriations and on the effectiveness of the program, including information on the
31 number of clients served and the number of clients who successfully complete the
32 Harriet's House program.

33
34 Requested by: Senator Marshall

35 **DEPARTMENT OF CORRECTION PAY LOCAL CONFINEMENT COST OF**
36 **OFFENDER HELD IN CONTEMPT FOR PROBATION VIOLATION**

37 Sec. 65. G.S. 15A-1344(e1), as enacted by Section 2 of Chapter 19 of the
38 Session Laws of the 1994 Extra Session, reads as rewritten:

39 "(e1) Criminal Contempt in Response to Violation. – If a defendant willfully
40 violates a condition of probation, the court may hold the defendant in criminal contempt
41 as provided in Article 1 of Chapter 5A of the General Statutes. A finding of criminal
42 contempt by the court shall not revoke the probation. If the offender serves a sentence
43 for contempt in a local confinement facility, the Department of Correction shall pay for
44 the confinement at the standard rate set by the General Assembly pursuant to G.S. 148-

1 32.1(a) regardless of whether the offender would be eligible under the terms of that
2 subsection."

3
4 Requested by: Senators Odom and Ballance

5 **YOUTH EXPERIENCE IN PRISON STUDY FUNDS**

6 Sec. 65.1. Of the funds appropriated from the General Fund to the
7 Department of Correction for the 1994-95 fiscal year, the sum of fifty thousand dollars
8 (\$50,000) shall be used to study and develop a program in which youths ages 10
9 through 18 can visit prison facilities and gain an understanding of life as an inmate
10 incarcerated in the State prison system. The Department shall report on the program
11 developed and plans for implementing it to the Joint Legislative Commission on
12 Governmental Operations and the Chairs of the Senate and House Appropriations
13 Subcommittees on Justice and Public Safety by March 15, 1995.

14
15 **PART 21. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

16
17 Requested by: Senators Odom, Ballance

18 **CONTINUE DRUG COURT FUNDING**

19 Sec. 66. The Department of Crime Control and Public Safety, Governor's
20 Crime Commission, shall allocate from federal Drug Control and Systems Improvement
21 Grant Program funds the sum of two hundred thirty-one thousand three hundred thirty-
22 four dollars (\$231,334) to the Judicial Department and the sum of eight thousand seven
23 hundred fifty dollars (\$8,750) to the Department of Correction to continue funding the
24 Felony Drug Court Program and Project Follow Through grant programs through June
25 30, 1995, provided that these funds are matched by sixty thousand twenty-one dollars
26 (\$60,021) in local funds. Current funding of these grant programs expires March 31,
27 1995.

28
29 **PART 22. DEPARTMENT OF JUSTICE**

30
31 Requested by: Senators Odom, Ballance

32 **USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE**
33 **LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT**

34 Sec. 67. Section 204 of Chapter 321 of the 1993 Session Laws reads as
35 rewritten:

36 "Sec. 204. (a) Assets transferred to the Department of Justice during the 1993-95
37 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that
38 Department and shall result in an increase of law enforcement resources for the
39 Department. Assets transferred to the Department of Crime Control and Public Safety
40 during the 1993-95 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the
41 budget of that Department and shall result in an increase of law enforcement resources
42 for the Department. The Departments shall report to the Joint Legislative Commission
43 on Governmental Operations upon the receipt of these assets and, before using these

1 assets, shall report the intended use of these assets and the departmental priorities on
2 which the assets may be expended.

3 The General Assembly finds that the use of these assets for new personnel positions,
4 new projects, the acquisition of real property, repair of buildings where such repair
5 includes structural change, and construction of or additions to buildings may result in
6 additional expenses for the State in future fiscal periods; therefore, the Department of
7 Justice and the Department of Crime Control and Public Safety are prohibited from
8 using these assets for such purposes without the prior approval of the General
9 ~~Assembly.~~ Assembly, except that during the 1993-95 biennium:

- 10 (1) The Department of Crime Control and Public Safety may use an
11 amount not to exceed one hundred seventeen thousand one hundred
12 dollars (\$117,100) of these assets for the purpose of building a
13 helicopter hangar; and
14 (2) The Department of Justice may use an amount not to exceed seventy
15 five thousand dollars (\$75,000) of these assets for the purpose of
16 constructing a pistol range tower to house the computerized target
17 system located at the Justice Academy.

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

21

22 Requested by: Senators Odom, Ballance

23 **CENTRALIZED UTILIZATION OF LEGAL PUBLICATIONS**

24 Sec. 68. With the technical assistance of the Office of State Budget and
25 Management, the Department of Justice shall conduct a cost analysis, formulate an
26 implementation plan, and develop a funding recommendation for each of the following
27 recommendations of the Office of State Budget and Management contained in the report
28 of April 1994 on the Centralized Utilization of Legal Publications:

- 29 (1) The use of legal publications available on CD ROM software and
30 hardware; and
31 (2) The feasibility of developing a legal resource and legal research
32 network.

33 The Employment Security Commission, Industrial Commission, Department
34 of Labor, Department of Revenue, State Library, SIPS, and any other State agency,
35 department, or institution that maintains a legal library shall cooperate with the
36 Department of Justice in the determination of the feasibility of developing a legal
37 resource and legal research network.

38 The Department of Justice shall report by February 1, 1995, to the 1995
39 General Assembly its cost analysis, implementation plan, and funding recommendations
40 by submitting a copy of the report to the President Pro Tempore of the Senate, the
41 Speaker of the House of Representatives, and the Fiscal Research Division.

42

43 Requested by: Senators Odom, Ballance

44 **DEPARTMENT OF JUSTICE FEDERAL GRANT MATCHING FUNDS**

1 Sec. 69. (a) Of the funds appropriated to the Department of Justice for the
2 1994-95 fiscal year, the sum of one hundred thousand five hundred ninety-seven dollars
3 (\$100,597) may be used to match federal grants for the following programs within the
4 Civil Rights Division: Child Victim's Assistance Project, Drug Court Lead, Safe
5 Neighborhoods Strategy; and Elder Abuse Prevention. In the event that the Department
6 of Justice does not receive federal grant funds for a specific grant, then the matching
7 funds authorized by this section for that purpose shall not be expended.

8 (b) Of the funds appropriated to the Department of Justice for the 1994-95 fiscal
9 year, the sum of one hundred sixty-six thousand six hundred sixty-one dollars
10 (\$166,661) may be used by the State Bureau of Investigation to match federal funds for
11 the purchase of a computerized system to match bullets and weapons. In the event that
12 the Department of Justice does not receive federal grant funds for this purpose, then the
13 funds authorized by this section for matching purposes shall not be expended.

14
15 Requested by: Senators Odom, Ballance, Conder

16 **CAPITAL MURDER STUDY**

17 Sec. 70. The Department of Justice, in consultation with the Administrative
18 Office of the Courts, shall study methods of reducing the costs and the length of time
19 associated with capital murder cases, and shall report its findings and any
20 recommendations to the 1995 General Assembly.

21
22 Requested by: Senators Odom, Ballance

23 **STATE BUREAU OF INVESTIGATION CRIMINAL RECORDS CHECKS** 24 **RECEIPTS**

25 Sec. 71. The Department of Justice, State Bureau of Investigation, may use
26 up to the sum of forty-six thousand six hundred seventeen dollars (\$46,617) of the
27 receipts received during the 1994-95 fiscal year for conducting State criminal records
28 checks of school personnel for the purpose of funding positions and operating costs
29 connected with conducting the State criminal records checks.

30 31 **PART 23. JUDICIAL DEPARTMENT**

32
33 Requested by: Senators Odom, Ballance

34 **COMMUNITY PENALTIES PROGRAMS**

35 Sec. 72. (a) Of the funds appropriated from the General Fund to the Judicial
36 Department for the 1994-95 fiscal year to conduct the community penalties programs,
37 the sum of three million five hundred thirteen thousand six hundred fifty-eight dollars
38 (\$3,513,658) may be allocated by the Judicial Department in any amount among
39 existing community penalties programs, including any State-operated programs, or may
40 be used to establish new State-operated community penalties programs, notwithstanding
41 the provisions of G.S. 7A-771 and G.S. 7A-772.

42 (b) The Judicial Department shall report annually to the Senate and House
43 Appropriations Subcommittees on Justice and Public Safety and to the Fiscal Research
44 Division on the administrative expenditures of the community penalties programs.

1

2 Requested by: Senators Odom, Ballance

3 **FORSYTH WARRANT CLERKS BECOME MAGISTRATES**

4 Sec. 73. (a) The Administrative Office of the Courts may transfer 11 positions
5 established within budget program fund 1260, "Clerk of Superior Court", in the certified
6 budget for the 1993-95 biennium to budget program fund 1240, "District Court". These
7 11 positions shall be deleted from the positions allocated to the office of the Clerk of
8 Superior Court of Forsyth County pursuant to Section 9 of Chapter 881 of the 1983
9 Session Laws, and shall be added to the magistrate positions allocated to Forsyth
10 County pursuant to G.S. 7A-171, but shall not increase the maximum number of
11 magistrates authorized for Forsyth County in G.S. 7A-133.

12 (b) Each magistrate position created in Forsyth County as a result of this section
13 shall be filled pursuant to G.S. 7A-171 for an initial term ending December 31, 1994, as
14 if a vacancy had occurred in the position on the effective date of this act. A successor in
15 each position shall be appointed as provided in G.S. 7A-171 for a full term beginning
16 January 1, 1995.

17 (c) The salary of each person who serves as a magistrate in Forsyth County in a
18 position transferred pursuant to this section shall be determined under G.S. 7A-177.1,
19 by including in the number of years the person has served as a magistrate, the number of
20 years that the person has served as an assistant or Deputy Clerk of Superior Court for
21 Forsyth County in a warrant clerk position.

22 (d) From funds appropriated to the Judicial Department in the certified budget for
23 the 1994-95 fiscal year, the Administrative Office of the Courts may transfer within its
24 budget up to forty-one thousand four hundred fifty-nine dollars (\$41,459) to pay
25 additional salary and benefits resulting from the enactment of this section.

26

27 Requested by: Senators Odom, Ballance

28 **STATE-RUN COMMUNITY PENALTIES PROGRAMS**

29 Sec. 74. The Director of the Administrative Office of the Courts may
30 establish local community penalties programs, and appoint such staff as the Director
31 deems necessary. Such personnel may serve as full-time or part-time State employees
32 or, alternatively, such activities may be provided on a contractual basis when
33 determined appropriate by the Director. Such contracts shall be exempt from
34 competitive bidding procedures under Chapter 143 of the General Statutes. The
35 Administrative Office of the Courts shall promulgate rules necessary and appropriate
36 for the administration of the program. Funds appropriated by the General Assembly for
37 the establishment and maintenance of community penalties programs under this Article
38 shall be administered by the Administrative Office of the Courts. Any contract entered
39 into under the authority of this section shall expire not later than June 30, 1995.

40

41 Requested by: Senators Odom, Ballance

42 **EXTEND CERTAIN SPECIAL SUPERIOR COURT JUDGE TERMS**

43 Sec. 75. Notwithstanding G.S. 7A-45, G.S. 7A-45.1, Section 7 of Chapter
44 509 of the 1987 Session Laws, or any other provision of law, if any special superior

1 court judge who is holding office on the effective date of this act first took office as an
2 appointed or elected regular or special superior court judge in the calendar year 1986,
3 the term of that judge is extended through December 31, 1998.

4
5 Requested by: Senators Odom, Ballance

6 **TRANSFER FUNDS FROM SPECIAL CAPITAL CASE REHEARING FUND**
7 **TO THE INDIGENT PERSONS' ATTORNEY FEE FUND**

8 Sec. 76. Of the funds appropriated to the Judicial Department for the 1994-
9 95 fiscal year, the sum of one million forty-eight thousand four hundred twenty-four
10 dollars (\$1,048,424) shall be transferred from the Special Capital Case Rehearing Fund,
11 established in Section 2 of Chapter 742 of the 1991 Session Laws, to the Indigent
12 Persons' Attorney Fee Fund to pay the obligations incurred by the Indigent Persons'
13 Attorney Fee Fund.

14
15 Requested by: Senators Odom, Ballance

16 **PITT REGIONAL MEDIATION CENTER FUNDS**

17 Sec. 77. Section 220.2 of Chapter 321 of the 1993 Session Laws reads as
18 rewritten:

19 "Sec. 200.2. Of the funds appropriated to the Judicial Department from the General
20 Fund for the 1993-95 biennium, 1993-94 fiscal year, the sum of forty thousand dollars
21 (\$40,000) for the 1993-94 fiscal year and the sum of forty thousand dollars (\$40,000)
22 for the 1994-95 fiscal year may be used for The Mediation Center of Pitt County, Inc., a
23 dispute settlement center in Pitt County, to establish a regional mediation and dispute
24 settlement center to serve Eastern North Carolina."

25
26 Requested by: Senators Odom, Ballance, Marshall

27 **EXTEND SENTENCING COMMISSION**

28 Sec. 77.1. (a) Section 8 of Chapter 1076 of the 1989 Session Laws, as amended
29 by Chapters 812 and 816 of the 1991 Session Laws and Chapters 253 and 321 of the
30 1993 Session Laws, reads as rewritten:

31 "Sec. 8. This act is effective upon ratification, and shall expire July 1, ~~1994~~.1995."

32 (b) G.S. 164-38 reads as rewritten:

33 **"§ 164-38. Terms of members; compensation; expenses.**

34 The terms of existing members shall expire on June 30, ~~1993~~. ~~New members shall~~
35 ~~be appointed or the existing members reappointed by the appointing authorities to serve~~
36 ~~until July 1, 1994, 1995, unless they resign or are removed.~~ Members serving by virtue
37 of elective or appointive office or as designees of such officeholders may serve only so
38 long as the officeholders hold those respective offices. Members appointed by the
39 Speaker of the House and the President Pro Tempore of the Senate may be removed by
40 the appointing authority without cause. Vacancies occurring before the expiration of a
41 term shall be filled in the manner provided for the members first appointed. A member
42 of the Commission may be removed only for disability, neglect of duty, incompetence,
43 or malfeasance in office. Before removal, the member is entitled to a hearing. Effective
44 with respect to members designated on or after July 1, 1992, a person making a

1 designation pursuant to G.S. 164-37 may not make another designation, except that the
2 person's successor in elective or appointive office may make a new designation.

