

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

House Committee Substitute Favorable 6/17/94 Amendments Engrossed

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

1		
2	Total Public Education	(18,520,514)
3	130,819,854	
4		
5	Department of Justice	538,959
6		754,565
7		
8	Department of Administration	235,417
9		62,545
10		
11	Department of Agriculture	1,749,488
12		1,375,000
13		
14	Department of Labor	799,641
15		761,050
16		
17	Department of Insurance	987,190
18	-	
19		
20	Department of Environment, Health, and	
21	Natural Resources	5,911,475
22	2,788,546	
23		
24	University of North Carolina - Board	
25	of Governors	
26	01. University of North Carolina	
27	a. General Administration	(72,774)
28	b. Lump sum - Institutional	
29	Programs	10,403,848 11,839,869
30	c. Related Educational Programs	4,540,000
31		
32	02. University of North Carolina at Chapel Hill	
33	a. Academic Affairs	(780,867) (161,642)
34	b. Health Affairs	(357,047)
35	c. Area Health Education Centers	(18,236)
36		
37	03. North Carolina State University at Raleigh	
38	a. Academic	(675,486)
39	b. Agricultural Research Service	1,353,910 200,000
40	c. Agricultural Extension Services	(90,442) 25,000
41		
42	University of North Carolina at Greensboro	(178,462)
43	University of North Carolina at Charlotte	(128,039)
44	University of North Carolina at Asheville	428,557

1	University of North Carolina at Wilmington			(109,269)
2	East Carolina University			
3	a. Academic	(261,212)		
4	b. Health Affairs	(300,443)		
5	North Carolina Agricultural and Technical State			
6	University	(172,122)		
7	Western Carolina University			(118,031)
8	Appalachian State University			(171,442)
9	Pembroke State University			(13,610)
10	Winston-Salem State University			(53,810)
11	Elizabeth City State University			(57,330)
12	Fayetteville State University			35,403
13	North Carolina Central University			(90,992)
14	North Carolina School of the Arts			(25,823)
15	North Carolina School of Science			
16	and Mathematics			327,472
17	University of North Carolina			
18	Hospitals at Chapel Hill			(201,782)
19				
20		13,211,971	11,903,227	
21	Department of Human Resources			
22	01. Secretary's Office	1,597,409	4,000,000	
23	02. Division of Aging	485,182	600,000	
24	03. Services for the Deaf and Hard of Hearing		2,967,055	
25	04. Social Services	9,500,532	1,415,167	
26	05. Medical Assistance	(69,564,355)	50,000	
27	06. Services for the Blind	348,593	-	
28	07. Division of Mental Health, Developmental			
29	Disabilities, and Substance			
30	Abuse Services	21,297,843	8,000,000	
31	08. Division of Facility Services	768,092	-	
32	09. Division of Vocational Rehabilitation			
33	Services	1,305,481	-	
34	10. Division of Youth Services	427,696	100,000	
35	11. Division of Child Development		<u>23,364,513</u>	<u>1,300,000</u>
36	Total Human Resources	(7,501,959)	15,465,167	
37				
38	Department of Correction			(4,731,970)
39				(1,760,361)
40				
41	Department of Commerce			
42	01. Commerce	5,108,186	15,660,509	
43	02. Microelectronics Center	3,900,000	-	
44	03. Rural Economic Development Center	3,300,000	4,775,000	

1	04. Biotechnology Center	1,000,000	1,000,000	
2				
3	Department of Revenue			5,108,963
4				5,180,776
5				
6	Department of Cultural Resources			218,075
7				1,500,000
8				
9	Department of Crime Control and			
10	Public Safety			1,124,740
11	465,062			
12				
13	Office of State Controller			2,252,138
14				12,000,000
15				
16	Department of Community Colleges			9,627,824
17				13,183,500
18				
19	State Board of Elections			296,141
20				1,657,500
21				
22	Office of State Budget and Management			
23	01. Reserve for Salary Increases			
24	a. 4% Salary Increase	306,268,928	-	
25	b. Reduction in Balance of			
26	2% Salary Increase	(1,757,024)	-	
27	c. Compensation/Performance Bonus		-	64,372,259
28	02. Reserve for Salary Adjustment	500,000	-	
29	03. Reserve for Retiree 30% Reduction	(16,318)	-	
30	04. Reserve for Restoring Pay Date		-	120,000,000
31	05. Reserve for OSHA - Bloodborne			
32	Pathogens Standards	-	1,000,000	
33	07. Reserve to Match Federal/Other Resources		-	3,000,000
34	08. Reserve for Voter Registration		-	3,000,000
35	09. Savings in State Health Plan	(38,000,000)	-	
36	10. Reserve for Subsistence Increase	1,600,000	-	
37	11. Reserve for Tort Claims	400,000	-	
38	12. Vacant Positions Deletion	(10,000,000)	-	
39	13. Retirement Rate Reduction	(10,300,000)	-	
40				
41	Debt Service			25,723,695
42				
43	Grand Total Current Operations/General Fund			\$311,944,805
44				\$425,727,919

1			
2			
3	<u>Current</u>	<u>Operations/Highway</u>	<u>Fund</u>
4			<u>19</u>
5	<u>94-95</u>		
6			
7	Department of Transportation		
8	01. Administration	\$ (531,000)	
9	02. Division of Highways		
10	a. Ferry Operations	1,300,000	
11	b. Construction - Federal Aid Match	(8,406,415)	
12	03. Division of Motor Vehicles	769,107	
13	04. Reserve for Salary Increases	14,400,000	
14	05. Debt Service	(33,255)	
15	06. Retirement Rate Adjustment	(912,410)	
16			
17	Crime Control and Public Safety		
18	<u>3,077,775</u>		
19			
20	GRAND TOTAL CURRENT OPERATIONS/HIGHWAY FUND		\$
21	9,663,802		

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:

30			
31	<u>Current Operations/Highway Fund - Nonrecurring</u>		<u>1994-95</u>
32			
33	Department of Transportation		
34	01. Administration	\$ 332,000	
35	02. Division of Highways		
36	a. State Construction		
37	(01) Secondary Construction	4,300,000	
38	b. State Maintenance		
39	(01) Primary	3,027,294	
40	(02) Secondary	5,305,273	
41	(03) Urban	3,875,220	
42	(04) Resurfacing	1,627,392	
43	c. Ferry Operations	841,000	
44	03. Division of Motor Vehicles	2,562,069	

1	04.	State Aid to Municipalities	4,300,000
2	05.	State Aid for Public Transportation	5,800,000
3	06.	State Aid for Railroads	400,000
4	07.	Reserve for Salary Increases (Compensation/ Performance Bonus)	8,750,000
5			
6	08.	Battery Dump Site Cleanup	115,000
7			
8		Appropriations for Other State Agencies	
9	01.	Crime Control and Public Safety	1,480,950
10	02.	Revenue	71,968
11	03.	Environment, Health, and Natural Resources	928,032
12	04.	Global TransPark Authority	<u>2,120,000</u>

13

14 GRAND TOTAL CURRENT OPERATIONS/HIGHWAY FUND -
15 NONRECURRING \$ 45,834,738

16

17 PART 4.1. HIGHWAY TRUST FUND

18

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

22

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

29

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

31

32 PART 4.2. BLOCK GRANT APPROPRIATIONS

33

34 Requested by: Representatives Easterling, Nye

35 DHR BLOCK GRANT PROVISIONS

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

38

39 COMMUNITY SERVICES BLOCK GRANT

40

41	01.	Community Action Agencies	\$ 9,455,796
42	02.	Limited Purpose Agencies	525,322
43			
44	03.	Department of Human Resources	

1	to administer and monitor		
2	the activities of the		
3	Community Services Block Grant	525,322	
4			
5	TOTAL COMMUNITY SERVICES BLOCK GRANT		\$ 10,506,440
6			
7	SOCIAL SERVICES BLOCK GRANT		
8			
9	01. County Departments of Social Services	\$ 42,253,005	
10			
11	02. Allocation for In-Home Services provided		
12	by County Departments of		
13	Social Services	458,722	
14			
15	03. Division of Mental Health, Developmental		
16	Disabilities, and Substance Abuse Services	5,524,186	
17			
18	04. Division of Services for the Blind	3,205,711	
19			
20	05. Division of Youth Services	1,052,674	
21			
22	06. Division of Facility Services	343,341	
23			
24	07. Division of Aging	336,157	
25			
26	08. Day Care Services	12,158,899	
27			
28	09. Office of Citizen Affairs	55,458	
29			
30	10. State Administration and State Level		
31	Contracts	3,473,524	
32			
33	11. Voluntary Sterilization Funds	98,710	
34			
35	12. Transfer to Maternal and Child		
36	Health Block Grant	1,585,833	
37			
38	13. Adult Day Care Services	599,551	
39			
40	14. County Departments of Social Services for		
41	Child Abuse/Prevention and		
42	Permanency Planning	394,841	
43			
44	15. Allocation to Division of Maternal and		

1	Child Health for Grants-in-Aid to Prevention	
2	Programs 439,261	
3		
4	16. Transfer to Preventive Health	
5	Block Grant for Emergency Medical Services	
6	and Basic Public Health Services 633,128	
7		
8	17. Allocation to Preventive Health Block	
9	Grant for AIDS Education 81,001	
10		
11	18. Allocation to Department of Administration	
12	for North Carolina Fund for Children 45,270	
13		
14	19. Allocation to Home and Community Care	
15	Block Grant for Persons Age 60	
16	and Older 1,649,077	
17		
18	20. Allocation to the Office of Economic	
19	Opportunity for Elderly and	
20	Handicapped Services 49,954	
21		
22	21. Division of Services for the Deaf	
23	and the Hard of Hearing 31,611	
24		
25	22. Division of Child Development for	
26	Head Start 147,467	
27		
28	TOTAL SOCIAL SERVICES BLOCK GRANT	\$ 74,617,381
29		
30	LOW INCOME ENERGY BLOCK GRANT	
31		
32	01. Energy Assistance Programs \$ 17,934,847	
33		
34	02. Crisis Intervention 5,411,563	
35		
36	03. Administration 2,413,779	
37		
38	04. Weatherization Program 2,100,000	
39		
40	05. Indian Affairs 33,022	
41		
42	TOTAL LOW INCOME ENERGY BLOCK GRANT	\$ 27,893,211
43		
44	MENTAL HEALTH SERVICES BLOCK GRANT	

1			
2	01.	Provision of Community-Based	
3		Services in accordance with the	
4		Mental Health Study Commission's	
5		Adult Severe and Persistently	
6		Mentally Ill Plan \$ 3,794,179	
7			
8	02.	Provision of Community-Based	
9		Services in accordance with the	
10		Mental Health Study Commission's	
11		Child Mental Health Plan	1,802,819
12			
13	03.	Administration	514,037
14			
15	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT		\$ 6,111,035
16			
17	BLOCK GRANT FOR THE PREVENTION AND		
18	TREATMENT OF SUBSTANCE ABUSE		
19			
20	01.	Provision of Community-Based	
21		Alcohol and Drug Abuse Services,	
22		Tuberculosis Services, and Services	
23		provided by the Alcohol, Drug Abuse	
24		Treatment Centers	\$ 10,935,939
25			
26	02.	Continuation and Expansion of	
27		Services for Pregnant Women and	
28		Women with Dependent Children	5,057,281
29			
30	03.	Continuation and Expansion of	
31		Services to IV Drug Abusers and others	
32		at risk for HIV diseases	4,560,670
33			
34	04.	Provision of services in accordance with	
35		the Mental Health Study Commission's	
36		Child and Adolescent Alcohol and other	
37		Drug Abuse Plan	4,816,501
38			
39	05.	Administration	1,749,371
40			
41	TOTAL BLOCK GRANT FOR PREVENTION		
42	AND TREATMENT OF SUBSTANCE ABUSE		\$ 27,119,762
43			
44	CHILD CARE AND DEVELOPMENT BLOCK GRANT		

1			
2	01.	Child Day Care Services	\$ 16,544,305
3			
4	02.	Administrative Expenses and Quality	
5		and Availability Initiatives	1,832,456
6			
7	03.	Before and After School Child Care Programs	
8		and Early Childhood Development Programs	4,686,840
9			
10	04.	Quality Improvement Activities	1,511,106
11			
12	TOTAL CHILD CARE AND DEVELOPMENT		
13	BLOCK GRANT		
14			\$ 24,574,707

15 (b) Decreases in Federal Fund Availability

16 If federal funds are reduced below the amounts specified above after the
 17 effective date of this act, then every program except for the Weatherization and the
 18 Indian Affairs Programs in the Low Income Energy Block Grant, in each of the federal
 19 block grants listed above, shall be reduced equally to total the reduction in federal
 20 funds.

21 (c) Increases in Federal Fund Availability

22 Any block grant funds appropriated by the United States Congress in addition
 23 to the funds specified in this act shall be expended by the Department of Human
 24 Resources, with the approval of the Office of State Budget and Management, provided
 25 the resultant increases are in accordance with federal block grant requirements and are
 26 within the scope of the block grant plan approved by the General Assembly. All these
 27 budgeted increases shall be reported to the Joint Legislative Commission on
 28 Governmental Operations and to the Director of the Fiscal Research Division.

29 This subsection shall not apply to Job Training Partnership Act funds.

30 (d) If funds appropriated through the Child Care and Development Block
 31 Grant for any program cannot be obligated or spent in that program within the
 32 obligation or liquidation periods allowed by the federal grants, the Department may
 33 move funds to other programs, in accordance with the federal requirements of the grant,
 34 in order to use the federal funds fully.

35
 36 Requested by: Representative Bowman

37 **NER BLOCK GRANT PROVISIONS**

38 Sec. 7. (a) Appropriations from federal block grant funds are made for the
 39 fiscal year ending June 30, 1995, according to the following schedule:

40
 41 TOTAL JOB TRAINING PARTNERSHIP ACT \$ 53,841,243

42
 43 COMMUNITY DEVELOPMENT BLOCK GRANT

1	01.	State Administration	\$ 1,097,380	
2				
3	02.	Urgent Needs and Contingency		2,413,646
4				
5	03.	Housing Development	-0-	
6				
7	04.	Economic Development	9,654,586	
8				
9	05.	Community Revitalization	30,404,698	
10				
11	06.	State Technical Assistance	498,690	
12				
13	07.	Entrepreneurial Empowerment	4,800,000	
14				
15	08.	Microenterprise	1,000,000	
16				
17	TOTAL COMMUNITY DEVELOPMENT			
18	BLOCK GRANT			\$ 49,869,000
19				
20	MATERNAL AND CHILD HEALTH SERVICES			
21				
22	01.	Healthy Mother/Healthy Children		
23		Block Grants to Local Health		
24		Departments	\$ 11,600,877	
25				
26	02.	High Risk Maternity Clinic Services,		
27		Perinatal Education, and Consultation		
28		to Local Health Departments		
29		and Other Health Care Providers	1,565,313	
30				
31	03.	Services to Children with Disabilities	5,065,331	
32				
33	04.	Reimbursements for Local Health		
34		Departments for Contracted		
35		Nutritional Services	120,530	
36				
37	TOTAL MATERNAL AND CHILD			
38	HEALTH SERVICES			\$ 18,352,051
39				
40	PREVENTIVE HEALTH BLOCK GRANT			
41				
42	01.	Emergency Medical Services	\$ 452,375	
43				
44	02.	Basic Public Health Services	180,753	

1			
2	03.	Hypertension Programs	773,203
3			
4	04.	Statewide Health Promotion Programs	2,985,265
5			
6	05.	Fluoridation of Water Supplies	228,404
7			
8	06.	Rape Prevention and Rape	
9		Crisis Programs	183,632
10			
11	07.	AIDS/HIV Education, Counseling,	
12		and Testing	81,001
13			
14	08.	Office of Minority Health and	
15		Minority Health Council	190,000
16			
17	TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$ 5,074,633
18			

19 (b) Decreases in Federal Fund Availability

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

23 (c) Increases in Federal Fund Availability

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

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

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

34 (3) For the Preventive Health Block Grants – these additional funds may
 35 be budgeted by the appropriate department, with the approval of the
 36 Office of State Budget and Management, provided the resultant
 37 increases are in accordance with federal block grant requirements and
 38 are within the scope of the block grant plan approved by the General
 39 Assembly. All these budgeted increases shall be reported to the Joint
 40 Legislative Commission on Governmental Operations and to the
 41 Director of the Fiscal Research Division.

42 (d) Education Setaside of JTPA Funds

43 The Department of Commerce shall certify to the Joint Legislative
 44 Commission on Governmental Operations and to the Fiscal Research Division of the

1 Legislative Services Office when Job Training Partnership Act funds have been
 2 distributed to each agency, the total amount distributed to each agency, and the total
 3 amount of eight percent (8%) Education Setaside funds received.

4 (e) Limitations on Community Development Block Grant Funds

5 Of the funds appropriated in this section for the Community Development
 6 Block Grant, not more than one million ninety-seven thousand three hundred eighty
 7 dollars (\$1,097,380) may be used for State administration; up to two million four
 8 hundred thirteen thousand six hundred forty-six dollars (\$2,413,646) may be used for
 9 Urgent Needs and Contingency; up to nine million six hundred fifty-four thousand five
 10 hundred eighty-six dollars (\$9,654,586) may be used for Economic Development; not
 11 less than thirty million four hundred four thousand six hundred ninety-eight dollars
 12 (\$30,404,698) shall be used for Community Revitalization; up to four hundred ninety-
 13 eight thousand six hundred ninety dollars (\$498,690) may be used for State Technical
 14 Assistance; up to four million eight hundred thousand dollars (\$4,800,000) may be used
 15 for Entrepreneurial Empowerment projects; and up to one million dollars (\$1,000,000)
 16 may be used for Microenterprise projects. Housing Development projects will be
 17 funded in 1994 from available Program Income. If federal block grant funds are
 18 reduced or increased by the United States Congress after the effective date of this act,
 19 then these reductions or increases shall be allocated in accordance with subsection (b) or
 20 (c) of this section, as applicable.

21
 22 **PART 5. GENERAL PROVISIONS**

23
 24 Requested by: Representatives McAllister, McLaughlin

25 **HIGHWAY FUND AVAILABILITY INCREASE**

26 Sec. 9. Section 18 of Chapter 321 of the 1993 Session Laws, as amended by
 27 Section 7 of Chapter 561 of the 1993 Session Laws, reads as rewritten:

28 "Sec. 18. The Highway Fund appropriations availability used in developing the
 29 1993-95 Highway Fund budget is shown below:

	(\$Million)	(\$Million)		
	<u>1993-94</u>	<u>1994-95</u>		
32 Beginning Credit Balance	\$ 9.03	<u>21.03</u>	-	<u>40.5</u>
34 Estimated Revenues:		944.6	\$ 961.3	<u>979.3</u>
35 Transfer from Equipment Fund		10.0		-
36 Transfer to Highway Trust Fund		-		(9.6)
38 Total Highway Fund Availability	\$ 963.63	<u>975.63</u>	\$ 951.7	<u>1,010.2</u>

39
 40 Requested by: Representatives Nesbitt, Diamont

41 **CLARIFY "UNRESERVED CREDIT BALANCE"**

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

43 **"§ 143-15.2. Use of General Fund credit balance.**

1 The State Controller shall reserve up to one-fourth of any unreserved credit balance,
2 as determined on a cash basis, remaining in the General Fund at the end of each fiscal
3 year to the Savings Reserve Account as provided in G.S. 143-15.3, unless that would
4 result in the Savings Reserve Account having funds in excess of five percent (5%) of
5 the amount appropriated the preceding year for the General Fund operating budget,
6 including local government tax-sharing funds; in that case, only funds sufficient to
7 reach the five percent (5%) level shall be reserved. The State Controller shall also
8 reserve the lesser of (i) one-fourth of any unreserved credit balance, as determined on a
9 cash basis, remaining in the General Fund and (ii) one and one-half percent (1.5%) of
10 the replacement value of all State buildings supported from the General Fund, at the end
11 of each fiscal year to the Repairs and Renovations Reserve Account as provided in G.S.
12 143-15.3A. The General Assembly may appropriate that part of the anticipated General
13 Fund credit balance not expected to be reserved to the Savings Reserve Account or the
14 Repairs and Renovations Reserve Account only for capital improvements or other one-
15 time expenditures. As used in this section, the term 'unreserved credit balance' means
16 the credit balance amount, as determined on a cash basis, before funds are reserved by
17 the Controller to the Savings Reserve Account or the Repairs and Renovations Reserve
18 Account pursuant to G.S. 143-15.3 and G.S. 143-15.3A."

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

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

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

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

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PART 6. SALARIES AND BENEFITS

Requested by: Representatives Nesbitt, Diamont

APPROPRIATIONS

Sec. 11. (a) Of the funds appropriated in Sections 3 and 4 of this act from the General Fund to the Reserves for Salary Increases, the sum of two hundred six million three hundred forty-eight thousand one hundred sixty-one dollars (\$206,348,161) for the 1994-95 fiscal year shall be used to provide a four percent (4%) permanent salary increase and a four hundred eighty dollar (\$480.00) compensation bonus for State employees, community college employees, and certain public school personnel.

(b) Of the funds appropriated in Sections 5 and 6 of this act from the Highway Fund to the Reserve for Salary Increases, the sum of twenty-three million one hundred fifty thousand dollars (\$23,150,000) for the 1994-95 fiscal year shall be used to provide a four percent (4%) permanent salary increase and a four hundred eighty dollar (\$480.00) compensation bonus for employees paid from that fund.

Requested by: Representatives Nesbitt, Diamont

GOVERNOR'S SALARY INCREASE

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

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

Requested by: Representatives Nesbitt, Diamont

COUNCIL OF STATE/SALARY INCREASE

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

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

<u>Council of State</u>	<u>Annual Salary</u>
Lieutenant Governor	\$77,289 <u>87,000</u>
Attorney General	77,289 <u>87,000</u>
Secretary of State	77,289 <u>87,000</u>
State Treasurer	77,289 <u>87,000</u>
State Auditor	77,289 <u>87,000</u>
Superintendent of Public Instruction	77,289 <u>87,000</u>
Agriculture Commissioner	77,289 <u>87,000</u>
Insurance Commissioner	77,289 <u>87,000</u>
Labor Commissioner	77,289 <u>87,000.</u> "

Requested by: Representatives Nesbitt, Diamont

NONELECTED DEPARTMENT HEAD/SALARY INCREASES

Sec. 11.3. Section 50 of Chapter 321 of the 1993 Session Laws reads as rewritten:

"Sec. 50. In accordance with G.S. 143B-9, the maximum annual salaries, payable monthly, for the nonelected heads of the principal State departments for the ~~1993-94 and 1994-95~~ fiscal years-year are:

<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
Secretary of Administration	\$77,289 <u>80,381</u>
Secretary of Correction	77,289 <u>80,381</u>
Secretary of Crime Control and Public Safety	77,289 <u>80,381</u>
Secretary of Cultural Resources	77,289 <u>80,381</u>
Secretary of Commerce	77,289 <u>80,381</u>
Secretary of Environment, Health, and Natural Resources	77,289 <u>80,381</u>
Secretary of Human Resources	77,289 <u>80,381</u>
Secretary of Revenue	77,289 <u>80,381</u>
Secretary of Transportation	77,289 <u>80,381.</u> "

Requested by: Representatives Nesbitt, Diamont

CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

Sec. 11.4. (a) Section 51(a) of Chapter 321 of the 1993 Session Laws reads as rewritten:

"(a) The annual salaries, payable monthly, for the ~~1993-94 and 1994-95~~ fiscal years-year for the following executive branch officials are:

<u>Executive Branch Officials</u>	<u>Annual Salary</u>
Chairman, Alcoholic Beverage Control Commission	\$74,389 <u>77,365</u>
State Controller	120,301 <u>108,271</u>
Commissioner of Motor Vehicles	74,389 <u>77,365</u>
Commissioner of Banks	74,389 <u>77,365</u>
Chairman, Employment Security Commission	74,389 <u>77,365</u>
State Personnel Director	77,289 <u>80,381</u>
Chairman, Parole Commission	67,926 <u>70,643</u>
Members of the Parole Commission	62,712 <u>65,220</u>
Chairman, Industrial Commission	66,837 <u>69,510</u>
Members of the Industrial Commission	65,209 <u>67,817</u>
<u>Chairman of the Utilities</u> <u>Commission</u>	<u>81,381</u>
<u>Commissioner of the Utilities</u> <u>Commission</u>	<u>80,381</u>
Executive Director, Agency for Public	

1	Telecommunications	62,712-65,220
2	General Manager, Ports Railway	
3	Commission	56,628-58,893
4	Director, Museum of Art	76,225-79,274
5	Executive Director, Wildlife Resources	
6	Commission	64,205-66,773
7	Executive Director, North Carolina	
8	Housing Finance Agency	92,063-95,746
9	Executive Director, North Carolina	
10	Agricultural Finance Authority	72,406-75,302
11	Director, Office of Administrative	
12	Hearings	65,674-76,500."

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

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

26 Requested by: Representatives Nesbitt, Diamont

27 **LEGISLATORS/SALARY AND EXPENSES INCREASE**

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

30 **"§ 120-3. Pay of members and officers of the General Assembly.**

31 (a) The Speaker of the House shall be paid an annual salary of ~~thirty-six~~
 32 ~~thousand three hundred thirty-four dollars (\$36,334),~~ thirty-eight thousand five hundred
 33 fourteen dollars (\$38,514) payable monthly, and an expense allowance of ~~one thousand~~
 34 ~~three hundred forty-six dollars (\$1,346)~~ one thousand four hundred twenty-seven dollars
 35 (\$1,427) per month. The President Pro Tempore of the Senate shall be paid an annual
 36 salary of ~~thirty-six thousand three hundred thirty-four dollars (\$36,334),~~ thirty-eight
 37 thousand five hundred fourteen dollars (\$38,514) payable monthly, and an expense
 38 allowance of ~~one thousand three hundred forty-six dollars (\$1,346)~~ one thousand four
 39 hundred twenty-seven dollars (1,427) per month. The Speaker Pro Tempore of the
 40 House shall be paid an annual salary of ~~twenty thousand seven hundred four dollars~~
 41 ~~(\$20,704)~~ twenty-one thousand nine hundred forty-six dollars (\$21,946) payable
 42 monthly, and an expense allowance of ~~seven hundred ninety-six dollars (\$796.00)~~ eight
 43 hundred forty-four dollars (844.00) per month. The Deputy President Pro Tempore of
 44 the Senate shall be paid an annual salary of ~~twenty thousand seven hundred four~~

1 ~~(\$20,704)~~ twenty-one thousand nine hundred forty-six dollars (\$21,946) payable
2 monthly, and an expense allowance of ~~seven hundred ninety-six dollars (\$796.00)~~ eight
3 hundred forty-four dollars (\$844.00) per month. The majority and minority leaders in
4 the House and the majority and minority leaders in the Senate shall be paid an annual
5 salary of ~~sixteen thousand two hundred thirty-six dollars (\$16,236)~~ seventeen thousand
6 two hundred ten dollars (\$17,210) payable monthly, and an expense allowance of ~~six~~
7 ~~hundred thirty-four dollars (\$634.00)~~ six hundred seventy-two dollars (\$672.00) per
8 month.

9 (b) Every other member of the General Assembly shall receive increases in
10 annual salary only to the extent of and in the amounts equal to the average increases
11 received by employees of the State, effective upon convening of the next Regular
12 Session of the General Assembly after enactment of these increased amounts.
13 Accordingly, upon convening of the 1995 Regular Session of the General Assembly,
14 every other member of the General Assembly shall be paid an annual salary of ~~thirteen~~
15 ~~thousand two hundred eighty-seven dollars (\$13,287)~~ fourteen thousand eighty-four
16 dollars (\$14,084) payable monthly, and an expense allowance of ~~five hundred thirty-two~~
17 ~~dollars (\$532.00)~~ five hundred sixty-four dollars (\$564.00) per month.

18 (c) The salary and expense allowances provided in this section are in addition to
19 any per diem compensation and any subsistence and travel allowance authorized by any
20 other law with respect to any regular or extra session of the General Assembly, and
21 service on any State board, agency, commission, standing committee and study
22 commission."
23

24 Requested by: Representatives Nesbitt, Diamont

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

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

27 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
28 entitled to other benefits available to permanent legislative employees and shall be paid
29 an annual salary of ~~forty-seven thousand six hundred twenty dollars (\$47,620)~~ fifty-four
30 thousand dollars (\$54,000) payable monthly. The Legislative Services Commission
31 shall review the salary of the principal clerks prior to submission of the proposed
32 operating budget of the General Assembly to the Governor and Advisory Budget
33 Commission and shall make appropriate recommendations for changes in those salaries.
34 Any changes enacted by the General Assembly shall be by amendment to this
35 paragraph."
36

37 Requested by: Representatives Nesbitt, Diamont

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

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

40 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a
41 salary of ~~two hundred twenty-three dollars (\$223.00)~~ two hundred thirty-two dollars
42 (\$232.00) per week, plus subsistence at the same daily rate provided for members of the
43 General Assembly, plus mileage at the rate provided for members of the General
44 Assembly for one round trip only from their homes to Raleigh and return. The

1 sergeants-at-arms shall serve during sessions of the General Assembly and at such time
 2 prior to the convening of, and subsequent to adjournment or recess of, sessions as may
 3 be authorized by the Legislative Services Commission. The reading clerks shall serve
 4 during sessions only."

5
 6 Requested by: Representatives Nesbitt, Diamont

7 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

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

11
 12 Requested by: Representatives Hensley, Nesbitt, Diamont

13 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASE**

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

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

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>	
19 Chief Justice, Supreme Court	\$93,777	<u>97,600</u>
20 Associate Justice, Supreme Court	91,855	<u>96,000</u>
21 Chief Judge, Court of Appeals	88,930	<u>93,600</u>
22 Judge, Court of Appeals	86,996	<u>92,000</u>
23 Judge, Senior Regular Resident		
24 Superior Court	79,823	<u>89,500</u>
25 Judge, Superior Court	77,289	<u>87,000</u>
26 Chief Judge, District Court	68,256	<u>79,000</u>
27 Judge, District Court	65,674	<u>76,500</u>
28 District Attorney	71,965	<u>74,844</u>
29 Assistant District Attorney—an		
30 average of—	46,738	
31 Administrative Officer of the Courts	79,823	<u>89,500</u>
32 Assistant Administrative Officer		
33 of the Courts	65,160	<u>75,160</u>
34 Public Defender	71,965	<u>74,844</u>
35 Assistant Public Defender—an		
36 average of	46,738	

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

41 ~~The district attorney or public defender of a judicial district, with the approval of the~~
 42 ~~Administrative Officer of the Courts, shall set the salaries of assistant district attorneys~~
 43 ~~or assistant public defenders, respectively, in that district such that the average salaries~~
 44 ~~of assistant district attorneys or assistant public defenders in that district do not exceed~~

1 ~~forty six thousand seven hundred thirty eight dollars (\$46,738), and the minimum salary~~
 2 ~~of any assistant district attorney or assistant public defender is at least twenty three~~
 3 ~~thousand eight hundred sixty two dollars (\$23,862) effective July 1, 1993."~~

4 (b) The district attorney or public defender of a judicial district, with the
 5 approval of the Administrative Officer of the Courts, shall set the salaries of assistant
 6 district attorneys or assistant public defenders, respectively, in that district such that the
 7 average salaries of assistant district attorneys or assistant public defenders in that district
 8 do not exceed forty-eight thousand six hundred eight dollars (\$48,608), and the
 9 minimum salary of any assistant district attorney or assistant public defender is at least
 10 twenty-four thousand eight hundred sixteen dollars (\$24,816) effective July 1, 1994."

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

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

17
 18 Requested by: Representatives Nesbitt, Diamont

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

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

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

25 Population	26 Annual Salary	
26 Less than 100,000	548,391	<u>57,670</u>
27 100,000 to 149,999	54,621	<u>64,780</u>
28 150,000 to 249,999	62,247	<u>71,890</u>
29 250,000 and above	68,256	<u>79,000</u>

30
 31 The salary schedule in this subsection is intended to represent the following
 32 percentage of the salary of a chief district court judge:

33 <u>Less than 100,000</u>	<u>73%</u>
34 <u>100,000 to 149,999</u>	<u>82%</u>
35 <u>150,000 to 249,999</u>	<u>91%</u>
36 <u>250,000 and above</u>	<u>100%</u>

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

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

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Requested by: Representatives Nesbitt, Diamont

ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE

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

"(c) Notwithstanding the provisions of subsection (a), the Administrative Officer of the Courts shall establish an incremental salary plan for assistant clerks and for deputy clerks based on a series of salary steps corresponding to the steps contained in the Salary Plan for State Employees adopted by the Office of State Personnel, subject to a minimum and a maximum annual salary as set forth below. On and after July 1, 1985, each assistant clerk and each deputy clerk shall be eligible for an annual step increase in his salary plan based on satisfactory job performance as determined by each clerk. Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the office of superior court clerk would warrant an annual salary greater than the salary first established under this section, that assistant or deputy clerk shall be eligible on and after July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps in his salary plan, and shall remain eligible for a two-step increase each year as recommended by each clerk until that assistant or deputy clerk's annual salary corresponds to his number of years of service. Any person covered by this subsection who would not receive a step increase in fiscal year ~~1993-94~~ 1994-95 because that person is at the top of the salary range as it existed for fiscal year ~~1992-93~~ 1993-94 shall receive a salary increase to the maximum annual salary provided by subsection (c1) of this section."

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

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

Assistant Clerks <u>and Head Bookkeeper</u>	Annual Salary
Minimum \$ 20,712 <u>21,126</u>	
Maximum 35,967 <u>37,406</u>	
Deputy Clerks	Annual Salary
Minimum \$ 16,560 <u>16,891</u>	
Maximum 27,705 <u>28,813</u> ."	

Requested by: Representatives Nesbitt, Diamont

MAGISTRATES/SALARY INCREASE

Sec. 11.13. G.S. 7A-171.1(a)(1) reads as rewritten:

"(1) A full-time magistrate, so designated by the Administrative Officer of the Courts, shall be paid the annual salary indicated in the table below according to the number of years he has served as a magistrate. The salary steps shall take effect on the anniversary of the date the magistrate was originally appointed:

1
2 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

3
4

Number of Prior Years of Service	Annual Salary
5 Less than 1	\$17,399 <u>19,139</u>
6 1 or more but less than 3	18,293 <u>20,122</u>
7 3 or more but less than 5	20,092 <u>22,101</u>
8 5 or more but less than 7	22,075 <u>24,283</u>
9 7 or more but less than 9	24,290 <u>26,719</u>
10 9 or more but less than 11	26,702 <u>29,372</u>
11 11 or more	29,333 <u>32,266</u> .

12

13 A 'Full-time magistrate' is a magistrate who is assigned to work an
14 average of not less than 40 hours a week during his term of office.

15 Notwithstanding any other provision of this subdivision, a full-time
16 magistrate, who was serving as a magistrate on December 31, 1978,
17 and who was receiving an annual salary in excess of that which would
18 ordinarily be allowed under the provisions of this subdivision, shall
19 not have the salary, which he was receiving reduced during any
20 subsequent term as a full-time magistrate. That magistrate's salary
21 shall be fixed at the salary level from the table above which is nearest
22 and higher than the latest annual salary he was receiving on December
23 31, 1978, and, thereafter, shall advance in accordance with the
24 schedule in the table above."
25

26 Requested by: Representatives Nesbitt, Diamont

27 **AUTHORIZED TRANSFERS/SALARY ADJUSTMENT FUNDS**

28 Sec. 11.14. The Director of the Budget may transfer to General Fund budget
29 codes from the General Fund salary adjustment appropriation, and may transfer to
30 Highway Fund budget codes from the Highway Fund salary adjustment appropriation,
31 amounts required to support approved salary adjustments made necessary by difficulties
32 in recruiting and holding qualified employees in State government. The funds may be
33 transferred only when the use of salary reserve funds in individual operating budgets is
34 not feasible.
35

36 Requested by: Representatives Nesbitt, Diamont

37 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

38 Sec. 11.15. The Director of the Budget shall transfer from the Reserve for
39 Salary Increases created in Sections 3 and 4 of this act for fiscal year 1994-95 funds to
40 the Department of Community Colleges necessary to provide an average annual salary
41 increase of four percent (4%), including funds for the employer's retirement and social
42 security contributions, commencing July 1, 1994, for all permanent full-time
43 community college institutional personnel supported by State funds. The State Board of
44 Community Colleges shall establish guidelines for providing their salary increases to

1 community college institutional personnel. Salary funds shall be used to provide an
2 average annual salary increase of four percent (4%) to all full-time employees and part-
3 time employees on a pro rata basis.

4
5 Requested by: Representatives Nesbitt, Diamont, Michaux

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

7 Sec. 11.17. (a) The Director of the Budget shall transfer to the Board of
8 Governors of The University of North Carolina sufficient funds from the Reserve for
9 Salary Increases created in Sections 3 and 4 of this act for fiscal year 1994-95 to provide
10 a salary increase of one percent (1%), including funds for the employer's retirement and
11 social security contributions, commencing July 1, 1994, for all employees of The
12 University of North Carolina, as well as employees of the North Carolina School of
13 Science and Mathematics, supported by State funds and whose salaries are exempt from
14 the State Personnel Act (EPA).

15 (b) The Director of the Budget shall transfer to the Board of Governors of
16 The University of North Carolina sufficient funds from the Reserve for Salary Increases
17 created in Sections 3 and 4 of this act for fiscal year 1994-95 to provide an annual
18 average salary increase of three percent (3%), including funds for the employer's
19 retirement and social security contributions, commencing July 1, 1994, for all
20 employees of The University of North Carolina, as well as employees of the North
21 Carolina School of Science and Mathematics, supported by State funds and whose
22 salaries are exempt from the State Personnel Act (EPA). These funds shall be allocated
23 to individuals according to the rules adopted by the Board of Governors, or the Board of
24 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and
25 may not be used for any purpose other than for salary increases and necessary employer
26 contributions provided by this section.

27
28 Requested by: Representatives Nesbitt, Diamont, Barnes

29 **UNIVERSITY OF NORTH CAROLINA COMPETITIVE FACULTY SALARY**
30 **LEVELS**

31 Sec. 11.18. Of the funds appropriated in Section 3 of this act to the Board of
32 Governors of The University of North Carolina for University Institutional Programs,
33 the sum of twelve million thirty-seven thousand seven hundred seventy-one dollars
34 (\$12,037,771) for the 1994-95 fiscal year shall be allocated by the Board of Governors
35 to improve competitive peer rankings and to enhance teaching faculty salaries, including
36 those of the Institute of Government. These funds represent approximately two and
37 one-quarter percent (2.25%) of salary funds for those teaching faculty whose salaries
38 are exempt from the State Personnel Act (EPA), including funds for employer
39 retirement and social security contributions, and are in addition to the seven million one
40 hundred thousand dollars (\$7,100,000) appropriated in Section 3 of Chapter 321 of the
41 1993 Session Laws (also see Section 101.1 of that Chapter).

42
43 Requested by: Representatives Nesbitt, Diamont

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

1 Sec. 11.19. (a) The salaries in effect June 30, 1994, of all permanent full-
2 time State employees whose salaries are set in accordance with the State Personnel Act,
3 and who are paid from the General Fund or the Highway Fund shall be increased, on or
4 after July 1, 1994, unless otherwise provided by this act, by four percent (4%).

5 (b) Except as otherwise provided in this act, salaries in effect June 30, 1994,
6 for permanent full-time State officials and persons in exempt positions that are
7 recommended by the Governor or the Governor and the Advisory Budget Commission
8 and set by the General Assembly shall be increased by four percent (4%), commencing
9 July 1, 1994.

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

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

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

26 (f) The provisions of this section shall be applied to employees whose
27 salaries are determined in accordance with G.S. 7A-102 or G.S. 20-187.3(a) at two
28 percent (2%) rather than four percent (4%), except that employees who would not
29 receive a salary increment for the 1994-95 fiscal year under G.S. 7A-102 or G.S. 20-
30 187.3(a) because they are at the top of their salary range will be moved to the new top
31 of their salary range, which is increased by four percent (4%). The salary ranges for
32 employees covered by G.S. 7A-102 set out in Section 11.12 of this act reflect this
33 action.

34 (g) No person may receive a salary increase under G.S. 126-7 during the
35 1994-95 fiscal year.