3 The Commission members shall receive no salary for serving. All Commission
4 members shall receive necessary subsistence and travel expenses in accordance with the
5 provisions of G.S. 120-3.1, 138-5, and 138-6 as applicable."

6 (c) This section is effective upon ratification.

7
8 Requested by: Senators Odom, Ballance, Daniel

9 **CHILDREN'S LAW CENTER FUNDS**

10 Sec. 77.2. Of the funds appropriated from the General Fund to the Judicial
11 Department, the sum of one hundred thousand dollars (\$100,000) shall be used to assist
12 the Children's Law Center, a private, non-profit corporation that provides
13 comprehensive, quality legal representation and advocacy for children involved in court
14 or administrative proceedings.

15 16 **PART 24. DEPARTMENT OF HUMAN RESOURCES**

17
18 Requested by: Senator Richardson

19 **SERVICES FOR WILLIE M. CLASS MEMBERS RULES**

20 Sec. 78. (a) Section 208 of Chapter 321 of the 1993 Session Laws is amended
21 by adding the following new subsection to read:

22 "(j) The Secretary of the Department of Human Resources shall adopt rules
23 ensuring the continued provision of services for disabled, violent, and assaultive
24 children now known as Willie M. class members, which services shall be provided until
25 (i) the children reach their 18th birthday, or (ii) if appropriately served, until the end of
26 the fiscal year in which the children reach their 18th birthday or six months following
27 the children's 18th birthday, whichever is longer. The Department shall report to the
28 1995 General Assembly by May 1, 1995, on progress in adopting these rules and on the
29 need for further statutory action by the General Assembly."

30 (b) This section is effective upon ratification.

31
32 Requested by: Senator Richardson

33 **EMERGENCY ASSISTANCE CLARIFICATION**

34 Sec. 79. (a) Effective June 30, 1994, G.S. 108A-39.1 reads as rewritten:

35 **"§ 108A-39.1. AFDC Emergency Assistance Program.**

36 The Social Services Commission shall adopt rules to implement cash assistance and
37 services components of the Aid to Families with Dependent Children-Emergency
38 Assistance (AFDC-EA) Program. Effective November 1, 1986, the Department of
39 Human Resources, Division of Social Services, shall provide ~~emergency cash~~ assistance
40 to families whose family income does not exceed one hundred ten percent (110%) of the
41 current federal poverty level as established by the U. S. Secretary of Health and Human
42 Services and published annually in the Federal Register. Annual ~~program benefits cash~~
43 assistance may shall not exceed five hundred dollars (\$500.00). three hundred dollars
44 (\$300.00). Funding State appropriations made for the non-federal share of Emergency

1 Assistance ~~services and cash benefits shall be shared at not exceed~~ a rate of fifty percent
 2 ~~(50%) State participation and fifty percent (50%) county participation. fifty percent~~
 3 ~~(50%) of the non-federal share. For cash benefits authorized by any agency, the non-~~
 4 ~~federal share of the benefit shall be paid at a rate of fifty percent (50%) State funds and~~
 5 ~~fifty percent (50%) county or other local funds. For cash benefits authorized by any~~
 6 ~~State or local agency other than a county department of social services, the Department~~
 7 ~~of Human Resources may assess the county for fifty percent (50%) of the non-federal~~
 8 ~~share of cash benefits authorized. For services benefits authorized by any agency, the~~
 9 ~~non-federal share of the benefit shall be paid by that agency entirely from county~~
 10 ~~appropriations or other available public or private funds. Federal reimbursements~~
 11 ~~earned through participation in this Program shall be paid to the participants in~~
 12 ~~proportion to their payment of the non-federal share."~~

13 (b) Section 232 of Chapter 321 of the 1993 Session Laws reads as rewritten:

14 "Sec. 232. The Division of Social Services, Department of Human Resources, shall
 15 not expend more State funds than are appropriated for ~~Emergency Assistance the cash~~
 16 ~~assistance component of the Emergency Assistance Program~~ by this act. Within this
 17 limit, Emergency Assistance cash benefits shall not exceed three hundred dollars
 18 (\$300.00) per year per family, payable over a 30-day period. After this 30-day period,
 19 Emergency Assistance cash benefits are not available to that family until 12 months
 20 have elapsed from the initial authorization date. The family may have no more than a
 21 total of three hundred dollars (\$300.00) in liquid assets in order to qualify for ~~any~~
 22 ~~Emergency Assistance the cash assistance component of the Emergency Assistance~~
 23 ~~Program~~ pursuant to this section.

24 It is the intent of the General Assembly that ~~these Emergency Assistance funds cash~~
 25 ~~benefits under the Emergency Assistance Program~~ shall only be used to provide
 26 assistance to persons to alleviate an emergency. In evaluating whether an emergency
 27 exists, the ~~county departments of social services agency receiving the application~~ shall
 28 apply prudent judgment to evaluate each emergency on its own merits. Prudent
 29 judgment will permit ~~departments of social services the agency~~ to consider whether the
 30 client created the emergency and whether the assistance will resolve the emergency."
 31

32 Requested by: Senators Richardson, Winner of Mecklenburg

33 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**
 34 **LOCAL PARTNERSHIP FUNDING FOR ADMINISTRATIVE COSTS**

35 Sec. 81. The Secretary of Human Resources may allow local partnerships
 36 receiving funds for Early Childhood Education and Development Initiatives to use up to
 37 five percent (5%) or up to one hundred thousand dollars (\$100,000) of their total
 38 allocation, whichever is greater, to fund the staff and administrative support for local
 39 partnership board activities if the local partnership demonstrates that this additional
 40 administrative funding is needed.

41
 42 Requested by: Senators Richardson, Plexico, Winner of Mecklenburg

43 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT**
 44 **INITIATIVES/AUDITING FUNDS**

1 Sec. 81.1. Of the funds appropriated in this act to the Department of Human
2 Resources, Division of Child Development, for Early Childhood Education and
3 Development Initiatives, for activities other than those that provide direct services, the
4 sum of one hundred fifteen thousand dollars (\$115,000) shall be transferred to the
5 Office of State Auditor for two time-limited auditor positions for the performance of the
6 audits required of the State Auditor by G.S. 143B-168.12(a) and (b).

7
8 Requested by: Senator Richardson

9 **MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE**
10 **ABUSE SERVICES PROVIDERS/MEDICAID RECEIPTS**

11 Sec. 82. The Division of Mental Health, Developmental Disabilities, and
12 Substance Abuse Services of the Department of Human Resources shall initiate efforts
13 to enable service providers to realize additional Medicaid receipts for services provided
14 through the Willie M. and Thomas S. programs and shall present the results of their
15 efforts to the Human Resources Appropriations Subcommittees by March 1, 1995.

16
17 Requested by: Senator Richardson

18 **PRIVATE AGENCY UNIFORM COST FINDING REQUIREMENT**

19 Sec. 83. To ensure uniformity in rates charged to area programs and funded
20 with State-allocated resources, the Division of Mental Health, Developmental
21 Disabilities, and Substance Abuse Services of the Department of Human Resources may
22 require a private agency that provides services under contract with two or more area
23 programs, except for hospital services that have an established Medicaid rate, to
24 complete an agency-wide uniform cost finding in accordance with G.S. 122C-143.2(a)
25 and G.S. 122C-147.2. The resulting cost shall be the maximum included for the private
26 agency in the contracting area program's unit cost finding.

27
28 Requested by: Senator Richardson

29 **PIONEER TESTING RULE WAIVER EXTENSION**

30 Sec. 84. Subsection (n) of Section 220 of Chapter 321 of the 1993 Session
31 Laws reads as rewritten:

32 "(n) Effective ~~July 1, 1994,~~ July 1, 1995, G.S. 122C-151.1 is repealed."

33
34 Requested by: Senator Richardson

35 **THOMAS S.**

36 Sec. 85. Section 209 of Chapter 321 of the 1993 Session Laws reads as
37 rewritten:

38 "Sec. 209. (a) Funds appropriated to the Department of Human Resources in this
39 act for the 1993-94 fiscal year and the 1994-95 fiscal year for members of the Thomas
40 S. Class as identified in Thomas S., et al. v. Britt, formerly Thomas S., et al. v. Flaherty,
41 shall be expended only for programs serving Thomas S. Class members or for services
42 for those clients who are:

- 43 (1) Adults with mental retardation, or who have been treated as if they had
44 mental retardation, who were admitted to a State psychiatric hospital

1 on or after March 22, 1984, and who are included on the Division of
2 Mental Health, Developmental Disabilities, and Substance Abuse
3 Services' official list of prospective Class members;

4 (2) Adults with mental retardation who have a documented history of
5 State psychiatric hospital admissions regardless of admission date and
6 who, without funding support, have a good probability of being
7 readmitted to a State psychiatric hospital; or

8 (3) Adults with mental retardation who have never been admitted to a
9 State psychiatric hospital but who have a documented history of
10 behavior determined to be of danger to self or others that results in
11 referrals for inpatient psychiatric treatment and who, without funding
12 support, have a good probability of being admitted to a State
13 psychiatric hospital; or

14 (4) Adults who are included on the Division of Mental Health,
15 Developmental Disabilities, and Substance Abuse Services' official list
16 of prospective class members and have yet to be confirmed as class
17 members, who currently reside in the community, and who have a
18 good probability of being admitted to a facility licensed as a 'home for
19 the aged and disabled'.

20 No more than five percent (5%) of the funds appropriated in this act for the Thomas S.
21 program shall be used for clients meeting subdivisions ~~(2) or (3)~~, (2), (3), or (4) of this
22 subsection.

23 (b) To ensure that Thomas S. Class members are appropriately served, no State
24 funds shall be expended on placement and services for Thomas S. Class members
25 except:

- 26 (1) Funds specifically appropriated by the General Assembly for the
27 placement and services of Thomas S. Class members; and
28 (2) Funds for placement and services for which Thomas S. Class members
29 are otherwise eligible.

30 (c) The Department of Human Resources shall develop and implement during the
31 1993-94 fiscal year a prospective unit cost reimbursement system and shall ensure that
32 unit cost rates reflect reasonable costs by conducting cost center service type rate
33 comparisons and cost center line item budget reviews as may be necessary.

34 (d) Reporting requirements. The Department of Human Resources shall submit
35 by April 1 of each fiscal year a report to the General Assembly on the progress achieved
36 in serving members and prospective members of the Thomas S. Class. The report shall
37 include the following:

- 38 (1) The number of Thomas S. clients confirmed as Class members;
39 (2) The number of prospective Class members evaluated;
40 (3) The number of prospective Class members awaiting evaluation;
41 (4) The number of Class members or prospective class members added in
42 the preceding 12 months due to their admission to a State psychiatric
43 hospital;

1 (5) A description of the types of treatment services provided to Class
2 members; and

3 (6) An analysis of the use of funds appropriated for the Class.

4 (e) Notwithstanding any other provision of law, if the Department of Human
5 Resources determines that a local program is not providing minimally adequate services
6 to members of the Class identified in Thomas S., et al. v. Britt, formerly Thomas S., et
7 al. v. Flaherty, or does not show a willingness to do so, the Department may ensure the
8 provision of these services through contracts with public or private agencies or by direct
9 operation by the Department of these programs."

10

11 Requested by: Senator Richardson

12 **USE OF DETENTION CENTER CONSTRUCTION RESERVE**

13

14 Sec. 86. The Department of Human Resources, Division of Youth Services,
15 shall use the one million six hundred thousand dollars (\$1,600,000) placed in a reserve
16 for detention center construction in Section 67 of Chapter 24 of the Session Laws of the
17 1994 Extra Session, to construct a 24-bed detention center in Wake County.

17

18 Requested by: Senator Richardson

19

20 **DEVELOPMENT OF RATE-SETTING METHODOLOGY FOR DOMICILIARY CARE FACILITIES CONTINUED**

21

22 Sec. 87. The Department of Human Resources shall continue development of
23 the rate-setting methodology for domiciliary care facilities proposed by the Department
24 in the report made to the General Assembly in accordance with the requirements of
25 Section 240 of Chapter 321 of the 1993 Session Laws. The final plan, including the
26 recommended maximum payment rate for each category of facilities, shall be submitted
27 to the 1995 General Assembly and to the Fiscal Research Division by February 1, 1995.

27

28 Requested by: Senator Richardson

29

30 **CHANGE IN PLANNING AND PILOT IMPLEMENTATION OF AN INTEGRATED FUNDING APPROACH FOR MENTAL HEALTH/SUBSTANCE 31 ABUSE INSTITUTIONAL SERVICES**

32

33 Sec. 88. Section 218 of Chapter 321 of the 1993 Session Laws reads as
rewritten:

34

35 ~~"Sec. 218. The Department of Human Resources shall develop and implement a~~
36 ~~plan during the 1993-95 fiscal biennium to pilot test an integrated funding system for~~
37 ~~mental health/substance abuse institutional services, involving one regional psychiatric~~
38 ~~hospital, one regional alcohol and drug abuse treatment center, and the area mental~~
39 ~~health, developmental disabilities, and substance abuse programs using these facilities.~~
40 ~~The Department may use funds that become available to it through gifts, federal or~~
41 ~~private grants, receipts from federal programs, or any other source to support the~~
42 ~~planning and implementation of this pilot program.~~

42

43 ~~The Department shall present a written report to the House and Senate Human~~
44 ~~Resources Appropriations Subcommittees by May 1, 1994, describing the results of its~~
~~planning activities, the proposed schedule and cost for implementation of the integrated~~

1 funding system and any proposed legislation needed to implement the plan. The
2 Department shall submit a written report to these Subcommittees by May 1, 1995,
3 describing the results of the implementation of the integrated funding system.