36
37 Requested by: Representatives Nesbitt, Diamont, Barnes

38 **COMPENSATION BONUS**

39 Sec. 11.20. (a) Any person:

40 (1) Whose salary is set by or under this Part, other than Sections 11.2,
41 11.5, 11.9(a), 11.10, or 11.13;

42 (2) Who was, in the second half of the 1993-94 fiscal year:

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

- 1 b. A public school bus driver, covered by Section 11.24 of this act;
2 and
- 3 (3) Who was such an officer or employee for the entire second half of the
4 fiscal year, or, if the position was for a contract which provides for a
5 term of four months or more during the period January 1, 1994,
6 through June 30, 1994, held the position for the entire term of the
7 contract
8 shall receive in July of 1994 a compensation bonus of four hundred eighty dollars
9 (\$480.00), except that the compensation bonus for persons subject to Sections 11.15 of
10 this act shall be an average of four hundred eighty dollars (\$480.00) per year and shall
11 be allocated in accordance with guidelines adopted by the State Board of Community
12 Colleges, and except that the compensation bonus for persons subject to Sections 11.17
13 of this act shall be an average of four hundred eighty dollars (\$480.00) per year and
14 shall be allocated to individuals according to the rules adopted by the Board of
15 Governors, or the Board of Trustees of the North Carolina School of Science and
16 Mathematics, as appropriate.
- 17 (a1) Any person:
- 18 (1) Whose salary is set by or under this Part, other than Sections 11.2,
19 11.5, 11.9(a), 11.10, or 11.13;
- 20 (1a) Who did not receive a compensation bonus under subsection (a) of this
21 section;
- 22 (2) Who was, in the first half of the 1994-95 fiscal year:
- 23 a. A permanent officer or permanent employee whose salary is set
24 by or under this Part; or
- 25 b. A public school bus driver, covered by Section 11.24 of this act;
26 and
- 27 (3) Who was such an officer or employee for the entire first half of the
28 fiscal year, or, if the position was for a contract which provides for a
29 term of four months or more during the period July 1, 1994, through
30 December 31, 1994, held the position for the entire term of the
31 contract
32 shall receive in December of 1994 a compensation bonus of four hundred eighty dollars
33 (\$480.00), except that the compensation bonus for persons subject to Sections 11.15 of
34 this act shall be an average of four hundred eighty dollars (\$480.00) per year and shall
35 be allocated in accordance with guidelines adopted by the State Board of Community
36 Colleges, and except that the compensation bonus for persons subject to Sections 11.17
37 of this act shall be an average of four hundred eighty dollars (\$480.00) per year and
38 shall be allocated to individuals according to the rules adopted by the Board of
39 Governors, or the Board of Trustees of the North Carolina School of Science and
40 Mathematics, as appropriate.
- 41 (b) Individuals whose work is less than forty hours per week and who are
42 entitled to receive the compensation bonus under this section and who are either:
- 43 (1) Permanent part-time employees, other than those covered by Sections
44 11.15 or 11.17 of this act, or

1 (2) Bus drivers
2 shall receive a pro rata amount of the four hundred eighty dollars (\$480.00)

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

5
6 Requested by: Representatives Nesbitt, Diamont

7 **CERTAIN PUBLIC SCHOOL EMPLOYEES' SALARY INCREASE**

8 Sec. 11.24. (a) Superintendents, Assistant Superintendents, Associate
9 Superintendents, Supervisors, Directors, Coordinators, Evaluators, and Program
10 Administrators. – The Director of the Budget may transfer from the Reserve for Salary
11 Increases created in this act for fiscal year 1994-95 funds necessary to provide a salary
12 increase of four percent (4%), including funds for the employer's retirement and social
13 security contributions, commencing July 1, 1994, for all superintendents, assistant
14 superintendents, associate superintendents, supervisors, directors, coordinators,
15 evaluators, and program administrators whose salaries are supported from the State's
16 General Fund. These funds may not be used for any purpose other than for the salary
17 increase and necessary employer contributions provided by this subsection.

18 (b) Noncertified Employees. – The Director of the Budget may transfer from
19 the Reserve for Salary Increases created in this act for fiscal year 1994-95 funds
20 necessary to provide a salary increase of four percent (4%), including funds for the
21 employer's retirement and social security contributions, commencing July 1, 1994, for
22 all noncertified public school employees, except school bus drivers, whose salaries are
23 supported from the State's General Fund. These funds may not be used for any purpose
24 other than for the salary increases and necessary employer contributions provided by
25 this subsection.

26 (c) The fiscal year 1993-94 pay rates adopted by local boards of education for
27 school bus drivers shall be increased by at least four percent (4%) on and after July 1,
28 1994, to the extent that such rates of pay are supported by the allocation of State funds
29 from the State Board of Education. Local boards of education shall increase the rates of
30 pay for all school bus drivers who were employed during fiscal year 1993-94 and who
31 continue their employment for fiscal year 1994-95 by at least four percent (4%) on and
32 after July 1, 1994. The Director of the Budget may transfer from the salary increase
33 reserve fund created in this act for fiscal year 1994-95 funds necessary to provide the
34 salary increases for school bus drivers whose salaries are supported from the State's
35 General Fund in accordance with the provisions of this subsection.

36
37 Requested by: Representatives Nesbitt, Diamont

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

39 Sec. 11.25. (a) Salaries and related benefits for positions that are funded
40 partially from the General Fund or Highway Fund and partially from sources other than
41 the General Fund or Highway Fund shall be increased from the General Fund or
42 Highway Fund appropriation only to the extent of the proportionate part of the salaries
43 paid from the General Fund or Highway Fund.

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

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

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

15 (d) The Director of the Budget shall transfer from the Reserve for Salary
16 Increases in Sections 3 and 4 of this act for fiscal year 1994-95 all funds necessary for
17 the salary increases provided by this act, including funds for the employer's retirement
18 and social security contributions.

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

21
22 Requested by: Representatives Nesbitt, Diamont

23 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

24 Sec. 11.26. (a) Required employer salary-related contributions for employees
25 whose salaries are paid from department, office, institution, or agency receipts shall be
26 paid from the same source as the source of the employees' salary. If an employee's
27 salary is paid in part from the General Fund or Highway Fund and in part from
28 department, office, institution, or agency receipts, required employer salary-related
29 contributions may be paid from the General Fund or Highway Fund only to the extent of
30 the proportionate part paid from the General Fund or Highway Fund in support of the
31 salary of the employee, and the remainder of the employer's requirements shall be paid
32 from the source that supplies the remainder of the employee's salary. The requirements
33 of this section as to source of payment are also applicable to payments on behalf of the
34 employee for hospital-medical benefits, longevity pay, unemployment compensation,
35 accumulated leave, workers' compensation, severance pay, separation allowances, and
36 applicable disability income and disability salary continuation benefits.

37 (b) Effective July 1, 1994, the State's employer contribution rates budgeted
38 for retirement and related benefits as a percentage of covered salaries for the 1994-95
39 fiscal year are (i) ten and seventy-three hundredths percent (10.73%) - Teachers and
40 State Employees; (ii) fifteen and seventy-three hundredths percent (15.73%) - State Law
41 Enforcement Officers; (iii) nine percent (9.00%) - University Employees' Optional
42 Retirement Program; (iv) twenty-two and sixty-five hundredths percent (22.65%) -
43 Consolidated Judicial Retirement System; and (v) thirty-six and seven hundredths
44 percent (36.07%) - Legislative Retirement System. Each of the foregoing contribution

1 rates includes two percent (2%) for hospital and medical benefits. The rate for State
2 Law Enforcement Officers includes five percent (5%) for the Supplemental Retirement
3 Income Plan. The rates for Teachers and State Employees, State Law Enforcement
4 Officers, and for the University Employees' Optional Retirement Program includes
5 forty-two hundredths percent (0.42%) for the Disability Income Plan.

6 (b1) Effective August 1, 1994, the State's employer contribution rates
7 budgeted for retirement and related benefits as a percentage of covered salaries for the
8 1994-95 fiscal year are (i) ten and fifty-three hundredths percent (10.53%) - Teachers
9 and State Employees; (ii) fifteen and fifty-three hundredths percent (15.53%) - State
10 Law Enforcement Officers; (iii) eight and eighty hundredths percent (8.80%) -
11 University Employees' Optional Retirement Program; (iv) twenty-two and forty-five
12 hundredths percent (22.45%) - Consolidated Judicial Retirement System; and (v) thirty-
13 five and eighty-seven hundredths percent (35.87%) - Legislative Retirement System.
14 Each of the foregoing contribution rates includes one and eighty-hundredths percent
15 (1.80%) for hospital and medical benefits. The rate for State Law Enforcement Officers
16 includes five percent (5%) for the Supplemental Retirement Income Plan. The rates for
17 Teachers and State Employees, State Law Enforcement Officers, and for the University
18 Employees' Optional Retirement Program includes forty-two hundredths percent
19 (0.42%) for the Disability Income Plan.

20 (c) The General Assembly authorizes the Board of Trustees of the Teachers'
21 and State Employees' Retirement System to adopt a fixed amortization period of nine
22 years for purposes of the unfunded accrued liability for the Retirement System.

23 (d) The maximum annual employer contributions, payable monthly, by the
24 State for each covered employee or retiree for the 1994-95 fiscal year to the Teachers'
25 and State Employees' Comprehensive Major Medical Plan are: (i) Medicare-eligible
26 employees and retirees - one thousand two hundred dollars (\$1,200); and (ii) Non-
27 Medicare-eligible employees and retirees - one thousand five hundred seventy-seven
28 dollars (\$1,577).

29
30 Requested by: Representatives Nesbitt, Diamont

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

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

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

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

39 "(b) The Director may not use funds in the Savings Reserve Account unless the
40 use has been approved by an act of the General Assembly. ~~It is the intent of the General~~
41 ~~Assembly that effective as of the 1994-95 fiscal year the State's liability for the deferral~~
42 ~~of the twelfth month of teacher payroll shall be eliminated. Funds may be used from the~~
43 ~~Savings Reserve Account and, to the extent necessary, may be combined with other~~

1 available funds to eliminate this liability and thus bring the State into conformity with
2 the GAAP."

3
4 Requested by: Representatives Nesbitt, Diamont

5 **STATE EMPLOYEE SUBSISTENCE ALLOWANCE**

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

7 "(3) For expenses incurred for subsistence, payment of ~~fifty-five dollars~~
8 ~~(\$55.00)~~ seventy-one dollars (\$71.00) per day when traveling in-state
9 or ~~sixty-seven dollars (\$67.00)~~ eighty-three dollars (\$83.00) per day
10 when traveling out-of-state. When travel involves less than a full day
11 (24-hour period), a reasonable prorated amount shall be paid in
12 accordance with regulations and criteria which shall be promulgated
13 and published by the Director of the Budget. Reimbursement to State
14 employees for lunches eaten while on official business may be made
15 only in the following circumstances:

- 16 a. When an overnight stay is required reimbursement is allowed
17 while an employee is in travel status;
18 b. When the cost of the lunch is included as part of a registration
19 fee for a formal congress, conference, assembly, or
20 convocation, by whatever name called. Such assembly must
21 involve the active participation of persons other than the
22 employees of a single State department, institution, or agency
23 and must be necessary for conducting official State business; or
24 c. When the State employee is a member of a State board,
25 commission, committee, or council which operates from funds
26 deposited with the State Treasurer, and the lunch is preplanned
27 as part of the meeting for the entire board, commission,
28 committee, or council."
29

30 Requested by: Representatives Nesbitt, Diamont

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

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

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

- 36 (1) A weekly travel allowance for each week or fraction thereof that the
37 General Assembly is in regular or extra session. The amount of the
38 weekly travel allowance shall be calculated for each member by
39 multiplying the actual round-trip mileage from that member's home to
40 the City of Raleigh by the rate per mile which is the business standard
41 mileage rate set by the Internal Revenue Service in ~~Rev. Proc. 92-104,~~
42 ~~December 28, 1992.~~ Rev. Proc. 93-51, December 27, 1993.
43 (2) A travel allowance at the rate which is the business standard mileage
44 rate set by the Internal Revenue Service in ~~Rev. Proc. 92-104,~~

~~December 28, 1992, Rev. Proc. 93-51, December 27, 1993,~~ whenever the member travels, whether in or out of session, as a representative of the General Assembly or of its committees or commissions, with the approval of the Legislative Services Commission.

- (3) A subsistence allowance for meals and lodging at a daily rate equal to the maximum per diem rate for federal employees traveling to Raleigh, North Carolina, as set out at ~~57 Federal Register 6684 (February 27, 1992),~~ 58 Federal Register 67959 (December 22, 1993), while the General Assembly is in session and, except as otherwise provided in this subdivision, while the General Assembly is not in session when, with the approval of the Speaker of the House in the case of Representatives Nesbitt, Diamont or the President Pro Tempore of the Senate in case of Senators, the member is:

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

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

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

Requested by: Representatives Nesbitt, Diamont

FLEXIBLE COMPENSATION - MAKE PERMANENT A PROVISION ALLOWING SAVINGS IN EMPLOYER FICA CONTRIBUTIONS TO BE USED TO PAY FOR ADMINISTRATIVE EXPENSES OF FLEXIBLE COMPENSATION PROGRAMS FOR STATE EMPLOYEES AND EMPLOYEES OF EDUCATIONAL INSTITUTIONS SUPPORTED BY THE STATE.

Sec. 11.28A. Section 14(i) of Chapter 1044 of the 1991 Session Laws, as amended by Section 42 of Chapter 561 of the 1993 Session Laws reads as rewritten:

"(i) Subsections (a) through (d) of this section are effective January 1, 1990. Subsections (e) through (h) of this section are effective January 1, 1991. Subsections (a) through (h) of this section shall expire December 31, ~~1994.~~ 1997."

Requested by: Representatives Nesbitt, Diamont, Hensley, Lee

1 TO CHANGE THE METHOD FOR CALCULATING THE REDUCTION FOR
2 EARLY RETIREMENT IN THE TEACHERS' AND STATE EMPLOYEES'
3 RETIREMENT SYSTEM; TO INCREASE THE RETIREMENT FORMULA
4 WITH AN ADJUSTING INCREASE TO RETIREES OF THE TEACHERS' AND
5 STATE EMPLOYEES' RETIREMENT SYSTEM AND OF THE LOCAL
6 GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM; TO PROVIDE
7 AN INCREASE TO RETIREES OF THE TEACHERS' AND STATE
8 EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENTAL
9 EMPLOYEES' RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT
10 SYSTEM AND THE JUDICIAL RETIREMENT SYSTEM; TO MAKE
11 CHANGES IN THE LEGISLATIVE RETIREMENT SYSTEM AND TO
12 ALLOW RECIPROCITY BETWEEN THE DISABILITY INCOME PLAN OF
13 NORTH CAROLINA AND THE DEATH BENEFIT PLAN FOR MEMBERS OF
14 THE LEGISLATIVE RETIREMENT SYSTEM AND THE CONSOLIDATED
15 JUDICIAL RETIREMENT SYSTEM; AND TO REMOVE THE EXCLUSION
16 FOR WAR-RELATED DISABILITIES FROM THE DISABILITY INCOME
17 PLAN.

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

19 "a. Notwithstanding any other provision of this Chapter, any
20 member who separates from service prior to the attainment of
21 the age of 60 years for any reason other than death or retirement
22 for disability as provided in G.S. 128-27(c), after completing 15
23 or more years of creditable service, and who leaves his total
24 accumulated contributions in said System shall have the right to
25 retire on a deferred retirement allowance upon attaining the age
26 of 60 years; provided that such member may retire only upon
27 written application to the Board of Trustees setting forth at what
28 time, not less than one day nor more than 90 days subsequent to
29 the execution and filing thereof, he desires to be retired; and
30 further provided that in the case of a member who so separates
31 from service on or after July 1, 1967, the aforesated
32 requirement of 15 or more years of creditable service shall be
33 reduced to 12 or more years of creditable service; and further
34 provided that in the case of a member who so separates from
35 service on or after July 1, 1971, or whose account is active on
36 July 1, 1971, the aforesated requirement of 12 or more years of
37 creditable service shall be reduced to five or more years of
38 creditable service. ~~Such deferred retirement allowance shall be~~
39 ~~computed in accordance with the provisions of G.S. 128-27(b1),~~
40 ~~provided that such benefits will be computed in accordance~~
41 ~~with subsection (b2) on or after July 1, 1967, but prior to July 1,~~
42 ~~1969; and provided further that such benefits will be computed~~
43 ~~in accordance with subsection (b3) on or after July 1, 1969.~~
44 Such deferred retirement allowance shall be computed in

1 accordance with the service retirement provisions of this Article
2 pertaining to a member who is not a law enforcement officer or
3 eligible former law enforcement officer."

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

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

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

12 " (b13) Service Retirement Allowance of Members Retiring on or after July 1, 1992-
13 1992, but before July 1, 1994. – Upon retirement from service in accordance with
14 subsection (a) above, on or after July 1, 1992, but before July 1, 1994, a member shall
15 receive the following service retirement allowance:

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

19 a. If the member's service retirement date occurs on or after his
20 55th birthday, and completion of five years of creditable service
21 as a law enforcement officer, or after the completion of 30 years
22 of creditable service, the allowance shall be equal to one and
23 seventy hundredths percent (1.70%) of his average final
24 compensation, multiplied by the number of years of his
25 creditable service.

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

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

31 a. If the member's service retirement date occurs on or after his
32 65th birthday upon the completion of five years of creditable
33 service or after the completion of 30 years of creditable service
34 or on or after his 60th birthday upon the completion of 25 years
35 of creditable service, the allowance shall be equal to one and
36 seventy hundredths percent (1.70%) of his average final
37 compensation, multiplied by the number of years of creditable
38 service.

39 b. This allowance shall also be governed by the provisions of G.S.
40 128-27(b7)(2a), (2b), and (3)."

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

42 "(b14) Service Retirement Allowance of Members Retiring on or after July 1,
43 1994. – Upon retirement from service in accordance with subsection (a) or (a1) above,

1 on or after July 1, 1994, a member shall receive the following service retirement
2 allowance:

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

6 a. If the member's service retirement date occurs on or after his
7 55th birthday, and completion of five years of creditable service
8 as a law enforcement officer, or after the completion of 30 years
9 of creditable service, the allowance shall be equal to one and
10 seventy-one hundredths percent (1.71%) of his average final
11 compensation, multiplied by the number of years of his
12 creditable service.

13 b. This allowance shall also be governed by the provisions of G.S.
14 128-27(b8)(2).

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

18 a. If the member's service retirement date occurs on or after his
19 65th birthday upon the completion of five years of creditable
20 service or after the completion of 30 years of creditable service
21 or on or after his 60th birthday upon the completion of 25 years
22 of creditable service, the allowance shall be equal to one and
23 seventy-one hundredths percent (1.71%) of his average final
24 compensation, multiplied by the number of years of creditable
25 service.

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

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

29 "(8) The provisions of this subsection (8) shall apply to any member whose
30 membership is terminated on or after July 1, 1963 and who becomes
31 entitled to benefits hereunder in accordance with the provisions hereof.

32 a. Notwithstanding any other provision of this Chapter, any
33 member who separates from service prior to the attainment of
34 the age of 60 years for any reason other than death or retirement
35 for disability as provided in G.S. 135-5(c), after completing 15
36 or more years of creditable service, and who leaves his total
37 accumulated contributions in said System shall have the right to
38 retire on a deferred retirement allowance upon attaining the age
39 of 60 years; provided that such member may retire only upon
40 written application to the Board of Trustees setting forth at what
41 time, not less than one day nor more than 90 days subsequent to
42 the execution and filing thereof, he desires to be retired; and
43 further provided that in the case of a member who so separates
44 from service on or after July 1, 1967, or whose account is active

1 on July 1, 1967, or has not withdrawn his contributions, the
2 aforesaid requirement of 15 or more years of creditable
3 service shall be reduced to 12 or more years of creditable
4 service; and further provided that in the case of a member who
5 so separates from service on or after July 1, 1971, or whose
6 account is active on July 1, 1971, the aforesaid requirement of
7 12 or more years of creditable service shall be reduced to five
8 or more years of creditable service. ~~Such deferred retirement~~
9 ~~allowance shall be computed in accordance with the provisions~~
10 ~~of G.S. 135-5(b1); provided that such benefits will be computed~~
11 ~~in accordance with (b2) on or after July 1, 1967, but prior to~~
12 ~~July 1, 1969; and provided further that such benefits will be~~
13 ~~computed in accordance with (b3) on or after July 1, 1969.~~
14 Such deferred retirement allowance shall be computed in
15 accordance with the service retirement provisions of this Article
16 pertaining to a member who is not a law enforcement officer or
17 an eligible former law enforcement officer. Notwithstanding
18 the foregoing, any member whose services as a teacher or
19 employee are terminated for any reason other than retirement,
20 who becomes employed by a nonprofit, nonsectarian private
21 school in North Carolina below the college level within one
22 year after such teacher or employee has ceased to be a teacher
23 or employee, may elect to leave his total accumulated
24 contributions in the Teachers' and State Employees' Retirement
25 System during the period he is in the employment of such
26 employer; provided that he files notice thereof in writing with
27 the Board of Trustees of the Retirement System within five
28 years after separation from service as a public school teacher or
29 State employee; such member shall be deemed to have met the
30 requirements of the above provisions of this subdivision upon
31 attainment of age 60 while in such employment provided that
32 he is otherwise vested.

- 33 b. In lieu of the benefits provided in paragraph a of this
34 subdivision (8), any member who separates from service prior
35 to the attainment of the age of 60 years, for any reason other
36 than death or retirement for disability as provided in G.S. 135-
37 5(c), after completing 20 or more years of creditable service,
38 and who leaves his total accumulated contributions in said
39 System, may elect to retire on an early retirement allowance
40 upon attaining the age of 50 years or at any time thereafter;
41 provided that such member may so retire only upon written
42 application to the Board of Trustees setting forth at what time,
43 not less than one day nor more than 90 days subsequent to the
44 execution and filing thereof, he desires to be retired. Such early

retirement allowance so elected shall be equal to the deferred retirement allowance otherwise payable at the attainment of the age of 60 years reduced by the percentage thereof indicated below.

Age at	Percentage Retirement Reduction
59	7
58	14
57	20
56	25
55	30
54	35
53	39
52	43
51	46
50	50

b1. In lieu of the benefits provided in paragraphs a and b of this subdivision, any member who is a law-enforcement officer at the time of separation from service prior to the attainment of the age of 50 years, for any reason other than death or disability as provided in this Article, after completing 15 or more years of creditable service in this capacity immediately prior to separation from service, and who leaves his total accumulated contributions in this System may elect to retire on a deferred early retirement allowance upon attaining the age of 50 years or at any time thereafter; provided, that the member may commence retirement only upon written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 90 days subsequent to the execution and filing thereof, he desires to commence retirement. The deferred early retirement allowance shall be computed in accordance with the service retirement provisions of this Article pertaining to law-enforcement officers.

b2. In lieu of the benefits provided in paragraphs a and b of this subdivision, any member who is a law-enforcement officer at the time of separation from service prior to the attainment of the age of 55 years, for any reason other than death or disability as provided in this Article, after completing five or more years of creditable service in this capacity immediately prior to separation from service, and who leaves his total accumulated contributions in this System may elect to retire on a deferred early retirement allowance upon attaining the age of 55 years or

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

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

26 c. Should a beneficiary who retired on an early or service
27 retirement allowance be reemployed by an employer
28 participating in the Retirement System on a permanent full-
29 time, part-time, temporary, or on fee-for-service basis, whether
30 contractual or otherwise, the retirement allowance shall be
31 suspended if the beneficiary receives or earns any of the
32 following:

- 33 1. Salary or fees or both in excess of one thousand five
34 hundred dollars (\$1,500) per month;
- 35 2. Salary or fees or both in excess of thirteen thousand five
36 hundred (\$13,500) during any consecutive 12 calendar
37 months;
- 38 3. Salary or fees or both during any consecutive 12
39 calendar months, which is greater than fifty percent
40 (50%) of the reported compensation during the 12
41 months of service preceding the effective date of
42 retirement; or
- 43 4. Salary or fees or both during any month, which when
44 added to the retirement allowance at retirement exceeds

1 the monthly compensation earned immediately prior to
2 retirement, if reemployed by the same employer within
3 90 days of the effective date of retirement.

4 The suspension of the retirement allowance shall be
5 effective as of the first day of the month in which the
6 beneficiary meets the conditions set forth in conditions 1 or 4 of
7 this paragraph and effective as of the first day of the next
8 succeeding month following the month in which the beneficiary
9 meets the conditions set forth in conditions 2 or 3 of this
10 paragraph. The retirement allowance shall be reinstated the
11 month following termination of reemployment or the month
12 following the month in which the conditions set forth in this
13 paragraph are no longer met. The Board of Trustees may adjust
14 the monetary limits in this paragraph by an amount equivalent
15 to any across-the-board salary increase granted to employees of
16 the State by the General Assembly. Each employer shall report
17 information monthly to the Board of Trustees on forms
18 provided by the Board on each reemployed beneficiary
19 sufficient for the effective enforcement of this paragraph.
20 Notwithstanding the foregoing, any beneficiary may irrevocable
21 elect to recommence membership in the Retirement System
22 immediately upon being restored to service, whereupon the
23 retirement allowance shall cease.

- 24 d. A beneficiary whose retirement allowance is suspended in
25 accordance with the provisions of paragraph c and who is
26 restored to service shall become a member of the Retirement
27 System and shall contribute thereafter as allowed by law at the
28 uniform contribution payable by all members.

29 Upon his subsequent retirement, he shall be paid a
30 retirement allowance determined as follows:

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

1 retirement allowance to which he would have been
2 entitled had he not been restored to service, without
3 modification of the election of an optional allowance
4 previously made, and the retirement allowance that
5 results from service earned since being restored to
6 service; provided, that if the prior retirement allowance
7 was based on a social security leveling payment option,
8 the prior allowance shall be adjusted actuarially for the
9 difference between the amount that would have been
10 paid for each month had the payment not been suspended
11 and what would have been paid if the retirement
12 allowance had been paid without optional modification.

- 13 e. Any beneficiary who retired on an early or service retirement
14 allowance as an employee of any State department, agency or
15 institution under the Law Enforcement Officers' Retirement
16 System and becomes employed as an employee by a State
17 department, agency, or institution as an employer participating
18 in the Retirement System shall become subject to the provisions
19 of G.S. 135-3(8)c and G.S. 135-3(8)d on and after January 1,
20 1989."

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

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

28 (g) G.S. 135-5(b14) reads as rewritten:

29 "(b14) Service Retirement Allowance of Members Retiring on or after July 1, 1993-
30 1993, but before July 1, 1994. – Upon retirement from service in accordance with
31 subsection (a) above, on or after July 1, 1993, but before July 1, 1994, a member shall
32 receive the following service retirement allowance:

- 33 (1) A member who is a law enforcement officer or an eligible former law
34 enforcement officer shall receive a service retirement allowance
35 computed as follows:

- 36 a. If the member's service retirement date occurs on or after his
37 55th birthday, and completion of five years of creditable service
38 as a law enforcement officer, or after the completion of 30 years
39 of creditable service, the allowance shall be equal to one and
40 seventy-one hundredths percent (1.71%) of his average final
41 compensation, multiplied by the number of years of his
42 creditable service.

- 43 b. If the member's service retirement date occurs after his 50th and
44 before his 55th birthday with 15 or more years of creditable

1 service as a law enforcement officer and prior to the completion
2 of 30 years of creditable service, the allowance shall be
3 computed as in G.S. 135-5(b14)(1)a., but shall be reduced by
4 one-third of one percent (1/3 of 1%) thereof for each month by
5 which the retirement date precedes the first day of the month
6 coincident with or next following his 55th birthday.

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-one hundredths percent (1.71%) of his average final
16 compensation, multiplied by the number of years of creditable
17 service.

18 b. If the member's service retirement date occurs after his 60th
19 birthday and before his 65th birthday and prior to the
20 completion of 25 years or more of creditable service, the
21 retirement allowance shall be computed as in G.S. 135-
22 5(b14)(2)a. but shall be reduced by one-quarter of one percent
23 (1/4 of 1%) thereof for each month by which his retirement date
24 precedes the first day of the month coincident with or next
25 following his 65th birthday.

26 c. If the member's service retirement date occurs before his 60th
27 birthday and prior to the completion of 30 or more years of
28 creditable service, the service retirement allowance shall be the
29 actuarial equivalent of the allowance payable at the age of 60
30 years as computed in G.S. 135(b14)(2)b [G.S. 135-5(b14)(2)b.].

31 d. Notwithstanding the foregoing provisions, any member whose
32 creditable service commenced prior to July 1, 1963, shall
33 receive not less than the benefit provided by ~~G.S.~~ G.S. 135-
34 5(b)."

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

36 "(b15) Service Retirement Allowance of Members Retiring on or after July 1,
37 1994. – Upon retirement from service in accordance with subsection (a) or (a1) above,
38 on or after July 1, 1994, a member shall receive the following service retirement
39 allowance:

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

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

1 as a law enforcement officer, or after the completion of 30 years
2 of creditable service, the allowance shall be equal to one and
3 seventy-three hundredths percent (1.73%) of his average final
4 compensation, multiplied by the number of years of his
5 creditable service.

6 b. If the member's service retirement date occurs on or after his
7 50th birthday and before his 55th birthday with 15 or more
8 years of creditable service as a law enforcement officer and
9 prior to the completion of 30 years of creditable service, his
10 retirement allowance shall be equal to the greater of:

11 1. The service retirement allowance payable under G.S.
12 135-5(b15)(1)a. reduced by one-third of one percent (1/3
13 of 1%) thereof for each month by which his retirement
14 date precedes the first day of the month coincident with
15 or next following the month the member would have
16 attained his 55th birthday; or

17 2. The service retirement allowance as computed under
18 G.S. 135-5(b15)(1)a. reduced by five percent (5%) times
19 the difference between 30 years and his creditable
20 service at retirement.

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

24 a. If the member's service retirement date occurs on or after his
25 65th birthday upon the completion of five years of creditable
26 service or after the completion of 30 years of creditable service
27 or on or after his 60th birthday upon the completion of 25 years
28 of creditable service, the allowance shall be equal to one and
29 seventy-three hundredths percent (1.73%) of his average final
30 compensation, multiplied by the number of years of creditable
31 service.

32 b. If the member's service retirement date occurs after his 60th and
33 before his 65th birthday and prior to his completion of 25 years
34 or more of creditable service, his retirement allowance shall be
35 computed as in G.S. 135-5(b15)(2)a. but shall be reduced by
36 one-quarter of one percent (1/4 of 1%) thereof for each month
37 by which his retirement date precedes the first day of the month
38 coincident with or next following his 65th birthday.

39 c. If the member's early service retirement date occurs on or after
40 his 50th birthday and before his 60th birthday and after
41 completion of 20 years of creditable service but prior to the
42 completion of 30 years of creditable service, his early service
43 retirement allowance shall be equal to the greater of:

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

21 (i) G.S. 135-5(m) reads as rewritten:

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

- 28 (1) ~~The member had attained such age and/or creditable service to be~~
29 ~~eligible to commence retirement with an early or service retirement~~
30 ~~allowance or had attained 20 years of creditable service.~~
- 31 (1) a. The member had attained such age and/or creditable service to be
32 eligible to commence retirement with an early or service retirement
33 allowance, or
34 b. The member had obtained 20 years of creditable service in
35 which case the retirement allowance shall be computed in
36 accordance with G.S. 135-5(b15)(1)b. or G.S. 135-5(b15)(2)c.,
37 notwithstanding the requirement of obtaining age 50.
- 38 (2) The member had designated as the principal beneficiary to receive a
39 return of his accumulated contributions one and only one person who
40 was living at the time of his death.
- 41 (3) The member had not instructed the Board of Trustees in writing that he
42 did not wish the provisions of this subsection to apply.

43 For the purpose of this benefit, a member is considered to be in service at the date of
44 his death if his death occurs within 180 days from the last day of his actual service. The

1 last day of actual service shall be determined as provided in subsection (l) of this
2 section. Upon the death of a member in service, the surviving spouse may make all
3 purchases for creditable service as provided for under this Chapter for which the
4 member had made application in writing prior to the date of death, provided that the
5 date of death occurred prior to or within 60 days after notification of the cost to make
6 the purchase. The term 'in service' as used in this subsection includes a member in
7 receipt of a benefit under the Disability Income Plan as provided in Article 6 of this
8 Chapter."

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

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

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

20 "(mm) Increase in Allowance as to Persons on Retirement Rolls as of June 1,
21 1994. – From and after July 1, 1994, the retirement allowance to or on account of
22 beneficiaries on the retirement rolls as of June 1, 1994, shall be increased by six-tenths
23 of one percent (.6%) of the allowance payable on June 1, 1994. This allowance shall be
24 calculated on the allowance payable and in effect on June 30, 1994, so as not to be
25 compounded on any other increase payable under subsection (k) of this section or
26 otherwise granted by act of the 1993 General Assembly, 1994 Regular Session.

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

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

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

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

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

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

19 (n) Effective upon the convening of the 1995 Regular Session of the General
20 Assembly, G.S. 120-4.8(5) reads as rewritten:

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

25 This subsection applies to expense allowance paid on or after January 1,
26 1994. Effective August 1, 1994, payroll deductions of compensation, as redefined by
27 this section, shall be made. Payroll deductions for expense allowance to cover the
28 period from January 1, 1994, through July 31, 1994, shall be made prior to December
29 31, 1994.

30 (o) Effective January 1, 1995, through December 31, 1996, any current
31 member or former member of the General Assembly may purchase any legislative
32 service for which the member does not have credit in the Legislative Retirement System
33 by paying an amount equal to seven percent (7%) of the compensation on the last date
34 of eligibility as provided for in G.S. 120-4.16, plus interest compounded annually equal
35 to the average yield on the pension accumulation fund since that date.

36 (p) Effective February 1, 1995, G.S. 120-4.21 reads as rewritten:

37 "**§ 120-4.21. Service retirement benefits.**

38 (a) Eligibility; Application. – Any member ~~in service~~ may retire with full
39 benefits who has reached 65 years of age with five years of creditable service. Any
40 member ~~in service~~ may retire with reduced benefits who has reached the age of 50 years
41 with 20 years of creditable service or 60 years with five years of creditable service. The
42 member shall make written application to the Board of Trustees to retire on a service
43 retirement allowance on the first day of the particular calendar month he designates. The
44 designated date shall be no less than one day nor more than 90 days from the filing of

1 the application. During this period of notification, a member may separate from service
2 without forfeiting his retirement benefits.

3 (b) Computation. – Upon retirement from service in accordance with subsection
4 (a) of this section before July 1, 1990, a member shall receive a service retirement
5 allowance computed as follows:

6 (1) For a member whose retirement date occurs on or after his 65th
7 birthday and upon completion of five years of creditable service, four
8 percent (4%) of his 'highest annual salary,' multiplied by the number of
9 years of creditable service.

10 (2) For a member whose retirement date occurs on or after his 60th and
11 before his 65th birthday and upon completion of five years of
12 creditable service, computation as in subdivision (1) of this subsection,
13 reduced by one-fourth of one percent (1/4 of 1%) for each month his
14 retirement date precedes his 65th birthday.

15 (b1) Computation. – Upon retirement from service in accordance with subsection
16 (a) of this section on or after July 1, 1990, but before February 1, 1995, a member shall
17 receive a service retirement allowance computed as follows:

18 (1) For a member whose retirement date occurs on or after his 65th
19 birthday and upon completion of five years of creditable service, four
20 and two-hundredths percent (4.02%) of his 'highest annual salary,'
21 multiplied by the number of years of creditable service.

22 (2) For a member whose retirement date occurs on or after his 60th and
23 before his 65th birthday and upon completion of five years of
24 creditable service, computation as in subdivision (1) of this subsection,
25 reduced by one-fourth of one percent (1/4 of 1%) for each month his
26 retirement date precedes his 65th birthday.

27 (b2) Computation. – Upon retirement from service in accordance with subsection
28 (a) of this section on or after February 1, 1995, a member shall receive a service
29 retirement allowance computed as follows:

30 (1) For a member whose retirement date occurs on or after his 65th
31 birthday and upon completion of five years of creditable service, four
32 and two-hundredths percent (4.02%) of his 'highest annual salary',
33 multiplied by the number of years of creditable service.

34 (2) For a member whose retirement date occurs on or after his 60th and
35 before his 65th birthday and upon completion of five years of
36 creditable service, computation as in subdivision (1) of this subsection,
37 reduced by one-fourth of one percent (1/4 of 1%) for each month his
38 retirement date precedes his 65th birthday.

39 (3) For a member whose retirement date occurs on or after his 50th
40 birthday and before his 60th birthday and upon completion of 20 years
41 of creditable service, computation as in subdivision (2) of this
42 subsection, reduced by the same percentage as provided for in Article
43 1 of Chapter 135 of the General Statutes.

1 (c) Limitations. – In no event shall any member receive a service retirement
2 allowance greater than seventy-five percent (75%) of his 'highest annual salary' nor
3 shall he receive any service retirement allowance whatever while employed in a position
4 that makes him a contributing member of any of the following retirement systems: The
5 Teachers' and State Employees' Retirement System, the North Carolina Local
6 Governmental Employees' Retirement System, ~~the Law Enforcement Officers'~~
7 ~~Retirement System, the Uniform Judicial Retirement System of North Carolina, the~~
8 ~~Uniform Solicitorial Retirement System of North Carolina or the Uniform Clerks of~~
9 ~~Courts Retirement System.~~ or the Consolidated Judicial Retirement System. If he
10 should become a member of any of these systems, payment of his service retirement
11 allowance shall be suspended until he withdraws from membership in that system."

12 (q) Effective July 1, 1994, Article 6 of Chapter 135 of the General Statutes is
13 amended by adding a new section to read:

14 **"§ 135-114. Reciprocity of membership service with the Legislative Retirement**
15 **System and the Consolidated Judicial Retirement System.**

16 Only for the purpose of determining eligibility for benefits accruing under this
17 Article, membership service standing to the credit of a member of the Legislative
18 Retirement System or the Consolidated Judicial Retirement System shall be added to the
19 membership service standing to the credit of a member of the Teachers' and State
20 Employees' Retirement System. However, in the event that a participant or beneficiary
21 is a retired member of the Legislative Retirement System or the Consolidated Judicial
22 Retirement System whose retirement benefit was suspended upon entrance into
23 membership in the Teachers' and State Employees' Retirement System, such
24 membership service standing to the credit of the retired member prior to retirement shall
25 be likewise counted. Membership service under this section shall not be counted twice
26 for the same period of time."

27 (r) Effective July 1, 1994, G.S. 135-5 is amended by adding a new subsection
28 to read:

29 "(11) Reciprocity of Death Benefit Plan. – Only for the purpose of determining
30 eligibility for the death benefit provided for in subsection (l) of this section, membership
31 service standing to the credit of a member of the Legislative Retirement System or the
32 Consolidated Judicial Retirement System shall be added to the membership service
33 standing to the credit of a member of the Teachers' and State Employees' Retirement
34 System. However, in the event that a participant or beneficiary is a retired member of
35 the Legislative Retirement System or the Consolidated Judicial Retirement System
36 whose retirement benefit was suspended upon entrance into membership in the
37 Teachers' and State Employees' Retirement System, such membership service standing
38 to the credit of the retired member prior to retirement shall be likewise counted.
39 Membership service under this section shall not be counted twice for the same period of
40 time. In no event shall a death benefit provided for in G.S. 135-5(l) be paid if a death
41 benefit is paid under G.S. 135-63."

42 (s) G.S. 135-101(6) reads as rewritten:

43 "(6) 'Disability' or 'Disabled' shall mean the mental or physical
44 incapacity for the further performance of duty of a participant or

1 beneficiary; provided that such incapacity was not the result of war,
2 ~~whether declared or not, armed or unarmed military or paramilitary~~
3 ~~conflict, terrorist activity, active participation in a riot, committing~~
4 or attempting to commit a felony, or intentionally self-inflicted
5 injury."

6 (t) G.S. 135-105(c) reads as rewritten:

7 "(c) The monthly benefit as provided in subsection (a) of this section shall be
8 equal to fifty percent (50%) of 1/12th of the annual base rate of compensation last
9 payable to the participant prior to the beginning of the short-term benefit period as may
10 be adjusted for percentage increases as provided under G.S. 135-108 plus fifty percent
11 (50%) of 1/12th of the annual longevity payment to which the participant would be
12 eligible, to a maximum of three thousand dollars (\$3,000) per month reduced by
13 monthly payments for Workers' Compensation to which the participant may be entitled.
14 The monthly benefit shall be further reduced by the amount of any payments from the
15 federal Veterans Administration, any other federal agency, or any payments made under
16 the provisions of G.S. 127A-108, to which the participant or beneficiary may be entitled
17 on account of the same disability. Provided, that should a participant have earnings in
18 an amount greater than the short-term benefit, the amount of the short-term benefit shall
19 be reduced on a dollar-for-dollar basis by the amount that exceeds the short-term
20 benefit."

21 (u) G.S. 135-106(b) reads as rewritten:

22 "(b) After the commencement of benefits under this section, the benefits payable
23 under the terms of this section shall be equal to sixty-five percent (65%) of 1/12th of the
24 annual base rate of compensation last payable to the participant or beneficiary prior to
25 the beginning of the short-term disability period as may be adjusted for percentage
26 increases as provided under G.S. 135-108, plus sixty-five percent (65%) of 1/12th of the
27 annual longevity payment to which the participant or beneficiary would be eligible, to a
28 maximum of three thousand nine hundred dollars (\$3,900) per month reduced by any
29 primary Social Security disability benefits and by monthly payments for Workers'
30 Compensation to which the participant or beneficiary may be entitled, ~~but the benefits~~
31 ~~payable shall be no less than ten dollars (\$10.00) a month.~~ entitled. The monthly benefit
32 shall be further reduced by the amount of any monthly payments from the federal
33 Veterans Administration, any other federal agency or any payments made under the
34 provisions of G.S. 127A-108, to which the participant or beneficiary may be entitled on
35 account of the same disability. Provided, in any event, the benefit payable shall be no
36 less than ten dollars (\$10.00) a month. However, a disabled participant may elect to
37 receive any salary continuation as provided in G.S. 135-104 in lieu of long-term
38 disability benefits; provided such election shall not extend the first 36 consecutive
39 calendar months of the long-term disability period. An election to receive any salary
40 continuation for any part of any given day shall be in lieu of any long-term benefit
41 payable for that day, provided further, any lump-sum payout for vacation leave shall be
42 treated as if the beneficiary or participant had exhausted the leave and shall be in lieu of
43 any long-term benefit otherwise payable. Notwithstanding the foregoing, upon the
44 completion of four years from the conclusion of the waiting period as provided in G.S.