4 The Department of Human Resources, Division of Mental Health, Developmental
5 Disabilities, and Substance Abuse Services, shall present a written report on a UNIFIED
6 SYSTEM OF SERVICES to the Human Resources Appropriations Subcommittees by
7 March 1, 1995. The report shall describe the UNIFIED SYSTEM OF SERVICES using
8 an integrated funding stream to provide a practical-needs-based approach to the use of
9 limited resources within the Mental Health, Developmental Disabilities, and Substance
10 Abuse Services System and shall include a proposal for a pilot test of the UNIFIED
11 SYSTEM OF SERVICES in the North Central Region, including an estimation of the
12 cost of implementing the pilot test. The UNIFIED SYSTEM OF SERVICES shall
13 focus on improvement to the quality and continuity of client care and shall include
14 changes in budget or personnel policies or practices necessary to implement a unified
15 system of services. These changes shall be based on consultation with the Office of
16 State Budget and Management and the Office of State Personnel."

17
18 Requested by: Senator Richardson

19 **1993 PROFESSIONAL COUNSELOR LICENSING ACT CORRECTION**

20 Sec. 89. Effective July 1, 1994, G.S. 90-332.1(a)(8) reads as rewritten:

21 "(8) Any person performing ~~mental health~~ counseling solely as an
22 employee of an area facility, as defined in G.S. 122C-3(14)a., if both
23 of the following apply:

24 a. ~~The mental health services are provided by (i) a qualified~~
25 ~~mental health professional who meets or exceeds the minimum~~
26 ~~educational qualifications for licensure as a licensed~~
27 ~~professional counselor under this Article, as defined in G.S.~~
28 122C-3(31) and subject to the rules adopted by the Commission
29 for Mental Health, Developmental Disabilities, and Substance
30 Abuse Services or (ii) an employee supervised by a qualified
31 professional as defined in G.S. 122C-3(31);

32 b. ~~The area facility has obtained written verification from the~~
33 ~~following boards that the employee has not had his or her~~
34 ~~license, registration, or certification revoked, rescinded, or~~
35 ~~suspended: the North Carolina Board of Licensed Professional~~
36 ~~Counselors, the North Carolina State Board of Examiners of~~
37 ~~Practicing Psychologists, the North Carolina Certification~~
38 ~~Board for Social Work, and the North Carolina Marital and~~
39 ~~Family Therapy Certification Board; and~~

40 (9) Any person performing counseling as an employee of a hospital or
41 other health care facility licensed under Chapter 131D, 131E, or 122C
42 and performing counseling under the supervision of a qualified
43 professional as defined in G.S. 122C-3(31)."

44

1 Requested by: Senator Richardson

2 **CHILD WELFARE SYSTEM STUDY**

3 Sec. 90. Of the funds appropriated in this act to the Department of Human
4 Resources, Office of the Secretary, the sum of one hundred fifty thousand dollars
5 (\$150,000) shall be used to contract for an independent, outside consultant to conduct a
6 comprehensive study of the child welfare system. The study shall include the
7 following:

- 8 (1) A description of the current child welfare system;
- 9 (2) An identification of the strengths and weaknesses of the current
10 system;
- 11 (3) A review of the current funding of the system, with emphasis on State
12 and local responsibilities;
- 13 (4) Recommendations on how to improve and refine the system, with
14 emphasis on addressing the comprehensive needs of the children and
15 families being served;
- 16 (5) Options for future policy discussions, with emphasis on State and local
17 funding responsibilities; and
- 18 (6) Recommendations on the development of a statewide reporting
19 system.

20 The Department shall report the results of this study to the Joint Legislative
21 Commission on Governmental Operations and to the Fiscal Research Division by
22 February 15, 1995.

23
24 Requested by: Senator Richardson

25 **FOSTER CARE AND ADOPTIONS TRAINING**

26 Sec. 91. Funds appropriated to the Department of Human Resources,
27 Division of Social Services, in this act, in the amount of one hundred eighty-one
28 thousand two hundred seventy dollars (\$181,270), shall be used to establish an in-house
29 training component to provide a mandated minimum of 30 hours of preservice training
30 for foster care parents and 84 hours for foster care workers and adoption care workers
31 and a mandated minimum of 10 hours of continuing education for all foster care parents
32 and 18 hours for foster care workers and adoption care workers.

33
34 Requested by: Senators Richardson, Walker, Harris

35 **MEDICAID COVERAGE FOR ELDERLY, BLIND, AND DISABLED**

36 Sec. 92. Effective January 1, 1995, the Department of Human Resources,
37 Division of Medical Assistance, shall provide Medicaid coverage to all elderly, blind,
38 and disabled people who receive Supplemental Security Income (SSI).

39
40 Requested by: Senator Richardson

41 **MEDICAID REPORTING REQUIREMENTS**

42 Sec. 93. The Department of Human Resources, Division of Medical
43 Assistance, shall submit a monthly status report on expenditures for acute care and long-
44 term care services to the Fiscal Research Division. This report shall include an analysis

1 of budgeted versus actual experience for eligibles by category and for long-term care
2 beds. In addition, the Department shall revise the program's projected spending for the
3 current fiscal year and the estimated spending for the subsequent fiscal year on a
4 quarterly basis. Reports for the preceding month shall be forwarded to the Fiscal
5 Research Division no later than the third Thursday of the month.

6
7 Requested by: Senators Richardson, Walker, Harris

8 **MEDICAID COVERAGE FOR ADOPTIVE CHILDREN WITH SPECIAL**
9 **NEEDS**

10 Sec. 94. Effective October 1, 1994, the Department of Human Resources
11 shall provide Medicaid coverage for adoptive children with special rehabilitative needs
12 regardless of the adoptive family's income.

13
14 Requested by: Senator Richardson

15 **MEDICAID INPATIENT HOSPITAL REIMBURSEMENT CHANGE**

16 Sec. 95. Section 227 of Chapter 321 of the 1993 Session Laws reads as
17 rewritten:

18 "~~Sec. 227. Effective July 1, 1994, October 1, 1994, the Department of Human~~
19 ~~Resources, Division of Medical Assistance, shall implement a budget-neutral~~
20 ~~Diagnosis-Related Group reimbursement methodology for inpatient hospital services.~~
21 ~~In addition, the Department shall study the feasibility of implementing selective~~
22 ~~contracts for hospital inpatient services and shall report its recommendations to the~~
23 ~~General Assembly by March 15, 1994.~~"

24
25 Requested by: Senators Richardson, Walker, Harris

26 **CHANGE IN MEDICAID COVERAGE TO PREGNANT WOMEN AND TO**
27 **CHILDREN**

28 Sec. 96. Subsection (l) of Section 222 of Chapter 321 of the 1993 Session
29 Laws reads as rewritten:

30 "(l) The Department of Human Resources shall provide coverage to pregnant
31 women and to children according to the following schedule:

- 32 (1) Pregnant women with incomes equal to or less than one hundred
33 eighty-five percent (185%) of the federal poverty guidelines, as
34 revised each April 1 shall be covered for Medicaid benefits;
- 35 (2) Infants under the age of 1 with family incomes equal to or less than
36 one hundred eighty-five percent (185%) of the federal poverty
37 guidelines as revised each April 1, shall be covered for Medicaid
38 benefits;
- 39 (3) Children aged 1 through 5 with family incomes equal to or less than
40 one hundred thirty-three percent (133%) of the federal poverty
41 guidelines as revised each April 1 shall be covered for Medicaid
42 benefits; and
- 43 (4) Children aged 6 through 18 ~~who were born after September 30, 1983,~~
44 with family incomes equal or less than ~~to~~ the federal poverty

1 guidelines, as revised each April 1, shall be covered for Medicaid
2 benefits."

3
4 Requested by: Senator Richardson

5 **NONSUPPLANTING OF MENTAL HEALTH, DEVELOPMENTAL**
6 **DISABILITIES, AND SUBSTANCE ABUSE FUNDS**

7 Sec. 97. The Department of Human Resources shall ensure that counties do
8 not reduce county appropriations and expenditures for area mental health,
9 developmental disabilities, and substance abuse authorities because the authorities have
10 received additional State appropriations for services.

11
12 Requested by: Senator Richardson

13 **ADOPTION SUBSIDY**

14 Sec. 98. Section 235 of Chapter 321 of the 1993 Session Laws reads as
15 rewritten:

16 "Sec. 235. (a) The adoption subsidy paid monthly by the Division of Social
17 Services, Department of Human Resources, to eligible families who adopt hard-to-place
18 children shall be established at two hundred sixty-five dollars (\$265.00) per child per
19 month.

20 (b) Effective October 1, 1994, the adoption subsidy paid monthly by the Division
21 of Social Services, Department of Human Resources, to eligible families who adopt
22 hard-to-place children shall be established based on a graduated rate as follows:

23 (1) \$290.00 per child per month for children aged birth through 5;

24 (2) \$315.00 per child per month for children aged six through 12; and

25 (3) \$340.00 per child per month for children aged 13 through 18."

26
27 Requested by: Senator Richardson

28 **FOSTER CARE ASSESSMENT TOOL**

29 Sec. 99. Funds appropriated to the Department of
30 Human Resources, Division of Social Services, in this act, in
31 the amount of fifteen thousand one hundred sixty-seven dollars
32 (\$15,167) shall be used to purchase the Foster and Adoptive
33 Recruitment and Retention, A Guide to Local Agency
34 Assessment, an on-going assessment tool to be used to study,
35 develop, and implement a statewide recruitment and retention
36 plan.

37
38 Requested by: Senator Richardson

39 **DOMICILIARY CARE REIMBURSEMENT RATE INCREASE**

40 Sec. 100. Section 239 of Chapter 321 of the 1993 Session Laws reads as
41 rewritten:

42 "Sec. 239. (a) Effective July 1, 1993, the maximum monthly rate for residents in
43 domiciliary care facilities shall be nine hundred thirty-eight dollars (\$938.00) for
44 ambulatory residents and nine hundred seventy-nine dollars (\$979.00) for
45 semiambulatory residents.

1 **(b)** Effective October 1, 1994, the maximum monthly rate for residents in
2 domiciliary care facilities shall be nine hundred eighty-five dollars (\$985.00) per month
3 for ambulatory residents and one thousand twenty-eight dollars (\$1,028) per month for
4 semi-ambulatory residents."

5
6 Requested by: Senator Richardson

7 **FOSTER CARE**

8 Sec. 101. Section 231 of Chapter 321 of the 1993 Session Laws reads as
9 rewritten:

10 "Sec. 231. **(a)** Funds appropriated to the Department of Human Resources in this
11 act for foster care assistance rates shall be used to set the rates at two hundred sixty-five
12 dollars (\$265.00) per child per month. Of this sum, fifteen dollars (\$15.00) is a special
13 needs allowance for the child.

14 **(b)** Effective October 1, 1994, funds appropriated to the Department of Human
15 Resources for foster care assistance rates shall be used to pay assistance on a graduated
16 rate as follows:

17 **(1)** \$290.00 per child per month for children aged birth through 5;

18 **(2)** \$315.00 per child per month for children aged 6 through 12; and

19 **(3)** \$340.00 per child per month for children aged 13 through 18.

20 Of these amounts, fifteen dollars (\$15.00) is a special needs allowance for the child."

21
22 Requested by: Senator Marshall

23 **MEDICAID ESTATE RECOVERY PLAN**

24 Sec. 101.1. **(a)** Article 2 of Chapter 108A of the General Statutes is amended by
25 adding a new section to read:

26 **"§ 108A-70.5. Medicaid Estate Recovery Plan.**

27 **(a)** There is established in the Department of Human Resources, the Medicaid
28 Estate Recovery Plan, as required by the Omnibus Budget Reconciliation Act of 1993,
29 to recover from the estates of recipients of medical assistance an equitable amount of
30 the State and federal shares of the cost paid the recipient. The Department shall
31 administer the program in accordance with applicable federal law and regulations,
32 including those under Title XIX of the Social Security Act, 42 USC 1396(p).

33 **(b)** As used in this section:

34 **(1)** 'Medical assistance' means medical care services paid for by the North
35 Carolina Medicaid Program on behalf of the recipient:

36 **a.** If the recipient is receiving these medical care services as an
37 inpatient in a nursing facility, intermediate care facility for the
38 mentally retarded, or other medical institution and cannot
39 reasonably be expected to be discharged to return home; or

40 **b.** If a recipient is 55 years of age or older and is receiving these
41 medical care services, including related hospital care and
42 prescription drugs, for nursing facility services or home- and
43 community-based services.

1 (2) 'Estate' means all the real and personal property considered assets of
2 the estate available for the discharge of debt pursuant to G.S. 28A-15-
3 1.

4 (c) The amount the Department recovers from the estate of any recipient shall not
5 exceed the amount of medical assistance made on behalf of the recipient and shall be
6 recoverable only for medical care services prescribed in subsection (b) of this section.
7 The Department is a seventh-class creditor, as prescribed in G.S. 28A-19-6, for
8 purposes of determining the order of claims against an estate.

9 (d) The Department of Human Resources shall adopt rules pursuant to Chapter
10 150B of the General Statutes to implement the Plan, including rules to waive whole or
11 partial recovery when this recovery would be inequitable because it would work an
12 undue hardship or because it would not be administratively cost-effective and rules to
13 ensure that all recipients are notified that their estates are subject to recovery at the time
14 they become eligible to receive medical assistance."

15 (b) Of the funds appropriated in this act from the General Fund to the
16 Department of Human Resources, Division of Medical Assistance, the sum of one
17 hundred four thousand seven hundred fifty dollars (\$104,750) for the 1994-95 fiscal
18 year, of which fifty thousand dollars (\$50,000) is nonrecurring, shall be used to
19 implement this section.