1 135-104, the beneficiary's benefit shall be reduced by an amount, as determined by the
 2 Board of Trustees, equal to a primary Social Security disability benefit to which the
 3 beneficiary might be entitled had the beneficiary been awarded Social Security
 4 disability benefits. Provided that, in any event, a beneficiary's benefit shall be reduced
 5 by an amount, as determined by the Board of Trustees, equal to a primary Social
 6 Security retirement benefit to which the beneficiary might be entitled.

7 Notwithstanding the foregoing, the long-term disability benefit is payable so long as
 8 the beneficiary is disabled until the earliest date at which the beneficiary is eligible for
 9 an unreduced service retirement allowance from the Retirement System, at which time
 10 the beneficiary would receive a retirement allowance calculated on the basis of the
 11 beneficiary's average final compensation at the time of disability as adjusted to reflect
 12 compensation increases subsequent to the time of disability and the creditable service
 13 accumulated by the beneficiary, including creditable service while in receipt of benefits
 14 under the Plan."

15 (v) Subsections (s) through (u) of this section are effective January 1, 1988,
 16 provided, however, that in applying the provisions of G.S. 135-101, 135-105, and 135-
 17 106, as amended by this section to any person who was denied disability benefits, such
 18 person shall have 180 days after ratification of this act in which to make a timely
 19 application for such benefits.

20 (w) Except as otherwise provided, this section becomes effective July 1,
 21 1994.

22
 23 **PART 7. OFFICE OF STATE BUDGET AND MANAGEMENT**

24
 25 Requested by: Representatives Nesbitt, Diamont

26 **BUDGET REFORM STATEMENTS/APPROPRIATIONS ADJUSTMENTS**

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

	<u>1993-94</u>	<u>1994-95</u>	
		<u>Recurring</u>	<u>Nonrecurring</u>
33 AVAILABILITY:			
34 Estimated Remaining			
35 Balance from 1993-94	\$ -	\$ -	\$519.2
36 Unappropriated Balance			
37 from the 1993 Session	4.7	209.6	-
38 Revenue Forecast Increase	294.7	294.7	-
39			
40 Additional Increases:			
41 Insurance Proceeds	-	-	1.7
42 Insurance Fund	-	1.0	-
43 Non-Tax Revenue	-	<u>2.7</u>	-
44 Total Availability	\$299.4	\$508.0	\$520.9

1				
2	1994 Crime Session			
3	Appropriations	\$ 26.9	\$168.3	\$ 61.5
4				
5	Unobligated Availability	272.5		
6	1993-94 Estimated Reversions	<u>233.2</u>		
7	Total Credit Balance	\$505.7		
8				
9	Earmarking:			
10	Savings Reserve	126.4		
11	Repairs and Renovations			
12	Reserve <u>60.0</u>			
13	Total Earmarking	\$ 186.4		
14				
15	Balance	\$ 319.3	\$339.7	\$459.4
16				
17	Additional Availability:			
18	Disproportionate Share			
19	Funds (Earmarked)	114.2	-	-
20	Disproportionate Share			
21	Funds - Additional	<u>85.7</u>	-	<u>94.0</u>
22	Total Additional Availability	\$199.9	-	\$94.0
23				
24	Budget Reductions	-	291.7	3.7
25				
26	TOTAL BALANCE	\$519.2	\$631.4	\$557.1
27				

28 Requested by: Representatives Nesbitt, Diamont

29 **APPROPRIATIONS OF REMAINING AVAILABILITY TO RESERVES**

30 Sec. 13. Any availability in the General Fund at the beginning of the 1994-95
31 fiscal year that is not required to balance the 1994-95 adopted budget is hereby
32 appropriated as follows: (i) twenty-five percent (25%) to the Savings Reserve Account;
33 (ii) twenty-five percent to the Repairs and Renovations Reserve Account; and (iii) fifty
34 percent (50%) to a Reserve for School Technology.

35
36 Requested by: Representatives Nesbitt, Diamont

37 **RESERVE FOR IMPLEMENTATION OF FEDERAL OSHA REGULATIONS**
38 **REGARDING BLOODBORNE PATHOGENS/USE OF FUNDS; LONG-RANGE**
39 **PLAN**

40 Sec. 14. Funds appropriated in this act to the Office of State Budget and
41 Management for the implementation of the federal OSHA regulations regarding
42 bloodborne pathogens shall be used only to support the cost of testing, inoculations,
43 personal protective equipment, and required cleanup equipment and supplies for
44 employees who are subject to these regulations and only if adequate funds are not

1 available for these purposes. They shall not be used as planning money or for salaries
2 for any new positions or for any other purpose than specifically authorized by this
3 section.

4

5 Requested by: Representative Holt

6 **CRIMINAL JUSTICE INFORMATION NETWORK FUNDS**

7 Sec. 15. (a) The Office of State Budget and Management may use the sum of
8 nine hundred thirty thousand dollars (\$930,000) placed in a reserve in Section 13 of
9 Chapter 24 of the Session Laws of the 1994 Extra Session to continue studying the
10 development of the Criminal Justice Information Network according to the criteria
11 enumerated in Section 13 of Chapter 24 of the Session Laws of the 1994 Extra Session.

12 (b) Subsection (b) of Section 13 of Chapter 24 of the Session Laws of the
13 1994 Extra Session reads as rewritten:

14 "(b) There is created within the Office of State Budget and Management a
15 Criminal Justice Information Network study committee to conduct the study required
16 under this section. The study committee shall be appointed by the Governor in
17 consultation with the Lieutenant Governor, the Attorney General, and the Chief Justice
18 of the North Carolina Supreme Court. The Governor shall appoint no more than nine
19 members to the study committee, and shall make the appointments based upon the
20 appointees' knowledge, expertise, and responsibility within the criminal justice system,
21 the juvenile justice system, and related areas. All State and local government agencies
22 shall cooperate fully with the study committee. Prior to expenditure of funds for a
23 consultant to assist in the study, the study committee shall report to the Joint Legislative
24 Commission on Governmental Operations on the consultant selected, the work products
25 to be provided by the consultant, and the cost of the contract, including an itemization
26 of the cost components. The request for proposals shall notify potential bidders that the
27 committee will report this information to the Joint Legislative Commission on
28 Governmental Operations. The request for proposals shall also contain a provision that
29 reads as follows:

30 'Eligibility for Future Requirements: The successful
31 bidder on this project shall not be considered for an
32 award on subsequent hardware, software, and software
33 support and related procurements which are based on
34 specifications or recommendations resulting from this
35 procurement.'

36 The Division of Purchase and Contract and the Office of State Budget and Management
37 may delete this provision in the request for proposals by jointly (i) filing a written
38 request with the Director of the Budget for authorization to delete this provision from
39 the request for proposals; (ii) sending a copy of this written request for authorization to
40 the Director of the Fiscal Research Division at the time the request is made; (iii)
41 receiving written authorization to delete the provision from the Director of the Budget;
42 and (iv) reporting the authorization, if granted, to the next meeting of the Joint
43 Legislative Commission on Governmental Operations and to the Director of the Fiscal
44 Research Division.

1 The study committee shall provide a monthly report on its progress (i) to the
2 Chairs of the Senate and House Appropriations Committees, (ii) to the Chairs of the
3 Senate and House Justice and Public Safety Appropriations Subcommittees, and (iii) to
4 the Information Resources Management Commission established by G.S. 143B-426.21
5 at the regularly scheduled meetings of the Commission. The study committee shall
6 report its final findings and recommendations to the General Assembly on or before
7 ~~February 1, 1995~~, April 1, 1995, and shall make an interim report by May 15, 1994."

8
9 Requested by: Representatives Crawford, Wainwright

10 **STATE GRANT-IN-AID CATALOG**

11 Sec. 16. The Office of State Budget and Management,
12 in cooperation with the Office of State Planning, shall compile
13 and publish annually a catalog of grant-in-aid programs
14 administered by State agencies. The grant-in-aid catalog shall
15 be organized similarly to the Catalog of Domestic Federal
16 Assistance. The grant-in-aid catalog shall assign a unique
17 alphanumeric identifier to each grant-in-aid program and the
18 identifier shall be included in the accounting key of the State
19 Accounting System so that expenditure information can be
20 readily retrieved and analyzed. Further, the grant-in-aid
21 catalog shall contain the following information:

- 22 (1) The name of each grant-in-aid program.
- 23 (2) The name and business address of the administering agency, together
24 with the telephone number of a contact person in the agency who is
25 familiar with the grant-in-aid program.
- 26 (3) A brief description of the purposes of the grant-in-aid program, along
27 with a citation of the State or federal law authorizing the program.
- 28 (4) A brief description of eligibility criteria, typical levels of grant award,
29 number of grants awarded during the previous fiscal year, and funds
30 available during the current and upcoming fiscal year.
- 31 (5) Any other information that would serve to explain program features to
32 the public and to interested applicants.

33 The Office of State Budget and Management and the Office of State Planning shall
34 report to the General Assembly by February 1, 1995, regarding the progress in
35 compiling and publishing a catalog of State grant-in-aid programs.

38 **PART 8. GENERAL ASSEMBLY**

39
40 Requested by: Representatives Crawford, Wainwright

41 **FINANCIAL AUDIT OF THE DEPARTMENT OF INSURANCE**

42 Sec. 17. Of the funds appropriated in this act to the General Assembly,
43 Legislative Services Commission, the sum of seventy-five thousand dollars (\$75,000)
44 for the 1994-95 fiscal year shall be used to contract for an independent financial audit of
45 the Department of Insurance in accordance with the auditing standards set forth in

1 Government Auditing Standards. The audit shall be completed on or before January 15,
2 1995.

3

4 Requested by: Representatives Crawford, Wainwright

5 **JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE**
6 **STEERING COMMITTEE**

7 Sec. 18. Of the funds appropriated in this act to the General Assembly, the
8 sum of twenty-five thousand dollars (\$25,000) in the 1994-95 fiscal year may be used to
9 support the official activities of the Joint Legislative Commission on Seafood and
10 Aquaculture Steering Committee. The Legislative Research Commission may allocate
11 these funds for the purposes stated in this section only if Senate Bill 1436 is enacted by
12 the 1993 General Assembly.

13

14 Requested by: Representatives Wilkins, Mercer

15 **LRC STUDY CORPORATE ANNUAL REPORT FILING REQUIREMENT**
16 **AND THE BUSINESS LICENSE INFORMATION OFFICE**

17 Sec. 19. (a) The Legislative Research Commission may study whether the
18 requirement under G.S. 55-16-22 that a corporation file an annual report with the
19 Secretary of State should be modified. The Commission may consider in its study the
20 benefits and detriments of the filing requirement, the financial burden placed on the
21 Secretary of State's Office and on corporations by the filing requirement, and any other
22 issues relevant to the filing requirement. The Commission may also study the Business
23 License Information Office's master application system, the costs of the system to the
24 State, the benefits of the system to the business community, and any other issues related
25 to the master application system or the Business License Information Office. The
26 Legislative Research Commission may make its recommendations and submit an
27 interim report to the 1995 General Assembly, Regular Session 1996, and may make a
28 final report to the 1997 General Assembly.

29 (b) Of the funds appropriated in this act to the General Assembly for the
30 1994-95 fiscal year the sum of twenty-five thousand dollars (\$25,000) is allocated to the
31 Legislative Research Commission to conduct this study.

32

33 Requested by: Representative Mercer

34 **STUDY ALTERNATIVE METHODS TO FUND FIREMEN'S AND RESCUE**
35 **SQUAD WORKER'S PENSION FUNDS.**

36 Sec. 20. (a) There is established the Firefighter and Rescue Worker Pension
37 Fund Study Commission to be composed of 10 members: five members to be appointed
38 by the Speaker of the House of Representatives and five members to be appointed by
39 the President Pro Tempore of the Senate. The appointees shall serve until the
40 termination of the Commission. The Speaker of the House of Representatives and the
41 President Pro Tempore of the Senate shall each designate a cochair from their
42 appointees. Either Cochair may call the first meeting of the Commission. Vacancies
43 shall be filled in the same manner as the original appointments were made.

1 (b) The Commission shall study alternative methods to increase the funding
2 for the Firemen's Pension Fund and the Rescue Squad Worker's Pension Fund and any
3 other issues relevant to that topic.

4 (c) With the prior approval of the Legislative Services Commission, the
5 Legislative Administrative Officer shall assign professional and clerical staff to assist in
6 the work of the Commission. Clerical staff shall be furnished to the Commission
7 through the Offices of the House and Senate supervisors of Clerks. The expenses of
8 employment of the clerical staff shall be borne by the Commission. With the prior
9 approval of the Legislative Services Commission, the Commission may hold its
10 meetings in the State Legislative Building or the Legislative Office Building.

11 (d) The Study Commission shall submit a final written report of its findings
12 and recommendations, including legislation, on or before the convening of the 1995
13 Session of the General Assembly. All reports shall be filed with the Speaker of the
14 House of Representatives and the President Pro Tempore of the Senate. Upon filing its
15 final report, the Commission shall terminate.

16 (e) Members of the Commission shall be paid per diem, subsistence, and
17 travel allowances as follows:

18 (1) Commission members who are also members of the General
19 Assembly, at the rate established in G.S. 120-3.1.

20 (2) Commission members who are officials or employees of the State or
21 local government agencies, at the rate established in G.S. 138-6.

22 (3) All other Commission members at the rate established in G.S. 138-5.

23 (f) There is allocated from the funds appropriated to the General Assembly's
24 Legislative Services Commission's studies reserve to the Firefighter and Rescue Worker
25 Pension Fund Study Commission for its work the sum of twenty thousand dollars
26 (\$20,000) for the 1994-95 fiscal year.

27 28 **PART 9. GENERAL GOVERNMENT**

29
30 Requested by: Representatives Rogers, Black, Yongue, Crawford, Wainwright

31 **INFORMATION HIGHWAY FUNDS**

32 Sec. 21. (a) Funds in the amount of seven million dollars (\$7,000,000) in
33 nonrecurring funds are appropriated in this act for the North Carolina Information
34 Highway. These funds shall be used to provide one-time grants of up to fifty thousand
35 dollars (\$50,000) each to State and local governmental entities to establish Information
36 Highway sites. To qualify for a grant, a State or local governmental entity must (i) have
37 an authorized plan for the use of the grant funds and for the use of the Information
38 Highway site, and (ii) demonstrate the willingness and ability to pay all of the expenses
39 associated with the use and operations of the site.

40 (b) No one shall obligate the State to pay any nonrecurring or recurring costs
41 related to the North Carolina Information Highway except to the extent that funds are
42 appropriated by the General Assembly specifically for that purpose. No one shall
43 obligate the State to pay any recurring costs related to the North Carolina Information

1 Highway beyond the end of the fiscal period for which funds are appropriated for that
2 purpose.

3 In no event shall anyone obligate the State to pay recurring operating
4 expenses related to the North Carolina Information Highway for any non-State entity.

5 (c) Notwithstanding any other law, funds in the amount of four million one
6 hundred thousand dollars (\$4,100,000) appropriated to the Office of the State
7 Controller in Chapter 561 of the 1993 Session Laws for the 1993-94 fiscal year for the
8 State Telecommunications System shall revert to the General Fund.

9 (d) Those State and local entities that have expended monies prior to June 1,
10 1994, on information highway equipment shall receive preferential consideration in
11 expenditures pursuant to this section.

12

13 PART 10. DEPARTMENT OF ADMINISTRATION

14

15 Requested by: Representatives Crawford, Wainwright

16 GPAC/BUDGET REFORM: STRATEGIC PLANS, PERFORMANCE-BASED 17 BUDGETING, LONG-RANGE FINANCIAL MODEL

18 Sec. 22. State Strategic Planning and Outcome Measures:

19 (a) G.S. 143A-17 is repealed.

20 (b) G.S. 143-3.5 reads as rewritten:

21 **"§ 143-3.5. Coordination of ~~statistics~~-statistics; fiscal analysis required for any bill 22 proposed by a State agency that affects the budget.**

23 (a) It shall be the duty of the ~~Director~~Director, through the Office of State
24 Budget and Management and the Office of State Planning to coordinate the efforts of
25 governmental agencies in the collection, development, dissemination and analysis of
26 official economic, demographic and social statistics pertinent to State budgeting. The
27 ~~Office shall~~Director shall:

28 (1) Prepare and release the official demographic and economic estimates
29 and projections for the State;

30 (2) Conduct special economic and demographic analyses and studies to
31 support statewide budgeting;

32 (3) Develop and coordinate cooperative arrangements with federal, State
33 and local governmental agencies to facilitate the exchange of data to
34 support State budgeting;

35 (4) Compile, maintain, and disseminate information about State programs
36 which involve the distribution of State aid funds to local governments
37 including those variables used in their allocation; ~~and,~~

38 (5) Develop and maintain in cooperation with other State and local
39 governmental agencies, an information system providing comparative
40 data on resources and expenditures of local ~~governments.~~
41 governments; and

42 (6) Report major trends that influence revenues and expenditures in the
43 State budget in the current fiscal year and that may influence revenues
44 and expenditures over the next five fiscal years.

1 Every fiscal analysis prepared by the Director or the Office of State Budget and
2 Management addressing the State budget outlook shall encompass the upcoming five-
3 year period. Every fiscal analysis prepared by the Director or the Office of State Budget
4 and Management addressing the impact of proposed legislation on the State budget shall
5 estimate the impact for the first five fiscal years the legislation would be in effect. To
6 minimize duplication of effort in collecting or developing new statistical series pertinent
7 to State planning and budgeting, including contractual arrangements, State agencies
8 must submit to the Director proposed procedures and funding requirements.

9 (b) Any bill proposed by an executive or judicial department, agency, institution,
10 board, or commission that affects the State budget shall be accompanied by a fiscal
11 analysis. The fiscal analysis shall estimate the impact of the legislation on the State
12 budget for the first five fiscal years the legislation would be in effect.

13 (c) This section shall not apply to the General Assembly, any of its committees
14 and subcommittees, the Legislative Research Commission, the Legislative Services
15 Commission, or any other committee or commission in the legislative branch."

16 (c) Article 1 of Chapter 143 of the General Statutes is amended by adding the
17 following sections to read:

18 **"§ 143-10.3. Strategic planning process.**

19 (a) The Director, through the Office of State Budget and Management, shall
20 establish and implement a strategic planning process for State government. The
21 strategic planning process shall be designed to produce statewide goals, and State
22 agencies shall develop agency goals and objectives that are consistent with those
23 statewide goals. The Director, in conjunction with State agencies, shall prepare and
24 apply performance measures and indicators of program impact, and shall require agency
25 performance to be reviewed periodically to determine progress toward statewide goals
26 and agency goals. Results of the strategic planning process and agency performance
27 reviews shall be reflected in the budget document proposed by the Governor, as
28 provided in G.S. 143-10.4.

29 The performance measures and indicators of program impact for each agency shall
30 be based upon clear, unambiguous goals that are established by that agency. The
31 Director shall be responsible for developing and implementing statewide comprehensive
32 performance measures and indicators of program impact in a standardized format
33 applicable across agency lines.

34 (b) If a member of the Council of State does not agree with the performance
35 measures, departmental operations plans, and indicators of program impact developed in
36 accordance with this section, G.S. 143-10.4, and G.S. 143-10.5, that apply to the
37 member's department, the member of the Council of State shall submit to the Director of
38 the Budget a statement of specific objections to the program measures and indicators of
39 program impact. The Director of the Budget shall submit the statement to the General
40 Assembly in accordance with G.S. 143-11(5).

41 **"§ 143-10.4. Departmental operations plans.**

42 The Director, through the Office of State Budget and Management and in
43 conjunction with State agencies, shall have prepared biennially in the even-numbered
44 years, a comprehensive operations plan for each department, agency, and institution, for

1 which the Director may recommend an appropriation of State funds in the next biennial
2 period. The operations plans shall address the statewide and agency goals contained in
3 the strategic plans developed in accordance with G.S. 143-10.3. The operations plans
4 shall provide objectives, activities, and supporting statistics for the current biennium
5 and for the following three biennial periods. The operations plans shall also provide
6 clear, unambiguous performance measures and outcome indicators, which measures and
7 indicators shall be used for program evaluation and shall be reported in the Governor's
8 biennial budget submission.

9 The Director shall provide unified planning and budgeting instructions to the
10 departments, agencies, and institutions for use in developing operations plans and
11 biennial budgets.

12 **"§ 143-10.5. Development of performance measures for major programs.**

13 (a) The Director of the Budget, through the Office of State Budget and
14 Management and through State agencies, departments, and institutions, shall develop
15 performance measures for the major programs for each State agency, department, and
16 institution. These performance measures shall be developed as part of the biennial
17 comprehensive plan and shall serve as the basis for the development of the biennial
18 budget, beginning with the 1995-97 fiscal biennium.

19 (b) The Director shall institute a standard process for developing program
20 performance measures and for evaluating performance results, uniform performance
21 measurement terms, and a standardized format for presentation.

22 (c) The program performance measurement system shall include:

23 (1) A description of the key performance measures for the program. The
24 performance measures should include: program efficiency or unit cost,
25 outputs or program activity, and outcomes or performance results, with
26 emphasis on the use of program outcome measures.

27 (2) Identification and description of the current level of performance.

28 (3) Targets for the desired level of performance.

29 (4) Identification of future performance measures that should be
30 developed and a time frame for development.

31 (5) A methodology for regular monitoring of departmental, agency, and
32 institutional performance in relation to the measure.

33 (6) A methodology for assessing programs that have achieved the desired
34 performance targets through innovative management actions.

35 (d) The Director of the Budget shall prepare a comprehensive plan for the
36 implementation of a performance measurement system and shall present the plan to the
37 General Assembly at the same time the 1995-97 fiscal biennium budget is submitted to
38 the General Assembly. With regard to programs for which it is anticipated that
39 performance measures will not be fully developed by that date, the Director of the
40 Budget shall submit to the General Assembly at that time, a plan and timetable for the
41 development and implementation of performance measures. In developing the plan,
42 consideration shall be given to any recommendations and reports of the Governmental
43 Accounting Standards Board. In the event the Director shall conclude that it is not

1 feasible to develop performance measures for particular programs, the Director shall set
2 forth detailed reasons for the conclusion in the report.

3 (e) Beginning in 1996, the Director of the Budget shall report to the General
4 Assembly no later than February 1 in odd-numbered years and no later than April 1 in
5 even-numbered years on:

6 (1) The status of the development of the program performance
7 measurement system.

8 (2) The programs that have not achieved the desired level of performance
9 and the reasons performance targets were not achieved.

10 (3) The programs that have achieved performance targets through
11 management innovation.

12 **"§ 143-10.6. Responsibilities of other State agencies.**

13 All State agencies, departments, and institutions shall cooperate with the Director of
14 the Budget to assist in the implementation of strategic planning, departmental planning,
15 and performance budgeting. The Director of the Budget may assign any responsibility
16 to any State agency, department, or institution as appropriate or needed to implement
17 strategic planning, departmental planning, and performance budgeting."

18 (d) G.S. 143-11 reads as rewritten:

19 **"§ 143-11. Survey of departments.**

20 On or before the fifteenth day of December, biennially in the even-numbered years,
21 the Director shall make a complete, careful survey of the operation and management of
22 all the departments, bureaus, divisions, officers, boards, commissions, institutions, and
23 agencies and undertakings of the State and all persons or corporations who use or
24 expend State funds, in the interest of economy and efficiency, and of obtaining a
25 working knowledge upon which to base recommendations to the General Assembly as
26 to appropriations for maintenance and special funds and capital expenditures for the
27 succeeding biennium. If the Director and the Commission shall agree in their
28 recommendations for the budget for the next biennial period, he shall prepare their
29 report in the form of a proposed budget, together with such comment and
30 recommendations as they may deem proper to make. If the Director and Commission
31 shall not agree in substantial particulars, the Director shall prepare the proposed budget
32 based on his own conclusions and judgment, and the Commission or any of its members
33 retain the right to submit separately to the General Assembly such statement of
34 disagreement and the particulars thereof as representing their views. The budget report
35 shall contain a complete and itemized plan in accordance with G.S. 143-10.3, 143-10.4,
36 and 143-10.5 of all proposed expenditures for each State department, bureau, board,
37 division, institution, commission, State agency or undertaking, person or corporation
38 who receives or may receive for use and expenditure any State funds, in accordance
39 with the classification of funds and accounts adopted by the State Controller, and of the
40 estimated revenues and borrowings for each year in the ensuing biennial period
41 beginning with the first day of July thereafter. Opposite each item of the proposed
42 expenditures, the budget shall show in separate parallel columns the amount expended
43 for the last preceding ~~appropriation~~-fiscal year, for the current ~~appropriation~~-fiscal year,
44 and the increase or decrease. The budget shall clearly differentiate between general

1 fund expenditures for operating and maintenance, special fund expenditures for any
2 purpose, and proposed capital ~~outlays~~-improvements.

3 The Director shall accompany the budget with:

- 4 (1) A budget message supporting his recommendations and outlining a
5 financial policy and program for the ensuing biennium. The message
6 will include an explanation of increase or decrease over past
7 expenditures, a discussion of proposed changes in existing revenue
8 laws and proposed bond issues, their purpose, the amount, rate of
9 interest, term, the requirements to be attached to their issuance and the
10 effect such issues will have upon the redemption and annual interest
11 charges of the State debt.
- 12 (2) State Controller reports including:
13 a. An itemized and complete financial statement for the State at
14 the close of the last preceding fiscal year ending June 30.
15 b. A statement of special funds.
- 16 (2a) A statement showing the itemized estimates of the condition of the
17 State treasury as of the beginning and end of each of the next two
18 ~~appropriation~~-fiscal years.
- 19 (3) A report on the fees charged by each State department, bureau,
20 division, board, commission, institution, and agency during the
21 previous fiscal year, the statutory or regulatory authority for each fee,
22 the amount of the fee, when the amount of the fee was last changed,
23 the number of times the fee was collected during the prior fiscal year,
24 and the total receipts from the fee during the prior fiscal year.
- 25 (4) A statement showing the State Board of Education's request, in
26 accordance with G.S. 115C-96, for sufficient funds to provide
27 textbooks to public school students.
- 28 (5) Statements of the objections of members of the Council of State
29 received pursuant to G.S. 143-10.3(b) to the performance measures,
30 departmental operations plans, and indicators of program impact
31 prepared in accordance with G.S. 143-10.3, 143-10.4, and 143-10.5.
- 32 (6) A list of the budget requests of members of the Council of State that
33 are not included in the proposed budget.

34 It shall be a compliance with this section by each incoming Governor, at the first
35 session of the General Assembly in his term, to submit the budget report with the
36 message of the outgoing Governor, if he shall deem it proper to prepare such message,
37 together with any comments or recommendations thereon that he may see fit to make,
38 either at the time of the submission of the said report to the General Assembly, or at
39 such other time, or times, as he may elect and fix.

40 The function of the Advisory Budget Commission under this section applies only if
41 the Director of the Budget consults with the Commission in preparation of the budget."

42 **Sec. 23. Implement Performance Budgeting:** The Director of the Budget
43 shall develop a plan for preparing the 1995-97 fiscal biennium budget in a performance
44 budget format. In developing the plan, consideration shall be given to the program

1 areas of health and safety, environment, correction, justice, social and economic well-
2 being, and economic development and commerce, for which funding shall be provided.
3 The performance budget format shall include the following:

- 4 (1) A description of the resources previously expended and proposed for
5 each major program, including expenditures and numbers of
6 employees.
- 7 (2) A description of the goals, objectives, and need for programs,
8 including statutory requirements.
- 9 (3) A description of the principal program services and activities
10 performed in order to meet program goals and the resources allocated
11 to the major program services.
- 12 (4) A description of the efficiency, or unit cost, of providing program
13 services and activities.
- 14 (5) A presentation of information on program performance and
15 accomplishments in relation to performance measures established by
16 the Director of the Budget in the department plan, as prescribed in G.S.
17 143-10.4 and G.S. 143-10.5.
- 18 (6) Line item detail on expenditure data shall be provided at the single
19 digit level consistent with the State Accounting System (SAS) chart of
20 accounts as prescribed by the State Controller. The source and
21 amounts of funding for each program shall be identified.
- 22 (7) Any changes in the proposed scope of any budget elements, other than
23 to provide for increases in costs due to inflation, shall include
24 explanations as to the impact of the expected changes upon the outputs
25 and performance outcomes of that element subprogram or program.

26 Sec. 24. Annual Financial Model Required:

27 G.S. 143-15.1 reads as rewritten:

28 "**§ 143-15.1. Current Operations Appropriations Act. — Act; General Fund**
29 **Financial Model.**

30 (a) The General Assembly shall enact the Current Operations Appropriations Act
31 by June 15 of odd-numbered years and by June 30 of even-numbered years in which a
32 Current Operations Appropriations Act is enacted. The Current Operations
33 Appropriations Act shall state the amount of General Fund appropriations availability
34 upon which the General Fund budget is based. The statement of availability shall list
35 separately the beginning General Fund credit balance, General Fund revenues, and any
36 other components of the availability amount.

37 The General Fund operating budget appropriations, including appropriations for
38 local tax reimbursements and local tax sharing, for the second year in a Current
39 Operations Appropriations Act that contains a biennial budget shall not be more than
40 two percent (2%) greater than the General Fund operating budget appropriations for the
41 first year of the biennial budget.

42 (b) The General Assembly shall review the results of the General Fund Financial
43 model, a computer- based financial model used to project long-term expenditure and
44 revenue trends under various simulations, in its budget deliberations. The model shall

1 be maintained and, from time to time, updated by the Fiscal Research Division of the
 2 General Assembly."

3

4 Requested by: Representatives Crawford, Wainwright

5 **AUTHORIZATION OF PRIVATE LICENSE TAGS ON STATE-OWNED**
 6 **MOTOR VEHICLES**

7 Sec. 25. Section 21(a) of Chapter 321 of the 1993 Session Laws reads as
 8 rewritten:

9 "(a) Pursuant to the provisions of G.S. 14-250, for the 1993-95 fiscal biennium, the
 10 General Assembly authorizes the use of private license tags on State-owned motor
 11 vehicles only for the State Highway Patrol and for the following:

<u>Department</u>	<u>Exemption Category</u>	<u>Number</u>
13 Motor Vehicles	License and Theft	97
14 Justice	SBI Agents	277
15 Correction	Probation/Parole Surveillance	
16	Officers (intensive	
17	probation)	
18 Crime Control and	ALE Officers	25
19 Public Safety		92
20 <u>Revenue</u>	<u>Criminal Investigations</u>	<u>2</u>
21 <u>Administration</u>	<u>State Capitol Police</u>	<u>3"</u>

22

23 Requested by: Representatives Crawford, Wainwright, Richardson

24 **STATE VETERANS HOME**

25 Sec. 26. Subsection (a) of Section 31 of Chapter 561 of the 1993 Session
 26 Laws reads as rewritten:

27 "Sec. 31. (a) It is the intent of the General Assembly that ~~no State funds shall~~
 28 ~~be appropriated in future years to support operational costs of the State Veterans Home~~
 29 in Fayetteville. Fayetteville receive its primary income from fees, charges, and
 30 reimbursements, and that State appropriated funds be made available only in the event
 31 that other sources are insufficient to cover essential operating costs."

32

33 Requested by: Representative Michaux

34 **RENOVATIONS OF THE OLD REVENUE AND OLD EDUCATION**
 35 **BUILDINGS**

36 Sec. 26.1. The Office of State Construction of the Department of
 37 Administration shall schedule the renovations of the Old Revenue and Old Education
 38 Buildings so that the agencies who have been designated as the primary tenants for
 39 those buildings may move into them as soon as possible. To the extent practical, the
 40 Office of State Construction shall conduct the renovations in phases so as to expedite
 41 the occupancy of the Old Revenue and Old Education Buildings.

42

43 Requested by: Representatives Colton, Diamont, Easterling, Holt

44 **DAY-CARE FACILITY TASK FORCE**

1 Sec. 26.1. (a) Of the funds appropriated in this act or otherwise available to
2 the Department of Administration for the 1994-95 fiscal year, the Department of
3 Administration shall develop an innovative, state-of-the art day-care facility in the
4 central government complex in compliance with Article 7, Chapter 110 of the General
5 Statutes and upon the advice and recommendation of the North Carolina Day-Care
6 Facility Task Force. The facility shall serve as a highly visible project demonstrating
7 the State's commitment to early childhood developmental care.

8 (b) There is created the North Carolina Day-Care Facility Task Force within
9 the Department of Administration for organizational, budgetary, and administrative
10 purposes only. The Task Force shall be composed of nine members of whom three
11 members are ex officio and six are appointed. The ex officio members may designate a
12 representative from their departments, divisions, or offices to represent them on the
13 Task Force.

- 14 (1) The Director of the Division of Social Services, Department of Human
15 Resources;
- 16 (2) The Director of the Division of Maternal and Child Health of the
17 Department of Environment, Health, and Natural Resources;
- 18 (3) The Superintendent of Public Instruction;
- 19 (4) Two members of the Child Day-Care Commission, one appointed by
20 the President Pro Tempore of the Senate and one appointed by the
21 Speaker of the House of Representatives;
- 22 (5) Two members of the public, appointed by the Governor;
- 23 (6) A member of the Senate appointed by the President Pro Tempore of
24 the Senate; and
- 25 (7) A member of the House of Representatives appointed by the Speaker
26 of the House of Representatives.

27 (c) All members of the Task Force are voting members. All appointments
28 shall be made by and terms commence on August 1, 1994. Vacancies in the appointed
29 membership shall be filled by the appointing officer who made the initial appointment.
30 The Governor shall appoint a chair of the Task Force biennially from the membership of
31 the Task Force.

32 (d) The Task Force shall:

- 33 (1) Identify and select a site for the State day-care facility;
- 34 (2) Advise the Department of Administration on matters related to
35 developing the site into a safe, well-equipped, educational day-care
36 facility;
- 37 (3) Advise the Department of Administration on matters related to hiring
38 and firing of day-care personnel and standards of performance of day-
39 care personnel;
- 40 (4) Advise the Department of Administration on developing guidelines for
41 selecting children who shall be eligible for admission into the day-care
42 facility, including children of State employees, inner-city residents of
43 the City of Raleigh, and private citizens and disabled children and
44 other children who qualify for federal assistance;

- 1 (5) Advise the Department of Administration on setting payment rates of
2 persons who use the day-care facility, taking into account ability to
3 pay, State and federal subsidies, and access to federal and other
4 funding;
- 5 (6) Periodically assess the operations of the State day-care facility;
- 6 (7) Conduct a feasibility study of developing a day-care facility at Dorthea
7 Dix Hospital; and
- 8 (8) Report to the 1995 General Assembly on the progress of developing
9 the day-care facility, including progress in selecting a site for the day-
10 care facility, renovating the site to house the day-care facility, and
11 hiring staff for the day-care facility.
- 12

13 PART 11. DEPARTMENT OF CULTURAL RESOURCES

14
15 Requested by: Representatives Crawford, Wainwright, Colton

16 ART IN STATE BUILDINGS/ADMINISTRATIVE COSTS

17 Sec. 27.(a) G.S. 143-408.3 reads as rewritten:

18 "§ 143-408.3. Definitions.

19 In this Article, unless the context otherwise requires, the following definitions shall
20 apply:

- 21 (1) 'Construction' means construction, reconstruction, remodeling, or
22 renovation.
- 23 (2) 'Contracting officer' means the public officer or body responsible for
24 securing the preparation of plans and specifications for the purpose of
25 negotiating or advertising for bids for the construction of a State
26 building.
- 27 (3) 'Designer' means an architect or engineer licensed in North Carolina.
- 28 (4) 'Principal user' means the State agency which will be the principal
29 occupant of the proposed State building. However, in cases where
30 more than one agency will occupy a building, 'principal user' means
31 the Secretary of the Department of Administration.
- 32 (5) 'State building' means any permanent structure together with all
33 grounds and appurtenant structures which are intended as offices;
34 laboratories; workshops; courtrooms; hearing or meeting rooms;
35 medical, dental, library, or museum space for use by the general
36 public; or other space for carrying on the functions of a State agency
37 which is to be constructed, reconstructed, remodeled, or renovated
38 using an appropriation of State funds when the amount appropriated
39 for that purpose exceeds ~~five hundred thousand dollars (\$500,000)~~. one
40 million dollars (\$1,000,000).
- 41 (6) 'Works of art' or 'art works' includes, but is not limited to, paintings,
42 sculptures, fountain sculptures, frescoes, mobiles, murals, collages,
43 mosaics, bas-reliefs, tapestries, photographs, drawings, silk screens,

1 etchings, and lithographs. The term 'works of art' or 'art works' shall
2 not include any reproductions of original art by mechanical means."

3 (b) G.S. 143-408.4 reads as rewritten:

4 **"§ 143-408.4. Appropriations and procedure for inclusion of art works.**

5 (a) One-half of one percent (0.5%) of the amount ~~spent~~appropriated for the
6 construction of each State building, not including the amount of funds used for land
7 acquisition, shall be used for the acquisition of works of art for that building.

8 (b) The amount to be expended for the acquisition of art works for the building
9 shall be included in the stated limit of the design contract and the amount shall also be
10 incorporated by the designer in his total cost estimate for construction.

11 (c) If the contracting officer, the principal user and the Secretary of
12 Administration jointly determine and certify in writing that, due to the use of the
13 building or other reasons, a particular construction project is not appropriate for the
14 placement of art works the provisions of this Article shall not apply, or, if not
15 appropriate for the expenditure of a full one-half percent (0.5%) of the amount ~~spent~~
16 appropriated for construction as defined in G.S. 143-408.3, then in some percentage up
17 to one-half percent.

18 (d) The selection and commissioning of artists and the acquisition and execution of
19 works of art for State buildings undertaken pursuant to this Article shall be exempt from
20 the provisions of all State bidding requirements. Expenditures for works of art as
21 provided in this Article shall be contracted for separately from all other items in the
22 construction project.

23 (e) Of the one-half of one percent (0.5%) of the amount ~~appropriated~~
24 appropriated, or, in cases when an appropriation has been made for planning or design
25 only, the amount approved by the Office of State Construction for the construction cost
26 of a State building ~~which that~~ is dedicated to the acquisition of works of art pursuant to
27 subsection (a) of this section, no more than ~~eight percent (8%)~~twenty percent (20%) of
28 those funds may be used for the administrative costs of acquiring the art works. Funds
29 for the administrative costs for acquisition of the art works shall be disbursed to the
30 Department of Cultural Resources at the time the design contract is signed.

31 (e1) Of the one-half of one percent (0.5%) of the amount estimated for the
32 construction cost of a State building that is dedicated to the acquisition of works of art
33 pursuant to subsection (a) of this section, up to ten percent (10%) of the funds reserved
34 for the artist's fee may be used as advanced planning funds to enable the artist, upon
35 selection, to develop working drawings and to incorporate plans for the art work in the
36 construction documents for the State building. Funds for advanced planning shall be
37 disbursed at the time the artist's contract is approved.

38 (e2) Of the one-half of one percent (0.5%) of the amount appropriated for the
39 construction cost of a State building that is dedicated to the acquisition of works of art
40 pursuant to subsection (a) of this section, two percent (2%) shall be placed in a
41 nonreverting fund for the repair and conservation of the works of art in the Art Works
42 for State Buildings Collection in the Department of Cultural Resources.

1 (f) The Department of Cultural Resources may issue any rules necessary for the
2 implementation of this ~~act~~ Article and shall administer the program created by this ~~act~~
3 Article through the North Carolina Arts Council."

4 (c) G.S. 143-408.5(a) reads as rewritten:

5 "(a) Whenever a new State building is to be constructed, the contracting officer,
6 together with the designer who has been engaged to prepare the plans for the project,
7 shall consult with the principal user and the Public Arts Administrator of the North
8 Carolina Arts ~~Council~~ Council, prior to the schematic phase of the building, regarding
9 the works of art to be included in the design of the building and the artist or craftsman to
10 be commissioned for the project."

11 (d) This section applies to State buildings authorized after September 1, 1992.

12
13 Requested by: Representatives Crawford, Wainwright

14 TRYON'S PALACE ARTIFACTS

15 Sec. 28. G.S. 121-20 reads as rewritten:

16 "**§ 121-20. Commission to receive and expend funds donated or made available for**
17 **restoration of Tryon's ~~Palace~~. Palace; Commission to acquire and sell**
18 **artifacts for Tryon's Palace.**

19 (a) In addition to exercising the powers and duties imposed upon the Tryon Palace
20 Commission by Chapter 791 of the Session Laws of 1945 and Chapter 233 of the
21 Session Laws of 1949, the Tryon Palace Commission is hereby fully authorized and
22 empowered to receive and expend and disburse, for the restoration of the said Tryon's
23 Palace, all such funds and property which were provided for said purpose by the last
24 will and testament of Maude Moore Latham, deceased, and the said Commission shall
25 likewise have the power and authority to receive and expend all such other funds as may
26 be donated or made available for the purpose of restoring the said Palace or for the
27 purpose of furnishing and equipping same and the grounds on which the same is located
28 at New Bern, North Carolina.

29 The Tryon Palace Commission is hereby authorized, empowered and directed to
30 designate some person as financial officer and treasurer, to disburse the funds and
31 property devised by Maude Moore Latham to the said Tryon Palace Commission for the
32 aforesaid purpose and all such other funds as may be donated or made available to the
33 said Commission for expenditure for the aforesaid purposes. The said financial officer
34 and treasurer shall be made the custodian of all stocks, bonds and securities and funds
35 hereinbefore referred to and shall be authorized and empowered to sell, convert and
36 transfer any stocks, bonds and securities held for such purpose, subject to and with the
37 advice and approval of a finance committee to be appointed by the Tryon Palace
38 Commission for such purpose. The sale and conversion and transfer of said securities
39 shall be made when necessary to provide funds required for the said restoration and at
40 such time as, in the opinion of the finance officer and treasurer, when approved by the
41 finance committee, will be to the interests and advantage of the Tryon Palace
42 Commission and the purposes for which said funds and securities were provided.

43 The finance officer and treasurer aforesaid shall be required to give such bond as, in
44 the opinion of the Tryon Palace Commission, is proper for the faithful performance as

1 finance officer and treasurer, and shall render to the Tryon Palace Finance Committee,
2 with copies to the Department of Cultural Resources and the State Treasurer, annual or
3 ad interim detailed reports of moneys and/or securities received, exchanged or
4 converted into cash. Checks issued against such funds shall be countersigned by the
5 chairman of Tryon Palace Commission, or by one duly authorized by the said
6 Commission.

7 The finance officer and treasurer shall serve without compensation; however, any
8 expenses incurred for the faithful performance of said duties, including the cost of the
9 bond, shall be borne by the Tryon Palace Commission, from the proceeds of the funds
10 thus handled.

11 The Tryon Palace Commission shall have the power and authority in its discretion to
12 call upon the Treasurer of the State of North Carolina to act as treasurer of the said
13 funds and properties and, if so designated, said treasurer shall exercise all the powers
14 and duties herein imposed upon the financial officer and treasurer hereinbefore referred
15 to.

16 The Tryon Palace Commission is hereby authorized and empowered to expend the
17 funds hereinbefore referred to and it may disburse said funds through the Department of
18 Cultural Resources in the event it is found more practical to do so, and said Commission
19 shall cooperate with the Department of Cultural Resources of the State of North
20 Carolina in the expenditure of the funds for the restoration of said Tryon's Palace
21 provided by two trust funds created by Maude Moore Latham in her lifetime, which
22 funds shall be expended in accordance with the terms and provisions of said trusts for
23 the purposes therein set out.

24 (b) The Tryon Palace Commission may solicit, accept, and hold artifacts and
25 furnishings, and may acquire them by purchase or gift for the interpretive needs and
26 development of Tryon Palace Historic Sites and Gardens. The Commission may
27 dispose of by trade, sale, or transfer, in accordance with accepted museum practices,
28 any accessioned or unaccessioned artifacts and furnishings in the custody of the
29 Commission, or its appointed officers, that are determined to have no further value for
30 official or administrative purposes or for research, reference, or interpretation. Any
31 proceeds realized through the deaccession and sale of artifacts and furnishings shall be
32 placed in a collections fund administered by the Tryon Palace Commission. Monies
33 received by the Commission, after deduction of the expenses attributable to that sale,
34 shall be used for the acquisition of artifacts and furnishings necessary or desirable for
35 research, reference, and interpretation at Tryon Palace Historic Sites and Gardens."

36
37 Requested by: Representatives Crawford, Wainwright

38 **CULTURAL RESOURCES MAY SELL ARTIFACTS**

39 Sec. 29. G.S. 121-7(a) reads as rewritten:

40 "(a) The Department of Cultural Resources shall maintain and administer the North
41 Carolina Museum of History for the collection, preservation, study, and exhibition of
42 authentic artifacts and other historical materials relating to the history and heritage of
43 North Carolina. The Department, with the approval of the Historical Commission, may
44 acquire, either by purchase, gift, or loan such artifacts and materials, and, having

1 acquired them, shall according to accepted museum practices classify, accession,
2 preserve, and where feasible exhibit such materials and make them available for study.
3 Within available funds, one or more branch museums of history may be established and
4 administered by the Department. The Department of Cultural Resources, subject to the
5 availability of staff and funds, may give financial, technical, and professional assistance
6 to nonstate historical museums sponsored by governmental agencies and nonprofit
7 organizations according to regulations adopted by the North Carolina Historical
8 Commission.

9 The Department of Cultural Resources may, with the explicit approval of the North
10 Carolina Historical Commission sell, trade, or place on permanent loan any artifact
11 owned by the State of North Carolina and in the custody of and curated by the Division
12 of Archives and History, unless the sale, trade, or loan would be contrary to the terms of
13 acquisition. The net proceeds of any sale, after deduction of the expenses attributable to
14 that sale, shall be deposited to the State treasury to the credit of the Division of Archives
15 and History Artifact Fund, and shall be used only for the purchase of other artifacts. No
16 artifact curated by any agency of the Department of Cultural Resources may be pledged
17 or mortgaged."

18
19 Requested by: Representatives Crawford, Wainwright, Hensley

20 **CULTURAL RESOURCES SECURITY OFFICERS**

21 Sec. 30. Section 34 of Chapter 321 of the 1993 Session Laws reads as
22 rewritten:

23 "Sec. 34. (a) On July 1, 1994, the Department of Cultural Resources shall
24 redefine the job responsibilities of its security ~~positions~~ positions, with the exception of
25 the security positions for the North Carolina Museum of Art, so that the services of a
26 certified law enforcement officer are no longer required, and shall accordingly
27 discontinue payments to the Law Enforcement Officers' Retirement System.

28 (b) The Department of Cultural Resources in cooperation with the Department of
29 Administration shall develop a plan to transfer by July 1, 1995, the security positions
30 now under the North Carolina Museum of Art, Department of Cultural Resources, to the
31 State Capitol Police, Department of Administration. The Department of Cultural
32 Resources and the Department of Administration shall submit the plan to the General
33 Assembly by March 1, 1995. The plan shall include all of the following:

- 34 (1) An evaluation of the security technology currently installed in the
35 North Carolina Museum of Art and recommendations regarding any
36 additional equipment that may be needed to ensure adequate security
37 for the Museum.
- 38 (2) The establishment of a State Capitol Police substation or its equivalent
39 in close proximity to State facilities located on Reedy Creek Road or
40 Blue Ridge Road so that adequate security shall be provided to State
41 property in that vicinity.
- 42 (3) An agreement from the North Carolina Museum of Art to make
43 available to the State Capitol Police any special training needed by
44 officers deployed to provide security at the Museum.

1 (4) A detailed cost proposal for the plan.
2

3 **PART 12. OFFICE OF THE GOVERNOR**
4

5 Requested by: Representatives Crawford, Wainwright

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

7 Sec. 32. G.S. 143-23(a1) reads as rewritten:

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

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

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

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

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

43 The requirements in this section that the Director of the Budget report to the Joint
44 Legislative Commission on Governmental Operations and the State Auditor shall not

1 apply to expenditures of receipts by entities that are wholly receipt supported, except for
 2 entities supported by the Wildlife Resources Fund.

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

7

8 **PART 13. DEPARTMENT OF INSURANCE**

9

10 Requested by: Representatives Crawford, Wainwright

11 **CONTROLLER'S RECOMMENDATIONS/INSURANCE DEPARTMENT'S**
 12 **CHART OF ACCOUNTS**

13 Sec. 33. The Office of the State Controller performed a review of the
 14 Department of Insurance's chart of accounts in accordance with Section 42 of Chapter
 15 321 of the 1993 Session Laws and reported its findings and recommendations in a letter
 16 dated March 1, 1994, to the President Pro Tempore of the Senate and the Speaker of the
 17 House of Representatives. The Office of the State Controller made several
 18 recommendations to bring the Department's accounting practices in compliance with
 19 standards promulgated by the Governmental Accounting Standards Board (GASB) and
 20 to be consistent with the accounting principles and guidelines prescribed for use within
 21 the State's accounting system. The Department of Insurance and the Office of State
 22 Budget and Management under the supervision of the Office of the State Controller
 23 shall implement the first three recommendations of the Office of the State Controller
 24 with regard to the following:

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

<u>Fund</u>	<u>Title</u>	<u>GASB</u>	<u>Reassigned</u>
		<u>No.</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

41 The following list of funds within budget code number 63901 shall be
 42 recorded in a noninterest bearing special revenue fund:

<u>Fund</u>	<u>Title</u>	<u>GASB</u>	<u>Reassigned</u>
		<u>No.</u>	<u>GASB No.</u>

44

1	6121	NC Firemen's Assoc. Grant	3100	1319
2	6122	Res. Squad Workers Relief	3100	1319

3

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

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

17

18 Requested by: Representatives Crawford, Nesbitt

19 CONSUMER PROTECTION FUND

20

Sec. 34. G.S. 58-2-215(d) reads as rewritten:

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

24

25 PART 14. DEPARTMENT OF REVENUE

26

27 Requested by: Representatives Crawford, Wainwright

28 REIMBURSEMENT FOR COST OF COLLECTING WHITE GOODS TAX

29

Sec. 35. (a) Section 10 of Chapter 471 of the 1993 Session Laws is repealed.

30

(b) Section 11 of Chapter 471 of the 1993 Session Laws reads as rewritten:

31 "Sec. 11. Sections 1 through 5 of this act and this section become effective January
32 1, 1994. Section 3 of this act expires July 1, 1998. Section 6 of this act becomes
33 effective July 1, 1998. Sections 7, 8, and 9 of this act become effective July 1, 1999.
34 ~~Section 10 of this act becomes effective January 1, 1995.~~

35

The repeal of the tax imposed by Section 3 of this act does not affect the rights or
36 liabilities of the State, a taxpayer, or another person that arose during the time the tax
37 was in effect. The first report submitted by the Department to the Environmental
38 Review Commission under G.S. 130A-309.85, as enacted by this act, shall cover the
39 period from January 1, 1994, to June 30, 1994."

40

41 PART 15. STATE BOARD OF ELECTIONS

42

43 Requested by: Representatives Crawford, Wainwright

44 STATE BOARD OF ELECTIONS NEEDS ASSESSMENT

1 Sec. 36. (a) The State Board of Elections shall conduct a needs assessment
2 and requirements analysis for computerized voter registration. The needs assessment
3 shall determine whether there is a need for additional computerization of voter
4 registration on a statewide basis, on the county level, or both. The requirements
5 analysis shall prepare specifications for the additional computerization, if any, that the
6 needs assessment determines is needed. Those specifications shall include, but not
7 necessarily be limited to, functional requirements, performance requirements, interface
8 requirements with other computer applications, data communications requirements,
9 computer application design requirements, and project development standards.

10 The State Board of Elections shall use an outside consultant, procured
11 through the Department of Administration, Division of Purchase and Contract, to
12 conduct the needs assessment and requirements analysis. In requests for bids, requests
13 for quotes, requests for proposals, or other procurement actions issued through the
14 Department of Administration, Division of Purchase and Contract, or through any other
15 State agency, for a consultant to write these specifications there shall be a provision that
16 reads as follows:

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

21 The Division of Purchase and Contract and the State agency or agencies
22 involved in the procurement may delete this provision in a procurement request by
23 jointly:

- 24 (1) Filing a written request with the Director of the Budget for
25 authorization to delete this provision from the procurement effort,
- 26 (2) Sending a copy of this written request for authorization to the Director
27 of the Fiscal Research Division at the time it is filed with the Office of
28 State Budget and Management,
- 29 (3) Receiving written authorization to delete the provision from the
30 Director of the Budget, and
- 31 (4) Reporting the authorization, if it is granted, to the Director of the
32 Fiscal Research Division and to the next meeting of the Joint
33 Legislative Commission on Governmental Operations.

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

- 39 (1) A needs assessment and requirements analysis has been conducted in
40 accordance with subsection (a) of this section and has recommended
41 that investments be made in computerized voter registration, and that
42 the State Board of Elections has developed a specific proposal for
43 computerization in accordance with the recommendations of that needs
44 assessment and requirements analysis.

1 (2) The specific proposal developed with the State Board of Elections in
2 accordance with subdivision (1) of this subsection has been approved
3 by the Information Resource Management Commission.

4 (3) After the conditions of subdivisions (1) and (2) of this subsection have
5 been met, the State Board of Elections has reported its specific plans
6 for computerized voter registration to the Joint Legislative
7 Commission on Governmental Operations.

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

11 (c) To the extent that this section conflicts with G.S. 163-82.11, G.S. 163-
12 82.12, or G.S. 163-82.13, if enacted, this section prevails to the extent of the conflict.

13

14 **PART 16. COLLEGES AND UNIVERSITIES**

15

16 Requested by: Representatives Black, Rogers

17 **AID TO STUDENTS ATTENDING PRIVATE COLLEGES/ PROCEDURE**

18 Sec. 37. Subsections (a) and (b) of Section 80 of Chapter 321 of the 1993
19 Session Laws read as rewritten:

20 "Sec. 80. (a) Funds appropriated in Section 3 of this act to the Board of
21 Governors of The University of North Carolina for aid to private colleges shall be
22 disbursed in accordance with the provisions of G.S. 116-19, 116-21, 116-22. These
23 funds shall provide up to ~~four hundred fifty dollars (\$450.00)~~ five hundred fifty dollars
24 (\$550.00) per full-time equivalent North Carolina undergraduate student enrolled at a
25 private institution as of October 1 of each fiscal year.

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

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

40 The tuition grants provided for in this section shall be administered by the State
41 Education Assistance Authority pursuant to rules adopted by the State Education
42 Assistance Authority not inconsistent with this section. The State Education Assistance
43 Authority shall not approve any grant until it receives proper certification from an
44 approved institution that the student applying for the grant is an eligible student. Upon

1 receipt of the certification, the State Education Assistance Authority shall remit, at such
2 times as it shall prescribe, the grant to the approved institution on behalf and to the
3 credit of the student.

4 In the event a student on whose behalf a grant has been paid is not enrolled and
5 carrying a minimum academic load as of October 1 of the first academic term or on the
6 tenth classroom day following the beginning of the second school term for which the
7 grant was paid, the institution shall refund the full amount of the grant to the State
8 Education Assistance Authority. Each approved institution shall be subject to
9 examination by the State Auditor for the purpose of determining whether the institution
10 has properly certified eligibility and enrollment of students and credited grants paid on
11 the behalf of the students.

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

- 14 (1) The Board of Governors of The University of North Carolina, with the
15 approval of the Office of State Budget and Management, may transfer
16 available funds to meet the needs of the programs provided by
17 subsections (a) and (b) of this section; and
- 18 (2) Each eligible student shall receive a pro rata share of funds then
19 available for the remainder of the academic year within the fiscal
20 period covered by the current appropriation.

21 Any remaining funds shall revert to the General Fund."
22

23 Requested by: Representatives Black, Rogers, Sutton

24 **INCENTIVE SCHOLARSHIP PROGRAM FOR NATIVE AMERICANS**

25 Sec. 38. (a) The Board of Governors of The University of North Carolina
26 shall establish the Incentive Scholarship Program for Native Americans to provide
27 opportunities for Native Americans who are residents of North Carolina to attend
28 constituent institutions of The University of North Carolina under rules adopted by the
29 Board of Governors. Scholarships awarded under the program shall carry a maximum
30 value of three thousand dollars (\$3,000) per recipient per academic year, reduced by any
31 amount of need-based aid that the recipient may receive from Pell Grants, North
32 Carolina Student Incentive Grants, Supplemental Educational Opportunity Grants, or
33 the American Indian Student Legislative Grant Program. To be eligible for such a
34 scholarship, a student shall be a Native American, defined as an individual who
35 maintains cultural identification as a Native American through membership in an Indian
36 tribe recognized by the United States or by the State of North Carolina or through other
37 tribal affiliation or community recognition.

38 (b) The Board of Governors of The University of North Carolina shall
39 provide for the orderly transition of the American Indian Legislative Scholarship
40 Program into the Incentive Scholarship Program for Native Americans, incorporating
41 the purposes of both programs into a single administrative entity.

42 (c) Of the funds appropriated to the Board of Governors of The University of
43 North Carolina for the 1994-95 fiscal year in this act, three hundred thirty-three
44 thousand dollars (\$333,000) shall be used to underwrite the cost of awarding

1 scholarships, under the provisions of subsection (a) of this section, for the benefit of
2 students enrolled in the 1994-95 academic year. It is the intent of this section that the
3 funds required to fund fully the program shall be included in the continuation budget in
4 subsequent fiscal years.

5
6 Requested by: Representatives Black, Rogers

7 **AGRICULTURAL PROGRAMS**

8 Sec. 39. Of the funds appropriated in this act to the Board of Governors of
9 The University of North Carolina, four hundred fifty thousand dollars (\$450,000) shall
10 be allocated for matching federal funds and enhancement of the agricultural research
11 and extension programs at North Carolina Agricultural and Technical State University.

12 North Carolina Agricultural and Technical State University and North
13 Carolina State University shall establish a joint committee to coordinate the efforts of
14 the two campuses in agricultural research and extension and to avoid duplication of
15 efforts.

16
17 Requested by: Representative Barnes

18 **UNIVERSITY OF NORTH CAROLINA MANAGEMENT FLEXIBILITY**

19 Sec. 40. (a) Subsection (f) of Section 206.2 of Chapter 689 of the 1991
20 Session Laws reads as rewritten:

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

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

25 **"§ 116-30.6. Reports of results.**

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

35 (c) G.S. 116-30.2 reads as rewritten:

36 **"§ 116-30.2. Appropriations to special responsibility constituent institutions.**

37 All General Fund appropriations made by the General Assembly for continuing
38 operations of a special responsibility constituent institution of The University of North
39 Carolina shall be made in the form of a single sum to each budget code of the institution
40 for each year of the fiscal period for which the appropriations are being made.
41 Notwithstanding G.S. 143-23(a1), G.S. 143-23(a2), and G.S. 143-23(a3), each special
42 responsibility constituent institution may expend the General Fund monies so
43 appropriated to it in the manner deemed by the Chancellor to be calculated to maintain
44 and advance the programs and services of the institutions, consistent with the directives

1 and policies of the Board of Governors. The preparation, presentation, and review of
2 General Fund budget requests of special responsibility constituent institutions shall be
3 conducted in the same manner as are requests of other constituent institutions. The
4 quarterly allotment procedure established pursuant to G.S.143-17 shall apply to the
5 General Fund appropriations made for the current operations of each special
6 responsibility constituent institution. All General Fund monies so appropriated to each
7 special responsibility constituent institution shall be recorded, reported, and audited in
8 the same manner as are General Fund appropriations to other constituent institutions."

9 (d) This subsection and subsection (c) of this section are effective upon
10 ratification. Subsection (a) of this section becomes effective June 30, 1994. Subsection
11 (b) of this section become effective July 1, 1994.

12
13 Requested by: Representatives Black, Rogers, Nesbitt

14 **NCSU COMPETITIVE INDUSTRIES/FUNDS**

15 Sec. 41. (a) Of the funds appropriated to the Board of Governors of The
16 University of North Carolina in Section 3 of this act, the sum of one million three
17 hundred sixty thousand dollars (\$1,360,000) shall be allocated to North Carolina State
18 University at Raleigh to enhance efforts to assure the competitiveness of several
19 traditional industries. The funds shall be allocated to provide:

- 20 (1) \$200,000 to transfer the Agricultural Education Program to the
21 College of Agriculture and Life Sciences;
22 (2) \$500,000 for extension, research, and support of the furniture industry;
23 (3) \$360,000 for enhancement of pulp and paper technology efforts; and
24 (4) \$300,000 for the Nonwovens Cooperative Research Center.

25 (b) Effective July 1, 1994, Section 81 of Chapter 321 of the 1993 Session
26 Laws is repealed.

27
28 Requested by: Representatives Black, Rogers, Fussell

29 **NURSE ANESTHETIST TRAINING FUNDS**

30 Sec. 42. Section 98 of Chapter 321 of the 1993 Session Laws reads as
31 rewritten:

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

37
38 Requested by: Representatives Black, Rogers

39 **TEACHING IMPROVEMENT FUNDS**

40 Sec. 43. (a) Of the funds appropriated to the Board of Governors of The
41 University of North Carolina in this act for the schedule of priorities, three million six
42 hundred sixty thousand seven hundred dollars (\$3,660,700) shall be used for the 1994-
43 95 fiscal year to reduce the average student-faculty ratio at all constituent institutions of

1 The University of North Carolina to no more than 16 to 1 beginning with the 1994-95
2 academic year.

3 (b) The Board of Governors of The University of North Carolina shall adopt
4 the rules necessary to implement this section.

5
6 Requested by: Representatives Black, Rogers, Oldham

7 **UNC TUITION SURCHARGE EXCEPTION**

8 Sec. 44. Subsection (b) of Section 89 of Chapter 321 of the 1993 Session
9 Laws reads as rewritten:

10 "(b) The Board of Governors of The University of North Carolina shall ensure that
11 procedures are established that are necessary to impose a twenty-five percent (25%)
12 tuition surcharge on students who take more than 140 degree credit hours to complete a
13 baccalaureate degree in a four-year program or more than one hundred ten percent
14 (110%) of the credit hours necessary to complete a baccalaureate degree in any program
15 officially designated by the Board of Governors as a five-year program. The calculation
16 of these credit hours taken at a constituent institution or accepted for transfer shall
17 exclude hours earned through the College Board's Advanced Placement or CLEP
18 examinations, through institutional advanced placement or course validation, or through
19 summer term or extension programs. No surcharge shall be imposed on any student
20 who exceeds the degree credit hour limits within the equivalent of four academic years
21 of regular term enrollment, or within five academic years of regular term enrollment in
22 a degree program officially designated by the Board of Governors as a five-year
23 program. The Board shall report to the Joint Legislative Education Oversight
24 Committee by April 1, 1994, on its recommendations for implementing this surcharge."
25

26 Requested by: Representatives Black, Rogers, Nesbitt

27 **NURSING SCHOLARS PROGRAM**

28 Sec. 45. (a) G.S. 90-171.61(b) reads as rewritten:

29 "(b) The Nursing Scholars Program shall be used to provide the following:
30 (1) A four-year scholarship loan in the amount of five thousand dollars
31 (\$5,000) per year, per recipient, to North Carolina high school seniors
32 or other persons interested in preparing to become a registered nurse
33 through a baccalaureate degree program.
34 (2) A two-year scholarship loan in the amount of three thousand dollars
35 (\$3,000) per year, per recipient, to persons interested in preparing to be
36 a registered nurse through an associate degree nursing program or a
37 diploma nursing program.
38 (3) A two-year scholarship loan in the amount of three thousand dollars
39 (\$3,000) per year, per recipient, for two years of baccalaureate nursing
40 study for college juniors or community college graduates interested in
41 preparing to be a registered nurse.
42 (4) A two-year scholarship loan of three thousand dollars (\$3,000) per
43 year, per recipient, for two years of baccalaureate study in nursing for
44 registered nurses who do not hold a baccalaureate degree in nursing.

- 1 (5) A two-year scholarship loan of six thousand dollars (\$6,000) per year,
2 per recipient, for two years of study leading to a master of science in
3 nursing degree for people already holding a baccalaureate degree in
4 nursing.

5 In addition to the scholarship loans awarded pursuant to subdivisions (1) through (5)
6 of this subsection, the Commission may award pro rata scholarship loans to recipients
7 enrolled at least half-time in study leading to a master of science in nursing degree who
8 already hold a baccalaureate degree in nursing. In awarding all scholarship loans, the
9 Commission shall give priority to full-time students over part-time students. The State
10 Education Assistance Authority shall adopt specific rules to regulate scholarship loans
11 to part-time master of science in nursing students.

12 Within current funds available or with any additional funds provided by the General
13 Assembly for this purpose, the Commission may set aside slots for scholarship loans
14 prescribed by subdivisions (1) and (2) of this subsection to enable licensed practical
15 nurses to become registered nurses. The State Education Assistance Authority shall
16 adopt specific rules to regulate these scholarship loans."

17 (b) G.S. 90-171.62(b) reads as rewritten:

18 "(b) The State Education Assistance Authority shall forgive the loan if, within
19 seven years after graduation from a nursing education program, the recipient practices
20 nursing in North Carolina for one year for every year a scholarship loan was provided.
21 If the recipient repays the scholarship loan by cash payments, all indebtedness shall be
22 repaid within ten years. The Authority may provide for accelerated repayment and for
23 less than full-time employment options to encourage the practice of nursing in either
24 geographic or nursing specialty shortage areas. The Authority shall adopt specific rules
25 to designate these geographic areas and these nursing specialty shortage areas, upon
26 recommendations of the North Carolina Center for Nursing. The North Carolina Center
27 for Nursing shall base its recommendations on objective information provided by
28 interested groups or agencies and upon objective information collected by the Center.
29 The Authority may forgive the scholarship loan if it determines that it is impossible for
30 the recipient to practice nursing in North Carolina for a sufficient time to repay the loan
31 because of the death or permanent disability of the recipient within ten years following
32 graduation or termination of enrollment in a nursing education program."

33 (c) Of the funds appropriated to the Board of Governors of The University of
34 North Carolina for the 1994-95 fiscal year in this act, twenty-four thousand dollars
35 (\$24,000) shall be used to fund a secretary position to administer the selection and
36 origination functions for the Nursing Scholars Program and the Nurse Education
37 Scholarship Loan Program.

38
39 Requested by: Representatives Black, Rogers, James

40 **SOIL SCIENCE FACULTY POSITION**

41 Sec. 46. Of the funds appropriated to the Board of Governors of The
42 University of North Carolina for agricultural programs for the 1994-95 fiscal year in
43 this act, one hundred thousand dollars (\$100,000) shall be allocated to fund a new
44 faculty position in soil science for the College of Agriculture and Life Sciences at North

1 Carolina State University. The position shall be located at the Tidewater Research and
2 Extension Center at Plymouth, North Carolina.

3
4 Requested by: Representatives Black, Rogers, Nesbitt, Diamont

5 **MOUNTAIN CONIFER FUNDS**

6 Sec. 47. (a) The General Assembly finds that the growth of conifers for the
7 Christmas tree industry is a major industry in Western North Carolina and that the sale
8 of Christmas trees grown in Western North Carolina contributes seventy million dollars
9 (\$70,000,000) annually to the region's economy.

10 (b) Of the funds appropriated in this act to the Board of Governors of The
11 University of North Carolina for the 1994-95 fiscal year, the sum of seventy thousand
12 dollars (\$70,000) shall be used for the Cooperative Extension Service at North Carolina
13 State University to establish an area extension specialist position located at the
14 Mountain Horticultural Crops Research Station at Fletcher. This position shall provide
15 support to North Carolina's mountain conifer and Christmas tree industries. The
16 Cooperative Extension Service at North Carolina State University shall consult with
17 representative groups of Christmas tree growers in this region in developing guidelines
18 for this position and in filling the position.

19
20 Requested by: Representatives Warner, Black, Rogers, Diamont, Nesbitt

21 **UNC/LEGISLATIVE COLLEGE OPPORTUNITY ACT PILOT PROGRAM**

22 Sec. 48. Of the funds appropriated to the Board of Governors of The
23 University of North Carolina in this act, one million six hundred thousand dollars
24 (\$1,600,000) shall be allocated equally among the 16 constituent institutions. The funds
25 shall not revert and shall be placed in trust fund accounts, with the investment earnings
26 to be used for this program as well.

27 The funds shall be used to establish a pilot Legislative College Opportunity
28 Program to recruit new students to enroll in college in future years who might not be
29 able to attend college without incentives. The program shall be based on guidelines and
30 rules established by the Board of Governors. The Board shall consider the needs of
31 socially and economically disadvantaged youth in developing the pilot program with a
32 primary goal of improving the academic performance, high school graduation rates,
33 college going rates, and college graduation rates of youth currently underperforming in
34 these measures. The Board shall develop the pilot program so that it provides
35 incentives for and removes financial barriers to college attendance. The Board shall
36 consider various academic standards and financial need in establishing the program, and
37 the funds shall be used to pay for some portion of college attendance costs.

38 The Board shall establish the program guidelines and charge the campuses
39 with implementing the pilot program by January 31, 1995. The Board shall report on
40 the guidelines, program design and progress in implementation to the Joint Legislative
41 Oversight Committee by May 15, 1995, with copies to members of the House and
42 Senate Appropriations Subcommittees on Education. The Board shall monitor the
43 success of the pilot program in attracting students who otherwise might not have
44 enrolled in higher education, and shall monitor the progress of these students, with

1 annual reports to the Joint Legislative Education Oversight Committee by May 15, 1996
2 and each succeeding year through 2001.

3

4 Requested by: Representatives Black, Rogers, Nesbitt, Diamont

5 **ECU MEDICAL SCHOOL FUNDS**

6 Sec. 49. There is appropriated to the Board of Governors of The University
7 of North Carolina from Medicare reimbursements being held in the special fund account
8 on deposit with the State Treasurer created pursuant to Section 87(a)(3) of Chapter 321
9 of the 1993 Session Laws the sum of five million fifty-four thousand six hundred sixty-
10 five dollars (\$5,054,665) for the 1994-95 fiscal year which shall be allocated by the
11 Board of Governors for the East Carolina School of Medicine as follows:

- 12 (1) \$2,300,000 for construction of a medical waste incinerator;
13 (2) \$1,574,000 for a linear accelerator; and
14 (3) \$1,180,665 for clinic renovations.

15

16 Requested by: Representatives Nesbitt, Diamont

17 **CAMPUS STORES OPEN TO STUDENTS AT ALL CAMPUSES**

18 Sec. 50. G.S. 66-58(c)(3) reads as rewritten:

19 "(3) The business operation of endowment funds established for the
20 purpose of producing income for educational purposes; for purposes of
21 this section, the phrase "operation of endowment funds" shall include
22 the operation by public postsecondary educational institutions of
23 campus stores, the profits from which are used exclusively for
24 awarding scholarships to defray the expenses of students attending the
25 institution; provided, that the operation of such stores must be
26 approved by the board of trustees of the institution, and the
27 merchandise sold shall be limited to educational materials and
28 supplies, gift items and miscellaneous personal-use articles. Provided
29 further that sales at campus stores are limited to employees of the
30 institution and members of their immediate families, to duly enrolled
31 students of the campus at which a campus store is located and their
32 immediate families, to duly enrolled students of other campuses of The
33 University of North Carolina other than the campus at which the
34 campus store is located, to other campus stores and to other persons
35 who are on campus other than for the purpose of purchasing
36 merchandise from campus stores. It is the intent of this subdivision
37 that campus stores be established and operated for the purpose of
38 assuring the availability of merchandise described in this Article for
39 sale to persons enumerated herein and not for the purpose of
40 competing with stores operated in the communities surrounding the
41 campuses of the University of North Carolina."

42

43 Requested by: Representative Baddour

44 **SOCIAL WORKERS' EDUCATION LOAN FUND**

1 Sec. 50.1. Effective July 1, 1994, Article 23 of Chapter 116 of the General
2 Statutes is amended by adding a new section to read:

3 **"§ 116-209.30. Social Workers' Education Loan Fund.**

4 (a) There is established the Social Workers' Education Loan Fund to be
5 administered by the State Education Assistance Authority, in consultation with the
6 Department of Human Resources, to attract trained social workers into public child
7 welfare positions in all county departments of social services in the State. The Fund
8 shall provide 25 four-year undergraduate and 10 two-year graduate scholarship loans
9 per year.

10 (b) The Authority, in consultation with the Department of Human Resources,
11 shall develop the following criteria to administer the Fund:

12 (1) All students shall be enrolled in an institution of higher education in
13 North Carolina in an accredited bachelors of social work or masters of
14 social work program;

15 (2) All students shall be residents of North Carolina. For purposes of this
16 section, residency shall be determined by the same standard as
17 residency for tuition purposes pursuant to G.S. 116-143.1;

18 (3) All students shall enter into a legal agreement and promissory note
19 with the Authority to accept employment in public child welfare in
20 exchange for receiving any funds, which agreement shall include
21 stipulation that the student agrees to accept employment in rural or
22 other need-based counties; and

23 (4) Any additional criteria that the Authority considers necessary to
24 administer the program effectively, including:

25 a. Consideration of the appropriate numbers of minority students
26 and students from diverse socio-economic backgrounds to
27 receive funds pursuant to this section;

28 b. Consideration of what rural or other need-based areas of the
29 State shall be considered appropriate for work after graduation
30 pursuant to subdivision (3) of this subsection;

31 c. Consideration of the academic qualifications of the individuals
32 applying to receive funds; and

33 d. Consideration of the commitment the individuals applying to
34 receive funds demonstrate to the profession of social work.

35 (c) The Authority shall ensure that the loan amounts are limited as follows:

36 (1) For a student pursuing a bachelors of social work degree, four
37 thousand dollars (\$4,000) per year for a maximum of four years; and

38 (2) For a student pursuing a masters of social work degree, five thousand
39 dollars (\$5,000) per year for a maximum of two years.

40 (d) The Authority shall ensure that the following loan cancellations and
41 repayment schedules apply to all funds distributed pursuant to this section:

42 (1) The individual who graduates with a bachelors of social work degree
43 or a masters of social work degree and who works for a public child
44 welfare agency in a rural or other need-based area of North Carolina

1 shall have that amount of the loan cancelled that is based on the
2 amount of time employed and the number of academic years funds
3 were received. One full year of employment shall cancel one
4 academic year's loan, whether four thousand dollars (\$4,000) or five
5 thousand dollars (\$5,000);

6 (2) The individual who graduates with a bachelors of social work degree
7 or a masters of social work degree and who works in public child
8 welfare in a rural or other need-based area of North Carolina for the
9 equivalent of the total number of academic years funds were received
10 shall have the entire loan cancelled;

11 (3) The individual who graduates with a bachelors of social work degree
12 or a masters of social work degree and who does not work in public
13 child welfare in a rural or other need-based area of North Carolina for
14 any or all of the equivalent of the number of years funds were received
15 shall repay the loan to the Authority according to a schedule prescribed
16 in the promissory note, plus ten percent (10%) annual interest; and

17 (4) The individual who does not graduate with a bachelors of social work
18 degree or a masters of social work degree shall repay the loan
19 according to a schedule prescribed by the Authority, not to exceed
20 fifteen percent (15%) annual interest. In establishing a schedule and
21 interest rate, the Authority shall take into consideration the reasons the
22 individual did not graduate with a bachelors of social work degree or a
23 masters of social work degree.

24 The Authority shall ensure that all repayments, including accrued interest, shall be
25 placed in the Fund.

26 The Authority may forgive or reduce any loan repayment if the Authority considers
27 that extenuating circumstances exist that would make repayment impossible.

28 (e) The State Education Assistance Authority, in consultation with the
29 Department of Human Resources, shall adopt rules to implement the Social Workers'
30 Education Loan Fund as described in this section."

31 32 **PART 17. DEPARTMENT OF COMMUNITY COLLEGES**

33
34 Requested by: Representatives Black, Rogers

35 **PROGRAM REGIONALISM**

36 Sec. 51. The State Board of Community Colleges shall require that all new
37 programs it approves be developed using a regional approach unless there are extreme
38 extenuating circumstances documented by the college detailing reasons a regional
39 program is not feasible. The college shall demonstrate that it has attempted to develop a
40 regional program and explain what barriers were in existence.

41 It is the intent of the General Assembly to increase the number of regional
42 program offerings in community colleges and to eliminate as much duplication of
43 programs by colleges that are within reasonably close proximity to each other. The
44 General Assembly urges the State Board's Government Performance Audit Committee

1 (GPAC) Task Force on Regionalism to provide more substantive recommendations on
2 how existing as well as new programs can be offered regionally as recommended by the
3 GPAC in its next report due in January 1995.

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

8
9 Requested by: Representatives Black, Rogers

10 **CONTINUING BUDGET CONCEPT**

11 Sec. 52. The State Board of Community Colleges shall implement the new
12 continuing budget concept presented to the House and Senate Appropriations
13 Subcommittees during the 1994 Regular Session of the 1993 General Assembly for the
14 1995-97 biennium and in subsequent years. In order to ensure more stability in funding,
15 community colleges that experience a decline in enrollment shall not receive a decrease
16 in full-time equivalent student (FTE) enrollment funds until their enrollment declines
17 more than four percent (4%). At that time, they shall experience a decline of only the
18 amount over four percent (4%). Community colleges that experience an increase in
19 enrollment shall not experience an increase in full-time equivalent student (FTE)
20 enrollment funds until their enrollment increases more than four percent (4%). At that
21 time, they shall experience an increase of only the amount over four percent (4%).

22 It is the intent of this section to implement the recommendation of the
23 Government Performance Audit Committee regarding changing the community college
24 funding formula to one that is a combination of a base funding source with an FTE
25 component.

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

30
31 Requested by: Representatives Black, Rogers

32 **STATE BOARD RESERVE FUNDS**

33 Sec. 53. Of the funds appropriated to the Department of Community
34 Colleges in Chapter 321 of the 1993 Session Laws for the State Board Reserve, forty-
35 six thousand dollars (\$46,000) shall be allocated to fund the additional costs associated
36 with the automated central cataloging of library books.

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

41
42 Requested by: Representatives Black, Rogers

43 **PRISON CLASSES**

44 Sec. 54. G.S. 115D-5 is amended by adding a new subsection to read:

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

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

7
8 Requested by: Representatives Black, Rogers

9 **1993 PROFESSIONAL COUNSELOR LICENSING ACT EXEMPTION**

10 Sec. 55. G.S. 90-332.1(a) is amended by inserting two new subdivisions to
11 read:

12 "(4.1) Any person counseling within the scope of employment at a local
13 community college.

14 "(4.2) Any person counseling within the scope of employment at a private
15 higher education institution as defined in G.S. 116-22(1)."

16
17 Requested by: Representative Diamont

18 **COMMUNITY COLLEGES BEHIND WALLS**

19 Sec. 56. The State Board of Community Colleges shall develop a plan to
20 establish "Community Colleges Behind Walls" to train and educate prison inmates
21 better. The State Board shall present the plan to the 1995 General Assembly prior to
22 February 1, 1995.

23
24 Requested by: Representative Nesbitt

25 **COMPETITIVE SALARY LEVELS FOR CURRICULUM FACULTY**

26 Sec. 57. (a) Funds appropriated in this act for competitive salary levels for
27 community college curriculum faculty shall be used to provide an average additional
28 salary increase to full-time curriculum faculty to enable the community colleges to
29 retain a core of outstanding faculty at competitive salary levels. The State Board of
30 Community Colleges shall not use these funds to decrease the faculty/student ratio at
31 community colleges. The State Board shall use these funds, along with the funds
32 appropriated in this act for a 4% salary increase for all community college employees,
33 only to increase the unit value in the community college allotment formula for
34 curriculum faculty by 8%.

35 The State Board of Community Colleges shall ensure that these funds are
36 used to provide for a community college system-wide full-time curriculum faculty
37 salary of at least 102% of the curriculum faculty salary unit value in the allotment
38 formula.

39 Each community college shall increase the salaries of its full-time curriculum
40 faculty members by at least 8% for the 1994-95 fiscal year unless the average salary for
41 full-time curriculum faculty at the college is already at or above the community college
42 system-wide average salary for full-time curriculum faculty members. A community
43 college shall not use faculty salary funds for administrative costs unless the average

1 full-time curriculum faculty salary at the college is already at or above the community
2 college system-wide average salary for full-time curriculum faculty members.

3 (b) The State Board of Community Colleges shall develop a salary schedule
4 for all community college faculty and shall report that salary schedule to the 1995
5 General Assembly.

7 PART 18. PUBLIC SCHOOLS

9 Requested by: Representatives Gray, Rogers, Black

10 NONCERTIFIED SCHOOL EMPLOYEE SALARIES

11 Sec. 58. (a) G.S. 115C-12(16) reads as rewritten:

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

13 a. Support personnel refers to all public school employees who are
14 not required by statute or regulation to be certified in order to
15 be employed. The State Board of Education is authorized and
16 empowered to adopt all necessary rules for full implementation
17 of all schedules to the extent that State funds are made available
18 for support personnel.

19 b. Salary schedules for the following public school support
20 personnel shall be adopted by the State Board of Education:
21 school finance officer, office support personnel, ~~property and~~
22 ~~cost clerks,~~ teacher assistants, maintenance supervisors,
23 custodial personnel, and transportation personnel. The Board
24 shall classify these support positions in terms of uniform pay
25 grades included in the salary schedule of the State Personnel
26 Commission.

27 ~~Prior to~~ By the end of the third payroll period of the 1995-96
28 ~~school fiscal year,~~ local boards of education shall place State-
29 allotted office support personnel, teacher assistants, and
30 custodial personnel on the salary schedule adopted by the State
31 Board of Education so that the average salary paid is the State-
32 allotted amount for the category. In placing employees on the
33 salary schedule, the local board shall consider the education,
34 training, and experience of each employee. It is the intent of
35 the General Assembly that a local school administrative unit not
36 fail to employ an employee who was employed for the prior
37 school year in order to implement the provisions of this sub-
38 subdivision. A local board of education is in compliance with
39 this sub-subdivision if the average salary paid is at least ninety-
40 five percent (95%) of the State-allotted amount for the category
41 at the end of the third payroll period of the 1995-96 fiscal year,
42 and at least ninety-eight percent (98%) of the State-allotted
43 amount for the category at the end of the third payroll period of
44 each subsequent fiscal year. The Department of Public

1 Instruction shall provide technical assistance to local school
2 administrative units regarding the implementation of this sub-
3 subdivision.