20 (c) Subsection (a) of this section becomes effective October 1, 1994, and
21 applies to individuals who apply for medical assistance on or after that date. The
22 remainder of this section becomes effective July 1, 1994.

23
24 Requested by: Senator Hyde

25 **MATERNITY HOME AND ADOPTION FUNDS**

26 The General Assembly of North Carolina enacts:

27 Sec. 102. (a) From funds appropriated in this act to the Department of Human
28 Resources, Division of Social Services, the sum of six hundred sixty-five thousand
29 dollars (\$665,000) for the 1994-95 fiscal year is allocated to the State Maternity Home
30 Fund to provide maternity home services to single pregnant young women 10 years of
31 age and older for the purposes of protecting and enhancing maternal and child health,
32 reducing infant mortality and morbidity, reducing the number of unintended second
33 pregnancies, preventing mothers from permanently dropping out of school, preventing
34 welfare dependency, and providing adoption and parenting support.

35 (b) From funds appropriated in this act to the Department of Human
36 Resources, Division of Social Services, the sum of seven hundred fifty thousand dollars
37 (\$750,000) for the 1994-95 fiscal year is allocated to the Children's Home Society of
38 North Carolina, Inc., for the purposes of recruiting and training families to adopt
39 children with special needs and of providing postadoption and support services for these
40 families and children. Children with special needs include medically fragile infants and
41 children, sibling groups, abused, neglected, and abandoned infants and children, HIV-
42 positive infants and children, addicted infants, children with behavior problems and
43 emotional disorders, minority infants and children, and older children.

44

1 Requested by: Senators Richardson, Walker, Harris

2 **COALITION 2001 FUNDS**

3 Sec. 102.1. The sum of ten million dollars (\$10,000,000) appropriated in this
4 act to the Department of Human Resources, Division of Mental Health, Mental
5 Retardation, and Substance Abuse Services for the capital needs of mental health,
6 developmental disabilities, and substance abuse services recommended by Coalition
7 2001 shall be allocated as follows:

8 (1) \$6,000,000 for community area mental health, developmental
9 disabilities, and substance abuse services capital needs.

10 No area program shall receive more than ten percent (10%) of the
11 total funds appropriated in this fiscal year for area program capital
12 needs.

13 At least ten percent (10%) of the capital funds shall be awarded by
14 the Department of Human Resources to area programs for projects in
15 counties that fall within the last quartile of either per capita income,
16 according to the most recent North Carolina Data System Rankings or
17 of property valuation, according to the most recent North Carolina
18 Department of Revenue rankings. The Department shall not require a
19 local match for these counties. The Department shall require a dollar-
20 for-dollar local match for capital funds awarded for projects in all
21 other counties. Capital in-kind contributions from area programs or
22 counties shall be considered in meeting the local matching
23 requirement. The Department shall determine acceptable requirements
24 for determining sources of allowable matching funds, whether cash or
25 in-kind.

26 All area program capital grants are subject to the Department of
27 Human Resources' approval of the grant application;

28 (2) \$1,700,000 for construction and renovation of Developmental Day
29 Centers;

30 (3) \$1,000,000 for construction and renovation of vocational rehabilitation
31 facilities;

32 (4) \$200,000 for implementation of three community rehabilitation pilot
33 projects to be selected by the North Carolina Association of
34 Rehabilitation Facilities;

35 (5) \$400,000 for supported living projects of the Association for Retarded
36 Citizens and United Cerebral Palsy, Inc.; and

37 (6) \$700,000 for local assistive technology and a housing loaner fund to
38 be administered through the Community Living Association.

39

40 Requested by: Senator Daniel

41 **DOMICILIARY HOMES/STAFFING ISSUES**

42 Sec. 102.2. The Department of Human Resources shall study the fiscal
43 impact for all Homes for the Aged and Family Care Homes for appropriate staffing,
44 staff turnover ratios, wages and benefits, staff training, and abilities for facilities to

1 operate within existing State and federal law and regulations, according to size and type
2 of facility.

3 The Department shall submit a report of its findings to the 1995 General
4 Assembly and to the Fiscal Research Division of the Legislative Services Office by
5 February 1, 1995.

6

7 **PART 25. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL**
8 **RESOURCES**

9

10 Requested by: Senator Martin of Pitt

11 **IMMUNIZATION PROGRAM FUNDING**

12 Sec. 103. Section 109 of Chapter 561 of the 1993 Session Laws reads as
13 rewritten:

14 "(a) Of the funds appropriated in Chapter 321 of the 1993 Session Laws from the
15 General Fund to the Department of Environment, Health, and Natural Resources for the
16 ~~1993-94-1994-95~~ fiscal year for childhood immunization programs for positions,
17 operating support, equipment, and pharmaceuticals, the sum of up to one million dollars
18 (\$1,000,000) may be used for projects and activities that are also designed to increase
19 childhood immunization rates in North Carolina. These projects and activities shall
20 include the following:

21 (1) Outreach efforts at the State and local levels to improve service
22 delivery of vaccines. Outreach efforts may include educational
23 seminars, media advertising, support services to parents to enable
24 children to be transported to clinics, longer operating hours for clinics,
25 and mobile vaccine units; and

26 (2) Continued development of an automated immunization registry.

27 (b) Funds authorized to be used for immunization efforts under subsection (a) of
28 this section shall not be used to fund additional State positions in the Department of
29 Environment, Health, and Natural Resources.

30 (c) The Department of Environment, Health, and Natural Resources shall not
31 obligate or expend funds authorized for the purposes stated in subsection (a) of this
32 section until the Department has prepared and submitted for review to the Joint
33 Legislative Commission on Governmental Operations the eight-year plan for
34 implementation of the statewide immunization program required under Section 287 of
35 Chapter 321 of the 1993 Session Laws. In addition to the requirements of Section 287
36 of Chapter 321 of the 1993 Session Laws, the eight-year plan shall address planned
37 expenditures and immunization projects and activities identified under subsection (a) of
38 this section."

39

40 Requested by: Senator Martin of Pitt

41 **BLUE RIBBON ADVISORY COUNCIL ON OYSTERS**

42 Sec. 104. Of the funds appropriated in this act to the Department of
43 Environment, Health, and Natural Resources, the sum of up to one hundred thousand
44 dollars (\$100,000) for the 1994-95 fiscal year shall be used for administrative support

1 and other expenses incurred by the Blue Ribbon Advisory Council on Oysters in
2 carrying out the Council's purposes. The Department may use these funds for the
3 purposes stated in this section only if Senate Bill 1403 is enacted by the 1993 General
4 Assembly.

5
6 Requested by: Senator Martin of Pitt

7 **FISHERIES DATA INFORMATION SYSTEM**

8 Sec. 105. Of the funds appropriated in this act to the Department of
9 Environment, Health, and Natural Resources, the sum of two hundred thousand dollars
10 (\$200,000) may be used for administrative expenses for the fisheries data information
11 system pursuant to G.S. 113-154.1. Funds may be used for the purposes authorized
12 under this section only if Senate Bill 1435 is enacted by the 1993 General Assembly.

13
14 Requested by: Senator Martin of Pitt

15 **FISHERY RESOURCE GRANT PROGRAM**

16 Sec. 106. (a) Creation. There is created within the Department of
17 Environment, Health, and Natural Resources, the Fishery Resource Grant Program. The
18 purpose of the program is to enhance the State's coastal fishery resources through
19 individual grants to test new equipment, research industry trends, perform
20 environmental pilot studies, and study other fishery issues.

21 (b) Administration. The Marine Fisheries Commission shall administer the
22 Fishery Resource Grant Program, provide technical assistance to grant applicants and
23 recipients, select grant recipients, evaluate pilot programs, and develop guidelines for
24 implementing successful grant programs. Grants shall be evenly distributed among the
25 Northern, Southern, Central, and Pamlico coastal regions.

26 (c) Application procedure. An applicant may apply for grant funds to the
27 Secretary of the Department of Environment, Health, and Natural Resources. An
28 application must include, but is not limited to, the following:

- 29 (1) A description of the project;
- 30 (2) A detailed statement of the projected costs of the project including the
31 cost to plan and design the project;
- 32 (3) An explanation of how the project will enhance the fishery resource;
33 and
- 34 (4) Any other information needed by the Secretary of the Department to
35 enable the Secretary to make a decision on the application.

36 (d) Of the funds appropriated in this act to the Department of Environment,
37 Health, and Natural Resources, the sum of one million dollars (\$1,000,000) for the
38 1994-95 fiscal year shall be allocated for the Fishery Resource Grant Program
39 established under this section. Funds appropriated for the purposes of this section shall
40 be contingent upon the enactment of Senate Bill 1436.

41
42 Requested by: Senator Martin of Pitt

43 **EHNRL/LOCAL CRAB FISHERIES RESEARCH OFFICE**

1 Sec. 107. Of the funds appropriated in this act to the Department of
2 Environment, Health, and Natural Resources, the sum of two hundred thirty-three
3 thousand four hundred forty-one dollars (\$233,441) for the 1994-95 fiscal year may be
4 used for the creation of an office in Tyrrell County to perform research and technical
5 assistance with respect to the crab fishery. Funds for the purposes stated in this section
6 may be allocated only if Senate Bill 1436 is enacted.

7
8 Requested by: Senator Martin of Pitt

9 **REGIONAL STATE PARK STUDY**

10 Sec. 107.1. Of the funds appropriated to the Department of Environment,
11 Health, and Natural Resources in this act, the sum of fifteen thousand dollars (\$15,000)
12 for the 1994-95 fiscal year shall be used for the Department of Environment, Health,
13 and Natural Resources to review the needs of the State Parks System as described in the
14 Plan in accordance with G.S. 113-44.14(b) and determine the feasibility and cost of
15 developing the Mountain Island Lake Area in Gaston, Lincoln, and Mecklenburg
16 Counties as a regional State Park. The Department shall report the results of this study
17 to the 1995 General Assembly.

18
19 Requested by: Senator Martin of Pitt

20 **WILDLIFE RESOURCES COMMISSION/FUNDS FOR SALARY INCREASES**

21 Sec. 107.2. (a) G.S. 105-164.44B, as amended by Section 290(a) of Chapter
22 321 of the 1993 Session Laws, reads as rewritten:

23 "**§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**
24 **fishing supplies and equipment.**

25 Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter
26 from the State sales and use tax net collections received by the Department of Revenue
27 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the
28 Wildlife Resources Fund, one fourth of ~~three million seven hundred thirty one thousand~~
29 ~~one hundred sixteen dollars (\$3,731,116)~~ four million four hundred eighty-nine
30 thousand four hundred eighty-seven dollars (\$4,489,487) plus or minus the percentage
31 of that amount by which the total collection of State sales and use taxes increased or
32 decreased during the preceding fiscal year plus the cost of any legislative salary increase
33 for employees of the Wildlife Resources Commission."

34 (b) Subsection (a) of this section expires June 30, 1995.

35 (c) Subsection (c) of Section 290 of Chapter 321 of the 1993 Session Laws is
36 repealed.

37 (d) Subsection (d) of Section 290 of Chapter 321 of the 1993 Session Laws
38 reads as rewritten:

39 "(d) Subsection (b) of this section becomes effective July 1, ~~1994-1995.~~"

40
41 Requested by: Senator Daniel

42 **WILDLIFE RESOURCES COMMISSION LONG-RANGE BUDGET PLAN**

43 Sec. 107.3. (a) Section 172 of Chapter 900 of the 1991 Session Laws reads as
44 rewritten:

1 "Sec. 172. (a) The Wildlife Resources Commission shall prepare a long-range
2 budget plan for review and consideration by the General Assembly. The budget plan
3 shall include:

- 4 (1) An analysis of revenues and expenditures from the ~~1986-87-1987-88~~
5 fiscal year through the ~~1991-92-1993-94~~ fiscal year identifying: (i) the
6 major revenue sources and expenditure items within each program or
7 division; (ii) the major increases or decreases in revenues and
8 expenditures over the period and the rationale for these changes; and
9 (iii) those wildlife programs or divisions that have experienced
10 significant growth in expenditures since the ~~1986-87-1987-88~~ fiscal
11 year;
- 12 (2) An inventory and analysis of all revenue sources, including the North
13 Carolina Wildlife Endowment Fund, that identifies: (i) funds that may
14 be used only for specific purposes; and (ii) funds that may be used for
15 general program purposes;
- 16 (3) Revenue and expenditure projections for the ~~1992-93-1994-95~~ through
17 ~~1996-97-1998-99~~ fiscal years, by program and major budget objects;
18 and
- 19 (4) Long-term options for funding the operations of the Wildlife
20 Resources Commission, including: (i) revenue increases, including
21 increased license fees, subscription fees, and registration fees; use of
22 interest from the North Carolina Wildlife Endowment Fund; and
23 increases in the General Fund from sales tax and any other General
24 Fund monies; and (ii) operating and capital expenditure reductions.
25 The Commission shall present a detailed implementation plan and
26 specific recommendations for each option that would ensure future
27 spending deficits would not occur.

28 (b) The Wildlife Resources Commission shall prepare a report incorporating its
29 long-range budget plan, including all components of this plan as set forth in subsection
30 (a) of this section, and shall transmit this report to the General Assembly and the Fiscal
31 Research Division by January 12, ~~1993-1995~~.

32 (c) The Office of State Auditor shall conduct a financial audit and a performance
33 audit of the Wildlife Resources Commission and shall report its findings and
34 recommendations to the 1995 General Assembly upon its convening."
35

36 PART 26. DEPARTMENT OF COMMERCE

37
38 Requested by: Senator Martin of Pitt

39 RURAL ECONOMIC DEVELOPMENT CENTER/COMMUNITY 40 DEVELOPMENT GRANTS

41 Sec. 108. (a) Definition. – For purposes of this section, the term "community
42 development corporation" means a nonprofit corporation:

- 43 (1) Chartered pursuant to Chapter 55A of the General Statutes;

- 1 (2) Tax-exempt pursuant to section 501(c)(3) of the Internal Revenue
2 Code of 1986;
- 3 (3) Whose primary mission is to develop and improve low-income
4 communities and neighborhoods through economic and related
5 development;
- 6 (4) Whose activities and decisions are initiated, managed, and controlled
7 by the constituents of those local communities; and
- 8 (5) Whose primary function is to act as deal-maker and packager of
9 projects and activities that will increase their constituencies'
10 opportunities to become owners, managers, and producers of small
11 businesses, affordable housing, and jobs designed to produce positive
12 cash flow and curb blight in the target community.

13 (a1) Community Development Grants. – Of the funds appropriated in this act
14 from the General Fund to the Rural Economic Development Center, Inc., the sum of one
15 million three hundred thousand dollars (\$1,300,000) for the 1994-95 fiscal year shall be
16 used to support community development projects and activities within the State's
17 minority communities. Any community development corporation as defined in this
18 section is eligible to apply for funds. The Rural Economic Development Center shall
19 establish performance-based criteria for determining which community development
20 corporations will receive a grant and the grant amount. Funding will also be allocated
21 to the North Carolina Association of Community Development Corporations.

22 The Rural Economic Development Center, Inc., shall allocate these funds as
23 follows:

- 24 (1) \$950,000 for direct grants to the local community development
25 corporations that have previously received State funds for this purpose
26 to support operations and project activities;
- 27 (2) \$100,000 for direct grants to local community development
28 organizations that have not previously received State funds;
- 29 (3) \$200,000 to the North Carolina Association of Community
30 Development Corporations to provide training, technical assistance,
31 resource development, project assistance, and support for local
32 community development corporations statewide; and
- 33 (4) \$50,000 to the Rural Economic Development Center for the 1993-94
34 fiscal year to be used to cover expenses in administering this act.

35 The Rural Economic Development Center, Inc. shall report quarterly to the
36 Joint Legislative Commission on Governmental Operations on the use of these funds.

37 (a2) The North Carolina Community Development Initiative, Inc. – Of the
38 funds appropriated in this act from the General Fund to the Rural Economic
39 Development Center, Inc., the sum of two million dollars (\$2,000,000) for the 1994-95
40 fiscal year shall be used to support the loan fund and operations of the North Carolina
41 Community Development Initiative, Inc. The Initiative shall provide operating and
42 project activity grants to mature community development corporations that have
43 demonstrated project and organizational capacity.

1 The North Carolina Community Development Initiative, Inc., shall report
2 quarterly to the Joint Legislative Commission on Government Operations on the use of
3 these funds.

4 (a3) Microenterprise Loan Program. – Of the funds appropriated in this act
5 from the General Fund to the Rural Economic Development Center, Inc., the sum of six
6 hundred fifty thousand dollars (\$650,000) for the 1994-95 fiscal year shall be used to
7 support the loan fund and operations of the Microenterprise Loan Program. The Rural
8 Economic Development Center shall report quarterly to the Joint Legislative
9 Commission on Government Operations on the use of these funds.

10 (a4) The North Carolina Minority Credit Union Support Center, Inc. – Of the
11 funds appropriated in this act from the General Fund to the Rural Economic
12 Development Center, Inc., the sum of three hundred thousand dollars (\$300,000) for the
13 1994-95 fiscal year shall be allocated to the North Carolina Minority Credit Union
14 Support Center, Inc., to provide technical assistance to community-based credit unions.
15 The Rural Economic Development Center, Inc., shall report quarterly to the Joint
16 Legislative Commission on Governmental Operations on the use of these funds.

17 (a5) The Office of State Budget and Management, the Department of
18 Commerce, and the Rural Economic Development Center, Inc., shall ensure that funds
19 allocated to the following organizations are disbursed within 15 working days of the
20 receipt of a request for the funds from the organization:

- 21 (1) The North Carolina Community Development Initiative, Inc.
- 22 (2) The North Carolina Minority Credit Union Support Center, Inc.
- 23 (3) The Microenterprise Loan Program.

24 (a6) Capacity Building Grants Program. – Of the funds appropriated in this
25 act from the General Fund to the Rural Economic Development Center, Inc., the sum of
26 six hundred thousand dollars (\$600,000) for the 1994-95 fiscal year shall be used to
27 provide grants to depressed counties and municipalities to enable them to acquire short-
28 term capacity for immediate needs for economic development planning and writing of
29 grant applications. The Center shall establish standards for determining each local
30 government's needs and shall make grants on the basis of need.

31 Definitions. – For the purposes of this subsection the following definitions
32 apply:

- 33 (1) Economically depressed area. – Any of the following:
 - 34 a. A county that the Secretary of Commerce has designated one of
35 the most economically depressed counties in the State pursuant
36 to G.S. 143B-437A.
 - 37 b. That part of a rural county whose poverty rate is at least one
38 hundred fifty percent (150%) of the State poverty rate. For the
39 purpose of this subsection, the poverty rate is the percentage of
40 the population with income below the latest annual federal
41 poverty guidelines issued by the United States Department of
42 Health and Human Services.
 - 43 c. That part of a rural county whose rate of unemployment is at
44 least double the State rate of unemployment.

1 d. That part of a rural county that experiences an actual or
2 imminent loss of jobs in a number that is equal to or exceeds
3 five percent (5%) of the total number of jobs in the part.

4 (2) Rural county. – A county that the United States Office of Management
5 and Budget has not designated as a metropolitan county.

6 The Rural Economic Development Center, Inc., shall report quarterly to the
7 Joint Legislative Commission on Governmental Operations and the Department of
8 Commerce on the use of the funds allocated in this subsection and on the outcomes
9 achieved by the program.

10 (b) Section 104.1(a) of Chapter 561 of the 1993 Session Laws reads as rewritten:

11 "(a) Supplemental Funding Pilot Project. – Of the funds appropriated in this act
12 from the General Fund to the Rural Economic Development Center, Inc., the sum of
13 one million six hundred fifty thousand dollars (\$1,650,000) for the ~~1993-94~~ 1994-95
14 fiscal year shall be used for a pilot program to provide supplemental funding for
15 matching requirements for economic development in economically depressed areas.
16 The Center shall use the funds to make grants to local governments and nonprofit
17 corporations to provide funds necessary to match federal grants or other grants for
18 necessary economic development projects and activities in economically depressed
19 areas. The grant recipients shall be selected on the basis of need."

20 (c) Subsections (a1) and (a2) of Section 104.1 of Chapter 561 of the 1993
21 Session laws apply to this section.

22 (d) Of the funds appropriated in this act to the Rural Economic Development
23 Center, Inc., the sum of one hundred thousand dollars (\$100,000) for the 1994-95 fiscal
24 year shall be allocated as follows:

25 (1) \$25,000 to the Opportunities Industrialization Center of Wilson, Inc.,
26 for its ongoing job training programs;

27 (2) \$25,000 to Opportunities Industrialization Center, Inc., in Rocky
28 Mount, for its ongoing job training programs;

29 (3) \$25,000 to Pitt-Greenville Opportunities Industrialization Center, Inc.,
30 for its ongoing job training programs; and

31 (4) \$25,000 to the Opportunities Industrialization Center of Lenoir,
32 Greene, and Jones Counties.

33 The Rural Economic Development Center, Inc., shall report quarterly to the
34 Joint Legislative Commission on Governmental Operations on the use of funds
35 allocated in this subsection.

36

37 Requested by: Senator Martin of Pitt

38 **BIOTECHNOLOGY FUNDS FOR MINORITY UNIVERSITIES**

39 Sec. 109. Section 99 of Chapter 561 of the 1993 Session Laws reads as
40 rewritten:

41 "Sec. 99. Of the funds appropriated in this act from the General Fund to the North
42 Carolina Biotechnology Center for the ~~1993-94~~ 1994-95 fiscal year, the sum of one
43 million dollars (\$1,000,000) shall be used to develop a special biotechnology program
44 initiative for North Carolina's Public Historically Black Universities and Pembroke

1 State University. This program initiative is a means to get more funds to these
2 institutions of higher education in the short run to help them develop their
3 biotechnology programs and a means to develop a mechanism to improve these
4 institutions' capacity over the long term. The Center's special initiative shall, at a
5 minimum, provide for:

- 6 (1) A range of program activities, including grants, designed to enhance
7 the existing strengths and capabilities of Pembroke University, and the
8 public Historically Black Universities;
- 9 (2) A Facilities and Infrastructure Review Committee to advise the Center
10 on major program elements and priority projects that would be most
11 helpful to these institutions; and
- 12 (3) A Program Advisory Panel with representation from these institutions
13 to advise and make recommendations to the Center's President and
14 Board of Directors on funding proposals under this initiative.

15 ~~The Beginning September 15, 1994, the Center shall report quarterly~~
16 ~~throughout the 1994-95 fiscal year to the General Assembly by March 15, 1994, on the~~
17 ~~development and implementation of this special initiative. These reports shall include~~
18 ~~the current number of enrollments and the capacity of enrollments in the biotechnology~~
19 ~~program in each of the minority universities, the number of faculty in the biotechnology~~
20 ~~program in each of the minority universities, whether and to what extent the~~
21 ~~enrollments, capacity, and number of faculty have changed in the last three academic~~
22 ~~years in the biotechnology program in each of the minority universities, how the funds~~
23 ~~allocated by this section are being used in each of the minority universities, and any~~
24 ~~other information that indicates whether this program initiative is accomplishing its~~
25 ~~purpose.~~

26 In awarding grant funds pursuant to this section, the Center shall ensure that
27 the grant funds are distributed equally among the eligible universities."
28

29 Requested by: Senator Martin of Pitt

30 ECONOMIC DEVELOPMENT FUNDS

31 Sec. 110. Section 310 of Chapter 321 of the 1993 Session Laws reads as
32 rewritten:

33 "(a) Of the funds appropriated in this act to the Department of Commerce, three
34 hundred thousand dollars (\$300,000) for the ~~1993-94-1994-95~~ fiscal year shall be
35 allocated for the Land Loss Prevention Project, Inc., to provide free legal representation
36 to ~~low-income~~ financially distressed ~~small-family~~ farmers. The Land Loss Prevention
37 Project, Inc., shall not use these funds to represent farmers who have income and assets
38 that would make them financially ineligible for legal services pursuant to Title 45, Part
39 1611 of the Code of Federal Regulations. The Land Loss Prevention Project, Inc., shall
40 report quarterly to the Joint Legislative Commission on Governmental Operations on
41 the use of these funds.

42 (b) Of the funds appropriated in this act to the Department of Commerce, two
43 hundred fifty thousand dollars (\$250,000) for the ~~1993-94-1994-95~~ fiscal year shall be
44 allocated for the North Carolina Coalition of Farm and Rural Families, Inc., for its

1 Small Farm Economic Development Project. These funds shall be used to foster
2 economic development within the State's rural farm communities by offering financial,
3 marketing, and technical assistance to small and limited resource farmers. The North
4 Carolina Coalition of Farm and Rural Families, Inc., shall report quarterly to the Joint
5 Legislative Commission on Governmental Operations on the use of these funds.

6 (c) Of the funds appropriated in this act to the Department of Commerce, ~~two~~
7 five hundred fifty thousand dollars (\$200,000)–(\$550,000) for the ~~1993-94-1994-95~~
8 fiscal year shall be allocated to the North Carolina Institute for Minority Economic
9 Development, Inc., to foster minority economic development within the State through
10 policy analysis, information and technical assistance, and resource expansion. The
11 North Carolina Institute for Minority Economic Development, Inc., shall research and
12 identify key issues affecting the economic well-being of the State's ethnic minority
13 community and issue annual reports with appropriate recommendations; provide
14 information and technical assistance to organizations with minority economic
15 development-based projects in common areas of need and interests; develop a resource
16 bank of data and information; facilitate training in appropriate areas of need; and
17 provide technical assistance to minority construction contractors. The North Carolina
18 Institute for Minority Economic Development, Inc., shall report quarterly to the Joint
19 Legislative Commission on Governmental Operations on the use of these funds."
20

21 Requested by: Senator Martin of Pitt

22 **WTTF FUNDS TO EMPLOYMENT SECURITY COMMISSION**

23 Sec. 111. There is appropriated from the Worker Training Trust Fund to the
24 Department of Commerce, Employment Security Commission, the sum of five hundred
25 twenty-five thousand dollars (\$525,000) for the 1994-95 fiscal year to be allocated as
26 follows:

- 27 (1) \$225,000 to continue the operation of the common follow-up tracking
28 system; and
- 29 (2) \$300,000 to fund salary increases enacted in this act for State
30 employees.

31
32 Requested by: Senators Martin of Pitt, Hoyle, Cochrane

33 **INDUSTRIAL RECRUITMENT COMPETITIVE FUND**

34 Sec. 112. Of the funds appropriated to the Department of Commerce in this
35 act, the sum of ten million dollars (\$10,000,000) shall be allocated to the Industrial
36 Recruitment Competitive Fund for the 1994-95 fiscal year to be used, notwithstanding
37 the provisions of Section 314.3 of Chapter 321 of the 1993 Session Laws, to assist new
38 businesses and industries and existing businesses and industries. The Governor's
39 guidelines and procedures for the commitment of monies from this Fund shall provide
40 that existing businesses and industries be considered in the same manner and have the
41 same access to the monies as new businesses and industries.
42

43 Requested by: Senator Martin of Pitt

44 **NEW REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS**

1 Sec. 113. The funds appropriated to the Department of Commerce in this act
2 for the 1994-95 fiscal year for regional commissions and strategic planning shall not be
3 used for the Western North Carolina Regional Economic Development Commission, the
4 Northeastern North Carolina Regional Economic Development Commission, or the
5 Southeastern North Carolina Regional Economic Development Commission, which
6 commissions are created under G.S. 158-8.1, 158-8.2, and 158-8.3 respectively, but
7 shall be used only for economic development commissions that are created during the
8 1994-95 fiscal year pursuant to Article 2 of Chapter 158 of the General Statutes.