4 ~~The average salary paid to employees in each category from~~
5 ~~State-allotted funds for the 1993-94 school year shall be at least~~
6 ~~two percent (2%) higher than the average salary paid to~~
7 ~~employees in that category from State-allotted funds for the~~
8 ~~1992-93 school year.~~

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

- 12 c. Salary schedules for other support personnel, including but not
13 limited to maintenance and school food service personnel, shall
14 be adopted by the State Board of Education. The Board shall
15 classify these support positions in terms of uniform pay grades
16 included in the salary schedule of the State Personnel
17 Commission. These schedules shall apply if the local board of
18 education does not adopt a salary schedule of its own for
19 personnel paid from other than State appropriations."

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

24
25 Requested by: Representatives Rogers, Black

26 **TRANSPORTATION INFORMATION MANAGEMENT SYSTEM FUNDS**

27 Sec. 59. Of the funds appropriated to Aid to Local School Administrative
28 Units for school transportation in this act, the sum of five hundred ten thousand dollars
29 (\$510,000) for the 1994-95 fiscal year shall be used for the continuation of the
30 Transportation Information Management System. These funds shall be used for
31 equipment, equipment maintenance, and contractual services to operate the program.

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

34
35 Requested by: Representatives Rogers, Black

36 **OUTCOME-BASED EDUCATION FUNDS**

37 Sec. 60. Of the funds appropriated for the Outcome-Based Education
38 Program in this act, the sum of one hundred thousand dollars (\$100,000) shall be used
39 by the Department of Public Instruction to provide technical assistance, evaluate
40 programs, refine proficiencies and outcomes, and otherwise implement the program.

41
42 Requested by: Representatives Black, Rogers

43 **DEVELOPMENTAL DAY CENTERS' GRANT-IN-AID**

1 Sec. 61. Section 216 of Chapter 321 of the 1993 Session Laws reads as
2 rewritten:

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

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

19 The Department of Public Instruction shall report to the General Assembly and to
20 the Fiscal Research Division by May 1, 1994, and May 1, 1995, regarding the use of the
21 funds transferred to it by this section."
22

23 Requested by: Representatives Rogers, Black

24 **ADMINISTRATION OF THE INTERVENTION/PREVENTION GRANT**
25 **PROGRAM**

26 Sec. 62. Of the funds allocated under Section 42 of Chapter 24 of the 1994
27 Session Laws for the Intervention/Prevention Grant Program, up to two hundred
28 thousand dollars (\$200,000) may be used by the Department of Public Instruction to
29 implement that section.
30

31 Requested by: Representatives Rogers, Black

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

33 Sec. 63. (a) G.S. 115C-81(c) reads as rewritten:

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

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

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

- 5 (1) Federal requirements for LEP students;
- 6 (2) The number of LEP students in the State and their geographic
7 distribution across the State;
- 8 (3) Methods for identifying LEP students;
- 9 (4) Methods for assessing the abilities of LEP students in their home
10 language;
- 11 (5) Criteria for entrance into and exit from LEP programs;
- 12 (6) Technical assistance needs of local school administrative units and the
13 Department of Public Instruction;
- 14 (7) Teacher training needs for regular classroom teachers and teachers in
15 LEP programs;
- 16 (8) Projections of the number of English as a Second Language or other
17 LEP teachers needed in the future and the role of The University of
18 North Carolina in meeting that need;
- 19 (9) Certification criteria for teachers of LEP students;
- 20 (10) Methods for assessing LEP children's needs for special education,
21 including programs for academically gifted students;
- 22 (11) Methods of instruction for LEP students including English as a Second
23 Language Programs and transitional bilingual education;
- 24 (12) Funding options for serving LEP students, including use of federal
25 Migrant Education funds and other federal, State, and local funds for
26 LEP students; and
- 27 (13) Programs in the State that currently serve LEP students.

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

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

39
40 Requested by: Representatives Rogers, Black

41 **EXCEPTIONAL CHILDREN FUNDS**

42 Sec. 64. (a) Section 134(a) of Chapter 321 of the 1993 Session Laws reads as
43 rewritten:

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

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

11 (2) Each local school administrative unit shall receive for exceptional
12 children other than academically gifted children the sum of ~~\$1,923.79~~
13 \$1,956.52 per child for the lesser of (i) all children who are identified
14 as exceptional children other than academically gifted children or (ii)
15 twelve and five-tenths percent (12.5)% of the ~~1992-93~~ 1993-94 actual
16 average daily membership in the local school administrative unit. The
17 maximum number of children for which funds shall be allocated
18 pursuant to this subdivision is ~~125,316~~ 127,668 for the ~~1993-94~~ 1994-
19 95 school year.

20 (3) Each local school administrative unit in which more than twelve and
21 five-tenths percent (12.5%) of the ~~1992-93~~ 1993-94 actual average
22 daily membership are identified as exceptional children other than
23 academically gifted children shall receive \$418.76 per child in excess
24 of the twelve and five-tenths percent (12.5%). These funds shall be
25 used only for nonrecurring expenditures and other expenditures for
26 exceptional children other than academically gifted children that do
27 not impose future obligations on the State or local governments.

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

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

33 "(d) The State Board of Education shall report its preliminary recommendations,
34 including any proposals for modified laws, rules, or policies and findings under
35 subsections (b) and (c) of this section to the Commission on Children with Special
36 Needs and to the chairs of the appropriations committees and the appropriations
37 subcommittees on education of the Senate and the House of Representatives by March
38 15, ~~1994~~ 1994, and its final recommendations by January 1, 1995."

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

43
44 Requested by: Representatives Rogers, Black

REPORT ON TEACHERS LEAVING THE TEACHING PROFESSION

Sec. 65. G.S. 115C-12 is amended by adding a new subdivision to read:

"(22) Duty to Monitor the Decisions of Teachers to Leave the Teaching Profession. – The State Board of Education shall monitor and compile an annual report on the decisions of teachers to leave the teaching profession. The State Board shall adopt standard procedures for each local board of education to use in requesting the information from teachers who are not continuing to work as teachers in the local school administrative unit and shall require each local boards of education to report the information to the State Board in a standard format adopted by the State Board."

Requested by: Representative Barnes

TASK FORCE ON VOCATIONAL AND TECHNICAL EDUCATION

Sec. 66. (a) Task Force on Vocational and Technical Education created membership. – There is created the Task Force on Vocational and Technical Education. The Task Force shall be located administratively in the Department of Public Instruction but shall exercise all its prescribed statutory powers independently of the Department of Public Instruction.

(b) The Task Force shall consist of the following 16 members:

- (1) The State Superintendent of Public Instruction or a designee;
- (2) The State Auditor or a designee;
- (3) The Commissioner of Labor or a designee;
- (4) One representative of The University of North Carolina, appointed by the President of The University of North Carolina;
- (5) One representative of the North Carolina Community College System, appointed by the President of the North Carolina Community College System;
- (6) Two members appointed by the Governor;
- (7) Two members of the Senate appointed by the President Pro Tempore of the Senate;
- (8) One businessperson involved in vocational and technical education and one director of vocational and technical education for a local school administrative unit, appointed by the President Pro Tempore of the Senate;
- (9) Two members of the House of Representatives appointed by the Speaker of the House of Representatives;
- (10) One businessperson involved in vocational and technical education and one vocational and technical education teacher appointed by the Speaker of the House of Representatives; and
- (11) The chair of the Governor's Commission on WorkForce Preparedness.

The Governor and the Superintendent of Public Instruction shall each appoint a cochair from the membership of the Task Force.

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

1 (c) The Task Force, in collaboration with the Department of Community
2 Colleges, the Department of Public Instruction, and the Governor's Commission on
3 WorkForce Preparedness shall study the following issues related to vocational and
4 technical education:

- 5 (1) The quality, focus, standards, and future goals of vocational and
6 technical education programs in the public schools, including the
7 current status of local TechPrep, apprenticeship, and other school-to-
8 work programs in North Carolina;
- 9 (2) Funding issues including funding levels of programs, funding sources,
10 distribution of funds, students served, and cost-per-student
11 comparisons;
- 12 (3) Technological and educational quality of equipment and instructional
13 materials, and projected equipment and technology needs for
14 vocational and technical education;
- 15 (4) Current accountability efforts, including program standards and
16 performance measures such as academic and employment outcomes,
17 and review of program evaluation and improvement methods;
- 18 (5) Relevance of vocational and technical education to the workforce and
19 subsequent employment, including the relationship of program focus
20 to current and future labor market;
- 21 (6) Articulation issues, including the linkage of programs to higher
22 education, other governmental workforce programs, and the business
23 community;
- 24 (7) The efficiency and effectiveness of organizational and delivery aspects
25 of existing vocational and technical and school-to-work programs
26 including cooperative education, internships, youth apprenticeships,
27 career academics, school-based enterprises, supervised occupational
28 experiences, vocational student organizations, Tech Prep, and Job
29 Training Partnership Act (JTPA) whether there is unnecessary
30 duplication and overlap, and the appropriate role for each agency
31 involved;
- 32 (8) The efficiency and effectiveness of State and local administration of
33 programs;
- 34 (9) Curriculum and instructional delivery issues, including curriculum
35 review and development and the extent and success of linkage and
36 integration of vocational and technical education to core academic
37 education;
- 38 (10) Career guidance and career counseling in the public schools; and
- 39 (11) Training and retraining of educators involved in vocational and
40 technical education, including the effectiveness of preservice training
41 for teachers, teacher qualification requirements, teacher supply and
42 demand trends, plans for ongoing staff development for teachers, local
43 and State leadership including Department of Public Instruction staff,

1 administrators, principals and superintendents, and necessary changes
2 in staff development.

3 The Task Force shall make an interim report of the results of its study and its
4 recommendations for modifications in vocational and technical education and school-to-
5 work transition programs to the Joint Education Oversight Committee, the Governor's
6 Commission on WorkForce Preparedness, and the State Board of Education prior to
7 January 15, 1995, and a final report prior to March 1, 1996.

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

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

16 (f) The Department of Public Instruction shall use up to one hundred
17 thousand dollars (\$100,000) within its budget for the 1994-95 fiscal year for the work of
18 the Task Force on Vocational and Technical Education.

19

20 Requested by: Representative Barnes, Rogers, Black

21 **TEACHER ACADEMY FUNDS**

22 Sec. 67. (a) Funds appropriated in this act for the operation of the Teacher
23 Academy for the 1994-95 fiscal year shall be used for Teacher Academy training
24 sessions offered for the summer of 1994 and for sessions offered for the summer of
25 1995 prior to July 1, 1995. These funds include the sum of seven hundred fifty
26 thousand dollars (\$750,000) in nonrecurring funds for training sessions for additional
27 teachers during the first fiscal year of program implementation.

28 (b) The Task Force on Teacher Staff Development shall evaluate the Teacher
29 Academy Plan it developed in accordance with Section 141 of Chapter 321 of the 1993
30 Session Laws and shall consider how it might fit into a comprehensive approach to staff
31 development. The State Board of Education shall conduct an evaluation of the quality
32 of the 1994-95 Teacher Academy sessions. The Task Force shall address more
33 completely the factors it was directed to address by Section 141 and shall develop a
34 more comprehensive approach for teacher professional development. The Task Force
35 shall place special emphasis on the following:

36 (1) Efficient and effective use of existing State, federal, and local
37 resources through an integrated, nonduplicative delivery of
38 professional development to teachers.

39 (2) Short-range and long-range plans for school-based staff development
40 that address the professional development needs of teachers in site-
41 based decision making, core content areas, instruction, use of modern
42 technology, and other appropriate subjects.

- 1 (3) More effective use of the North Carolina Center for Advancement of
2 Teaching facility and staff in the delivery of teacher professional
3 development.
- 4 (4) Training schedules and opportunities that minimize the time teachers
5 are away from classroom instruction.
- 6 (5) Development of organizational arrangements and technologies that
7 encourage teacher networking and collaboration.
- 8 (6) Effective use of the facilities and faculties of The University of North
9 Carolina campuses in the delivery of professional development to
10 teachers.
- 11 (7) Effective use of existing and planned telecommunications and long-
12 distance learning systems for teacher professional development to limit
13 expenditures for travel and associated costs.
- 14 (8) Professional development that meets the unique needs of individual
15 schools and a plan to ensure quality in the various staff development
16 offerings.
- 17 (9) A proposal for the ongoing coordination of teacher professional
18 development activities among local school administrative units, the
19 Department of Public Instruction, the Technical Assistance Centers,
20 The University of North Carolina, NCCAT, private colleges and
21 universities, and any other providers of teacher professional
22 development.

23 The Task Force on Teacher Staff Development shall also review the work of the
24 Teacher Training Task Force and consider incorporating elements of the findings and
25 recommendations of the Teacher Training Task Force in the Plan.

26 The Task Force shall make an interim report on (i) its progress on the Plan,
27 (ii) expenditures on and evaluation of the Teacher Academy programs during the
28 summer of 1994, and (iii) projected expenditures for the summer of 1995 to the Joint
29 Legislative Education Oversight Committee and the State Board of Education no later
30 than October 1, 1995. The final Plan shall be submitted to the State Board of Education
31 for adoption no later than December 1, 1994. Any legislative action required to
32 implement the Plan shall be submitted to the Joint Legislative Education Oversight
33 Committee and the General Assembly no later than January 15, 1995.

34
35 Requested by: Representatives Rogers, Black

36 **STATISTICS ON STUDENTS ELIGIBLE FOR FREE AND REDUCED PRICE**
37 **LUNCHES**

38 Sec. 68. Of the funds appropriated to the Department of Public Instruction in
39 this act, the Department of Public Instruction shall use fifty thousand dollars (\$50,000)
40 to compile and analyze data on the number of students eligible for free and reduced
41 price lunches. The analysis shall include consideration of whether this data is a valid
42 measure of income at the local school administrative unit level and at the school
43 building.

44

1 Requested by: Representatives Jeffus, Rogers, Black

2 **SUBSTITUTE TEACHER PAY**

3 Sec. 69. Substitute teachers who hold teacher certificates shall be paid at a
4 rate of sixty-two dollars (\$62.00) per day. Substitute teachers who do not hold teacher
5 certificates but have completed effective teacher training shall be paid at a rate of fifty-
6 five dollars (\$55.00) per day. Substitute teachers who neither hold teacher certificates
7 nor have completed effective teacher training shall be paid at a rate of forty-five dollars
8 (\$45.00) per day.

9

10 Requested by: Representatives Nesbitt, Rogers, Black

11 **BASIC EDUCATION PROGRAM FUNDS**

12 Sec. 70. Of the funds appropriated in this act to State Aid to Local School
13 Administrative Units, the sum of fifty-five million eight hundred twenty-four thousand
14 one hundred thirty-six dollars (\$55,824,136) shall be used to implement the Basic
15 Education Program. These funds shall be allocated as follows:

- 16 (1) \$10,000,000 shall be allocated for school psychologists, social
17 workers, and guidance counselors for kindergarten through the eighth
18 grade in accordance with the Basic Education Program. Each local
19 school administrative unit shall comply with the staffing requirements
20 of the Basic Education Program regarding school psychologists, social
21 workers, and guidance counselors for kindergarten through the eighth
22 grade.
- 23 (2) \$26,320,319 shall be used to implement fully the class size reduction
24 at the kindergarten level in accordance with the Basic Education
25 Program.
- 26 (3) \$9,217,698 shall be used to implement fully the class size reduction at
27 the tenth grade level in accordance with the Basic Education Program.
- 28 (4) \$9,536,119 shall be used to implement fully textbook funding in
29 accordance with the Basic Education Program by restoring textbook
30 purchasing power to the 1985 level.

31 The General Assembly urges the State Board of Education to carry
32 out its duties under G.S. 115C-96 by requesting sufficient
33 appropriations from the General Assembly to provide the children of
34 the public elementary and secondary schools with free basic textbooks.
35 The General Assembly also urges the Governor to include that amount
36 in the proposed budget and to carry out the Governor's duties under
37 G.S. 143-11 by accompanying the proposed budget with the State
38 Board of Education's request for appropriations for textbooks.

39

40 Requested by: Representative Culpepper

41 **DARE SCHOOL PAY DATE**

42 Sec. 71. Notwithstanding the provisions of G.S. 115C-302(a), G.S. 115C-
43 316(a), or any other provision of law, all 10-month employees of the Dare County
44 Board of Education shall be paid on the twelfth day of each month. Nothing in this

1 section shall have the effect of changing the rate of pay for any employee of the Dare
2 County Board of Education.

3 This section shall not be construed to authorize prepayment of any employees
4 by the Dare County Board of Education.

5
6 Requested by: Representatives Yongue, Cummings, Lee

7 **SCOTLAND SCHOOL PAY DATE**

8 Sec. 72. Section 143.1 of Chapter 321 of the 1993 Session Laws reads as
9 rewritten:

10 "Sec. 143.1. Notwithstanding the provisions of G.S. 115C-302(a), G.S. 115C-
11 316(a), or any other provision of law, all 10-month employees of the Scotland County
12 Schools except for school bus drivers, who are paid on a monthly basis, shall be paid on
13 the ~~fifteenth~~tenth day of each month. Nothing in this section shall have the effect of
14 changing the rate of pay for any employee of Scotland County Schools."

15 This section shall not be construed to authorize prepayment of any employees
16 by the Scotland County Board of Education.

17
18 Requested by: Representatives Lutz, Hunt, Weatherly

19
20 **REPEAL CLEVELAND SCHOOL PAY DATE**

21 Sec. 73. Section 2 of Chapter 311 of the 1991 Session Laws is repealed.

22
23 Requested by: Representatives Wilmoth, Cromer

24 **WATAUGA SCHOOL PAY DATE**

25 Sec. 74. Notwithstanding the provisions of G.S. 115C-302(a), G.S. 115-
26 316(a), or any other provision of law, all 10-month employees of the Watauga County
27 Board of Education shall be paid on the tenth day of each month, and all other
28 employees of the Watauga County Board of Education shall be paid on the last day of
29 each month. If the pay date so established falls on a weekend or holiday, the employee
30 shall be paid on the last workday before the established pay date. Nothing in this
31 section shall have the effect of changing the rate of pay for any employee of the
32 Watauga County Board of Education.

33
34 Requested by: Representative Flaherty

35 **CALDWELL SCHOOL PAY DATE**

36 Sec. 75. Notwithstanding the provisions of G.S. 115C-302(a), G.S. 115C-
37 316(a), or any other provision of law, all 10-month employees of the Caldwell County
38 Board of Education who are paid on a monthly basis shall be paid on the fifteenth day
39 of each month. Nothing in this section shall have the effect of changing the rate of pay
40 for any employee of Caldwell County Board of Education.

41 This section shall not be construed to authorize prepayment of any employees
42 by the Caldwell County Board of Education.

43
44 Requested by: Representatives Kuczmariski, Rogers, Black

1 CUED SPEECH FUNDS

2 Sec. 76. Of the funds appropriated in this act to the Department of Public
3 Instruction, the sum of ninety-five thousand dollars (\$95,000) shall be used as a grant-
4 in-aid for the Cued Speech Center of Wake County. The Center shall use these funds to
5 provide transition services.

6
7 Requested by: Representatives Rogers, Black, Diamont

**8 ALLOCATIONS OF BASIC EDUCATION PROGRAM FUNDS FOR SMALL
9 CITY SCHOOL SYSTEMS**

10 Sec. 77. The State Board of Education shall modify the position allocation
11 formulas under the Basic Education Program by rounding all fractions of positions to
12 the next whole position for each city school administrative unit with an average daily
13 membership of less than 3,000 students.

14
15 Requested by: Representatives Rogers, Black, Diamont

16 SCHOOL ADMINISTRATOR ALLOTMENT FORMULAS

17 Sec. 78. The State Board of Education shall modify the allotment formula for
18 school administrators so that (i) the base allotment under the formula is the same for all
19 local school administrative units, regardless of the average daily membership of the
20 units and (ii) the remainder of the funds is allotted on the basis of average daily
21 membership.

22
23 Requested by: Representatives Diamont, Barnes, Rogers, Black

24 SCHOOL TECHNOLOGY PLANS/RESERVE

25 Sec. 79. (a) G.S. 115C-102.5(c) reads as rewritten:

26 "(c) Notwithstanding G.S. 120-123 and subsection (b) of this section, ~~for the~~
27 ~~1993-94 fiscal year only,~~ the Commission shall also include one member of the Senate
28 appointed by the President Pro Tempore of the Senate and one member of the House of
29 Representatives appointed by the Speaker of the House of Representatives. These
30 members shall be voting members. The term of office of these members shall end
31 November 1, 1994."

32 (b) G.S. 115C-102.6 reads as rewritten:

33 "**§ 115C-102.6. Duties. Duty to prepare a requirements analysis and propose a**
34 **State school technology plan.**

35 The Commission shall prepare a requirements analysis and propose a State school
36 technology plan to the Joint Legislative Commission on Governmental Operations and
37 the Joint Legislative Education Oversight Committee for improving student
38 performance in the public schools through the use of learning and instructional
39 management technologies.

40 In developing this plan, the Commission shall:

- 41 (1) Assess factors related to the current use of learning and instructional
42 management technologies in the schools, including what is currently
43 being used, how the current use of technology relates to the standard
44 course of study, how the effectiveness of learning and instructional

1 management technologies is being evaluated, how schools are paying
2 for learning and instructional management technologies, and what
3 training school employees have received in the use of learning and
4 instructional management technology and networks.

5 (2) Identify the instructional goals that can be met through the use of
6 learning and instructional management technologies. The goals may
7 include teaching the standard course of study, reaching students with a
8 broad range of abilities, and ensuring that all students have access to a
9 complete curriculum regardless of the geographical location or the
10 financial resources of the school.

11 (3) Examine the types of learning and instructional management
12 technologies available to meet the identified instructional goals,
13 including computers, audiovisual aids, science laboratory equipment,
14 vocational education equipment, and distance learning networks. The
15 Commission shall consider the compatibility and accessibility of
16 different types of learning and instructional management technologies,
17 including compatibility with the planned statewide broadband ISDN
18 network, and whether they may be easily communicated from one site
19 to another. The Commission shall also consider linkages between
20 learning and instructional management technologies and existing State
21 and local administrative systems.

22 (4) Develop a basic level of learning and instructional management
23 technology for every school in the State. The basic level may include:

24 a. A computer lab with student stations or a specified number of
25 student computer stations in each classroom for the use of
26 instructional software such as computer-assisted instruction,
27 integrated learning systems, instructional management systems,
28 and applications software such as word processing, database,
29 spreadsheet, and desktop publishing.

30 b. A computer workstation in every classroom for teachers to use
31 in preparation and delivery of instruction and for administrative
32 record keeping.

33 c. A television monitor and video cassette-recorder in every
34 classroom to take advantage of open-air broadcast programs,
35 satellite programs, and instructional video tapes available from
36 the library/media center.

37 d. Computer workstations at each elementary and secondary
38 school, housed in the library/media center, for individual
39 students to use for basic skills instructional software.

40 e. A telecommunications line, modem, and software in each
41 school's library/media center that will allow students and
42 teachers access to external databases and resources for research
43 purposes.

44 f. The availability of telephones for teachers.

- 1 g. Initial training for the principal and teachers from each school
2 in the use of the new technology.
- 3 (5) Consider staffing required to operate the learning and instructional
4 management technologies and options for maintaining the equipment.
- 5 (6) Consider the types of staff development necessary to maximize the
6 benefits of learning and instructional management technologies and
7 determine the appropriate ways to provide the necessary staff
8 development.
- 9 (7) Develop a cost analysis of any plans and proposals that it develops."

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

12 **"§ 115C-102.6A. Elements of the State school technology plan.**

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

19 (a1) In developing the plan the Commission shall consider and plan for the
20 relationship of the North Carolina Information Highway to the plan. In particular the
21 plan shall establish priorities for the acquisition of school technologies including how
22 the Information Highway fits into those priorities.

23 (b) Components of the State school technology plan shall include:

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

27 (2) Conceptual technical architecture that includes:

28 a. Principles. – Statements of direction, goals, and concepts to
29 guide the development of technical architecture;

30 b. Standards. – Detailed specifications to ensure hardware,
31 software, databases, and other products that may have been
32 developed independently or purchased from different vendors
33 will work together; and

34 c. Implementation strategies. – Approaches or guidelines for
35 developing and installing the components of the technical
36 infrastructure.

37 (3) A quality assurance policy for all school technology projects, training
38 programs, systems documentation, and maintenance plans.

39 (4) Policies and procedures for the fair and competitive procurement of
40 school technology that provide local school administrative units with a
41 vendor-neutral operating environment in which different school
42 technology hardware, software, and networks operate together easily
43 and reliably, to the extent feasible consistent with meeting
44 instructional goals.

- 1 (5) A comprehensive policy for inventory control.
- 2 (6) Parameters for continuous, ongoing training for all personnel involved
3 in the use of school technology. Training shall focus on the integration
4 of technology and instruction and on the use of particular applications.
- 5 (7) Recommendations to the State Board of Education of requirements for
6 preservice teacher training on the integration of teaching and school
7 technology.
- 8 (8) Proposals for leadership training on the use of school technology to
9 improve instruction and as a management tool.
- 10 (9) Development of expertise at the State and regional levels on school
11 technology.
- 12 (10) Flexibility to enable local school administrative units and individual
13 schools to meet individual school unit and building needs.
- 14 (11) Flexibility to meet the needs of all students, allow support to students
15 with a wide range of abilities, and ensure access to challenging
16 curricula and instruction for children at risk of school failure.
- 17 (12) Use of technologies to support challenging State and local educational
18 performance goals.
- 19 (13) Effective and integrated use of technologies compatible with (i) the
20 standard course of study, (ii) the State assessment program, and (iii)
21 related student data management.
- 22 (14) Use of technologies as a communication, instructional, and
23 management tool and for problem-solving, exploration, and advanced
24 skills.
- 25 (15) Proposals for addressing equipment needs for vocational education,
26 Tech Prep, and science instruction.

27 **"§ 115C-102.6B. Approval of State school technology plan.**

28 (a) The Commission shall submit the State school technology plan it develops to
29 the Joint Legislative Commission on Governmental Operations and the Joint Legislative
30 Education Oversight Committee prior to January 1, 1995. At least every two years
31 thereafter, the Commission shall develop any necessary modifications to the State
32 school technology plan and submit them to the Joint Legislative Commission on
33 Governmental Operations and the Joint Legislative Education Oversight Committee.

34 (b) After submitting the plan or any proposed modifications to the plan to the
35 Joint Legislative Commission on Governmental Operations and the Joint Legislative
36 Education Oversight Committee, the Commission shall submit the plan or any proposed
37 modifications to (i) the Information Resources Management Commission for its review
38 and comment on the technical components of the plan set out in G.S. 115C-102.6A(1)
39 through (4), and (ii) the State Board of Education for its approval of the entire plan. The
40 plan or the proposed modifications shall take effect upon approval by the State Board of
41 Education.

42 **"§ 115C-102.6C. Approval of local school technology plans.**

43 (a) Each local board of education shall develop a local school technology plan
44 that meets the requirements of the State school technology plan and shall submit the

1 local plan to the State Board of Education for its approval. The Department of Public
2 Instruction shall evaluate the local plans and advise the State Board as to whether the
3 local plans comply with the requirements of the State school technology plan.

4 (b) After a local school technology plan is approved by the State Board of
5 Education, the local board of education may use funds in the State School Technology
6 Fund that are allocated to the local school administrative unit to implement the plan.

7 **"§ 115C-102.6D. Establishment of the State School Technology Fund; allocation**
8 **and use of funds.**

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

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

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

19 (d) G.S. 115C-102.7 reads as rewritten:

20 **"§ 115C-102.7. Reports. Monitoring and evaluation of State and local school**
21 **technology plans; reports.**

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

32 (a1) The Joint Legislative Commission on Governmental Operations and the Joint
33 Legislative Education Oversight Committee may meet jointly to consider ~~the~~ reports
34 from the Commission on School Technology and they may appoint subcommittees to
35 jointly consider the reports.

36 (b) The Commission shall provide notice of meetings, copies of minutes, and
37 periodic briefings to the chair of the Information Resources Management Commission
38 and the chair of the Technical Committee of the Information Resources Management
39 Commission."

40 (e) Funds in the amount of twenty million (\$20,000,000) are appropriated in
41 this act to the School Technology Reserve. These funds and any other funds that may
42 be provided by the General Assembly for the 1994-95 fiscal year for learning and
43 instructional management technology shall be spent only in accordance with subsequent
44 legislation enacted by the General Assembly. It is the intent of the General Assembly to

1 enact such legislation after consideration of the January 15, 1995, report of the
2 Commission on School Technology.

3 (f) Subsection (a) of this section becomes effective June 30, 1994. G.S.
4 115C-102.6B, which is enacted in subsection (c) of this section, becomes effective
5 November 1, 1994. The remainder of this section becomes effective July 1, 1994.

6

7 Requested by: Representative Rogers

8 **CAREER DEVELOPMENT PILOT UNITS**

9 Sec. 80. (a) Section 126 of Chapter 321 of the 1993 Session Laws reads as
10 rewritten:

11 "Sec. 126. The State Board of Education shall require the local school
12 administrative units receiving career development funds to modify their differentiated
13 pay plans for the 1994-95 fiscal year so that the cost of the differentiated pay plan
14 equals (i) five percent (5%) of teacher and administrator salaries and of the employer's
15 contributions for social security and retirement, for the prior fiscal year, and (ii) the
16 amount of local funds available for differentiated pay. The State Board of Education
17 shall require the local school administrative units receiving career development funds to
18 modify their differentiated pay plans for the 1995-96 fiscal year so that the cost of the
19 differentiated pay plan equals (i) three percent (3%) of teacher and administrator
20 salaries and of the employer's contributions for social security and retirement for the
21 prior fiscal year, and (ii) the amount of local funds available for differentiated pay.

22 It is the intent of the General Assembly that this reduction in appropriations not
23 result in employees receiving less on a monthly basis in salary and State-funded
24 bonuses during the 1994-95 fiscal year or the 1995-96 fiscal year than they received on
25 a monthly basis during the 1993-94 fiscal year so long as the employees qualify for
26 bonuses under the local differentiated pay plan."

27

28 Requested by: Representatives Rogers, Black

29 **FUNDS FOR NATIONAL BOARD FOR PROFESSIONAL TEACHING** 30 **STANDARDS**

31 Sec. 81. The National Board for Professional Teaching Standards (NBPTS)
32 was established in 1987 as an independent, nonprofit organization to establish high
33 standards for teachers' knowledge and performance and for development and operation
34 of a national voluntary system to assess and certify teachers who meet those standards.
35 In order to apply for the NBPTS certification process, teachers must have three years or
36 more of teaching experience, be currently teaching, have graduated from an accredited
37 college or university, and hold a valid State teaching license. Upon successful
38 completion of a year-long process of developing a portfolio of student work and
39 videotapes of teaching/learning activities for NBPTS review and then participating in
40 NBPTS assessment center simulation exercises, including performance-based activities
41 and a content knowledge examination, teachers may become NBPTS-certified.

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

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

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

20 (2) An annual bonus of four percent (4%) of the teacher's State-paid salary
21 for the 10-month school year for State-paid teachers who (i) completed
22 three years of teaching in North Carolina schools operated by local
23 boards of education, the Department of Human Resources, the
24 Department of Correction, or The University of North Carolina prior to
25 application for NBPTS certification and (ii) complete the certification
26 process in 1993-94 and receive NBPTS certification in 1994-95. The
27 bonus for the 1994-95 fiscal year shall be paid immediately upon
28 certification. The bonus for each subsequent fiscal year shall be paid
29 at the end of each full school year that the teacher teaches full-time in
30 a North Carolina school.

31 The State Board of Education shall study incentive options for teachers who
32 obtain NBPTS certification and the cost of those incentives. The State Board shall also
33 study the impact of NBPTS certification on student performance. The State Board shall
34 report the preliminary results of this study to the Joint Legislative Education Oversight
35 Committee in December of 1994. The State Board shall make a final report on the
36 impact of NBPTS certification on student performance to the Joint Legislative
37 Education Oversight Committee in January of 1997.

38
39 Requested by: Representatives Rogers, Black

40 **ACADEMIC AND SUPPORT PROGRAM FOR COURT-INVOLVED YOUTH**

41 Sec. 82. Of the funds appropriated to the Department of Public Instruction in
42 this act, the sum of one hundred seventeen thousand dollars (\$117,000) shall be used to
43 support the two-year comprehensive academic and support program operated by Duke
44 University, in collaboration with North Carolina Central University, the Durham Public

1 Schools, the Durham Companions, and the Durham Educational Network, for court-
2 involved middle school and high school students.

3
4 Requested by: Representatives Rogers, Black

5 **TEACHER SALARY SCHEDULES**

6 Sec. 83. (a) The Director of the Budget may transfer from the Reserve for
7 Salary Increases for the 1994-95 fiscal year funds necessary to implement the teacher
8 salary schedule set out in subsection (b) of this section, including funds for the
9 employer's retirement and social security contributions and funds for annual longevity
10 payments as provided in Section 127 of Chapter 321 of the 1993 Session Laws,
11 commencing July 1, 1994, for all teachers whose salaries are supported from the State's
12 General Fund. These funds shall be allocated to individuals according to rules adopted
13 by the State Board of Education and the Superintendent of Public Instruction. The
14 longevity payment shall be paid in a lump sum once a year.

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

	<u>Years of</u> <u>Experience</u>	<u>1994-95</u> <u>Salary</u>
	00	\$2,062
	01	2,103
	02	2,145
	03	2,252
	04	2,297
	05	2,343
	06	2,390
	07	2,438
	08	2,487
	09	2,537
	10	2,588
	11	2,640
	12	2,693
	13	2,747
	14	2,802
	15	2,858
	16	2,915
	17	2,973
	18	3,032
	19	3,093
	20	3,155
	21	3,218
	22	3,282
	23	3,348

1	24	3,415
2	25	3,483
3	26	3,553
4	27	3,624
5	28	3,696
6	29+	3,770

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

	<u>Years of Experience</u>	<u>1994-95 Salary</u>
13	00	\$2,191
14	01	2,235
15	02	2,280
16	03	2,394
17	04	2,442
18	05	2,491
19	06	2,541
20	07	2,592
21	08	2,644
22	09	2,697
23	10	2,751
24	11	2,806
25	12	2,862
26	13	2,919
27	14	2,977
28	15	3,037
29	16	3,098
30	17	3,160
31	18	3,223
32	19	3,287
33	20	3,353
34	21	3,420
35	22	3,488
36	23	3,558
37	24	3,629
38	25	3,702
39	26	3,776
40	27	3,852
41	28	3,929
42	29+	4,008

(3) Certified public school teachers with certification based on academic preparation at the six-year degree level and at the doctoral degree level

1 shall receive a salary supplement as provided in Section 127 of
 2 Chapter 321 of the 1993 Session Laws.

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

10 Certified psychologists with certification based on academic preparation at
 11 the six-year degree level shall receive a salary supplement of one hundred twenty-six
 12 dollars (\$126.00) per month in addition to the compensation provided for certified
 13 psychologists. Certified psychologists with certification based on academic preparation
 14 at the doctoral degree level shall receive a salary supplement of two hundred fifty-three
 15 dollars (\$253.00) per month in addition to the compensation provided for certified
 16 psychologists.

17
 18 Requested by: Representatives Rogers, Black

19 **SCHOOL-BASED ADMINISTRATOR SALARIES**

20 Sec. 84. (a) Funds appropriated to the Reserve for Salary Increases shall be
 21 used to complete the implementation of a new salary schedule for school-based
 22 administrators as provided in this act. These funds shall be used for State-paid
 23 employees only.

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

27
 28
 29

30	Asst.								
31	Step	Prin.	Prin.I	Prin.II	Prin.III	Prin.IV	Prin.V	Prin.VI	Prin.VII
32									
33	0	—	—	—	—	—	—	—	—
34	1	—	—	—	—	—	—	—	—
35	2	—	—	—	—	—	—	—	—
36	3	—	—	—	—	—	—	—	—
37	4	\$2,515	—	—	—	—	—	—	—
38	5	2,565	—	—	—	—	—	—	—
39	6	2,616	—	—	—	—	—	—	—
40	7	2,668	—	—	—	—	—	—	—
41	8	2,721	\$2,721	—	—	—	—	—	—
42	9	2,775	2,775	—	—	—	—	—	—
43	10	2,831	2,831	\$2,888	—	—	—	—	—
44	11	2,888	2,888	2,946	—	—	—	—	—

1	12	2,946	2,946	3,005	\$3,065	-	-	-	-
2	13	3,005	3,005	3,065	3,126	\$3,189	-	-	-
3	14	3,065	3,065	3,126	3,189	3,253	\$3,318	-	-
4	15	3,126	3,126	3,189	3,253	3,318	3,384	-	-
5	16	3,189	3,189	3,253	3,318	3,384	3,452	\$3,521	-
6	17	3,253	3,253	3,318	3,384	3,452	3,521	3,591	\$3,663
7	18	3,318	3,318	3,384	3,452	3,521	3,591	3,663	3,736
8	19	3,384	3,384	3,452	3,521	3,591	3,663	3,736	3,811
9	20	3,452	3,452	3,521	3,591	3,663	3,736	3,811	3,887
10	21	3,521	3,521	3,591	3,663	3,736	3,811	3,887	3,965
11	22	3,591	3,591	3,663	3,736	3,811	3,887	3,965	4,044
12	23	3,663	3,663	3,736	3,811	3,887	3,965	4,044	4,125
13	24	3,736	3,736	3,811	3,887	3,965	4,044	4,125	4,208
14	25	3,811	3,811	3,887	3,965	4,044	4,125	4,208	4,292
15	26	3,887	3,887	3,965	4,044	4,125	4,208	4,292	4,378
16	27	3,965	3,965	4,044	4,125	4,208	4,292	4,378	4,466
17	28	4,044	4,044	4,125	4,208	4,292	4,378	4,466	4,555
18	29	4,125	4,125	4,208	4,292	4,378	4,466	4,555	4,646
19	30	4,208	4,208	4,292	4,378	4,466	4,555	4,646	4,739
20	31	4,292	4,292	4,378	4,466	4,555	4,646	4,739	4,834
21	32	-	4,378	4,466	4,555	4,646	4,739	4,834	4,931
22	33	-	-	4,555	4,646	4,739	4,834	4,931	5,030
23	34	-	-	4,646	4,739	4,834	4,931	5,030	5,131
24	35	-	-	-	4,834	4,931	5,030	5,131	5,234
25	36	-	-	-	4,931	5,030	5,131	5,234	5,339
26	37	-	-	-	-	5,131	5,234	5,339	5,446
27	38	-	-	-	-	-	5,339	5,446	5,555
28	39	-	-	-	-	-	-	5,555	5,666
29	40	-	-	-	-	-	-	5,666	5,779
30	41	-	-	-	-	-	-	-	5,895.

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

34	Classification	Number of Teachers Supervised
35	Assistant Principal	
36	Principal I	Less than 11 Teachers
37	Principal II	11-21 Teachers
38	Principal III	22-32 Teachers
39	Principal IV	33-43 Teachers
40	Principal V	44-54 Teachers
41	Principal VI	55-65 Teachers
42	Principal VII	More than 65 Teachers.
43		

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

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

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

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

12 (f) There shall be no State requirement that superintendents in each local
13 school unit shall receive in State-paid salary at least one percent (1%) more than the
14 highest paid principal receives in State salary in that school unit: Provided, however,
15 the additional State-paid salary a superintendent who was employed by a local school
16 administrative unit for the 1992-93 fiscal year received because of that requirement
17 shall not be reduced because of this subsection for subsequent fiscal years that the
18 superintendent is employed by that local school administrative unit so long as the
19 superintendent is entitled to at least that amount of additional State-paid salary under the
20 rules in effect for the 1992-93 fiscal year.

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

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

28 (2) If a principal is reassigned to a lower job classification because
29 the principal is transferred to a school within a local school
30 administrative unit with a smaller number of State-allotted
31 teachers, the principal shall be placed on the salary schedule as
32 if the principal had served the principal's entire career as a
33 principal at the lower job classification.

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

39 (i) Except as provided in subsection (h) of this section, the salary of a
40 principal or assistant principal shall not be less for the 1994-95 fiscal year than it was
41 for the 1993-94 fiscal year solely as a result of placement on the salary schedule
42 established in this section.

43

44 Requested by: Representatives Rogers, Black, Michaux

SCHOOL BUS DRIVER/SALARY RANGE

Sec. 85. (a) The salary range for school bus drivers shall be at grade 51 as established by the State Board of Education, as adjusted by legislative across-the-board salary increases, for 10 months of employment. Local boards of education shall pay all school bus drivers within this range.

(b) Of the funds appropriated to State Aid to Local School Administrative Units in this act, the sum of three million five hundred thousand dollars (\$3,500,000) shall be used to increase the pay of all school bus drivers an average of four and six-tenths percent (4.6%) within the salary range established in subsection (a) of this section. This increase is in addition to any legislative across-the-board increase granted by the General Assembly for the 1994-95 fiscal year.

(c) The average salary of a State-paid school bus driver for the 1994-95 school year within each local school administrative unit, computed on an hourly basis, shall be at least eight dollars (\$8.00) per hour.

Requested by: Representatives Rogers, Black

SCHOOL LEADERSHIP TRAINING FUNDS

Sec. 86. Of the funds appropriated for State Aid to Local School Administrative Units in this act, the State Board of Education shall allocate the sum of five hundred thousand dollars (\$500,000) to continue support for the school leadership training program in the public schools that was authorized by the 1979 General Assembly.

Requested by: Representatives Rogers, Black

LOW-WEALTH AND SMALL SCHOOL SUPPLEMENTAL FUNDING CHANGES

Sec. 87. (a) Subsection (c) of Section 138 of Chapter 321 of the 1993 Session Laws reads as rewritten:

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

- (1) 'Anticipated county property tax revenue availability' means the county adjusted property tax base multiplied by the effective State average tax rate.
- (2) 'Anticipated total county revenue availability' means the sum of the
 - a. Anticipated county property tax revenue availability,
 - b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes,
 - c. Food stamp exemption reimbursement received by the county under G.S. 105-164.44C,
 - d. Homestead exemption reimbursement received by the county under G.S. 105-277.1A,
 - e. Inventory tax reimbursement received by the county under G.S. 105-275.1 and G.S. 105-277A,

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

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

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

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

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

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

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

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

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

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

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

1 "Sec. 138.1. (a) **Funds for Small School Systems.** – Except as provided in
2 subsection (b) of this section, ~~The~~ the State Board of Education shall allocate funds
3 appropriated for small school system supplemental funding (i) to each county school
4 administrative unit with an average daily membership of less than 3,000 students and
5 (ii) to each county school administrative unit with an average daily membership of from
6 3,000 to 4,000 students if the county in which the local school administrative unit is
7 located has a county adjusted property tax base per student that is below the State
8 adjusted property tax base per student and if the total average daily membership of all
9 local school administrative units located within the county is from 3,000 to 4,000
10 students. The allocation formula shall:

- 11 (1) Round all fractions of positions to the next whole position.
- 12 (2) Provide four additional regular classroom teachers in counties in which
13 the average daily membership per square mile is greater than four and
14 six additional regular classroom teachers in counties in which the
15 average daily membership per square mile is four or less.
- 16 (3) Provide additional program enhancement teachers adequate to offer
17 the standard course of study.
- 18 (4) Change the duty-free period allocation to one teacher assistant per 400
19 average daily membership.
- 20 (5) Provide a base for the consolidated funds allotment of at least one
21 hundred fifty thousand dollars (\$150,000), excluding textbooks.
- 22 (6) Allot vocational education funds for grade 6 as well as for grades 7-12.

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

31 (b) **Nonsupplant requirement.** – A county in which a local school
32 administrative unit receives funds under this section shall use the funds to supplement
33 local current expense funds and shall not supplant existing State and local funding for
34 public schools. ~~local current expense funds.~~ After July 1, 1994, the State Board of
35 Education shall not allocate funds under this section to a county found to have used
36 these funds to supplant local per student current expense funds. Unless a county can
37 show either (i) that extraordinary circumstances caused the county to supplant local
38 current expense funds with funds allocated under this section; or (ii) that it has remedied
39 any deficiency, the State Board of Education shall make a finding that a county has used
40 these funds to supplant local current expense funds in the prior year, or the year for
41 which the most recent data are available, if the average of the local per student current
42 expense appropriation for the three most recent years is less than ninety-five percent
43 (95%) of the greater of either (i) the local per student current expense appropriation for
44 the 1991-92 fiscal year; or (ii) the average local per student current expense

1 appropriation of the county for the three fiscal years immediately prior to the current
2 year. The State Board of Education shall adopt rules to implement this section.

3 ~~The Local Government Commission shall analyze the budgets and the expenditures~~
4 ~~of school administrative units that receive funds under this section in light of their~~
5 ~~budgets and expenditures for the previous year and shall determine whether those funds~~
6 ~~were used to supplement and not supplant State and local funding for public schools.~~
7 ~~The Local Government Commission shall report the results of its study to the State~~
8 ~~Board of Education, the Joint Legislative Oversight Committee, and the Appropriations~~
9 ~~Committees of the Senate and the House of Representatives, prior to May 1, 1994 and~~
10 ~~May 1, 1995.~~

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

12 (1) 'Average daily membership' means average daily membership as
13 defined in the North Carolina Public Schools Allotment Policy
14 Manual, adopted by the State Board of Education.

15 (2) 'County adjusted property tax base per student' means the total
16 assessed property valuation for each county, adjusted using a weighted
17 average of the three most recent annual sales assessment ratio studies,
18 divided by the total number of students in average daily membership
19 who reside within the county.

20 (2a) 'Local current expense funds' means the most recent county current
21 expense appropriation to public schools, as reported by counties in the
22 annual county financial information report to the State Treasurer.

23 (3) 'Sales assessment ratio studies' means sales assessment ratio studies
24 performed by the Department of Revenue under G.S. 105-289(h).

25 (4) 'State adjusted property tax base per student' means the sum of all
26 county adjusted property tax bases divided by the total number of
27 students in average daily membership who reside within the State.

28 (4a) 'Supplant' means to decrease local per student current expense
29 appropriation from one fiscal year to the next fiscal year.

30 (5) 'Weighted average of the three most recent annual sales assessment
31 ratio studies' means the weighted average of the three most recent
32 annual sales assessment ratio studies in the most recent years for which
33 county current expense appropriations and adjusted property tax
34 valuations are available. If real property in a county has been revalued
35 one year prior to the most recent sales assessment ratio study, a
36 weighted average of the two most recent sales assessment ratios shall
37 be used. If property has been revalued the year of the most recent
38 sales assessment ratio study, the sales assessment ratio for the year of
39 revaluation shall be used.

40 (d) **Reports.** – Counties that receive funds under this section shall report to the
41 State Board of Education before March 1 each year on how they are using the funds for
42 the fiscal year. The State Board of Education shall report to the Joint Legislative
43 Education Oversight Committee prior to May 1, 1994, and May 1, ~~1995~~, 1995, and

1 annually thereafter on how the funds are being used. In its report the State Board shall
2 analyze local appropriations and identify counties that supplant funds.

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

7 (f) This section becomes effective July 1, 1995, and applies to funds
8 allocated for low-wealth and small school supplemental funding for fiscal years
9 beginning with the 1995-96 fiscal year.

10
11 Requested by: Representative Diamont

12 **CLARIFICATION OF THE NORTH CAROLINA HIGH SCHOOL ATHLETIC** 13 **ASSOCIATION UNDER THE STATE TORT CLAIMS ACT**

14 Sec. 88. (a) G.S. 143-291 is amended by adding a new subsection to read:

15 "(c) The North Carolina High School Athletic Association, Inc., is a State agency
16 for purposes of this Article, and its liability in tort shall be only under this Article. This
17 subsection does not extend to any independent contractor of the Association. The
18 Association shall be obligated for payments under this Article, through the purchase of
19 commercial insurance or otherwise, in lieu of any responsibility of the State or The
20 University of North Carolina for this payment. The Association shall be similarly
21 obligated to reimburse or have reimbursed the Department of Justice for any expenses
22 in defending any claim against the Association under this Article."

23 (b) This section becomes effective with respect to causes of action arising on
24 or after the date of ratification of this act.

25 26 **PART 19. DEPARTMENT OF TRANSPORTATION**

27
28 Requested by: Representatives McAllister, McLaughlin

29 **AIRCRAFT AND FERRY ACQUISITIONS**

30 Sec. 89. Before approving the purchase of a new aircraft from the Equipment
31 Fund or a new ferry in a Transportation Improvement Program, the Board of
32 Transportation shall prepare an estimate of the operational costs and capital costs
33 associated with adding the new aircraft or ferry and shall report those additional costs to
34 the General Assembly pursuant to G.S. 136-12(b).

35
36 Requested by: Representatives McAllister, McLaughlin

37 **DIVISION OF MOTOR VEHICLES TO REPORT ON EMISSION** 38 **INSPECTION PROGRAM**

39 Sec. 90. The Division of Motor Vehicles shall report quarterly, beginning in
40 January 1995, to the Joint Legislative Transportation Oversight Committee and the
41 Fiscal Research Division, on the Emission Inspection Program's compliance with
42 regulations the Environmental Protection Agency adopted for the inspection and
43 maintenance activities required in the Clean Air Amendments of 1990. The report shall
44 include the receipts and expenditures from the Emissions Program Account.

1

2 Requested by: Representative Hall

3 **ADOPT-A-HIGHWAY STUDY**

4 Sec. 91. The Department of Transportation and the Department of Justice
5 shall study and report to the Joint Legislative Transportation Oversight Committee on
6 the effectiveness of and legal issues relating to the Adopt-A-Highway Program.
7 Included in the study and report shall be consideration of the legal issues relating to use
8 of contract services to clean the roadsides and any appropriate legislation, the passage of
9 which may be necessary to permit the use of these contractors. This report shall be
10 submitted to the Joint Legislative Transportation Oversight Committee no later than
11 December 31, 1994. Notwithstanding any other provision of law, pending further
12 action by the General Assembly, the use of contract services to meet the requirements of
13 the Adopt-A-Highway Program shall be permitted on State roads.

14

15 Requested by: Representatives McAllister, McLaughlin

16 **GLOBAL TRANSPARK AUTHORITY TO REIMBURSE HIGHWAY FUND**
17 **FROM FEDERAL SOURCES**

18 Sec. 92. When funds are provided from the Highway Fund to the Global
19 TransPark Authority for environmental impact statements or assessments and the Global
20 TransPark Authority applies for and receives reimbursement for those expenses from
21 federal sources up to one million eight hundred thousand dollars (\$1,800,000), the
22 federal reimbursements shall be paid over by the Global TransPark Authority into the
23 Highway Fund within 30 days of receipt. These funds shall be allocated to State-funded
24 maintenance appropriations in the manner approved by the Board of Transportation.

25

26 Requested by: Representative Holmes

27 **DRIVERS EDUCATION FUND TO PAY SALARY INCREASES**

28 Sec. 93. If the General Assembly authorizes a pay raise for teachers or State
29 employees, the Drivers Education Fund shall pay the salary increases of the teachers or
30 State employees whose positions are funded from the Drivers Education Fund.

31

32 Requested by: Representatives McAllister, McLaughlin

33 **RAILROAD REHABILITATION AND RAILROAD ACCESS FUNDS**

34 Sec. 94. If Senate Bill 62 is not enacted by the 1993 General Assembly, the
35 funds appropriated from the Highway Fund for the transfer of three positions from the
36 Utilities Commission to the Department of Transportation may be used for railroad
37 access and railroad rehabilitation purposes.

38

39 Requested by: Representative Redwine

40 **SOME TEMPORARY DRAW BRIDGE OPERATOR POSITIONS**
41 **CONVERTED TO PERMANENT FULL-TIME POSITIONS**

42 Sec. 95. Any temporary full-time draw bridge operator positions in the
43 Department of Transportation that are filled by personnel who have worked for 12 or

1 more months as of the effective date of this act, shall be converted to permanent full-
2 time positions, subject to the approval of the Secretary of Transportation.

3
4 Requested by: Representatives R. Hunter, McAllister, and McLaughlin

5 **DEPARTMENT OF TRANSPORTATION AND DEPARTMENT OF**
6 **CORRECTION TO REPORT ON IMPLEMENTATION OF**
7 **RECOMMENDATIONS OF JOINT LEGISLATIVE TRANSPORTATION**
8 **OVERSIGHT COMMITTEE**

9 Sec. 96. The Departments of Transportation and Correction shall report,
10 quarterly beginning October 1, 1994, to the Joint Legislative Transportation Oversight
11 Committee on the implementation of the recommendations of the Inmate Labor
12 Subcommittee.

13
14 Requested by: Representatives McAllister, McLaughlin

15 **DOT VEHICLES EXEMPTION EXTENDED**

16 Sec. 97. Subsection (b) of Section 70 of Chapter 561 of the 1993 Session
17 Laws reads as rewritten:

18 "(b) This section expires June 30, ~~1994~~, 1995."

19
20 Requested by: Representatives McAllister, McLaughlin

21 **RELOCATION OF CERTAIN SANITARY DISTRICT UTILITIES**

22 Sec. 97.1. The Department of Transportation shall pay the nonbetterment
23 cost for the relocation of sewer lines:

- 24 (1) that are located within the existing State highway right-of-way;
- 25 (2) that are necessary to be relocated for State highway improvement
26 projects let after July 1, 1993; and
- 27 (3) that are owned by a sanitary district organized pursuant to Part 2 of
28 Article 2 of Chapter 130A of the General Statutes.

29
30 **PART 20. DEPARTMENT OF CORRECTION**

31
32 Requested by: Representative Holt

33 **CORRECTION ENTERPRISES PREFERENCE**

34 Sec. 98. The Department of Administration, Division of Purchase and
35 Contracts, shall prepare a written explanation of the purchasing procedures that State
36 agencies and departments must follow in giving a preference to Correction Enterprises
37 products pursuant to G.S. 148-70. The explanation shall be for distribution to all State
38 agencies and departments.

39 The Department shall provide a report on the explanation prepared pursuant
40 to this section and on goods purchased from Correction Enterprises by State agencies
41 and departments to the Joint Legislative Commission on Governmental Operations and
42 to the Chairs of the Senate and House Appropriations Subcommittees on Justice and
43 Public Safety by August 1, 1994. The Department shall also provide a report on goods
44 purchased from Correction Enterprises by State agencies and departments to the Joint

1 Legislative Commission on Governmental Operations and to the Chairs of the Senate
2 and House Appropriations Subcommittees on Justice and Public Safety by January 1,
3 1995.

4
5 Requested by: Representative Holt

6 **USE OF OUT-OF-STATE HOUSING FUNDS**

7 Sec. 98.1. (a) In the event that the Small v. Martin
8 lawsuit is modified to allow less than 50 square feet per
9 inmate, 222.5 additional positions needed to supervise an
10 additional 2,074 inmates shall be provided from funds
11 appropriated to the Department of Correction for the out-of-
12 state housing of inmates in Chapter 24 of the Session Laws of
13 the 1994 Extra Session.

14 (b) The Department of Correction shall use funds appropriated to the
15 Department for the out-of-state housing of inmates in Chapter 24 of the Session Laws of
16 the 1994 Extra Session (i) to establish two positions for the supervision of inmate road
17 squads and work crews and to pay the per diem costs of inmates at prison units not
18 covered by the Small v. Martin lawsuit; and (ii) to establish 72 positions to achieve
19 staffing standards and operate new beds at Black Mountain, Caswell, and Sandhills
20 prison units and to provide for supervision of additional inmate road squads at Caswell
21 prison unit.

22
23 Requested by: Representative Holt

24 **PRISON PROFITS TO VICTIMS COMPENSATION FUND**

25 Sec. 100. (a) G.S. 148-2 reads as rewritten:

26 **"§ 148-2. Prison moneys and earnings.**

27 (a) Persons authorized to collect or receive the moneys and earnings of the State
28 prison system shall enter into bonds payable to the State of North Carolina in penal
29 sums and with security approved by the Department of Correction, conditioned upon the
30 faithful performance by these persons of their duties in collecting, receiving, and paying
31 over prison moneys and earnings to the State Treasurer. Only corporate security with
32 sureties licensed to do business in North Carolina shall be accepted.

33 (b) All revenues from the sale of articles and commodities manufactured or
34 produced by prison enterprises shall be deposited with the State Treasurer to be kept and
35 maintained as a special revolving working-capital fund designated 'Prison Enterprises
36 Fund.' The Revenue in the Prison Enterprises Fund shall be used for applied first to
37 capital and operating expenditures, including salaries and wages of supervisory
38 personnel, necessary to develop and operate prison industrial and forestry enterprises to
39 provide diversified employment for prisoners-prisoners, and incentive wages for non-
40 Prison Enterprises Inmates. Of the remaining revenue in the Fund, five percent (5%) of
41 the net profits, before expansion costs, shall be credited to the Crime Victims
42 Compensation Fund established in G.S. 15B-23 as soon as practicable after profits have
43 been determined for the previous year, and at the direction ~~When, in the opinion~~ of the
44 Governor, the Prison Enterprises Fund has reached a sum in excess of requirements for
45 these purposes, the excess the remainder shall be used for other purposes within the

1 State prison system or shall be transferred to the ~~general fund as the Governor may~~
2 ~~direct.~~ General Fund. The provisions of this section shall not apply to revenues
3 generated from private prison enterprises conducted pursuant to G.S. 148-70 except for
4 lease and rental income.

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

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

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

16 There is established the Crime Victims Compensation Fund. Revenue in the Crime
17 Victims Compensation Fund includes amounts credited to the Fund under G.S. 148-2
18 and other funds. Any surplus in the Crime Victims Compensation Fund shall not revert.
19 The Crime Victims Compensation Fund shall be kept on deposit with the State
20 Treasurer, as in the case of other State funds, and may be invested by the State
21 Treasurer in any lawful security for the investment of State money. The Crime Victims
22 Compensation Fund is subject to the oversight of the State Auditor pursuant to Article
23 5A of Chapter 147 of the General Statutes."

24 (c) The funds transferred to the Crime Victims Compensation Fund pursuant
25 to this section shall not supplant current or future appropriations by the General
26 Assembly to the Crime Victims Compensation Fund.

27

28 Requested by: Representative Holt

29 **DEPARTMENT OF CORRECTION RESERVE FOR SUBSTANCE ABUSE**
30 **TREATMENT PILOT PROGRAM FOR PAROLEES AND PROBATIONERS**

31 Sec. 101. (a) Of the funds appropriated to the Department of Correction for
32 the 1994-95 fiscal year, the sum of five hundred eighty-three thousand dollars
33 (\$583,000) shall be used to establish two positions and to cover associated expenses,
34 including equipment. Of this amount, the sum of four hundred eighty-five thousand
35 eight hundred thirty-four dollars (\$485,834) shall be used to contract with providers of
36 services to parolees and probationers with serious substance abuse histories.

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

43

44 Requested by: Representative Holt

HARRIET'S HOUSE FUNDS

Sec. 102. (a) Of the funds appropriated from the General Fund to the Department of Correction for the 1994-95 fiscal year, the sum of two hundred thousand dollars (\$200,000) shall be used to support the programs at Harriet's House, a transitional home for female ex-offenders and their children. Harriet's House shall report quarterly to the Joint Legislative Commission on Governmental Operations on the expenditure of State appropriations and on the effectiveness of the program, including information on the number of clients served and the number of clients who successfully complete the Harriet's House program.

(b) The balance of the two hundred thousand dollars (\$200,000) appropriated in Chapter 321 of the 1993 Session Laws to the Department of Correction for the 1993-94 fiscal year to support the programs of Harriet's House shall not revert at the end of the fiscal year but shall remain in the Department during the 1994-95 fiscal year for that purpose.

Requested by: Representative Holt

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

Sec. 103. (a) G.S. 15A-1344(e1), as enacted by Section 2 of Chapter 19 of the Session Laws of the 1994 Extra Session, reads as rewritten:

"(e1) Criminal Contempt in Response to Violation. – If a defendant willfully violates a condition of probation, the court may hold the defendant in criminal contempt as provided in Article 1 of Chapter 5A of the General Statutes. A finding of criminal contempt by the court shall not revoke the probation. If the offender serves a sentence for contempt in a local confinement facility, the Department of Correction shall pay for the confinement at the standard rate set by the General Assembly pursuant to G.S. 148-32.1(a) regardless of whether the offender would be eligible under the terms of that subsection."

(b) The Department of Correction shall comply with the provisions of this section with funds appropriated to the Department for out-of-state housing of inmates in Chapter 24 of the Session Laws of the 1994 Extra Session.

Requested by: Representative Holt

USE OF OPERATIONAL FUNDS FOR SECURITY AND MEDICAL POSITIONS

Sec. 104. Section 171 of Chapter 321 of the 1993 Session Laws reads as rewritten:

"Sec. 171. Funds appropriated in this act to the Department of Correction for operational costs for additional facilities shall be used for personnel and operating expenses set forth in the budget approved by the General Assembly in this ~~act~~ act and set forth in this section. These funds may not be expended for any other purpose, and may not be expended for additional prison personnel positions until the new facilities are within 90 days of completion, except for certain management and support positions necessary to prepare the facility for opening, as authorized in the budget approved by

1 the General Assembly. ~~Assembly, and except for medical positions at the North~~
2 Carolina Correctional Institution for Women and positions needed for security due to
3 construction at Wayne, Lumberton, Columbus, Piedmont, Brown Creek, Johnston, and
4 Franklin prison units."

5
6 **PART 21. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

7
8 Requested by: Representative Holt

9 **COMMUNITY POLICING PILOT PROGRAM**

10 Sec. 106. Of the funds appropriated to the Department of Crime Control and
11 Public Safety for the 1994-95 fiscal year, the sum of two hundred thirty thousand seven
12 hundred ninety dollars (\$230,790) shall be allocated to the Office of the Secretary of
13 Crime Control and Public Safety to implement a pilot program to provide technical
14 assistance to communities in the development of community policing programs in high
15 crime areas. The Secretary shall report by March 1, 1995, to the 1995 General
16 Assembly regarding implementation of the pilot program and on any preliminary
17 findings as to the benefits of the program.

18
19 Requested by: Representatives Holt, H. Hunter

20 **MULTIJURISDICTIONAL DRUG TASK FORCE FUNDS**

21 Sec. 107. Of the funds appropriated in this act to the Department of Crime
22 Control and Public Safety, the sum of two hundred fifty thousand dollars (\$250,000) for
23 the 1994-95 fiscal year shall be used as grants to the multijurisdictional drug task forces
24 operating in Beaufort, Bertie, Bladen, Chowan, Columbus, Craven, Cumberland,
25 Duplin, Edgecombe, Gates, Greene, Halifax, Hertford, Jones, Lenoir, Martin, Nash,
26 New Hanover, Northampton, Pasquotank, Pender, Perquimans, Pitt, Tyrrell, Vance,
27 Warren, Washington, Wayne, and Wilson Counties. Only local units of government
28 shall be eligible to receive grants which shall be awarded pursuant to guidelines adopted
29 by the Department of Crime Control and Public Safety. A minimum cash match of
30 twenty-five percent (25%) shall be required.

31
32 Requested by: Representatives Holt, Baddour

33 **NATIONAL GUARD EDUCATIONAL BENEFIT INCREASE**

34 Sec. 107.1. G.S. 127A-193 reads as rewritten:

35 **"§ 127A-193. Benefit.**

36 The benefit provided under this Article shall consist of a monetary educational
37 assistance grant not to exceed ~~five hundred dollars (\$500.00)~~ one thousand dollars
38 (\$1,000) per academic year to qualifying members of the North Carolina national guard.
39 Benefits shall be payable for a period of one academic year at a time, renewable at the
40 option of the Secretary for a maximum of ~~two thousand dollars (\$2,000)~~ four thousand
41 dollars (\$4,000)."

42
43 **PART 22. DEPARTMENT OF JUSTICE**

1 Requested by: Representative Holt

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

4 Sec. 108. Section 204 of Chapter 321 of the 1993 Session Laws reads as
5 rewritten:

6 "Sec. 204. (a) Assets transferred to the Department of Justice during the 1993-95
7 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that
8 Department and shall result in an increase of law enforcement resources for the
9 Department. Assets transferred to the Department of Crime Control and Public Safety
10 during the 1993-95 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the
11 budget of that Department and shall result in an increase of law enforcement resources
12 for the Department. The Departments shall report to the Joint Legislative Commission
13 on Governmental Operations upon the receipt of these assets and, before using these
14 assets, shall report the intended use of these assets and the departmental priorities on
15 which the assets may be expended.

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

23 (1) The Department of Crime Control and Public Safety may use an
24 amount not to exceed one hundred seventeen thousand one hundred
25 dollars (\$117,100) of these assets for the purpose of building a
26 helicopter hangar; and

27 (2) The Department of Justice may use an amount not to exceed seventy-
28 five thousand dollars (\$75,000) of these assets for the purpose of
29 constructing a pistol range tower to house the computerized target
30 system located at the Justice Academy.

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

34

35 Requested by: Representative Holt

36 **CENTRALIZED UTILIZATION OF LEGAL PUBLICATIONS**

37 Sec. 109. With the technical assistance of the Office of State Budget and
38 Management, the Department of Justice shall conduct a cost analysis, formulate an
39 implementation plan, and develop a funding recommendation for each of the following
40 recommendations of the Office of State Budget and Management contained in the report
41 of April 1994 on the Centralized Utilization of Legal Publications:

42 (1) The use of legal publications available on CD-ROM software and
43 hardware; and

1 (2) The feasibility of developing a legal resource and legal research
2 network.

3 The Employment Security Commission, Industrial Commission, Department
4 of Labor, Department of Revenue, State Library, SIPS, and any other State agency,
5 department, or institution that maintains a legal library shall cooperate with the
6 Department of Justice in the determination of the feasibility of developing a legal
7 resource and legal research network.

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

12

13 Requested by: Representative Holt

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

15 Sec. 110. (a) Of the funds appropriated to the Department of Justice for the
16 1994-95 fiscal year, the sum of twenty-five thousand two hundred twenty-eight dollars
17 (\$25,228) may be used to match the federal grant for the Child Victim's Assistance
18 Project within the Citizens Rights Division. In the event that the Department of Justice
19 does not receive federal grant funds for this specific grant, then the matching funds
20 authorized by this section for that purpose shall not be expended.

21 (b) Of the funds appropriated to the Department of Justice for the 1994-95
22 fiscal year, the sum of one hundred sixty-six thousand six hundred sixty-one dollars
23 (\$166,661) may be used by the State Bureau of Investigation to match federal funds for
24 the purchase of a computerized system to match bullets and weapons. In the event that
25 the Department of Justice does not receive federal grant funds for this purpose, then the
26 funds authorized by this section for matching purposes shall not be expended.

27

28 Requested by: Representative Holt

29 **REVERSION OF CERTAIN INSURANCE SETTLEMENT PROCEEDS**

30 Sec. 111. Any funds received by the Department of Justice in settlement of
31 insurance claims arising from damage to the Blue Bell building at the North Carolina
32 Justice Academy shall not be expended by the Department and shall revert to the
33 General Fund.

34

35 **PART 23. JUDICIAL DEPARTMENT**

36

37 Requested by: Representative Holt

38 **COMMUNITY PENALTIES PROGRAMS**

39 Sec. 112. (a) Of the funds appropriated from the General Fund to the
40 Judicial Department for the 1994-95 fiscal year to conduct the community penalties
41 programs, the sum of three million five hundred thirteen thousand six hundred fifty-
42 eight dollars (\$3,513,658) may be allocated by the Judicial Department in any amount
43 among existing community penalties programs, including any State-operated programs,

1 or may be used to establish new State-operated community penalties programs,
2 notwithstanding the provisions of G.S. 7A-771 and G.S. 7A-772.

3 (b) The Judicial Department shall report annually to the Senate and House
4 Appropriations Subcommittees on Justice and Public Safety and to the Fiscal Research
5 Division on the administrative expenditures of the community penalties programs. The
6 Judicial Department shall report quarterly to the Joint Legislative Commission on
7 Governmental Operations on any elimination or reduction of funding for existing
8 community penalties programs.

9
10 Requested by: Representative Holt

11 **FORSYTH WARRANT CLERKS BECOME MAGISTRATES**

12 Sec. 113. (a) The Administrative Office of the Courts may transfer 11
13 positions established within budget program fund 1260, "Clerk of Superior Court", in
14 the certified budget for the 1993-95 biennium to budget program fund 1240, "District
15 Court". These 11 positions shall be deleted from the positions allocated to the office of
16 the Clerk of Superior Court of Forsyth County pursuant to Section 9 of Chapter 881 of
17 the 1983 Session Laws, and shall be added to the magistrate positions allocated to
18 Forsyth County pursuant to G.S. 7A-171, but shall not increase the maximum number of
19 magistrates authorized for Forsyth County in G.S. 7A-133.

20 (b) Each magistrate position created in Forsyth County as a result of this
21 section shall be filled pursuant to G.S. 7A-171 for an initial term ending December 31,
22 1994, as if a vacancy had occurred in the position on the effective date of this act. A
23 successor in each position shall be appointed as provided in G.S. 7A-171 for a full term
24 beginning January 1, 1995.

25 (c) The salary of each person who serves as a magistrate in Forsyth County
26 in a position transferred pursuant to this section shall be determined under G.S. 7A-
27 177.1, by including in the number of years the person has served as a magistrate, the
28 number of years that the person has served as an assistant or Deputy Clerk of Superior
29 Court for Forsyth County in a warrant clerk position.

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

34
35 Requested by: Representative Holt

36 **STATE-RUN COMMUNITY PENALTIES PROGRAMS**

37 Sec. 114. The Director of the Administrative Office of the Courts may
38 establish local community penalties programs and appoint staff the Director considers
39 necessary. These personnel may serve as full-time or part-time State employees or,
40 alternatively, their activities may be provided on a contractual basis when determined
41 appropriate by the Director. The contracts shall be exempt from competitive bidding
42 procedures under Chapter 143 of the General Statutes. The Administrative Office of the
43 Courts shall adopt rules necessary and appropriate for the administration of the
44 program, including rules that allow plans to be presented at the request of the sentencing

1 judge. Funds appropriated by the General Assembly for the establishment and
2 maintenance of community penalties programs under this Article shall be administered
3 by the Administrative Office of the Courts. Any contract entered into under the
4 authority of this section shall expire not later than June 30, 1995.

5
6 Requested by: Representative Holt

7 **PITT REGIONAL MEDIATION CENTER FUNDS**

8 Sec. 115. Section 200.2 of Chapter 321 of the 1993 Session Laws reads as
9 rewritten:

10 "Sec. 200.2. Of the funds appropriated to the Judicial Department from the General
11 Fund for the 1993-95 biennium, 1993-94 fiscal year, the sum of forty thousand dollars
12 (\$40,000) for the 1993-94 fiscal year and the sum of forty thousand dollars (\$40,000)
13 for the 1994-95 fiscal year may be used for The Mediation Center of Pitt County, Inc., a
14 dispute settlement center in Pitt County, to establish a regional mediation and dispute
15 settlement center to serve Eastern North Carolina. Funding for the Mediation Center of
16 Pitt County, Inc., shall become part of the Judicial Department's continuation budget."

17
18 Requested by: Representatives Holt, Redwine

19 **EXTEND SENTENCING COMMISSION**

20 Sec. 116. (a) Section 8 of Chapter 1076 of the 1989 Session Laws, as
21 amended by Chapters 812 and 816 of the 1991 Session Laws and Chapters 253 and 321
22 of the 1993 Session Laws, reads as rewritten:

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

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

25 **"§ 164-38. Terms of members; compensation; expenses.**

26 The terms of existing members shall expire on June 30, ~~1993.~~ ~~New members shall~~
27 ~~be appointed or the existing members reappointed by the appointing authorities to serve~~
28 ~~until July 1, 1994, 1995,~~ unless they resign or are removed. Members serving by virtue
29 of elective or appointive office or as designees of such officeholders may serve only so
30 long as the officeholders hold those respective offices. Members appointed by the
31 Speaker of the House and the President Pro Tempore of the Senate may be removed by
32 the appointing authority without cause. Vacancies occurring before the expiration of a
33 term shall be filled in the manner provided for the members first appointed. A member
34 of the Commission may be removed only for disability, neglect of duty, incompetence,
35 or malfeasance in office. Before removal, the member is entitled to a hearing. Effective
36 with respect to members designated on or after July 1, 1992, a person making a
37 designation pursuant to G.S. 164-37 may not make another designation, except that the
38 person's successor in elective or appointive office may make a new designation.

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

42 (c) This section is effective upon ratification.

43
44 Requested by: Representative Holt

1 STUDY DRUG TREATMENT COURT PROGRAM

2 Sec. 117. The Administrative Office of the Courts, in consultation with the
3 Courts Task Force on Substance Abuse, shall study the costs and benefits of
4 establishing pilot drug treatment court programs. The study shall include a
5 determination of the appropriate model for operating a pilot drug treatment court
6 program. The Administrative Office of the Courts shall report its findings and any
7 recommendations to the 1995 General Assembly by March 1, 1995. The sum of eight
8 hundred thousand dollars (\$800,000) placed in a reserve created in Section 41 of
9 Chapter 24 of the Session Laws of the 1994 Extra Session shall not revert but shall
10 remain available for allocation by the 1995 General Assembly.

11
12 Requested by: Representative Holt

13 REPORT ON DISPUTE SETTLEMENT CENTERS

14 Sec. 118. (a) All local dispute settlement centers currently receiving State
15 funds shall report annually to the Judicial Department on the program's funding and
16 activities, including:

- 17 (1) Types of dispute settlement services provided;
- 18 (2) Clients receiving each type of dispute settlement service;
- 19 (3) Number and type of referrals received, cases actually mediated, cases
20 resolved in mediation, and total clients served in the cases mediated;
- 21 (4) Total program funding and funding sources;
- 22 (5) Itemization of the use of funds, including operating expenses and
23 personnel;
- 24 (6) Itemization of the use of State funds;
- 25 (7) Level of volunteer activity; and
- 26 (8) Identification of future service demands and budget requirements.

27 The Judicial Department shall compile and summarize the information
28 provided pursuant to this subsection and shall provide the information to the Chairs of
29 the House and Senate Appropriations Committees and the Chairs of the House and
30 Senate Appropriations Subcommittees on Justice and Public Safety by February 1 of
31 each year.

32 (b) Each local dispute settlement center requesting State funds for the first
33 time or requesting an expansion of State funding shall provide the General Assembly
34 with (i) the information enumerated in subsection (a) of this section, or projections
35 where historical data is not available, as well as a detailed statement justifying the need
36 for State funding or the expansion of State funding, and (ii) certification that at least
37 seventy percent (70%) of total funding shall come from non-State sources.

38
39 Requested by: Representatives Holt, R. Hunter

**40 AUTHORIZE ADDITIONAL MAGISTRATES IN CATAWBA, MCDOWELL,
41 AND IREDELL COUNTIES**

42 Sec. 119. G.S. 7A-133 reads as rewritten:

43 **"§ 7A-133. Numbers of judges by districts; numbers of magistrates and**
44 **additional seats of court, by counties.**

Each district court district shall have the numbers of judges and each county within the district shall have the numbers of magistrates and additional seats of court, as set forth in the following table:

District	Additional Judges	County	Magistrates Min.-Max.	Seats of Court
1	4	Camden	1 2	
		Chowan	2 3	
		Currituck	1 2	
		Dare	3 8	
		Gates	2 3	
		Pasquotank	3 4	
		Perquimans	2 3	
2	3	Martin	5 8	
		Beaufort	4 8	
		Tyrrell	1 3	
		Hyde	2 4	
		Washington	3 4	
3A	3	Pitt	10 12	Farmville
				Ayden
3B	4	Craven	7 10	Havelock
		Pamlico	2 3	
		Carteret	5 8	
4	6	Sampson	6 8	
		Duplin	9 11	
		Jones	2 3	
		Onslow	8 14	
5	6	New Hanover	6 11	
		Pender	4 6	
6A	2	Halifax	9 14	Roanoke
				Rapids, Scotland Neck
6B	2	Northampton	5 6	
		Bertie	4 5	
		Hertford	5 6	
7	6	Nash	7 10	Rocky Mount
		Edgecombe	4 6	Rocky Mount
		Wilson	4 6	
8	6	Wayne	5 11	Mount Olive
		Greene	2 4	
		Lenoir	4 10	La Grange
9	4	Granville	3 7	

1				Vance		3	5	
2				Warren		3	4	
3				Franklin		3	6	
4	9A	2	Person3	4				
5				Caswell		2	5	
6	10	12	Wake 12	20	Apex,			
7								Wendell,
8								Fuquay-
9								Varina,
10								Wake Forest
11	11	6	Harnett	7	11	Dunn		
12				Johnston			10	12
13								Benson,
14								Clayton
15				Lee			4	6
16	12	7	Cumberland	10	17			
17	13	4	Bladen	4	6			
18				Brunswick			4	7
19				Columbus			6	8
20	14	5	Durham	8	12			Tabor City
21	15A	3	Alamance	7	10	Burlington		
22	15B	3	Orange	4	11	Chapel Hill		
23				Chatham			3	8
24	16A	2	Scotland	3	5			Siler City
25				Hoke			4	5
26	16B	5	Robeson	8	16	Fairmont,		
27								Maxton,
28								Pembroke,
29								Red Springs,
30								Rowland,
31								St. Pauls
32	17A	2	Rockingham	4	9	Reidsville,		
33								Eden,
34								Madison
35	17B	3	Stokes2	5				
36				Surry			5	8
37	18	11	Guilford	20	26	High Point		
38	19A	2	Cabarrus	5	9	Kannapolis		
39	19B	3	Montgomery	2	4			
40				Randolph			5	8
41	19C	2	Rowan	5	10			Liberty
42	20	6	Stanly 5	6				
43				Union			4	6
44				Anson			4	5

1				Richmond	5	6	Hamlet
2				Moore	5	8	Southern
3							Pines
4	21	7	Forsyth	3	15		Kernersville
5	22	6	Alexander	2	3		
6				Davidson	7	10	Thomasville
7				Davie	2	3	
8				Iredell	4	<u>8-9</u>	Mooreville
9	23	3	Alleghany	1	2		
10				Ashe	3	4	
11				Wilkes	4	6	
12				Yadkin	3	5	
13	24	3	Avery	3	4		
14				Madison	4	5	
15				Mitchell	3	4	
16				Watauga	4	6	
17				Yancey	2	4	
18	25	7	Burke	4	7		
19				Caldwell	4	7	
20				Catawba	6	<u>9-10</u>	Hickory
21	26	13	Mecklenburg	15	26		
22	27A	5	Gaston	11	20		
23	27B	4	Cleveland	5	8		
24				Lincoln	4	6	
25	28	5	Buncombe	6	15		
26	29	4	Henderson	4	6		
27				McDowell	3	<u>4-5</u>	
28				Polk	3	4	
29				Rutherford	6	8	
30				Transylvania	2	4	
31	30	4	Cherokee	3	4		
32				Clay	1	2	
33				Graham	2	3	
34				Haywood	5	7	Canton
35				Jackson	3	4	
36				Macon	3	4	
37				Swain	2	3."	

39 Requested by: Representative Holt
 40 **AOC PRESUMPTIVE FEE SCHEDULE FOR REPRESENTATION OF**
 41 **INDIGENT DEFENDANTS IN CAPITAL CASES**
 42 Sec. 120. (a) G.S. 7A-344 reads as rewritten:
 43 **"§ 7A-344. Special duties of Director concerning representation**
 44 **of indigent persons.**

1 In addition to the duties prescribed in G.S. 7A-343, the Director shall also:

- 2 (1) Supervise and coordinate the operation of the laws and regulations
3 concerning the assignment of legal counsel for indigent persons under
4 Subchapter IX of this Chapter to the end that all indigent persons are
5 adequately represented;
- 6 (2) Advise and cooperate with the offices of the public defenders as
7 needed to achieve maximum effectiveness in the discharge of the
8 defender's responsibilities;
- 9 (3) Collect data on the operation of the assigned counsel and the public
10 defender systems, and make such recommendations to the General
11 Assembly for improvement in the operation of these systems as appear
12 to him to be appropriate; and
- 13 (4) Accept and utilize federal or private funds, as available, to improve
14 defense services for the indigent, including indigent juveniles alleged
15 to be delinquent or undisciplined. To facilitate processing of juvenile
16 cases and civil cases in which a party is entitled to counsel, the
17 administrative officer is further authorized, in any district or set of
18 districts as defined in G.S. 7A-41.1(a), with the approval of the chief
19 district court judge for cases in the district court division and the
20 approval of the senior resident superior court judge for cases in the
21 superior court division, to engage the services of a particular attorney
22 or attorneys to provide specialized representation on a full-time or
23 part-time basis.

24 The Director may issue a presumptive fee schedule for the hourly rates of
25 compensation of attorneys appointed to represent indigent defendants in capital cases."

26 (b) Of the funds appropriated in this act to the Judicial Department, Indigent
27 Persons Attorney Fee Fund, for the 1994-95 fiscal year, the sum of three million six
28 hundred forty thousand dollars (\$3,640,000) for the 1994-95 fiscal year shall be used to
29 implement the provisions of this section.

30
31 Requested by: Representatives Diamont, Holt

32 **TRANSFER CALENDARING AUTHORITY TO SENIOR RESIDENT**
33 **SUPERIOR COURT JUDGE**

34 Sec. 121. It is the policy of this State that, effective July 1, 1995, the senior
35 resident superior court judge in each judicial district shall be responsible for the
36 calendaring of all superior court criminal cases and motions for trial or hearing in the
37 judicial district. The North Carolina Supreme Court is requested, pursuant to its
38 rulemaking authority, to adopt rules for the implementation of this policy. The
39 Administrative Office of the Courts shall report to the Courts Commission by March 1,
40 1995, on any changes necessary to bring the General Statutes into conformity with this
41 policy.

42
43 Requested by: Representatives G. Miller, Michaux

44 **CORRECT JUDICIAL TERM**

1 Sec. 121.1. (a) If the superior court judge holding office on June 1, 1994
2 whose successor's term is to begin July 1, 1995 under G.S. 7A-41(d)(25) is not a regular
3 superior court judge on January 1, 1995, then the succeeding term begins January 1,
4 1995, and the remainder of this section does not apply.