9
10 Requested by: Senator Martin of Pitt

11 **MCNC REVERSIONS**

12 Sec. 114. Any funds appropriated to the Department of Commerce in this act
13 for MCNC for the 1994-95 fiscal year that remain unexpended or unencumbered on
14 June 30, 1995, shall revert to the General Fund.

15
16 Requested by: Senator Martin of Pitt

17 **ENVIRONMENTAL IMPACT OF INDUSTRIES STUDY**

18 Sec. 115. The four hundred fifty thousand dollars (\$450,000) that is
19 appropriated to the Department of Commerce in this act for the 1994-95 fiscal year to
20 develop a methodology to identify industries that have a limited impact on the
21 environment shall be allocated to the Board of Governors of The University of North
22 Carolina to be used at the University of North Carolina at Charlotte as follows:

23 (1) \$50,000 to conduct further study of industries that have a limited
24 impact on the environment; and

25 (2) \$400,000 to support the joint enterprise of business and industry to
26 research the ability to recycle plastic material and continue to develop
27 the polymer industry.

28
29 Requested by: Senator Martin of Pitt

30 **CENTER FOR COMMUNITY SELF-HELP FUNDS**

31 Sec. 116. (a) Of the funds appropriated in this act to the Department of
32 Commerce, the sum of two million five hundred thousand dollars (\$2,500,000) for the
33 1994-95 fiscal year shall be allocated to the Center for Community Self-Help to further
34 a statewide program of lending for home ownership throughout North Carolina. These
35 funds will be leveraged on a ten-to-one basis, generating at least ten dollars (\$10.00) of
36 nontraditional home loans for every one dollar (\$1.00) of State funds. Payments of
37 principal shall be available for further loans or loan guarantees.

38 (b) The Center for Community Self-Help shall submit, within 180 days after the
39 close of its fiscal year, audited financial statements to the State Auditor. All records
40 pertaining to the use of State funds shall be made available to the State Auditor upon
41 request. The Center for Community Self-Help shall make quarterly reports on the use
42 of State funds to the State Auditor, in form and format prescribed by the State Auditor
43 or his designee. The Center for Community Self-Help shall make a written report by

1 May 1 of each year for the next three years to the General Assembly on the use of the
2 funds allocated under this section.

3 (c) The Center for Community Self-Help shall report to the Joint Legislative
4 Commission on Governmental Operations, the House Appropriations Subcommittee on
5 Natural and Economic Resources, the Senate Appropriations Committee on Natural and
6 Economic Resources, and the Department of Commerce on a quarterly basis for the next
7 three years.

8 (d) The Office of the State Auditor may conduct an annual end-of-year audit of
9 the revolving fund for economic development lending created by this appropriation for
10 each year of the life of the revolving fund.

11 (e) If the Center for Community Self-Help dissolves, the corporation shall
12 transfer the remaining assets of the revolving fund to the State and shall refrain from
13 disposing of the revolving fund assets without approval of the State Treasurer.

14 (f) The Office of State Budget and Management shall disburse this
15 appropriation within 15 working days of the receipt of a request for the funds from the
16 Center for Community Self-Help. The request shall include a commitment of the
17 leveraged funds by the Center for Community Self-Help or its affiliates.

18

19 Requested by: Senator Plyler

20 **TRAVEL AND TOURISM AREA PROMOTER**

21 Sec. 116.1. (a) The additional position of Travel and Tourism Area Promoter is
22 added to the Division of Travel and Tourism in the Department of Commerce.

23 (b) Funds appropriated to the Department of Commerce in this act for fiscal year
24 1994-95 in the amount of thirty-six thousand five hundred dollars (\$36,500) shall be
25 used for the position authorized in this section.

26

27 Requested by: Senator Plyler

28 **RURAL TOURISM DEVELOPMENT FUNDS**

29 Sec. 116.2. Of the funds appropriated in this act from the General Fund to the
30 Department of Commerce for the 1994-95 fiscal year, the sum of four hundred thousand
31 dollars (\$400,000) shall be used for the Rural Tourism Development Grant Program.
32 The Department shall establish and implement this Program to provide grants to local
33 governments and nonprofit organizations to encourage the development of new tourism
34 projects and activities in rural areas of the State. Grant funds shall not be allocated for
35 projects or activities eligible to receive funds from the Department's Tourism Promotion
36 Grant Program. The Secretary shall establish guidelines for eligibility to receive grants
37 under the Rural Tourism Development Grant Program. No recipient or new tourism
38 project shall receive a total of more than fifty thousand dollars (\$50,000) of these grant
39 funds for the 1994-95 fiscal year. The grant funds under the Rural Tourism
40 Development Grant Program shall not be used for capital projects.

41

42 **PART 27. DEPARTMENT OF LABOR**

43

44 Requested by: Senator Martin of Pitt

PRIVATE PERSONNEL SERVICE ADVISORY COUNCIL

Sec. 117. (a) G.S. 95-47.4(b) reads as rewritten:

"(b) Any contract that obligates an applicant to pay a fee to the private personnel service shall include:

- (1) The name, address and telephone number of the private personnel service;
- (2) The name of the applicant;
- (3) The date the contract was signed;
- (4) A clear schedule of the fees to be charged to the applicant at various salary levels;
- (5) A clear explanation of when the applicant becomes obligated to pay a fee;
- (6) A clear refund policy (or no refund policy) that conforms to the requirements of G.S. 95-47.4(f) and (g);
- (7) If the applicant is obligated whether or not the applicant accepts employment, a clear explanation of the services provided and a statement that the private personnel service does not guarantee that the applicant will obtain employment as a result of its services;
- (8) A statement, in a type size no smaller than nine point, directly above the place for the applicant's signature, that reads as follows: 'I have read and received a copy of this CONTRACT, which I understand makes me legally obligated to pay a fee under conditions outlined ~~below~~above.' In the preceding statement the word 'CONTRACT' and no others shall be in all capitals; and
- (9) A statement that the private personnel service is licensed and regulated by the Commissioner and the address at which a copy of laws and regulations governing private personnel services may be obtained."

(b) G.S. 95-47.7(a) reads as rewritten:

"(a) There is hereby established the North Carolina Private Personnel Service Advisory Council. The Council shall be composed of 12 members appointed by the Commissioner. Each member of the Council shall be domiciled in this State for at least three years immediately preceding his appointment and be of good moral character. At least five members shall have occupied for at least three years immediately preceding their appointment, and shall occupy at the time of appointment, executive or managerial positions in the private personnel service industry in North Carolina; and at least three shall have occupied, for at least three years immediately preceding their appointment, executive or managerial positions as personnel officers in companies which regularly utilize the services of private personnel services in obtaining employees. Members of the Council shall serve without ~~salary~~-salary, but shall be paid per diem, subsistence, and travel allowance in accordance with Chapter 138 of the General Statutes."

TITLE II. CAPITAL IMPROVEMENTS**PART 28. INTRODUCTION**

1
2 Sec. 118. The appropriations made by the 1994 General Assembly for capital
3 improvements are for constructing, repairing, or renovating State buildings, utilities, and
4 other capital facilities, for acquiring sites for them where necessary, and for acquiring
5 buildings and land for State government purposes.
6

7 **PART 29. PROCEDURES FOR DISBURSEMENTS**
8

9 Sec. 119. The appropriations made by the 1994 General Assembly for capital
10 improvements shall be disbursed for the purposes provided by this act. Expenditure of
11 funds shall not be made by any State department, institution, or agency, until an
12 allotment has been approved by the Governor as Director of the Budget. The allotment
13 shall be approved only after full compliance with the Executive Budget Act, Article 1 of
14 Chapter 143 of the General Statutes. Prior to the award of construction contracts for
15 projects to be financed in whole or in part with self-liquidating appropriations, the
16 Director of the Budget shall approve the elements of the method of financing of those
17 projects including the source of funds, interest rate, and liquidation period. Provided,
18 however, that if the Director of the Budget approves the method of financing a project,
19 the Director shall report that action to the Joint Legislative Commission on
20 Governmental Operations at its next meeting.

21 Where direct capital improvement appropriations include the purpose of
22 furnishing fixed and movable equipment for any project, those funds for equipment
23 shall not be subject to transfer into construction accounts except as authorized by the
24 Director of the Budget. The expenditure of funds for fixed and movable equipment and
25 furnishings shall be reviewed and approved by the Director of the Budget prior to
26 commitment of funds.

27 Capital improvement projects authorized by the 1994 General Assembly shall
28 be completed, including fixed and movable equipment and furnishings, within the limits
29 of the amounts of the direct or self-liquidating appropriations provided, except as
30 otherwise provided in this act.
31

32 **PART 30. CAPITAL IMPROVEMENTS/GENERAL FUND**
33

34 Sec. 120. Appropriations are made from the General Fund for the 1994-95
35 fiscal year for use by the State departments, institutions, and agencies to provide for
36 capital improvement projects according to the following schedule:
37

	<u>1994-95</u>				(Total)
39 GENERAL		ASSEMBLY			6,
40					
41 200,000					
42 1. Complete	Renovation	of	HVAC	System	
43 6,200,000					
44					

1	DEPARTMENT	OF	ADMINISTRATION	(Total)
2				52
3	,034,500			
4	1. Reserve for Repairs/Renovation of the Old			
5	Education and Revenue Buildings	20,000,000		
6	2. Natural Science Museum and Wet Lab Collection			
7	30,934,500			
8	3. Construction of New 90-Bed Boot Camp			
9	1,100,000			
10				
11	DEPARTMENT	OF	AGRICULTURE	(Total)
12				11
13	,479,600			
14	1. Eastern North Carolina Agricultural Center -			
15	Phase I Completion	3,600,000		
16	2. Cattle and Livestock Exposition Center			
17	7,379,600			
18	3. Dairy Milking Parlor - Umstead Research			
19	Station - Supplement			
20	Requirements	\$387,000		
21	Timber Receipts	<u>387,000</u>		
22	State Appropriation			
23	4. Southeastern Farmer's Market - Development			500,000
24				
25	UNIVERSITY	-	BOARD OF GOVERNORS	(Total)
26				51
27	,503,600			
28	1. UNC-Chapel Hill - Planning funds for			
29	Law School	1,000,000		
30	2. UNC-Chapel Hill - Institute of Government -			
31	Renovation Planning	700,000		
32	3. UNC-Chapel Hill - Renovate Hill Hall			
33	1,700,000			
34	4. UNC-Chapel Hill - School Leadership Academy			
35	Facility - Planning	200,000		
36	5. N.C. State University - Centennial Center			13,000,000
37	6. N.C. State University - Agricultural			
38	Extension - Planning and Construction of 4-H			
39	Youth Development Center - Northeastern			
40	North Carolina	5,000,000		
41	7. UNC-Asheville - Conference Center			
42	500,000			
43	8. UNC-Asheville - Kellogg Center			
44	500,000			

GENERAL ASSEMBLY OF NORTH CAROLINA

1993

1	9.	UNC-Charlotte	-	Library	Planning	Funds
2		900,000				
3	10.	UNC-Greensboro	-		University	Center
4		6,000,000				
5	11.	School of the Arts - Student Activities Center				4,500,000
6	12.	School	of	the	Arts	-
7		2,000,000			Film	School
8	13.	East Carolina University - Life Sciences				
9		Building	12,340,000			
10	14.	Winston-Salem State University - Addition				
11		F.L. Aikens Building	2,363,600			
12	15.	Fayetteville State University - Fine Arts				
13		Center Planning	300,000			
14	16.	Western		N.C.		Arboretum
15		500,000				
16						
17	DEPARTMENT	OF	COMMUNITY	COLLEGES		(Total)
18						30
19						0,000
20	1.	Center for Applied Textile Technology -				
21		Renovations, Parking, and Site Improvements			300,000	
22						
23	DEPARTMENT	OF	CULTURAL	RESOURCES		(Total)
24						14
25						,970,000
26	1.	Fort Fisher State Historic Site Erosion				
27		Control Measures				
28		Requirements	\$8,340,000			
29		Receipts-Federal	4,170,000			
30		State Appropriation	4,170,000			
31	2.	Elizabeth	II	State	Historic	Site
32		10,000,000				
33	3.	Spencer				Shops
34		300,000				
35	4.	Museum of the Cape Fear - Branch of the				
36		State Museum of History	500,000			
37						
38	DEPARTMENT OF ENVIRONMENT, HEALTH AND NATURAL					
39	RESOURCES					(Total)
40						23
41						,924,000
42	1.	North	Carolina	Aquariums	-	Planning
43		950,000				
44	2.	Water Resources (Civil Works) Development				

1		Projects	2,000,000			
2	3.	Wilmington	Harbor	Ocean	Bar	Deepening
3		10,906,000				
4	4.	Falls Lake Recreation/Jordan Water				
5		Supply - Repayment	9,527,000			
6	5.	Bulkhead	Project	-	Town	of Oriental
7		91,000				
8	6.	Forestry Headquarters Building and Land -				
9		Union County	450,000			
10						
11	DEPARTMENT OF CRIME CONTROL AND PUBLIC					
12	SAFETY					
13						(Total)
14						12
15	1.	Beulaville	Armory	-		Renovations
16		100,000				
17	2.	Warsaw	Armory	-		Renovations
18		25,000				
19						
20	TOTAL	CAPITAL	IMPROVEMENTS/GENERAL			FUND
21						\$1
22	60,536,700					

23

24 **PART 31. OFFICE OF STATE BUDGET AND MANAGEMENT**

25

26 Requested by: Senators Conder, Plyler

27 **RICHMOND EDUCATIONAL CENTER FUNDS**

28 Sec. 121. Funds appropriated in this act to the Office of State Budget and
 29 Management for the 1994-95 fiscal year for Richmond County to use to renovate the
 30 Leak Street Educational Center for use as a facility to help at-risk children through
 31 counseling, job interview training, and computer training shall be allocated to
 32 Richmond County provided that the funds are matched on the basis of one dollar
 33 (\$1.00) of non-State funds for every one dollar (\$1.00) of State funds.