5 (b) If the superior court judge holding office on June 1, 1994 whose
6 successor's term is to begin July 1, 1995 under G.S. 7A-41(d)(25) ceases to be a regular
7 superior court judge between January 1, 1995 and July 1, 1995, the term of that judge's
8 successor begins on the date that judge ceases to be a regular superior court judge.

9 (c) If in superior court district 14B only one of the three persons elected for
10 that district in the 1994 general election is a special superior court judge on January 1,
11 1995, then that person is the successor to the judge whose term was determined by G.S.
12 7A-41(d)(25), but in such case the successor's service as a special superior court judge
13 shall be considered service as a regular resident superior court judge under G.S. 7A-
14 41.1(b)(2).

15 (d) If subsection (c) of this section does not apply, in superior court district
16 14B the State Board of Elections shall choose by lot among those persons elected in
17 1994 who were not regular superior court judges, and the person chosen by lot is the
18 successor to the judge whose term was determined by G.S. 7A-41(d)(25).

19 20 **PART 24. DEPARTMENT OF HUMAN RESOURCES**

21
22 Requested by: Representatives Nye, Easterling

23 **WILLIE M. RULES**

24 Sec. 122. Section 208 of Chapter 321 of the 1993 Session Laws is amended
25 by adding the following new subsection to read:

26 "(j) The Secretary of the Department of Human Resources shall adopt rules to be
27 followed in the provision of services for disabled, violent, and assaultive children who
28 have not reached their eighteenth birthday. These rules shall allow for the continuation
29 of services to any child the Secretary determines is being appropriately served until the
30 end of the fiscal year in which the child reaches the age of 18 or until six months after
31 the child reaches the age of 18, whichever period is longer."

32
33 Requested by: Representatives Nye, Easterling

34 **CLIENT SERVICES MONITORING**

35 Sec. 123. The Department of Human Resources, Division of Mental Health,
36 Developmental Disabilities, and Substance Abuse Services, shall develop and
37 implement a system of monitoring and control for client services. This system shall
38 ascertain whether services are provided in a timely manner. Notwithstanding any other
39 provisions of law, the Division shall withhold Area Mental Health Agencies'
40 administrative funds until services are provided in a timely manner.

41
42 Requested by: Representatives Nye, Easterling

43 **MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE** 44 **ABUSE SERVICES PROVIDERS/MEDICAID RECEIPTS**

1 Sec. 124. The Division of Mental Health, Developmental Disabilities, and
2 Substance Abuse Services of the Department of Human Resources shall initiate efforts
3 to enable service providers to realize additional Medicaid receipts for services provided
4 through the Willie M. and Thomas S. programs and shall present the results of their
5 efforts to the Human Resources Appropriations Subcommittees by March 1, 1995.

6
7 Requested by: Representatives Easterling, Nye

8 **PRIVATE AGENCY UNIFORM COST FINDING REQUIREMENT**

9 Sec. 125. To ensure uniformity in rates charged to area programs and funded
10 with State-allocated resources, the Division of Mental Health, Developmental
11 Disabilities, and Substance Abuse Services of the Department of Human Resources may
12 require a private agency that provides services under contract with two or more area
13 programs, except for hospital services that have an established Medicaid rate, to
14 complete an agency-wide uniform cost finding in accordance with G.S. 122C-143.2(a)
15 and G.S. 122C-147.2. The resulting cost shall be the maximum included for the private
16 agency in the contracting area program's unit cost finding.

17
18 Requested by: Representatives Nye, Easterling

19 **PIONEER TESTING RULE WAIVER EXTENSION**

20 Sec. 126. Subsection (n) of Section 220 of Chapter 321 of the 1993 Session
21 Laws reads as rewritten:

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

23
24 Requested by: Representatives Easterling, Nye

25 **THOMAS S.**

26 Sec. 127. Section 209 of Chapter 321 of the 1993 Session Laws reads as
27 rewritten:

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

- 33 (1) Adults with mental retardation, or who have been treated as if they had
34 mental retardation, who were admitted to a State psychiatric hospital
35 on or after March 22, 1984, and who are included on the Division of
36 Mental Health, Developmental Disabilities, and Substance Abuse
37 Services' official list of prospective Class members;
- 38 (2) Adults with mental retardation who have a documented history of
39 State psychiatric hospital admissions regardless of admission date and
40 who, without funding support, have a good probability of being
41 readmitted to a State psychiatric hospital; ~~or~~
- 42 (3) Adults with mental retardation who have never been admitted to a
43 State psychiatric hospital but who have a documented history of
44 behavior determined to be of danger to self or others that results in

1 referrals for inpatient psychiatric treatment and who, without funding
2 support, have a good probability of being admitted to a State
3 psychiatric ~~hospital~~-hospital; or

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

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

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

- 16 (1) Funds specifically appropriated by the General Assembly for the
17 placement and services of Thomas S. Class members; and
18 (2) Funds for placement and services for which Thomas S. Class members
19 are otherwise eligible.

20 (c) The Department of Human Resources shall develop and implement during the
21 1993-94 fiscal year a prospective unit cost reimbursement system and shall ensure that
22 unit cost rates reflect reasonable costs by conducting cost center service type rate
23 comparisons and cost center line item budget reviews as may be necessary.

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

- 28 (1) The number of Thomas S. clients confirmed as Class members;
29 (2) The number of prospective Class members evaluated;
30 (3) The number of prospective Class members awaiting evaluation;
31 (4) The number of Class members or prospective class members added in
32 the preceding 12 months due to their admission to a State psychiatric
33 hospital;
34 (5) A description of the types of treatment services provided to Class
35 members; and
36 (6) An analysis of the use of funds appropriated for the Class.

37 (e) Notwithstanding any other provision of law, if the Department of Human
38 Resources determines that a local program is not providing minimally adequate services
39 to members of the Class identified in Thomas S., et al. v. Britt, formerly Thomas S., et
40 al. v. Flaherty, or does not show a willingness to do so, the Department may ensure the
41 provision of these services through contracts with public or private agencies or by direct
42 operation by the Department of these programs."
43

44 Requested by: Representatives Nye, Easterling

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

4 Sec. 128. Section 218 of Chapter 321 of the 1993 Session Laws reads as
5 rewritten:

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

14 ~~The Department shall present a written report to the House and Senate Human~~
15 ~~Resources Appropriations Subcommittees by May 1, 1994, describing the results of its~~
16 ~~planning activities, the proposed schedule and cost for implementation of the integrated~~
17 ~~funding system and any proposed legislation needed to implement the plan. The~~
18 ~~Department shall submit a written report to these Subcommittees by May 1, 1995,~~
19 ~~describing the results of the implementation of the integrated funding system.~~

20 The Department of Human Resources, Division of Mental Health, Developmental
21 Disabilities, and Substance Abuse Services, shall present a written report on a UNIFIED
22 SYSTEM OF SERVICES to the Human Resources Appropriations Subcommittees by
23 March 1, 1995. The report shall describe the UNIFIED SYSTEM OF SERVICES using
24 an integrated funding stream to provide a practical-needs-based approach to the use of
25 limited resources within the Mental Health, Developmental Disabilities, and Substance
26 Abuse Services System and shall include a proposal for a pilot test of the UNIFIED
27 SYSTEM OF SERVICES in the North Central Region, including an estimation of the
28 cost of implementing the pilot test. The UNIFIED SYSTEM OF SERVICES shall
29 focus on improvement to the quality and continuity of client care and shall include
30 changes in budget or personnel policies or practices necessary to implement a unified
31 system of services. These changes shall be based on consultation with the Office of
32 State Budget and Management and the Office of State Personnel."

33
34 Requested by: Representatives Easterling, Nye

35 **1993 PROFESSIONAL COUNSELOR LICENSING ACT CORRECTION**

36 Sec. 129.(a) Effective July 1, 1994, G.S. 90-332.1(a)(8) reads as rewritten:

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

- 40 a. ~~The mental health services are provided by (i) a qualified~~
41 ~~mental health professional who meets or exceeds the minimum~~
42 ~~educational qualifications for licensure as a licensed~~
43 ~~professional counselor under this Article. as defined in G.S.~~
44 122C-3(31) and subject to the rules adopted by the Commission

1 for Mental Health, Developmental Disabilities, and Substance
2 Abuse Services, or (ii) an employee supervised by a qualified
3 professional as defined in G.S. 122C-3(31);

- 4 b. The area facility has obtained written verification from the
5 following boards that the employee has not had his or her
6 license, registration, or certification revoked, rescinded, or
7 suspended: the North Carolina Board of Licensed Professional
8 Counselors, the North Carolina State Board of Examiners of
9 Practicing Psychologists, the North Carolina Certification
10 Board for Social Work, and the North Carolina Marital and
11 Family Therapy Certification ~~Board~~-Board."

12 (b) Effective July 1, 1994, G.S. 90-332.1(a) is amended by adding the
13 following new subdivisions to read:

14 "(9) Any person performing counseling as an employee of a hospital or
15 other health care facility licensed under Chapter 131D, 131E, or 122C
16 who is performing this counseling under the supervision of a qualified
17 professional as defined in G.S. 122C-3(31); and

18 (10) Any employee assistance professional providing core-specific
19 employee assistance program (EAP) activities, as defined by the
20 Employee Assistance Professionals Association Standards for
21 Employee Assistance Programs Part II: Professional Guidelines
22 (1988)."

23
24 Requested by: Representatives Nye, Easterling

25 **NONSUPPLANTING OF MENTAL HEALTH, DEVELOPMENTAL**
26 **DISABILITIES, AND SUBSTANCE ABUSE FUNDS**

27 Sec. 130. The Department of Human Resources shall ensure that counties do
28 not reduce county appropriations and expenditures for area mental health,
29 developmental disabilities, and substance abuse authorities because the authorities have
30 received additional State appropriations for services.

31
32 Requested by: Representatives Nye, Easterling

33 **COALITION 2001 FUNDS**

34 Sec. 131. The sum of six million dollars (\$6,000,000) appropriated in this act
35 to the Department of Human Resources, Mental Health, Developmental Disabilities,
36 and Substance Abuse Services for the capital needs of mental health, developmental
37 disabilities, and substance abuse services recommended by Coalition 2001 shall be
38 allocated as follows:

- 39 (1) \$3,600,000 for community area mental health, developmental
40 disabilities, and substance abuse services capital needs.

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

1 At least ten percent (10%) of the capital funds shall be awarded by
2 the Department of Human Resources to area programs for projects in
3 counties that fall within the last quartile of either per capita income,
4 according to the most recent North Carolina Data System Rankings or
5 of property valuation, according to the most recent North Carolina
6 Department of Revenue rankings. The Department shall not require a
7 local match for these counties. The Department shall require a dollar-
8 for-dollar local match for capital funds awarded for projects in all
9 other counties. Capital in-kind contributions from area programs or
10 counties shall be considered in meeting the local matching
11 requirement. The Department shall determine acceptable requirements
12 for determining sources of allowable matching funds, whether cash or
13 in-kind.

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

- 16 (2) \$1,020,000 for construction and renovation of Developmental Day
17 Centers;
18 (3) \$600,000 for construction and renovation of vocational rehabilitation
19 facilities;
20 (4) \$120,000 for implementation of three community rehabilitation pilot
21 projects to be selected by the North Carolina Association of
22 Rehabilitation Facilities;
23 (5) \$240,000 for supported living projects of the Association for Retarded
24 Citizens and United Cerebral Palsy, Inc.; and
25 (6) \$420,000 for local assistive technology and a housing loaner fund to
26 be administered through the Community Living Association.
27

28 Requested by: Representatives Nye, Easterling

29 **DETERMINATION OF BUDGETARY IMPACT OF ADDITIONAL BEDS IN**
30 **DOMICILIARY CARE FACILITIES**

31 Sec. 132. Pursuant to G.S. 131E-177(4), in order to determine the budgetary
32 impact of additional beds in domiciliary care facilities, the Department of Human
33 Resources shall, by January 1, 1996, develop policy, criteria, and standards for
34 planning, conduct inventories, and make determinations of need for health services
35 facilities, domiciliary care facilities, and any other assisted living arrangements subject
36 to any State licensing requirements.

37 The Department shall report on its progress in implementing this section to
38 the 1995 General Assembly by March 15, 1995.

39 The plans and need determinations shall not be included in the State Medical
40 Facilities Plan but shall be used to assist the General Assembly in determining the
41 budgetary impact of additional beds in domiciliary care facilities.
42

43 Requested by: Representatives Easterling, Nye

1 **PILOT SUBSIDY FOR DOMICILIARY HOMES FOR SERVICES TO**
2 **DEVELOPMENTALLY DISABLED RESIDENTS REPORTING EXTENDED**

3 Sec. 133. Section 241 of Chapter 321 of the 1993 Session Laws reads as
4 rewritten:

5 "Sec. 241. Notwithstanding the provisions of G.S. 143-23, the Secretary of Human
6 Resources, with the approval of the Office of State Budget and Management, may use,
7 to the extent possible, any funds appropriated or otherwise available to the Department
8 in the 1993-94 fiscal year to conduct a pilot of a subsidy to homes for the aged and
9 disabled and family care homes to support the provisions of habilitative and related
10 services needed by developmentally disabled persons who reside there. The
11 Department shall present the results of the pilot to the General Assembly by ~~July 1,~~
12 ~~1994-April 15, 1995.~~"

13
14 Requested by: Representatives Easterling, Nye

15 **DEVELOPMENT OF RATE-SETTING METHODOLOGY FOR**
16 **DOMICILIARY CARE FACILITIES CONTINUED/RECOMMENDATIONS ON**
17 **STANDARDS, MONITORING**

18 Sec. 134. The Department of Human Resources shall continue development
19 of the rate-setting methodology for domiciliary care facilities proposed by the
20 Department in the report made to the General Assembly in accordance with the
21 requirements of Section 240 of Chapter 321 of the 1993 Session Laws. The final plan
22 shall include the recommended maximum payment rate for each category of facility,
23 and assessment of the adequacy of the existing standards for domiciliary facilities, the
24 adequacy of the monitoring of these standards and recommendations regarding any
25 needed changes in standards or their monitoring. The final plan shall be submitted to
26 the 1995 General Assembly and to the Fiscal Research Division by February 1, 1995.

27
28 Requested by: Representatives Nye, Easterling

29 **DOMICILIARY CARE REIMBURSEMENT RATE INCREASE**

30 Sec. 135. Section 239 of Chapter 321 of the 1993 Session Laws reads as
31 rewritten:

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

36 (b) Effective July 1, 1994, the maximum monthly rate for residents in
37 domiciliary care facilities shall be nine hundred seventy-five dollars (\$975.00) per
38 month for ambulatory residents and one thousand seventeen dollars (\$1,017) per month
39 for semiambulatory residents."

40
41 Requested by: Representatives Nye, Easterling

42 **DOMICILIARY HOMES/STAFFING ISSUES**

43 Sec. 136. The Department of Human Resources shall study the fiscal impact
44 for all Homes for the Aged and Family Care Homes for appropriate staffing, staff

1 turnover ratios, wages and benefits, staff training, and abilities for facilities to operate
2 within existing State and federal law and regulations, according to size and type of
3 facility.

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

7
8 Requested by: Representatives Nye, Easterling

9 **USE OF DETENTION CENTER CONSTRUCTION RESERVE**

10 Sec. 137. The Department of Human Resources, Division of Youth Services,
11 shall use the one million six hundred thousand dollars (\$1,600,000) placed in a reserve
12 for detention center construction in Section 67 of Chapter 24 of the Session Laws of the
13 1994 Extra Session, to construct a 24-bed detention center in Wake County.

14
15 Requested by: Representatives Easterling, Nye

16 **DHR STUDY OF DIVISION OF YOUTH SERVICES' PROGRAMS AND**
17 **SERVICES EXTENDED**

18 Sec. 138. Subsection (d) of Section 36 of Chapter 24 of the Session Laws of
19 the 1994 Extra Session reads as rewritten:

20 "(d) The Department shall complete this study by ~~November 1, 1994, March 1,~~
21 1995, and shall report the results of this study to the 1995 General Assembly by ~~March~~
22 1, 1995; April 1, 1995."

23
24 Requested by: Representatives Easterling, Nye, Nesbitt, Diamont

25 **DIVISION OF YOUTH SERVICES NURSE SALARY PLAN**

26 Sec. 139. The Department of Human Resources shall implement the salary
27 adjustment plan developed by the Division of Youth Services for nurses within the
28 Division's training schools and shall fund the plan with salary reserve funds within the
29 Department or from salary adjustment funds within the Office of State Budget and
30 Management.

31
32 Requested by: Representatives Nye, Easterling, Nesbitt, Diamont

33 **MECKLENBURG SERVICE CORPS FUNDS**

34 Sec. 140. Of the funds appropriated in this act to the Department of Human
35 Resources, the sum of three hundred eighty-three thousand dollars (\$383,000) shall be
36 used to establish a Service Corps in Mecklenburg County. This Corps shall be modeled
37 on the Durham Service Corps and shall provide an innovative program of community
38 service work and alternative education to nonviolent youthful offenders aged 15 through
39 17 and to young adults aged 17 through 23 who apply, as an alternative to training
40 school.

41 The Department shall report to the General Assembly by March 15, 1995, on
42 the outcome of the Mecklenburg Service Corps as it can then be determined, including
43 average gains in verbal and mathematics skill levels, high school diplomas or

1 equivalences earned, employment histories, and other measures of program
2 effectiveness.

3
4 Requested by: Representatives Easterling, Nye

5 **REIMBURSEMENT AND COMPENSATION OF MEMBERS OF THE NORTH**
6 **CAROLINA VOCATIONAL REHABILITATION ADVISORY COUNCIL**

7 Sec. 141. Notwithstanding G.S. 138-5(a)(1), members of the North Carolina
8 Vocational Rehabilitation Advisory Council may be reimbursed for reasonable and
9 necessary expenses of attending Council meetings or performing Council duties, as
10 authorized in the federal Rehabilitation Act, as amended. In addition, Council members
11 who are unemployed or who must forfeit wages from other employment to attend may
12 receive compensation not to exceed fifty dollars (\$50.00) a day for Council meetings or
13 performing Council duties, as authorized in the federal Rehabilitation Act, as amended.

14
15 Requested by: Representatives Nye, Easterling

16 **REVIEW OF DIVISION OF INFORMATION RESOURCE MANAGEMENT**

17 Sec. 142. The Department of Human Resources shall conduct a review of the
18 Division of Information Resource Management. This review shall include:

- 19 (1) An analysis of the management structure of the Division, including
20 recommendations on how to reduce the number of manager and
21 assistant manager positions and how to improve the overall efficiency
22 and effectiveness of the Division;
- 23 (2) A determination of the fiscal impact on State and federal funds of
24 eliminating the Division and using private contractors to do the work
25 currently being done by the Division; and
- 26 (3) A determination of the fiscal impact on State and federal funds of
27 changing the Division's receipt-supported billing plan to a centralized
28 system involving a funding combination of State appropriations and
29 federal indirect cost earnings.

30 The Department shall report its findings to the Human Resources
31 Appropriations Subcommittees by March 1, 1995.

32
33 Requested by: Representatives Easterling, Nye, H. Hunter

34 **CERTAIN SMART START FUNDS DO NOT REVERT**

35 Sec. 143. (a) Funds appropriated to the Division of Child Development,
36 Department of Human Resources, in fiscal year 1993-94 and allocated to the 12 local
37 Smart Start projects established during the 1993-94 fiscal year shall not revert until June
38 30, 1995, but shall remain with the Division for use as provided under Part 10B of
39 Article 3 of Chapter 143B of the General Statutes.

40 (b) Funds appropriated to the Division of Child Development, Department of
41 Human Resources, in fiscal year 1993-94 and allocated for the statewide evaluation of
42 Smart Start, the statewide needs and resources assessments, the professional
43 development of day care providers, the automated payment system, and the T.E.A.C.H.

1 program shall not revert until June 30, 1995, but shall remain with the Division for use
2 as defined by the original appropriation for these funds.

3 (c) Any new funds that may be appropriated to the Division of Child
4 Development, Department of Human Resources, in fiscal year 1994-95 and to be
5 allocated to new local Smart Start projects to be established during the 1994-95 fiscal
6 year shall not revert until June 30, 1996, but shall remain with the Division for use as
7 provided under Part 10B of Article 3 of Chapter 143B of the General Statutes.

8 (d) It is the intent of the General Assembly that this section's postponement of
9 reversions of Smart Start funds shall be for one year only and that it shall not be
10 extended.

11 (e) The funds in subsections (a) and (b) are nonrecurring and shall not
12 become a part of the continuation budget for the Division of Child Development,
13 Department of Human Resources.

14 (f) This section becomes effective June 30, 1994.

15
16 Requested by: Representatives Nye, Easterling

17 **SUPPORT OUR SCHOOLS PROGRAM/FAMILY RESOURCE CENTER**
18 **GRANT PROGRAM ADMINISTRATIVE COSTS INCREASE**

19 Sec. 144. (a) Of the funds appropriated to the Department of Human
20 Resources for the Support Our Schools (S.O.S.) Program for the 1994-95 fiscal year, the
21 Department may use up to one hundred fifty thousand dollars (\$150,000) for the
22 administration of each program, in addition to the two hundred thousand dollars
23 (\$200,000) allocated for the administration of the program by Chapter 24 of the Session
24 Laws, Extra Session 1994.

25 (b) Of the funds appropriated to the Department of Human Resources for the
26 Family Resource Center Grant Program for the 1994-95 fiscal year, the Department
27 may use up to one hundred thousand dollars (\$100,000) for the administration of each
28 program, in addition to the two hundred thousand dollars (\$200,000) allocated for the
29 administration of the program by Chapter 24 of the Session Laws, Extra Session 1994.

30
31 Requested by: Representatives Nye, Easterling

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

34 Sec. 145. The Secretary of Human Resources may allow local partnerships
35 receiving funds for Early Childhood Education and Development Initiatives to use up to
36 five percent (5%) or up to one hundred thousand dollars (\$100,000) of their total
37 allocation, whichever is greater, to fund the staff and administrative support for local
38 partnership board activities if the local partnership demonstrates that this additional
39 administrative funding is needed.

40
41 Requested by: Representatives Easterling, Nye, Nesbitt, Diamont

42 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**
43 **APPLICATION CLARIFICATION**

1 Sec. 146. The Department of Human Resources, in cooperation with the
2 North Carolina Partnership for Children, Inc., shall ensure that the selection process for
3 the additional local demonstration projects for the Early Childhood Education and
4 Development Initiatives funded in this act shall include the following:

- 5 (1) Acceptance of applications from counties that have not yet applied for
6 funding;
- 7 (2) Acceptance of additional information from counties that have already
8 made application for funding but have not received funding; and
- 9 (3) Consideration of the needs and resources assessment that has been
10 conducted in each county.

11
12 Requested by: Representatives Easterling, Nye, Nesbitt, Diamont, H. Hunter, Rogers
13 **SUBSIDIZED DAY CARE FOR MORE ELIGIBLE CHILDREN**

14 Sec. 147. (a) Of the funds appropriated in this act to the Department of
15 Human Resources, Division of Child Development, the sum of six million dollars
16 (\$6,000,000) for the 1994-95 fiscal year shall be used to pay for subsidized child day
17 care for children currently eligible for nonentitlement child day care but not currently
18 receiving this care. These funds may be used as follows:

- 19 (1) To pay for care that is currently available in the children's county up to
20 the provider's approved subsidized payment rate; and
- 21 (2) To raise the subsidized payment rate in counties where the current
22 market rate is too low to provide enough care for children. Priority
23 shall be given to counties with the lowest current market rate. For
24 Category "B" providers, the subsidized payment rate shall not exceed
25 the statewide market rate.

26 These funds shall be used in such a way as to maximize the number of eligible children
27 receiving subsidized child day care.

28 (b) The Division of Child Development shall report to the 1995 General
29 Assembly and to the Fiscal Research Division of the Legislative Services Office by
30 March 15, 1995, on the number of children whose child day care is funded pursuant to
31 this section, and on the number of children eligible for child day care who still are
32 waiting to be served. This report shall include county-level data on the number of these
33 children who could be served if funds were available, the number of these children for
34 whom service is not available in their community, and data on where these children live,
35 including relevant demographic data. This report shall also include a determination of
36 whether other eligible children not on any waiting list remain to be served.

37
38 Requested by: Representative Easterling

39 **DAY CARE ALLOCATION STUDY**

40 Sec. 148. The 1993 Legislative Research Commission Study Committee on
41 Child Care shall study the whole issue of day care rates to determine whether the rate
42 structure needs to be amended or overhauled. This study shall include an examination
43 of whether county departments of social services are using a provider's failure to
44 comply with requirements in addition to those specified in subsection (b) of Section 248

1 of Chapter 321 of the 1993 Session Laws as a condition for reducing the provider's
2 subsidized child day rates.

3 The Committee shall include the results of this study, including any
4 legislative recommendations, in its report to the Legislative Research Commission for
5 transmittal to the 1995 General Assembly.

6

7 Requested by: Representatives Easterling, Nye, Nesbitt, Diamont, Hayes

8 **FAMILY TO FAMILY FUNDS PROJECTS AUTHORIZED**

9 Sec. 149. The Department of Human Resources may establish Family to
10 Family projects that will replicate Project L.I.F.T. (Local Individuals Finding
11 Themselves), of Concord, North Carolina. Project L.I.F.T. works through families
12 helping other families deal with crime, substance abuse, and other issues facing parents
13 and their children. It targets families in Concord's public housing communities to
14 provide positive living skills, crime prevention activities, nutrition advice, higher
15 education, substance abuse counselling, and healthy lifestyle activities. Project L.I.F.T.,
16 and any projects that replicate it, are vital measures in preventing crime and violence.

17

18 Requested by: Representatives Easterling, Nye

19 **EMERGENCY ASSISTANCE CLARIFICATION**

20 Sec. 150. (a) Effective June 30, 1994, G.S. 108A-39.1 reads as rewritten:

21 **"§ 108A-39.1. AFDC Emergency Assistance Program.**

22 The Social Services Commission shall adopt rules to implement cash assistance and
23 services components of the Aid to Families with Dependent Children-Emergency
24 Assistance (AFDC-EA) Program. Effective November 1, 1986, the Department of
25 Human Resources, Division of Social Services, shall provide ~~emergency cash~~ assistance
26 to families whose family income does not exceed one hundred ten percent (110%) of the
27 current federal poverty level as established by the U. S. Secretary of Health and Human
28 Services and published annually in the Federal Register. Annual ~~program benefits cash~~
29 assistance ~~may shall not exceed five hundred dollars (\$500.00). three hundred dollars~~
30 (\$300.00). ~~Funding State appropriations made for the non-federal nonfederal share of~~
31 Emergency Assistance ~~services and cash benefits shall be shared at not exceed a rate of~~
32 fifty percent (50%) State participation and fifty percent (50%) county participation. fifty
33 percent (50%) of the nonfederal share. For cash benefits authorized by any agency, the
34 nonfederal share of the benefit shall be paid at a rate of fifty percent (50%) State funds
35 and fifty percent (50%) county or other local funds. For cash benefits authorized by any
36 State or local agency other than a county department of social services, the Department
37 of Human Resources may assess the county for fifty percent (50%) of the nonfederal
38 share of cash benefits authorized. For services benefits authorized by any agency, the
39 nonfederal share of the benefit shall be paid by that agency entirely from county
40 appropriations or other available public or private funds. Federal reimbursements
41 earned through participation in this Program shall be paid to the participants in
42 proportion to their payment of the nonfederal share."

43

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

1 "Sec. 232. The Division of Social Services, Department of Human Resources, shall
2 not expend more State funds than are appropriated for ~~Emergency Assistance~~ the cash
3 assistance component of the Emergency Assistance Program by this act. Within this
4 limit, Emergency Assistance cash benefits shall not exceed three hundred dollars
5 (\$300.00) per year per family, payable over a 30-day period. After this 30-day period,
6 Emergency Assistance cash benefits are not available to that family until 12 months
7 have elapsed from the initial authorization date. The family may have no more than a
8 total of three hundred dollars (\$300.00) in liquid assets in order to qualify for ~~any~~
9 ~~Emergency Assistance~~ the cash assistance component of the Emergency Assistance
10 Program pursuant to this section.

11 It is the intent of the General Assembly that ~~these Emergency Assistance funds~~ cash
12 benefits under the Emergency Assistance Program shall only be used to provide
13 assistance to persons to alleviate an emergency. In evaluating whether an emergency
14 exists, the ~~county departments of social services~~ agency receiving the application shall
15 apply prudent judgment to evaluate each emergency on its own merits. Prudent
16 judgment will permit ~~departments of social services~~ the agency to consider whether the
17 client created the emergency and whether the assistance will resolve the emergency."
18

19 Requested by: Representatives Nye, Easterling

20 **CHILD WELFARE SYSTEM STUDY**

21 Sec. 151. Of the funds appropriated in this act to the Department of Human
22 Resources, Office of the Secretary, the sum of one hundred fifty thousand dollars
23 (\$150,000) shall be used to contract for an independent, outside consultant to conduct a
24 comprehensive study of the child welfare system. The study shall include the
25 following:

- 26 (1) A description of the current child welfare system;
- 27 (2) An identification of the strengths and weaknesses of the current
28 system;
- 29 (3) A review of the current funding of the system, with emphasis on State
30 and local responsibilities;
- 31 (4) Recommendations on how to improve and refine the system, with
32 emphasis on addressing the comprehensive needs of the children and
33 families being served;
- 34 (5) Options for future policy discussions, with emphasis on State and local
35 funding responsibilities; and
- 36 (6) Recommendations on the development of a statewide reporting
37 system.

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

41
42 Requested by: Representatives Easterling, Nye, Diamont

43 **FOSTER CARE REPORTING**

1 Sec. 152. Counties receiving funds for foster care in this act shall report
2 quarterly, beginning with the second quarter of the 1994-95 fiscal year, to the Division
3 of Social Services, Department of Human Resources the following:

- 4 (1) A narrative description of the use of State funds;
- 5 (2) Workload statistics and indicators for foster care as established by the
6 Division of Social Services; and
- 7 (3) Development of a coordinated approach to providing children's
8 services, with emphasis on meeting the total needs of the children and
9 families being served.

10 The Division shall evaluate and report to the Joint Legislative Commission on
11 Governmental Operations and to the Fiscal Research Division of the Legislative
12 Services Office by April 30, 1995, on the State's efforts in implementing this section.
13 The evaluation and report shall include evaluation of the current foster care delivery
14 system and the impact of implementing this section.

15
16 Requested by: Representatives Nye, Easterling, Diamont

17 **COUNTY FOSTER CARE WORKERS**

18 Sec. 153. Of the funds appropriated in this act to the Department of Human
19 Resources, Division of Social Services, the sum of two million five hundred ninety-
20 seven thousand two hundred thirty-seven dollars (\$2,597,237) shall be used for county
21 foster care workers in foster care placement and licensing.

22
23 Requested by: Representatives Easterling, Nye

24 **MAINTENANCE OF EFFORT**

25 Sec. 154. Counties shall not use funds allocated to them through the
26 Department of Human Resources, Division of Social Services, for foster care in this act
27 to supplant funds they are obligated to provide. Any county receiving such an
28 allocation shall, at a minimum, maintain a level of financial support of county funds for
29 child welfare services at least equal to the 1993-94 actual expenditure levels.

30 If a county fails to maintain financial maintenance of effort as specified in
31 this section, the Department shall withhold future funding allocated to the county.

32 State assistance to counties for foster care workers shall be matched by
33 counties at the rate of twenty-five percent (25%).

34
35 Requested by: Representatives Easterling, Nye, Diamont

36 **FOSTER CARE AND ADOPTIONS TRAINING**

37 Sec. 155. Funds appropriated to the Department of Human Resources,
38 Division of Social Services, in this act, in the amount of one hundred eighty-one
39 thousand two hundred seventy dollars (\$181,270), shall be used to establish an in-house
40 training component to provide a mandated minimum of 30 hours of preservice training
41 for foster care parents and 84 hours for foster care workers and adoption care workers
42 and a mandated minimum of 10 hours of continuing education for all foster care parents
43 and 18 hours for foster care workers and adoption care workers.

1 Requested by: Representatives Easterling, Nye,

2 **ADOPTION SUBSIDY**

3 Sec. 156. Section 235 of Chapter 321 of the 1993 Session Laws reads as
4 rewritten:

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

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

12 (1) \$315.00 per child per month for children aged birth through 5;

13 (2) \$365.00 per child per month for children aged 6 through 12; and

14 (3) \$415.00 per child per month for children aged 13 through 18."

15

16 Requested by: Representatives Nye, Easterling, Diamont

17 **FOSTER CARE ASSESSMENT TOOL**

18 Sec. 157. Funds appropriated to the Department of
19 Human Resources, Division of Social Services, in this act, in
20 the amount of fifteen thousand one hundred sixty-seven dollars
21 (\$15,167) shall be used to purchase the Foster and Adoptive
22 Recruitment and Retention, A Guide to Local Agency Assessment,
23 an ongoing assessment tool to be used to study, develop, and
24 implement a statewide recruitment and retention plan.

25

26 Requested by: Representatives Easterling, Nye, Diamont

27 **FOSTER CARE**

28 Sec. 158. Section 231 of Chapter 321 of the 1993 Session Laws reads as
29 rewritten:

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

34 (b) Effective July 1, 1994, funds appropriated to the Department of Human
35 Resources for foster care assistance rates shall be used to pay assistance on a graduated
36 rate as follows:

37 (1) \$315.00 per child per month for children aged birth through 5;

38 (2) \$365.00 per child per month for children aged 6 through 12; and

39 (3) \$415.00 per child per month for children aged 13 through 18.

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

41

42 Requested by: Representatives Nye, Easterling, Nesbitt, Diamont, H. Hunter

43 **HIV FOSTER CARE BOARD PAYMENT FUNDS**

44 Sec. 159. Of the funds appropriated in this act to the Department of Human
45 Resources, Division of Social Services, the sum of four hundred ninety-nine thousand

1 five hundred dollars (\$499,500) shall be used for foster care board payments for
2 children with HIV, to be allocated as follows:

- 3 (1) \$800.00 per month per child with indeterminate HIV status;
- 4 (2) \$1,000 per month per child confirmed HIV-infected, asymptomatic;
- 5 (3) \$1,200 per month per child confirmed HIV-infected, symptomatic; and
- 6 (4) \$1,600 per month per child terminally ill with complex care needs.

7
8 Requested by: Representatives Easterling, Nye, Nesbitt, Diamont, H. Hunter

9 **DEPARTMENT STUDY OF CHILD-CARING AGENCIES REIMBURSEMENT**
10 **DISCREPANCIES**

11 Sec. 160. The Department of Human Resources shall study the
12 reimbursement method for child-caring agencies to determine whether inequitable
13 discrepancies exist among agencies' reimbursement rates that should be rectified. This
14 study shall include a detailed analysis of federal formulas and of State formulas to
15 determine whether inequities exist at the federal formula level that can be rectified by
16 State action and a detailed examination of whether agencies that have historically served
17 minority children are suffering from inequitable reimbursement.

18 The Department shall report the results of this study, together with any
19 recommendations for needed State action, to the General Assembly by March 15, 1995.

20
21 Requested by: Representatives Easterling, Nye, Diamont

22 **MATERNITY HOME AND ADOPTION FUNDS**

23 Sec. 161. (a) From funds appropriated in this act to the Department of
24 Human Resources, Division of Social Services, the sum of six hundred sixty-five
25 thousand dollars (\$665,000) for the 1994-95 fiscal year is allocated to the State
26 Maternity Home Fund to provide maternity home services to single pregnant young
27 women 10 years of age and older for the purposes of protecting and enhancing maternal
28 and child health, reducing infant mortality and morbidity, reducing the number of
29 unintended second pregnancies, preventing mothers from permanently dropping out of
30 school, preventing welfare dependency, and providing adoption and parenting support.

31 (b) From funds appropriated in this act to the Department of Human
32 Resources, Division of Social Services, the sum of seven hundred fifty thousand dollars
33 (\$750,000) for the 1994-95 fiscal year shall be used to contract with the Children's
34 Home Society of North Carolina, Inc., to recruit and train families to adopt children
35 with special needs and to provide postadoption and support services for these families
36 and children. Children with special needs include medically fragile infants and
37 children, sibling groups, abused, neglected, and abandoned infants and children, HIV-
38 positive infants and children, addicted infants, children with behavior problems and
39 emotional disorders, minority infants and children, and older children.

40 (c) The Department of Human Resources shall report to the 1995 General
41 Assembly and to the Fiscal Research Division of the Legislative Services Office by
42 March 15, 1995, on the use of funds allocated pursuant to subsections (a) and (b) of this
43 section. This report shall include a detailed analysis of the services provided, of the

1 people served, and of the program's relative success in achieving its goals as prescribed
2 by subsections (a) and (b) of this section.

3
4 Requested by: Representatives Easterling, Nye, Colton

5 **CHILD-CARING AGENCIES FUNDS**

6 Sec. 162. Of the funds appropriated to the Department of Human Resources,
7 Division of Social Services, the sum of seven hundred fifty-five thousand fifty-nine
8 dollars (\$755,059) shall be used to provide partial reimbursement to the following ten
9 private, nonprofit child-caring agencies for the placement of certain children by county
10 departments of social services:

- 11 (1) Bertie-Martin-Beaufort County Shelter Home, of Jamesville;
- 12 (2) Caldwell Residential Services, of Lenoir;
- 13 (3) Caring for Children, Inc., of Asheville;
- 14 (4) The Children's Home Society of North Carolina, Inc., of Greensboro;
- 15 (5) Children's Homes of Cleveland County, of Shelby;
- 16 (6) Family Resources of Rutherford County, Inc., of Spindale;
- 17 (7) Florence Crittenton Services, of Charlotte;
- 18 (8) Loray Girls Home, of Gastonia;
- 19 (9) Yahweh Center, Inc., of Wilmington; and
- 20 (10) Youth Homes, Inc., of Charlotte.

21 The children for whom these funds are appropriated are children not eligible
22 for federal matching funds under the Title IV-E foster care maintenance payments. The
23 ten agencies named in this section shall be added to the list of eligible agencies
24 according to the provisions of NCAE 10, Subchapter 41M.

25
26 Requested by: Representatives Nye, Easterling, Diamont

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

28 Sec. 164. Effective January 1, 1995, the Department of Human Resources,
29 Division of Medical Assistance, shall provide Medicaid coverage to all elderly, blind,
30 and disabled people who receive Supplemental Security Income (SSI).

31
32 Requested by: Representatives Easterling, Nye

33 **MEDICAID REPORTING REQUIREMENTS**

34 Sec. 165. The Department of Human Resources, Division of Medical
35 Assistance, shall submit a monthly status report on expenditures for acute care and long-
36 term care services to the Fiscal Research Division. This report shall include an analysis
37 of budgeted versus actual experience for eligibles by category and for long-term care
38 beds. In addition, the Department shall revise the program's projected spending for the
39 current fiscal year and the estimated spending for the subsequent fiscal year on a
40 quarterly basis. Reports for the preceding month shall be forwarded to the Fiscal
41 Research Division no later than the third Thursday of the month.

42
43 Requested by: Representatives Nye, Easterling, Diamont

1 **MEDICAID COVERAGE FOR ADOPTIVE CHILDREN WITH SPECIAL**
2 **NEEDS**

3 Sec. 166. Effective October 1, 1994, the Department of Human Resources
4 shall provide Medicaid coverage for adoptive children with special or rehabilitative
5 needs regardless of the adoptive family's income.

6
7 Requested by: Representatives Easterling, Nye

8 **MEDICAID INPATIENT HOSPITAL REIMBURSEMENT CHANGE**

9 Sec. 167. Section 227 of Chapter 321 of the 1993 Session Laws reads as
10 rewritten:

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

17
18 Requested by: Representatives Easterling, Nye, Diamont

19 **CHANGE IN MEDICAID COVERAGE TO PREGNANT WOMEN AND TO**
20 **CHILDREN**

21 Sec. 168. Subsection (l) of Section 222 of Chapter 321 of the 1993 Session
22 Laws reads as rewritten:

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

- 25 (1) Pregnant women with incomes equal to or less than one hundred
26 eighty-five percent (85%) of the federal poverty guidelines, as
27 revised each April 1 shall be covered for Medicaid benefits;
- 28 (2) Infants under the age of 1 with family incomes equal to or less than
29 one hundred eighty-five percent (85%) of the federal poverty
30 guidelines as revised each April 1, shall be covered for Medicaid
31 benefits;
- 32 (3) Children aged 1 through 5 with family incomes equal to or less than
33 one hundred thirty-three percent (133%) of the federal poverty
34 guidelines as revised each April 1 shall be covered for Medicaid
35 benefits; and
- 36 (4) Children aged 6 through 18 ~~who were born after September 30, 1983,~~
37 with family incomes equal to or less than the federal poverty
38 guidelines, as revised each April 1, shall be covered for Medicaid
39 benefits."
40

41 Requested by: Representatives Nye, Easterling, Alexander

42 **MEDICAID ESTATE RECOVERY PLAN, AS REQUIRED BY FEDERAL LAW**

43 Sec. 169. (a) Article 2 of Chapter 108A of the General Statutes is amended
44 by adding a new section to read:

1 **"§ 108A-70.5. Medicaid Estate Recovery Plan.**

2 (a) There is established in the Department of Human Resources, the Medicaid
3 Estate Recovery Plan, as required by the Omnibus Budget Reconciliation Act of 1993,
4 to recover from the estates of recipients of medical assistance an equitable amount of
5 the State and federal shares of the cost paid the recipient. The Department shall
6 administer the program in accordance with applicable federal law and regulations,
7 including those under Title XIX of the Social Security Act, 42 U.S.C. § 1396(p).