34

35 Requested by: Senator Plyler

36 **WORLD LANGUAGE CENTER FUNDS**

37 Sec. 122. Funds appropriated in this act to the Office of State Budget and
 38 Management for the 1994-95 fiscal year for the North Carolina Center for World
 39 Languages and Cultures, Inc., shall be used for planning of the Center. The funds may
 40 be used for concept development, concept refinement, preliminary specifications and
 41 drawings, development of complete and comprehensive plan and specifications, and
 42 preliminary infrastructure development.

43

44 **PART 32. GENERAL GOVERNMENT**

1

2 Requested by: Senator Kaplan

3 **RANDLEMAN DAM RESERVE RELEASE RESTRICTIONS**4 Sec. 123. (a) The funds appropriated in this act for the Randleman Dam shall
5 be held in a Reserve and released only as provided in this section.6 (b) If the May 12, 1994 order of the Wake County Superior Court nullifying
7 the decision and certificate of the Environmental Management Commission authorizing
8 the Piedmont Triad Water Authority to condemn land and to carry out certain interbasin
9 transfers of water is appealed, then the funds shall be released on the earlier of:10 (1) The Court of Appeals or Supreme Court overturning the Superior
11 Court decision or remanding it for further consideration; or12 (2) A final decision by the Environmental Management Commission
13 granting authority to proceed with the project, in the event the issue is
14 either remanded for a new hearing or a new hearing is scheduled by
15 consent of the parties or there is a new hearing process before the
16 Environmental Management Commission pertaining to a certificate for
17 interbasin transfers.18 (c) All funds appropriated in this act for the construction of Randleman Dam
19 shall revert to the General Fund on October 1, 1996, if construction has not begun
20 before that date.

21

22 **EXPENDITURE OF FUNDS FROM RESERVE FOR REPAIRS AND**
23 **RENOVATIONS**24 Sec. 124. Section 22 of Chapter 561 of the 1993 Session Laws reads as
25 rewritten:26 "Sec. 22. Of the funds in the Reserve for Repairs and Renovations for the ~~1993-94~~
27 1994-95 fiscal year, fifty-five percent (55%) shall be allocated to the Board of
28 Governors of The University of North Carolina for repairs and renovations to General
29 Fund supported facilities and related infrastructure in The University of North Carolina,
30 including the North Carolina School of Science and Math, and forty-five percent (45%)
31 shall be allocated to the Office of State Budget and Management for necessary repairs
32 and renovations to all other General Fund supported facilities and related infrastructure.
33 From this Reserve the Board of Governors may expend thirty-three million dollars
34 (\$33,000,000), and the Office of State Budget and Management may expend twenty-
35 seven million dollars (\$27,000,000) for repairs and renovation, improvements to roads
36 and walks, architectural barrier removal, and North Carolina Occupational Safety and
37 Health Act projects.38 Notwithstanding G.S. 143-15.3A, the Board of Governors may allocate funds
39 for the repair and renovation of facilities not supported from the General Fund if the
40 Board determines that sufficient funds are not available from other sources and that
41 conditions warrant General Fund assistance. Any such finding shall be included in the
42 Board's submission to the Joint Legislative Commission on Governmental Operations
43 on the proposed allocation of funds.

1 The Board of Governors and the Office of State Budget and Management
2 shall submit to the Joint Legislative Commission on Governmental Operations and to
3 the Fiscal Research Division of the Legislative Services Office, for their review, the
4 proposed allocation of these funds. Subsequent changes in the proposed allocations
5 shall be reported prior to expenditure to the Joint Legislative Commission on
6 Governmental Operations and to the Fiscal Research Division of the Legislative
7 Services Office."

9 **PART 33. DEPARTMENT OF ADMINISTRATION**

10
11 Requested by: Senators Odom, Ballance

12 **BOOT CAMP CONSTRUCTION FUNDS**

13 Sec. 125. (a) With respect to funds appropriated in this act for construction of
14 a boot camp in an urban area, the Office of State Construction of the Department of
15 Administration may contract for and supervise all aspects of administration, technical
16 assistance, design, construction, or demolition of the facility in order to implement the
17 providing of the facility under the provisions of this act.

18 The facility authorized under this act shall be constructed in accordance with
19 the provisions of general law applicable to the construction of State facilities. If the
20 Secretary of Administration, after consultation with the Secretary of Correction, finds
21 that the delivery of the facility must be expedited for good cause, the Office of State
22 Construction of the Department of Administration shall be exempt from the following
23 statutes and rules implementing those statutes, to the extent necessary to expedite
24 delivery: G.S. 143-135.26, 143-128, 143-129, 143-131, 143-132, 143-134, 113A-1
25 through 113A-10, 113A-50 through 113A-66, 133-1.1(g), and 143-408.1 through 143-
26 408.7.

27 Prior to exercising the exemptions allowable under this section, the Secretary
28 of Administration shall give reasonable notice in writing of the Department's intent to
29 exercise the exemptions to the President Pro Tempore of the Senate, the Speaker of the
30 House of Representatives, the Chairs of the House and Senate Appropriations
31 Committees, the Chairs of the House and Senate Appropriations Subcommittees on
32 Justice and Public Safety, and the Fiscal Research Division. The written notice shall
33 contain at least the following information: (i) the specific statutory requirement or
34 requirements from which the Department intends to exempt itself; (ii) the reason the
35 exemption is necessary to expedite delivery of the facility; (iii) the way in which the
36 Department anticipates the exemption will expedite the delivery of prison facilities; and
37 (iv) a brief summary of the proposed contract for the project which is to be exempted.

38 The Office of State Construction of the Department of Administration shall
39 have a verifiable ten percent (10%) goal for participation by minority and women-
40 owned businesses. All contracts for the design, construction, or demolition of prison
41 facilities shall include a penalty for failure to complete the work by a specified date.

42 The Office of State Construction of the Department of Administration shall
43 involve the Department of Correction in all aspects of the project to the extent that such

1 involvement relates to the Department's program needs and to its responsibility for the
2 care of the prison population.

3 (b) With respect to funds appropriated in this act for construction of a boot camp
4 in an urban area, the Office of State Construction of the Department of Administration
5 shall provide quarterly reports to the Chairs of the Appropriations Committee and the
6 Base Budget Committee in the Senate, the Chairs of the Appropriations Committee in
7 the House, the Joint Legislative Commission on Governmental Operations, and the
8 Fiscal Research Division as to any changes in projects and allocations made under this
9 act. The report shall include any changes in the projects and allocations made pursuant
10 to this act, information on which contractors have been selected, what contracts have
11 been entered into, the projected and actual occupancy dates of facilities contracted for,
12 the number of beds to be constructed on each project, the location of each project, and
13 the projected and actual cost of each project.

14 The Department of Insurance and the Department of Correction shall report
15 quarterly to the Joint Legislative Commission on Governmental Operations on their
16 involvement in the prison construction program.

17 18 **PART 34. DEPARTMENT OF CULTURAL RESOURCES**

19
20 Requested by: Senator Martin of Guilford

21 **AFRICAN-AMERICAN TOURISM SITE COMMITTEE**

22 Sec. 126. (a) The Secretary of the Department of Cultural Resources is
23 encouraged to appoint an Advisory Committee on Tourism at North Carolina Sites
24 Highlighting African-American Accomplishments. Should such a committee be
25 appointed, the Secretary is encouraged to include as members persons who:

- 26 (1) Directly participated in the planning, leadership, or implementation of
27 the North Carolina sit-in movement of 1960;
- 28 (2) Have done scholarly work related to the Civil Rights Movement of the
29 1960's as was manifested in this State;
- 30 (3) Are knowledgeable about North Carolina's travel and tourism industry;
- 31 (4) Have an understanding of and appreciation for the contributions made
32 by African-Americans relative to development and evolution of this
33 State; or
- 34 (5) Are members of the North Carolina General Assembly.

35 (b) The committee, should it be appointed, is encouraged to study and make
36 recommendations to the Secretary, Governor, and General Assembly on all of the
37 following:

- 38 (1) Programming, activities, and site development that will best enhance
39 on-going public visitation and attract national and international travel
40 and tourism attention for sites that highlight and reflect African-
41 American accomplishments, while placing initial emphasis on those
42 sites that have been designated as State Historic Sites.
- 43 (2) Related to the State's role in supporting programming and activities,
44 equipping, assisting with renovations, or otherwise promoting efforts

1 to create a civil rights center and museum commemorating the sit-in
2 movement of the 1960's. Such recommendations, if any, should be
3 designed to promote the general public's understanding of and
4 appreciation for the sit-in movement and other civil rights efforts
5 encompassing the 1960's.

- 6 (3) Regarding the expenditure of any State funds related to a civil rights
7 center and museum.

8
9 Requested by: Senators Daniel, Plyler

10 **LOCAL HISTORICAL ORGANIZATIONS GRANTS**

11 Sec. 127. Of the funds appropriated in this act for the 1994-95 fiscal year to
12 the Department of Cultural Resources the sum of four million dollars (\$4,000,000) shall
13 be distributed as grants-in-aid to nonprofit historical organizations, nonprofit museums,
14 or local governmental entities on a competitive basis in accordance with administrative
15 guidelines issued by the Secretary of the Department of Cultural Resources. The
16 purpose of the grants shall be to encourage, through the use of grants-in-aid, the
17 protection, preservation, and interpretation of historic assets with local or regional
18 significance. Priority consideration shall be given to the local historical organization's
19 educational objectives. Grants shall be limited to amounts of one hundred thousand
20 dollars (\$100,000) or less.

21
22 Requested by: Senators Daniel, Plyler

23 **LOCAL CULTURAL AND ARTISTIC ORGANIZATIONS GRANTS**

24 Sec. 128. Of the funds appropriated in this act for the 1994-95 fiscal year to
25 the Department of Cultural Resources the sum of two million dollars (\$2,000,000) shall
26 be distributed as grants-in-aid to nonprofit local cultural or artistic organizations or local
27 governmental entities on a competitive basis in accordance with administrative
28 guidelines issued by the Secretary of the Department of Cultural Resources. The
29 purpose of the grants shall be to support and promote, through the use of grants-in-aid,
30 local cultural and artistic organizations with local or regional significance. Priority
31 consideration shall be given to the local cultural or artistic organization's educational
32 objectives. Grants shall be limited to amounts of one hundred thousand dollars
33 (\$100,000) or less.

34 **PART 35. COLLEGES AND UNIVERSITIES**

35
36
37 Requested by: Senator Warren

38 **4-H YOUTH DEVELOPMENT CENTER FUNDS**

39 Sec. 129. Of the funds appropriated in this act from the General Fund to the
40 Board of Governors of The University of North Carolina the sum of five million dollars
41 (\$5,000,000) for the 1994-95 fiscal year shall be used for the planning and construction
42 of a 4-H Center, provided that these funds are matched on the basis of one dollar (\$1.00)
43 of non-State funds for every one dollar (\$1.00) of State funds not to include federal
44 appropriations over a period of four years beginning the first year of operation. The two

1 million five hundred thousand dollars (\$2,500,000) from the private sector will be
2 obtained during the period of 1994 through 1998. The appropriated funds will be
3 disbursed based upon the approval of the design of the 4-H Center by the State of North
4 Carolina.

5
6 Requested by: Senators Warren, Martin of Pitt, Ward

7 **ECU MEDICAL SCHOOL FUNDS**

8 Sec. 130. There is appropriated to the Board of Governors of The University
9 of North Carolina from Medicare reimbursements being held in the special fund account
10 on deposit with the State Treasurer created pursuant to Section 87(a)(3) of Chapter 321
11 of the 1993 Session Laws the sum of five million fifty-four thousand six hundred sixty-
12 five dollars (\$5,054,665) for the 1994-95 fiscal year which shall be allocated by the
13 Board of Governors for the East Carolina School of Medicine as follows:

- 14 (1) \$2,300,000 for construction of a medical waste incinerator;
15 (2) \$1,574,000 for a linear accelerator; and
16 (3) \$1,180,665 for clinic renovations.

17
18 Requested by: Senator Martin of Guilford

19 **NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE**
20 **UNIVERSITY FUNDS**

21 Sec. 131. Of the funds appropriated to the Board of Governors of The
22 University of North Carolina in Section 6 of Chapter 561 of the 1993 Session Laws for
23 the Applied Manufacturing and Education Center affiliated with North Carolina
24 Agricultural and Technical State University that are unencumbered as of the effective
25 date of this act, the sum of one million eight hundred thousand dollars (\$1,800,000) for
26 the 1994-95 fiscal year shall be used by the Board for planning, development, and initial
27 operation of the Center. Prior to the expenditure of these funds, the Board of Governors
28 shall present a plan for the use of the funds to the Joint Legislative Commission on
29 Governmental Operations. The plan shall include all financial, organizational, and legal
30 arrangements pertaining to the use of these funds and the proposed facility, and shall
31 include projections and plans for the operation of the facility, including operating costs.
32 However, the Board may expend up to four hundred fifty thousand dollars (\$450,000)
33 for the purposes authorized in this section prior to presenting its plan to the
34 Commission.

35
36 Requested by: Senators Daniel, Plyler

37 **UNC-G UNIVERSITY CENTER FUNDS**

38 Sec. 131.1. Of the funds appropriated by Section 120 of this act to the Board
39 of Governors of The University of North Carolina for UNC-Greensboro - University
40 Center, the sum of three million six hundred thousand dollars (\$3,600,000) shall be
41 available for land needs and the sum of two million four hundred thousand dollars
42 (\$2,400,000) shall be available to help support the Spring Garden Street traffic and
43 safety project.

44

PART 36. DEPARTMENT OF TRANSPORTATION

Requested by: Senator Lee

RESERVE FOR CAPITAL IMPROVEMENTS

Sec. 132. There is created in the Highway Fund a reserve for capital improvements in the amount of two million five hundred thousand dollars (\$2,500,000). These funds may be used by the Department of Transportation for capital improvements and for repairs and renovations.

PART 37. DEPARTMENT OF HUMAN RESOURCES

Requested by: Senator Richardson

SUPPORTIVE HOUSING RESERVE

Sec. 133. Of the funds appropriated to the Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of six million four hundred thousand dollars (\$6,400,000) for the 1994-95 fiscal year shall be placed in a reserve to develop 100 units of service-enriched housing for homeless and at-risk adults. These units shall be for people with special needs, primarily people with mental illness, alcohol or drug dependence, developmental disabilities, or HIV-AIDS. These units shall be developed by the Division in cooperation with the North Carolina Housing Finance Agency and the national nonprofit Corporation for Supportive Housing.

PART 38. DEPARTMENT OF AGRICULTURE

Requested by: Senators Richardson, Blackmon, Odom, Plyler, Winner of Mecklenburg

DISCOVERY PLACE/CAPITAL FUNDS

Sec. 134. Of the funds appropriated in this act to the Department of Agriculture for the 1994-95 fiscal year the sum of five million two hundred thousand dollars (\$5,200,000) shall be used for capital expenses of Discovery Place in Charlotte. These funds shall be matched on the basis of three dollars (\$3.00) of non-State funds for every one dollar (\$1.00) of State funds.

PART 39. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES

Requested by: Senator Martin of Pitt

WATER RESOURCES DEVELOPMENT PROJECTS FUNDS

Sec. 135. (a) Of the funds appropriated in this act to the Department of Environment, Health, and Natural Resources for the 1994-95 fiscal year the sum of two million dollars (\$2,000,000) shall be used for water resources development projects. The Department shall allocate funds for the following projects whose estimated costs are as indicated:

- (1) Wilmington Harbor

1 Deepening Study\$ 300,000

2

3 (2) Wilmington Harbor
4 38-ft. Navigation 400,000

5

6 (3) Aquatic Plant Control
7 (Statewide) includes
8 Lake Gaston 150,000

9

10 (4) Carolina Beach Renourishment
11 (New Hanover County) 900,000

12

13 (5) Dare County Beaches
14 Feasibility Study 200,000

15

16 (6) State-Local Projects 50,000

17 (b) Where the actual costs are different from the estimated costs under subsection
18 (a) of this section, the Department may adjust the allocations among projects as needed.
19 If any projects listed in subsection (a) of this section are delayed and the budgeted State
20 funds cannot be used during the 1994-95 fiscal year, or if the projects listed in
21 subsection (a) of this section are accomplished at a lower cost, the Department may use
22 the resulting fund availability to fund:

- 23 (1) Corps of Engineers project feasibility studies, or
24 (2) Corps of Engineers projects whose schedules have advanced and
25 require State matching funds in fiscal year 1994-95, or
26 (3) State-local Water Resources Development Projects.

27 Funds not expended or encumbered for these purposes shall revert to the General Fund
28 at the end of the 1994-95 fiscal year.

29 (c) The Department shall make quarterly reports on the use of these funds to the
30 Joint Legislative Commission on Governmental Operations, the Fiscal Research
31 Division, and the Office of State Budget and Management. Each report shall include:

- 32 (1) All projects listed in this section;
33 (2) The estimated cost of each project;
34 (3) The date that work on each project began or is expected to begin;
35 (4) The date that work on each project was completed or is expected to be
36 completed; and
37 (5) The actual cost of each project.

38 The quarterly reports shall also show those projects advanced in schedule, those projects
39 delayed in schedule, and an estimate of the amount of funds expected to revert to the
40 General Fund.

41

42 Requested by: Senators Kaplan, Daniel, Plyler

43 **RESERVE FOR ADVANCE PLANNING**

1 Sec. 136. The Office of State Budget and Management shall report to the
2 Joint Legislative Commission on Governmental Operations and to the Fiscal Research
3 Division on how it intends to spend funds from the Reserve for Advance Planning at
4 least 45 days before it spends the funds.

5 The Office of State Budget and Management shall also report the results of
6 any project on which it uses funds from the Reserve for Advance Planning to the Joint
7 Legislative Commission on Governmental Operations and to the Fiscal Research
8 Division.

9
10 Requested by: Senators Kaplan, Daniel, Plyler

11 **ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND**

12 Sec. 137. When each capital improvement project appropriated by the 1993
13 General Assembly, other than those projects under the Board of Governors of The
14 University of North Carolina, is placed under a construction contract, direct
15 appropriations shall be encumbered to include all costs for construction, design,
16 investigation, administration, movable equipment, and a reasonable contingency.
17 Unencumbered direct appropriations remaining in the project budget shall be placed in a
18 project reserve fund credited to the Office of State Budget and Management. Funds in
19 the project reserve may be used for emergency repair and renovation projects at State
20 facilities with the approval of the Director of the Budget. The project reserve fund may
21 be used, at the discretion of the Director of the Budget, to allow for award of contracts
22 where bids exceed appropriated funds, if those projects supplemented were designed
23 within the scope intended by the applicable appropriation or any authorized change in it,
24 and if, in the opinion of the Director of the Budget, all means to award contracts within
25 the appropriation were reasonably attempted. At the discretion of the Director of the
26 Budget, any balances in the project reserve fund shall revert to the original source.

27
28 Requested by: Senators Kaplan, Daniel, Plyler

29 **PROJECT COST INCREASE**

30 Sec. 138. Upon the request of the administration of a State agency,
31 department, or institution, the Director of the Budget may, when in the Director's
32 opinion it is in the best interest of the State to do so, increase the cost of a capital
33 improvement project. Provided, however, that if the Director of the Budget increases
34 the cost of a project, the Director shall report that action to the Joint Legislative
35 Commission on Governmental Operations at its next meeting. The increase may be
36 funded from gifts, federal or private grants, special fund receipts, excess patient receipts
37 above those budgeted at University of North Carolina Hospitals at Chapel Hill, or direct
38 capital improvement appropriations to that department or institution.

39
40 Requested by: Senators Kaplan, Daniel, Plyler

41 **NEW PROJECT AUTHORIZATION**

42 Sec. 139. Upon the request of the administration of any State agency,
43 department, or institution, the Governor may authorize the construction of a capital
44 improvement project not specifically authorized by the General Assembly if such

1 project is to be funded by gifts, federal or private grants, special fund receipts, excess
2 patient receipts above those budgeted at University of North Carolina Hospitals at
3 Chapel Hill, or self-liquidating indebtedness. Provided, however, that if the Director of
4 the Budget authorizes the construction of such a capital improvement project, the
5 Director shall report that action to the Joint Legislative Commission on Governmental
6 Operations at its next meeting.

7
8 Requested by: Senators Kaplan, Daniel, Plyler

9 **ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS**

10 Sec. 140. Funds which become available by gifts, excess patient receipts
11 above those budgeted at University of North Carolina Hospitals at Chapel Hill, federal
12 or private grants, receipts becoming a part of special funds by act of the General
13 Assembly or any other funds available to a State department or institution may be
14 utilized for advance planning through the working drawing phase of capital
15 improvement projects, upon approval of the Director of the Budget. The Director of the
16 Budget may make allocations from the Advance Planning Fund for advance planning
17 through the working drawing phase of capital improvement projects, except that this
18 revolving fund may not be utilized by the Board of Governors of The University of
19 North Carolina or the State Board of Community Colleges.

20
21 Requested by: Senators Kaplan, Daniel, Plyler

22 **APPROPRIATIONS LIMITS/REVERSION OR LAPSE**

23 Sec. 141. Except as permitted in previous sections of this act, the
24 appropriations for capital improvements made by the 1993 General Assembly may be
25 expended only for specific projects set out by the 1993 General Assembly and for no
26 other purpose. Construction of all capital improvement projects enumerated by the
27 1993 General Assembly shall be commenced, or self-liquidating indebtedness with
28 respect to them shall be incurred, within 12 months following the first day of the fiscal
29 year in which the funds are available. If construction contracts on those projects have
30 not been awarded or self-liquidating indebtedness has not been incurred within that
31 period, the direct appropriation for those projects shall revert to the original source, and
32 the self-liquidating appropriation shall lapse; except that direct appropriations may be
33 placed in a reserve fund as authorized in this act. This deadline with respect to both
34 direct and self-liquidating appropriations may be extended with the approval of the
35 Director of the Budget up to an additional 12 months if circumstances and conditions
36 warrant such extension.

37
38 **TITLE III. MISCELLANEOUS OPERATING AND CAPITAL**
39 **APPROPRIATIONS PROVISIONS**

40
41 Requested by: Senators Daniel, Plyler

42 **EXECUTIVE BUDGET ACT APPLIES**

1 Sec. 142. The provisions of the Executive Budget Act, Chapter 143, Article 1
2 of the General Statutes are reenacted and shall remain in full force and effect and are
3 incorporated in this act by reference.

4
5 Requested by: Senators Daniel, Plyler

6 **COMMITTEE REPORT**

7 Sec. 143. (a) The Senate Appropriations Committee Report on Budget
8 Modifications, Expansion Budget, and Capital Budget, dated June 2, 1994, which was
9 distributed in the Senate and used to explain this act, shall indicate action by the General
10 Assembly on this act and shall therefore be used to construe this act, as provided in G.S.
11 143-15 of the Executive Budget Act, and for these purposes shall be considered a part of
12 this act.

13 A nonrecurring appropriations from the General Fund for fiscal year 1994-95
14 to the Department of State Auditor in the amount of two hundred eighty thousand one
15 hundred eighty dollars (\$280,180) for Replacement of Printing Equipment is made by
16 this act but not included in or described by the report.

17 (b) The budget enacted by the General Assembly for the maintenance of the
18 various departments, institutions, and other spending agencies of the State for the 1993-
19 95 fiscal biennium is a line item budget, in accordance with the Budget Code Structure
20 and the State Accounting System Uniform Chart of Accounts set out in the
21 Administrative Policies and Procedures Manual of the Office of the State Controller.
22 This budget includes the appropriations made from all sources including the General
23 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental
24 receipts.

25 The General Assembly amended the itemized budget requests submitted to
26 the General Assembly by the Director of the Budget and the Advisory Budget
27 Commission, in accordance with the steps that follow, and the line item detail in the
28 budget enacted by the General Assembly may be derived accordingly:

- 29 (1) Negative reserves set out in the submitted budget were deleted and the
30 totals were increased accordingly.
- 31 (2) The base budget was adjusted in accordance with the base budget cuts
32 and additions that were set out in the Senate Appropriations
33 Committee Report on Budget Modifications, Expansion Budget, and
34 Capital Budget, dated June 2, 1994.
- 35 (3) The expansion budget items were added in accordance with the Senate
36 Appropriations Committee Report on Budget Modifications,
37 Expansion Budget, and Capital Budget, dated June 2, 1994. Some of
38 those expansion budget items were in the budget submitted to the
39 General Assembly by the Director of the Budget and the Advisory
40 Budget Commission.

41 Expansion budget items that were funded from new receipts are
42 included in the budget enacted by the General Assembly with
43 program-level detail.

1 (4) Transfers of funds supporting programs were made in accordance with
2 the Senate Appropriations Committee Report on Budget
3 Modifications, Expansion Budget, and Capital Budget, dated June 2,
4 1994, and any accompanying correction sheets.

5 The budget enacted by the General Assembly shall also be interpreted in
6 accordance with the special provisions in this act and in accordance with other
7 appropriate legislation.

8 In the event that there is a conflict between the line item budget certified by
9 the Director of the Budget and the budget enacted by the General Assembly, the budget
10 enacted by the General Assembly shall prevail.

11
12 Requested by: Senators Daniel, Plyler

13 **MOST TEXT APPLIES ONLY TO 1994-95**

14 Sec. 144. Except for statutory changes or other provisions that clearly
15 indicate an intention to have effects beyond the 1994-95 fiscal year, the textual
16 provisions of this act apply only to funds appropriated for, and activities occurring
17 during, the 1994-95 fiscal year.

18
19 Requested by: Senators Daniel, Plyler

20 **1993-94 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

21 Sec. 145. (a) Except where expressly repealed or amended by this act, the
22 provisions of Chapters 321 and 561 of the 1993 Session Laws, and Chapter 24 of the
23 Session Laws of the 1994 Extra Session, remain in effect.

24 (b) Notwithstanding any modifications by this act in the amounts appropriated,
25 except where expressly repealed or amended, the limitations and directions for the
26 1994-95 fiscal year in Chapters 321 and 561 of the 1993 Session Laws, and Chapter 24
27 of the Session Laws of the 1994 Extra Session, that applied to appropriations to
28 particular agencies or for particular purposes apply to the newly enacted appropriations
29 and budget reductions of this act for those same particular purposes.

30
31 Requested by: Senators Daniel, Plyler

32 **EFFECT OF HEADINGS**

33 Sec. 146. The headings to the titles, parts, and sections of this act are a
34 convenience to the reader and are for reference only. The headings do not expand,
35 limit, or define the text of this act.

36
37 Requested by: Senators Daniel, Plyler

38 **SEVERABILITY CLAUSE**

39 Sec. 147. If any section or provision of this act is declared unconstitutional or
40 invalid by the courts, it does not affect the validity of this act as a whole or any part
41 other than the part so declared to be unconstitutional or invalid.

42
43 Requested by: Senators Daniel, Plyler

44 **EFFECTIVE DATE**

1 Sec. 148. Except as otherwise provided, this act becomes effective July 1,
2 1994.