8 (b) As used in this section:

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

11 a. If the recipient is receiving these medical care services as an
12 inpatient in a nursing facility, intermediate care facility for the
13 mentally retarded, or other medical institution, and cannot
14 reasonably be expected to be discharged to return home; or

15 b. If the recipient is 55 years of age or older and is receiving these
16 medical care services, including related hospital care and
17 prescription drugs, for nursing facility services or home- and
18 community-based services.

19 (2) 'Estate' means all the real and personal property considered assets of
20 the estate available for the discharge of debt pursuant to G.S. 28A-15-
21 1.

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

27 (d) The Department of Human Resources shall adopt rules pursuant to Chapter
28 150B of the General Statutes to implement the Plan, including rules to waive whole or
29 partial recovery when this recovery would be inequitable because it would work an
30 undue hardship or because it would not be administratively cost-effective and rules to
31 ensure that all recipients are notified that their estates are subject to recovery at the time
32 they become eligible to receive medical assistance.

33 (e) Regarding trusts that contain the assets of an individual who is disabled as
34 defined in Title 19 of Section 1014(a)(3) of the Social Security Act, as amended, if the
35 trust is established and managed by a nonprofit association, to the extent that amounts
36 remaining in the beneficiary's account upon the death of the beneficiary are not retained
37 by the nonprofit association, the trust pays to the Department from these remaining
38 amounts in the account an amount equal to the total amount of medical assistance paid
39 on behalf of the beneficiary under the North Carolina Medicaid Program."

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

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

4
5 Requested by: Representatives Nye, Easterling

6 **HEALTH MAINTENANCE ORGANIZATIONS REQUIRED TO BE LICENSED**
7 **BY THE STATE BEFORE CONTRACTING TO SERVE MEDICAID**
8 **RECIPIENTS**

9 Sec. 170. G.S. 58-67-10(b)(3a) reads as rewritten:

10 "(3a) This Article does not apply to ~~any prepaid health service or capitation~~
11 ~~arrangement implemented or administered by the Department of~~
12 ~~Human Resources or its representatives, pursuant to 42 U.S.C. § 1396n~~
13 ~~or Chapter 108A of the General Statutes, or to any provider of health~~
14 ~~care services participating in such a prepaid health services [service] or~~
15 ~~capitation arrangement. the Department of Human Resources, any~~
16 ~~division in the Department, or any direct provider of health care~~
17 ~~services in connection with any direct, capitated, or otherwise prepaid~~
18 ~~arrangement applicable to health care services authorized pursuant to~~
19 ~~42 U.S.C. § 1396n or Chapter 108A of the General Statutes. Nothing~~
20 ~~in this subdivision exempts health maintenance organizations or any~~
21 ~~other person who undertakes to provide or arrange for the delivery of~~
22 ~~basic health care services to all enrollees on a prepaid basis, from~~
23 ~~complying with all applicable provisions in this Article.~~"

24
25 Requested by: Representatives Nye, Easterling

26 **NORTH CAROLINA HEALTH PLANNING COMMISSION FUNDS**

27 Sec. 171. Funds appropriated to the North Carolina Health Planning
28 Commission in the 1993-94 fiscal year shall not revert but shall remain available during
29 the 1994-95 fiscal year to cover the costs of services necessary to the work of the
30 Commission.

31
32 Requested by: Representatives Diamont, Nesbitt, Crawford

33 **ALZHEIMER'S FUNDS**

34 Sec. 172. Of the funds appropriated in this act to the Department of Human
35 Resources, Division of Aging, the sum of one hundred thousand dollars (\$100,000) for
36 the 1994-95 fiscal year shall be used to support services delivered to Alzheimer's
37 patients and their families. These funds shall be allocated to each of the four
38 Alzheimer's Association Chapters in North Carolina, in grants of twenty-five thousand
39 dollars (\$25,000) each. Each Chapter shall submit to the Division for approval a plan
40 for the use of the funds it is to receive. Following the Division's approval, the Division
41 shall disburse these funds according to a timetable outlined in each Chapter's plan.

42
43 **PART 24.1. DEPARTMENT OF AGRICULTURE**

1 Requested by: Representatives James, Bowman

2 **CATTLE AND LIVESTOCK EXPOSITION CENTER**

3 Sec. 173. Of the funds appropriated in this act to the Department of
4 Agriculture for the 1994-95 fiscal year, the sum of fifty thousand dollars (\$50,000) shall
5 be used for planning the construction of the Cattle and Livestock Exposition Center in
6 Alamance County. The Center will house livestock shows and exhibits, educational
7 programs, and a laboratory for embryo transfer research, semen evaluation, and
8 livestock blood work.

9

10 Requested by: Representatives Bowman, Yongue

11 **NORTH CAROLINA WAREHOUSE ACT FUND**

12 Sec. 174. (a) G.S. 106-435 reads as rewritten:

13 **"§106-435. Fund for support of system; collection and investment.**

14 In order to provide a sufficient indemnifying or guarantee fund to cover any loss not
15 covered by the bonds hereinbefore mentioned, in order to provide the financial backing
16 which is essential to make the warehouse receipt universally acceptable as collateral,
17 and in order to provide that a State warehouse system intended to benefit all cotton
18 growers in North Carolina shall be supported by the class it is designed to benefit, it is
19 hereby declared: that on each bale of cotton ginned in North Carolina during the period
20 from the ratification of this bill until June 30, 1922, twenty-five cents (25¢) shall be
21 collected through the ginner of the bale and paid into the State treasury, to be held there
22 as a special guarantee or indemnifying fund to safeguard the State warehouse system
23 against any loss not otherwise covered. The State Tax Commission shall provide and
24 enforce the machinery for the collection of this tax, which shall be held in the State
25 treasury to the credit of the State warehouse system. Not less than ten per centum
26 (10%) of the entire amount collected from the per bale tax shall be invested in United
27 States government or farm loan bonds or North Carolina bonds, and the remainder may
28 be invested in amply secured first mortgage notes or bonds to aid and encourage the
29 establishment of warehouses operating under this system, and to aid and encourage the
30 establishment of farm markets designed to serve the marketing, packaging, and grading
31 needs for the sale and distribution of unprocessed farm commodities when adequate
32 markets are not otherwise provided. Such investments shall be made by the Board of
33 Agriculture, with the approval of the Governor and Attorney General: Provided, such
34 first mortgages shall be for not more than one-half the actual value of the warehouse
35 property covered by such mortgages, and run not more than 10 years: Provided further,
36 that the interest received from all investments shall be available for appropriation for
37 capital projects and nonrecurring expenditures as provided in the bill making the
38 appropriation, and for the administrative expense of carrying into effect the provisions
39 of this law, including the employment of such persons and such means as the State
40 Board of Agriculture in its discretion may deem necessary: Provided further, that the
41 guarantee fund, raised under the provisions of sections 4907 to 4925 of the Consolidated
42 Statutes of 1919, shall become to all intents and purposes a part of guarantee fund to be
43 raised under this law and subject to all the provisions hereof. The fund created by this
44 section may be used for loans to owners of cotton gins to make improvements to gins to

1 comply with federal and State air quality regulations, rules, and laws. The loans shall
2 be secured and made under terms and conditions approved by the Board of Agriculture.
3 Income earnings, including earnings from interest, may also be used by the Department
4 of Agriculture for cotton promotion activities."

5 (b) There is appropriated from the North Carolina Warehouse Act Fund to
6 the Department of Agriculture, the sum of one hundred thousand dollars (\$100,000) for
7 the 1994-95 fiscal year to be used for maintenance and operation of the Ballentine
8 Building on Blue Ridge Boulevard in Raleigh to house the pesticide program.

9
10 Requested by: Representatives Black, Bowman

11 **AGRICULTURE IN THE CLASSROOM**

12 Sec. 175. Of the funds appropriated to the Department of Agriculture the
13 sum of one hundred twenty-five thousand dollars (\$125,000) for the 1994-95 fiscal year
14 shall be used as a Grant-in-Aid for The North Carolina Farm Bureau Foundation for
15 Agriculture in the Classroom, Inc., an educational program that works to develop a
16 deeper appreciation for North Carolina's agricultural industry while promoting sound
17 educational principles that lead to optimum classroom effectiveness.

18
19 Requested by: Representative Bowman

20 **AGRICULTURE FINANCE AUTHORITY**

21 Sec. 176. Of the funds appropriated in this act to the Agriculture Finance
22 Authority for the 1994-95 fiscal year, the sum of one hundred seventy-five thousand
23 dollars (\$175,000) shall be used for a loan guarantee fund for low-cost energy
24 conservation loans to farmers. The loans shall be funded from one million dollars
25 (\$1,000,000) of federal energy conservation funds to be transferred from the
26 Department of Commerce to the Department of Agriculture. Interest on these funds and
27 interest from loans of these funds may be used for the energy conservation loan program
28 and its administration.

29 30 **PART 25. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL** 31 **RESOURCES**

32
33 Requested by: Representative Gottovi

34 **STUDY COSTS/BENEFITS OF ENVIRONMENTAL REGULATIONS**

35 Sec. 177. The Department of Environment, Health, and Natural Resources
36 shall use available funds to establish a protocol for assessing the economic costs and
37 environmental benefits of new and existing State environmental regulations. The
38 Department shall submit a report on this protocol, including recommendations on
39 implementation of the protocol, to the Chairs of the House Appropriations
40 Subcommittee on Natural and Economic Resources and to the Chair of the Senate
41 Appropriations Committee on Natural and Economic Resources by January 15, 1995.

42
43 Requested by: Representatives Bowman, Culp

44 **MINING EDUCATION/TRAINING FUNDS**

1 Sec. 178. The Department of Environment, Health, and Natural Resources,
2 Division of Land Resources, may use twenty thousand dollars (\$20,000) of available
3 funds for the 1994-95 fiscal year to develop and publish a Mining Compliance Manual
4 for mining applicants, permittees, and inspectors.

5
6 Requested by: Representatives Diamont, Bowman, Gottovi, Yongue, Culp, Jenkins, H.
7 Hunter

8 **WATTS FARM CLEANUP STUDY FUNDS**

9 Sec. 179. The Department of Environment, Health, and Natural Resources
10 shall use available funds to study the cleanup of the mixed low-level radioactive and
11 hazardous waste that is located in Wilkes County at the abandoned waste disposal site
12 known as the Watts Retreat Farm. This study shall address the manner and costs of
13 retrieving, transporting, and disposing of these wastes at this site, where the wastes will
14 be disposed, the potential liability of current and previous landowners of the site, the
15 State, and any other potentially responsible parties, the need for the State to monitor the
16 area before, during, and after the cleanup, the costs of such monitoring efforts, and any
17 other issues the Department considers needed to be included in the study. The
18 Department shall report to the Joint Legislative Commission on Governmental
19 Operations, to the Chairs of the House Appropriations Subcommittee on Natural and
20 Economic Resources, to the Chair of the Senate Committee on Natural and Economic
21 Resources, and to the Fiscal Research Division by January 15, 1995.

22
23 Requested by: Representatives Bowman, H. Hunter

24 **IMMUNIZATION PROGRAM FUNDING**

25 Sec. 180. Section 109 of Chapter 561 of the 1993 Session Laws reads as
26 rewritten:

27 "(a) Of the funds appropriated in Chapter 321 of the 1993 Session Laws from the
28 General Fund to the Department of Environment, Health, and Natural Resources for the
29 ~~1993-94-1994-95~~ fiscal year for childhood immunization programs for positions,
30 operating support, equipment, and pharmaceuticals, the sum of up to one million dollars
31 (\$1,000,000) may be used for projects and activities that are also designed to increase
32 childhood immunization rates in North Carolina. These projects and activities shall
33 include the following:

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

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

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

43 (c) The Department of Environment, Health, and Natural Resources shall not
44 obligate or expend funds authorized for the purposes stated in subsection (a) of this

1 section until the Department has prepared and submitted for review to the Joint
2 Legislative Commission on Governmental Operations the eight-year plan for
3 implementation of the statewide immunization program required under Section 287 of
4 Chapter 321 of the 1993 Session Laws. In addition to the requirements of Section 287
5 of Chapter 321 of the 1993 Session Laws, the eight-year plan shall address planned
6 expenditures and immunization projects and activities identified under subsection (a) of
7 this section."
8

9 Requested by: Representative Gottovi

10 **INFANT MORTALITY FUNDS FOR MINORITY POPULATIONS**

11 Sec. 181. (a) Of the funds appropriated in this act to the Department of
12 Environment, Health, and Natural Resources, Division of Maternal and Child Health,
13 the sum of seven hundred fifty thousand dollars (\$750,000) for the 1994-95 fiscal year
14 shall be used to fund 15 grant projects in various communities to demonstrate means to
15 lower infant mortality rates and percent of low birthweight babies among minority
16 populations to bring the rates and percentage nearer those of the white population.

17 (b) The Division of Maternal and Child Health shall award the grants to the
18 15 projects based upon recommendations of a grant review team consisting of
19 representatives of the Division of Maternal and Child Health, the Department's Office of
20 Minority Health, and the North Carolina Governor's Commission on Reduction of
21 Infant Mortality.
22

23 Requested by: Representatives Gottovi, Bowman

24 **INFANT MORTALITY REPORT EXTENSION**

25 Sec. 182. Subsection (a) of Section 284 of Chapter 321 of the 1993 Session
26 Laws reads as rewritten:

27 "Sec. 284. (a) Of the funds appropriated in this act from the General Fund to the
28 Department of Environment, Health, and Natural Resources for the Governor's
29 Commission on the Reduction of Infant Mortality, the sum of fifty thousand dollars
30 (\$50,000) for the 1993-94 fiscal year shall be used to contract with outside evaluators to
31 determine the extent to which the public and private health, social services and mental
32 health, developmental disabilities, and substance abuse services systems in each county
33 meet the health needs of pregnant women and infants up to age one, and of children
34 ages one to five. The study shall include, but not be limited to: an examination of the
35 percentage of pregnant women in each county that receive early and continuous prenatal
36 care; the extent to which eligible pregnant women, infants, and children are receiving
37 nutritional supplements, case management and other necessary health, social, mental
38 health, and other support services; and the extent to which children are receiving age-
39 appropriate immunizations. The study shall determine what barriers, if any, exist in
40 each county which prevent pregnant women, infants, and children under the age of five
41 from receiving timely and necessary health services. The Governor's Commission on
42 the Reduction of Infant Mortality shall continue its study and shall report its findings to
43 the General Assembly on or before ~~May 15, 1994.~~ July 15, 1994."
44

1 Requested by: Representatives Diamont, Bowman, H. Hunter

2 **EXTEND CHILD FATALITY TASK FORCE**

3 Sec. 183. (a) G.S. 143-577(b) reads as rewritten:

4 "(b) The Task Force shall provide updated reports to the Governor and General
5 Assembly within the first week of the convening of the 1993 General Assembly and
6 Assembly, within the first week of the convening of the 1994 Regular Session of the
7 1993 General Assembly. Assembly, within the first week of the convening of the 1995
8 General Assembly, and within the first week of the convening of the 1996 Regular
9 Session of the 1995 General Assembly. The Task Force shall provide a final report to
10 the Governor and General Assembly within the first week of the convening of the 1995
11 1997 General Assembly. The final report shall include final conclusions and
12 recommendations for each of the Task Force's duties, as well as any other
13 recommendations for changes to any law, rule, and policy that it has determined will
14 promote the safety and well-being of children. Any recommendations of changes to law,
15 rule, or policy shall be accompanied by specific legislative or policy proposals and
16 detailed fiscal notes setting forth the costs to the State."

17 (b) Section 285(e) of Chapter 321 of the 1993 Session Laws reads as
18 rewritten:

19 "(e) Subsections (b), (c), and (d) of this section become effective February 1,
20 1995. February 1, 1997. The rest remainder of this section is effective upon ratification
21 of this act."

22 (c) Of the funds appropriated in this act to the Department of Environment,
23 Health, and Natural Resources the sum of eighty-five thousand dollars (\$85,000) for the
24 1994-95 fiscal year shall be used to continue the operations of the North Carolina Child
25 Fatality Task Force.

26

27 Requested by: Representatives Diamont, Michaux

28 **WOMEN'S HEALTH SERVICE FUND**

29 Sec. 184. (a) Fund established. The Women's Health Service Fund is created
30 within the Department of Environment, Health, and Natural Resources. The
31 Department may make reimbursements from the Fund to approved medical providers
32 for services rendered to eligible women who voluntarily request the insertion,
33 implantation, or injection of a long-term, reversible contraceptive device or drug.

34 (b) Definitions. As used in this section, unless the context clearly requires
35 otherwise:

36 (1) " Device or drug" means a long-term, reversible contraceptive device
37 or drug the implantation, insertion, or injection of which is a service
38 covered under this section.

39 (2) " Long-term, reversible contraceptive device or drug" means a device
40 or drug approved for contraceptive purposes by the United States Food
41 and Drug Administration, that, when implanted under the skin,
42 inserted into the uterus, or injected into the bloodstream of a woman of
43 child-bearing age will inhibit or prevent conception for a definite

1 period of time, the contraceptive effects of which are reversible upon
2 removal or discontinuance of the device or drug.

3 (3) "Medical provider" means a licensed physician, physician's assistant,
4 nurse practitioner, or other health care provider approved by the
5 Department to provide services under this section.

6 (4) "Woman" or "women" means one or more females of child-bearing
7 age.

8 (c) Rules. The Department shall adopt rules for the administration of and
9 allocations from the Fund. The rules shall include the following:

10 (1) Eligibility requirements enabling women, whether married or
11 unmarried, to obtain upon request the implantation, insertion, or
12 injection of a long-term, reversible contraceptive device or drug.
13 Except in cases of medical necessity, women may receive
14 contraceptive devices under this section on a one-time basis only.

15 (2) Services under this section shall be conditioned upon agreement by the
16 recipient to attend, prior to insertion, implantation, or injection of the
17 device or drug, education programs approved by the Department. The
18 education programs shall include:

19 a. Comprehensive preinsertion or preprescription counseling on
20 implantation, insertion, injection, and removal procedures,

21 b. Potential side effects and costs of the device or drug,

22 c. Other options for preventing conception, including newly
23 approved long-term, reversible contraceptive devices or drugs
24 that become available, and family planning education and
25 counseling, including parenting skills,

26 d. Information on sexually transmitted diseases and the fact that
27 long-term, reversible contraceptive devices and drugs do not
28 protect against such diseases, and

29 e. Counseling for applicants who do not have a high school
30 diploma regarding the benefits of completing her high school
31 education either by remaining in school or obtaining her GED.

32 (3) A long-term, reversible contraceptive device or drug shall be
33 prescribed only upon request voluntarily initiated by the recipient and
34 only when there are clear benefits to the recipient as determined by the
35 recipient in consultation with an approved medical provider.

36 (4) Procedures for the safe removal or discontinuance of the device or
37 drug, where applicable.

38 (5) Written notice to applicants for services that the Department has no
39 obligation to reimburse providers for the reimplantation or reinsertion
40 of a device that has been prematurely removed from the individual
41 except in cases where the premature removal was prescribed for
42 medical reasons.

43 (d) Coercion prohibited. The Department shall adopt procedures and rules to
44 ensure that application information, education, and counseling provided to women about

1 the services available under this section are not coercive in any manner, do not offer
2 financial or other incentives to request or refuse the services, and do not impose
3 penalties for the refusal of services.

4 (e) Of the funds appropriated to the Department of Environment, Health, and
5 Natural Resources in this act, the sum of seven hundred fifty thousand dollars
6 (\$750,000) for the 1994-95 fiscal year shall be allocated to the Women's Health Service
7 Fund created in subsection (a) of this section.

8 (f) Nothing in this section creates an entitlement to services authorized under
9 this section.

10

11 Requested by: Representatives Diamont, H. Hunter

12 **ADOLESCENT PREGNANCY PREVENTION/MEDIA CAMPAIGN FUNDS**

13

14 Sec. 184.1. (a) Of the funds appropriated in Section 3 of Chapter 321 of the
15 1993 Session Laws to the Department of Environment, Health, and Natural Resources
16 for the adolescent pregnancy prevention program, the sum of up to one hundred
17 thousand dollars (\$100,000) for the 1994-95 fiscal year may be used to initiate a
18 statewide media campaign, in conjunction with the North Carolina Coalition on
19 Adolescent Pregnancy, for the purpose of promoting abstinence, reducing pregnancy,
20 and promoting healthy behavior in North Carolina's children ages 9-14. These funds
21 shall be used to purchase the rights to the Maryland Media Campaign which is an
22 abstinence-based campaign, to purchase print media, radio ads, television ads, and for
23 distribution of campaign material.

24

25 (b) The Department shall report on the status and funding of the statewide
26 media campaign to the House Appropriations Subcommittee on Natural and Economic
27 Resources and the Senate Appropriations Committee on Natural and Economic
28 Resources by January 15, 1995.

29

30 Requested by: Representatives Bowman, Culp

31

32 **SOIL SURVEY POSITIONS FUNDS**

33

34 Sec. 185. Of the funds appropriated to the Department of Environment,
35 Health, and Natural Resources in this act, the sum of one hundred three thousand dollars
36 (\$103,000) shall be used for the 1994-95 fiscal year to establish, support, and provide
37 travel expenses for three soil scientist positions in the Soil Survey Section. These three
38 positions shall continue three soil scientist positions that are due to expire June 30,
39 1994, and that presently work with counties to conduct soil surveys throughout the State
40 and map soil locations and identities.

41

42 Requested by: Representatives Bowman, Nesbitt, Creech, Culp

43

44 **NATIONAL ENVIROTHON FUNDS**

45 Sec. 186. Of the funds appropriated to the Department of Environment,
46 Health, and Natural Resources in this act, the sum of twenty-five thousand dollars
47 (\$25,000) for the 1994-95 fiscal year shall be used to assist the North Carolina
48 Association of Soil and Water Conservation Districts with the costs of North Carolina
49 serving as host of the National Envirothon to be held in Asheville in 1994.

1

2 Requested by: Representatives Bowman, Gottovi

3 **AGRICULTURE COST SHARE PROGRAM FUNDS**

4 Sec. 187. Of the funds appropriated to the Department of Environment,
5 Health, and Natural Resources, Division of Soil and Water Conservation, in this act for
6 the Agriculture Cost Share Program for Nonpoint Source Pollution Control for the
7 1994-95 fiscal year, the sum of forty thousand dollars (\$40,000) shall be used to install
8 best management practices to protect water quality, including tide gates, water control
9 structures, and waste management measures in rural environs, in the subbasin of the
10 Cape Fear River and Atlantic drainage east of Cypress Creek and north of Walden
11 Creek, under the Rural Clean Water Demonstration Program and in accordance with the
12 match and program requirements specified in G.S. 143-215.74(b)(6).

13

14 Requested by: Representatives Nesbitt, Diamont

15 **STATE PARKS FUNDS**

16 Sec. 188. Of the funds appropriated to the Department of Environment,
17 Health, and Natural Resources in this act, the sum of five million dollars (\$5,000,000)
18 for the 1994-95 fiscal year shall be used for the State Parks System for repairs,
19 renovations, construction, and land acquisition. Land acquisition funded under this
20 section shall be limited to the purchase of inholdings, primary features, and corridor
21 linkages and shall not exceed thirty percent (30%) of the funds allocated by this section.

22

23 Requested by: Representatives Bowman, Gottovi, James, Culp

24 **STATE PARKS RETIREMENT**

25 Sec. 188.1. The Department of Environment, Health, and Natural Resources
26 may use up to two hundred seventy thousand two hundred twenty-four dollars
27 (\$270,224) of available funds for retroactive retirement benefits for eligible employees
28 in the Division of Parks and Recreation, as authorized under the Supplemental
29 Retirement Income Plan for State Law Enforcement Officers.

30

31 Requested by: Representative James

32 **WILDLIFE RESOURCES COMMISSION/FUNDS FOR SALARY INCREASES**

33 Sec. 189. (a) G.S. 105-164.44B, as amended by Section 290(a) of Chapter
34 321 of the 1993 Session Laws, reads as rewritten:

35 **"§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**
36 **fishing supplies and equipment.**

37 Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter
38 from the State sales and use tax net collections received by the Department of Revenue
39 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the
40 Wildlife Resources Fund, one fourth of ~~three million seven hundred thirty one thousand~~
41 ~~one hundred sixteen dollars (\$3,731,116)~~ four million four hundred eighty-nine
42 thousand four hundred eighty-seven dollars (\$4,489,487) plus or minus the percentage
43 of that amount by which the total collection of State sales and use taxes increased or

1 decreased during the preceding fiscal year plus the cost of any legislative salary increase
2 for employees of the Wildlife Resources Commission."

3 (b) Subsection (a) of this section expires June 30, 1995.

4 (c) Subsection (c) of Section 290 of Chapter 321 of the 1993 Session Laws is
5 repealed.

6 (d) Subsection (d) of Section 290 of Chapter 321 of the 1993 Session Laws
7 reads as rewritten:

8 "(d) Subsection (b) of this section becomes effective July 1, ~~1994~~. 1995."

9
10 Requested by: Representative Bowman

11 **WILDLIFE RESOURCES COMMISSION LONG-RANGE BUDGET PLAN**

12 Sec. 190. Section 172 of Chapter 900 of the 1991 Session Laws reads as
13 rewritten:

14 "Sec. 172. (a) The Wildlife Resources Commission shall prepare a long-range
15 budget plan for review and consideration by the General Assembly. The budget plan
16 shall include:

17 (1) An analysis of revenues and expenditures from the ~~1986-87-1987-88~~
18 fiscal year through the ~~1991-92-1993-94~~ fiscal year identifying: (i) the
19 major revenue sources and expenditure items within each program or
20 division; (ii) the major increases or decreases in revenues and
21 expenditures over the period and the rationale for these changes; and
22 (iii) those wildlife programs or divisions that have experienced
23 significant growth in expenditures since the ~~1986-87-1987-88~~ fiscal
24 year;

25 (2) An inventory and analysis of all revenue sources, including the North
26 Carolina Wildlife Endowment Fund, that identifies: (i) funds that may
27 be used only for specific purposes; and (ii) funds that may be used for
28 general program purposes;

29 (3) Revenue and expenditure projections for the ~~1992-93-1994-95~~ through
30 ~~1996-97-1998-99~~ fiscal years, by program and major budget objects;
31 and

32 (4) Long-term options for funding the operations of the Wildlife
33 Resources Commission, including: (i) revenue increases, including
34 increased license fees, subscription fees, and registration fees; use of
35 interest from the North Carolina Wildlife Endowment Fund; and
36 increases in the General Fund from sales tax and any other General
37 Fund monies; and (ii) operating and capital expenditure reductions.
38 The Commission shall present a detailed implementation plan and
39 specific recommendations for each option that would ensure future
40 spending deficits would not occur.

41 (b) The Wildlife Resources Commission shall prepare a report incorporating its
42 long-range budget plan, including all components of this plan as set forth in subsection
43 (a) of this section, and shall transmit this report to the General Assembly and the Fiscal
44 Research Division by January 12, ~~1993~~. 1995.

1 (c) The Office of State Auditor shall conduct a financial audit and a performance
2 audit of the Wildlife Resources Commission and shall report its findings and
3 recommendations to the 1995 General Assembly upon its convening."
4

5 Requested by: Representative Diamont

6 **REALLOCATION OF FUNDS**

7 Sec. 191. Notwithstanding the provisions of Section 112 of Chapter 1034 of
8 the 1984 Session Laws and Section 238.2 of Chapter 689 of the 1991 Session Laws, the
9 funds allocated for the Town Fork Flood Control and Water Supply (Stokes County)
10 shall be reallocated as a grant to the Pilot Mountain Foundation, Inc., for capital
11 improvements. The funds appropriated in Chapter 480 of the 1985 Session Laws and
12 Chapter 754 of the 1989 Session Laws for construction of the Town Forks Reservoir
13 Project in Stokes County are extended for the purpose authorized and shall not revert
14 until June 30, 1997.

15 16 **PART 26. DEPARTMENT OF COMMERCE**

17
18 Requested by: Representatives Bowman, H. Hunter, Jenkins, Yongue, Dockham

19 **RURAL ECONOMIC DEVELOPMENT CENTER/COMMUNITY** 20 **DEVELOPMENT GRANTS**

21 Sec. 192. (a) Definition – For purposes of this section, the term "community
22 development corporation" means a nonprofit corporation:

- 23 (1) Chartered pursuant to Chapter 55A of the General Statutes;
- 24 (2) Tax-exempt pursuant to section 501(c)(3) of the Internal Revenue
25 Code of 1986;
- 26 (3) Whose primary mission is to develop and improve low-income
27 communities and neighborhoods through economic and related
28 development;
- 29 (4) Whose activities and decisions are initiated, managed, and controlled
30 by the constituents of those local communities; and
- 31 (5) Whose primary function is to act as deal-maker and packager of
32 projects and activities that will increase their constituencies'
33 opportunities to become owners, managers, and producers of small
34 businesses, affordable housing and jobs designed to produce positive
35 cash flow and curb blight in the target community.

36 (a1) Community Development Grants – Of the funds appropriated in this act
37 from the General Fund to the Rural Economic Development Center, Inc., the sum of one
38 million three hundred thousand dollars (\$1,300,000) for the 1994-95 fiscal year shall be
39 used to support community development projects and activities within the State's
40 minority communities. Any community development corporation as defined in this
41 section is eligible to apply for funds. The Rural Economic Development Center shall
42 establish performance-based criteria for determining which community development
43 corporations will receive a grant and the grant amount. Funding will also be allocated
44 to the North Carolina Association of Community Development Corporations.

1 The Rural Economic Development Center, Inc., shall allocate these funds as
2 follows:

- 3 (1) \$950,000 for direct grants to the local community development
4 corporations that have previously received State funds for this purpose
5 to support operations and project activities;
6 (2) \$100,000 for direct grants to local community development
7 organizations that have not previously received State funds.
8 (3) \$200,000 to the North Carolina Association of Community
9 Development Corporations, Inc., to provide training, technical
10 assistance, resource development, project assistance, and support for
11 local community development corporations statewide.
12 (4) \$50,000 to the Rural Economic Development Center for the 1994-95
13 fiscal year to be used to cover expenses in administering this act.

14 The Rural Economic Development Center, Inc., shall report quarterly to the
15 Joint Legislative Commission on Governmental Operations on the use of these funds.

16 (a2) The North Carolina Community Development Initiative, Inc. – Of the
17 funds appropriated in this act from the General Fund to the Rural Economic
18 Development Center, Inc., the sum of two million one hundred seventy-five thousand
19 dollars (\$2,175,000) for the 1994-95 fiscal year shall be used to support the loan fund
20 and operations of the North Carolina Community Development Initiative, Inc. The
21 Initiative shall provide operating and project activity grants to mature community
22 development corporations that have demonstrated project and organizational capacity.

23 The North Carolina Community Development Initiative, Inc., shall report
24 quarterly to the Joint Legislative Commission on Governmental Operations on the use
25 of these funds.

26 (a3) Microenterprise Loan Program – Of the funds appropriated in this act
27 from the General Fund to the Rural Economic Development Center, Inc., the sum of six
28 hundred fifty thousand dollars (\$650,000) for the 1994-95 fiscal year shall be used to
29 support the loan fund and operations of the Microenterprise Loan Program. The Rural
30 Economic Development Center shall report quarterly to the Joint Legislative
31 Commission on Governmental Operations on the use of these funds.

32 (a4) The North Carolina Minority Support Center – Of the funds appropriated
33 in this act from the General Fund to the Rural Economic Development Center, Inc., the
34 sum of three hundred thousand dollars (\$300,000) for the 1994-95 fiscal year shall be
35 allocated to the North Carolina Minority Support Center to provide technical assistance
36 to community-based credit unions. The Rural Economic Development Center, Inc.,
37 shall report quarterly to the Joint Legislative Commission on Governmental Operations
38 on the use of these funds.

39 (a5) The Office of State Budget and Management, the Department of
40 Commerce, and the Rural Economic Development Center, Inc., shall ensure that funds
41 allocated to the following organizations are disbursed within 15 working days of the
42 receipt of a request for the funds from the organization:

- 43 (1) The North Carolina Community Development Initiative, Inc.
44 (2) The North Carolina Minority Support Center.

1 (3) The Microenterprise Loan Program.

2 (a6) Capacity Building Grants Program – Of the funds appropriated in this act
3 from the General Fund to the Rural Economic Development Center, Inc., the sum of one
4 million dollars (\$1,000,000) for the 1994-95 fiscal year shall be used to provide grants
5 to depressed counties and municipalities to enable them to acquire short-term capacity
6 for immediate needs for economic development planning and writing of grant
7 applications. The Center shall establish standards for determining each local
8 government's needs and shall make grants on the basis of need.

9 Definitions – For the purposes of this subsection, the following definitions
10 apply:

11 (1) Economically depressed area – any of the following:

- 12 a. A county that the Secretary of Commerce has designated one of
13 the most economically depressed counties in the State pursuant
14 to G.S. 143B-437A.
- 15 b. That part of a rural county whose poverty rate is at least one
16 hundred fifty percent (150%) of the State poverty rate. For the
17 purpose of this subsection, the poverty rate is the percentage of
18 the population with income below the latest annual federal
19 poverty guidelines issued by the United States Department of
20 Health and Human Services.
- 21 c. That part of a rural county whose rate of unemployment is at
22 least double the State rate of unemployment.
- 23 d. That part of a rural county that experiences an actual or
24 imminent loss of jobs in a number that is equal to or exceeds
25 five percent (5%) of the total number of jobs in the part.

26 (2) Rural county – A county that the United States Office of Management
27 and Budget has not designated as a metropolitan county.

28 The Rural Economic Development Center, Inc., shall report quarterly to the Joint
29 Legislative Commission on Governmental Operations and the Department of
30 Commerce on the use of the funds allocated in this subsection and on the outcomes
31 achieved by the program.

32 (a7) The North Carolina Capital Access Program – Of the funds appropriated
33 in this act from the General Fund to the Rural Economic Development Center, Inc., the
34 sum of one million dollars (\$1,000,000) for the 1994-95 fiscal year shall be used to
35 establish the North Carolina Capital Access Program. The program shall leverage this
36 public investment along with private sector resources to stimulate additional financing
37 opportunities for a broad portfolio of small business concerns in North Carolina. The
38 Program shall encourage commercial banks and other depository institutions to provide
39 access to debt capital, thereby promoting a more effective and efficient debt market to
40 provide economic opportunity, create jobs, enhance productivity, and spur innovation.

41 (1) Definitions – The following definitions apply in this subsection:

- 42 a. Financial institution – Any federally chartered or state
43 chartered commercial bank, savings and loan, savings bank, or
44 credit union.

1 b. Participating financial institution – Any financial institution
2 that has entered into a participation agreement with the Center
3 in accordance with the provisions set forth in this section.

4 c. Enrolled loan – Loan made by a participating financial
5 institution in accordance with this section.

6 (2) The Center may enter into participating agreements with any financial
7 institution determined to have sufficient lending experience and
8 financial and managerial capacity to participate in the Program.

9 (3) Participating financial institutions – Upon entering into the
10 participation agreement with the Center, the financial institution shall
11 become a participating financial institution eligible to enroll loans
12 under the Program.

13 (4) The Rural Economic Development Center shall administer the
14 Program as established in this section and monitor the Program to
15 ensure compliance with applicable State and federal laws, rules, and
16 relevant court decisions.

17 (5) The Program will have as a goal to leverage public funds with private
18 sector resources on the basis of 20 private dollars to every one public
19 dollar.

20 (6) Of the funds appropriated for the Capital Access Program, the sum of
21 fifty thousand dollars (\$50,000) for the 1994-95 fiscal year shall be
22 used to cover expenses in administering this Program.

23 The Rural Economic Development Center shall report quarterly to the Joint
24 Legislative Commission on Governmental Operations on the implementation and
25 operation of the Program.

26 (b) Section 104.1(a) of Chapter 561 of the 1993 Session Laws reads as
27 rewritten:

28 "(a) Supplemental Funding Pilot Project. – Of the funds appropriated in this act
29 from the General Fund to the Rural Economic Development Center, Inc., the sum of
30 one million six hundred fifty thousand dollars (\$1,650,000) for the ~~1993-94~~ 1994-95
31 fiscal year shall be used for a pilot program to provide supplemental funding for
32 matching requirements for economic development in economically depressed areas.
33 The Center shall use the funds to make grants to local governments and nonprofit
34 corporations to provide funds necessary to match federal grants or other grants for
35 necessary economic development projects and activities in economically depressed
36 areas. The grant recipients shall be selected on the basis of need."

37 (c) Subsections (a1) and (a2) of Section 104.1 of Chapter 561 of the 1993
38 Session Laws apply to this section.

39
40 Requested by: Representatives Bowman, H. Hunter

41 **BIOTECHNOLOGY FUNDS FOR MINORITY UNIVERSITIES**

42 Sec. 193. Section 99 of Chapter 561 of the 1993 Session Laws reads as
43 rewritten:

1 "Sec. 99. Of the funds appropriated in this act from the General Fund to the North
2 Carolina Biotechnology Center for the ~~1993-94-1994-95~~ fiscal year, the sum of ~~one~~
3 ~~million dollars (\$1,000,000)~~ two million dollars (\$2,000,000) shall be used to develop a
4 special biotechnology program initiative for North Carolina's Public Historically Black
5 Universities and Pembroke State University. This program initiative is a means to get
6 more funds to these institutions of higher education in the short run to help them
7 develop their biotechnology programs and a means to develop a mechanism to improve
8 these institutions' capacity over the long term. The Center's special initiative shall, at a
9 minimum, provide for:

- 10 (1) A range of program activities, including grants, designed to enhance
11 the existing strengths and capabilities of Pembroke University, and the
12 public Historically Black Universities;
- 13 (2) A Facilities and Infrastructure Review Committee to advise the Center
14 on major program elements and priority projects that would be most
15 helpful to these institutions; and
- 16 (3) A Program Advisory Panel with representation from these institutions
17 to advise and make recommendations to the Center's President and
18 Board of Directors on funding proposals under this initiative.

19 The Center shall report to the General Assembly by ~~March 15, 1994,~~ December 15,
20 1994, on the development and implementation of this special initiative.

21 In awarding grant funds pursuant to this section, the Center shall ensure that the
22 grant funds are distributed equally among the eligible universities."
23

24 Requested by: Representatives Bowman, H. Hunter

25 **ECONOMIC DEVELOPMENT FUNDS**

26 Sec. 194. Section 310 of Chapter 321 of the 1993 Session Laws reads as
27 rewritten:

28 "(a) Of the funds appropriated in this act to the Department of Commerce, three
29 hundred thousand dollars (\$300,000) for the ~~1993-94-1994-95~~ fiscal year shall be
30 allocated for the Land Loss Prevention Project, Inc., to provide free legal representation
31 to ~~low-income~~ financially distressed ~~small-family~~ farmers. The Land Loss Prevention
32 Project, Inc., shall not use these funds to represent farmers who have income and assets
33 that would make them financially ineligible for legal services pursuant to Title 45, Part
34 1611 of the Code of Federal Regulations. The Land Loss Prevention Project, Inc., shall
35 report quarterly to the Joint Legislative Commission on Governmental Operations on
36 the use of these funds.

37 (b) Of the funds appropriated in this act to the Department of Commerce, two
38 hundred fifty thousand dollars (\$250,000) for the ~~1993-94-1994-95~~ fiscal year shall be
39 allocated for the North Carolina Coalition of Farm and Rural Families, Inc., for its
40 Small Farm Economic Development Project. These funds shall be used to foster
41 economic development within the State's rural farm communities by offering financial,
42 marketing, and technical assistance to small and limited resource farmers. The North
43 Carolina Coalition of Farm and Rural Families, Inc., shall report quarterly to the Joint
44 Legislative Commission on Governmental Operations on the use of these funds.

1 (c) Of the funds appropriated in this act to the Department of Commerce, ~~two~~
2 ~~seven~~ hundred thousand dollars ~~(\$200,000)–(\$700,000)~~ for the ~~1993–94–1994–95~~ fiscal
3 year shall be allocated to the North Carolina Institute for Minority Economic
4 Development, Inc., to foster minority economic development within the State through
5 policy analysis, information and technical assistance, and resource expansion. The
6 North Carolina Institute for Minority Economic Development, Inc., shall research and
7 identify key issues affecting the economic well-being of the State's ethnic minority
8 community and issue annual reports with appropriate recommendations; provide
9 information and technical ~~assistance to~~ assistance, training, and capacity-building for
10 organizations with minority economic development-based projects in common areas of
11 need and interests; develop a resource bank of data and information; facilitate training
12 in appropriate areas of need; and provide technical assistance to minority construction
13 contractors. The North Carolina Institute for Minority Economic Development, Inc.,
14 shall report quarterly to the Joint Legislative Commission on Governmental Operations
15 on the use of these funds."
16

17 Requested by: Representative Bowman

18 **WTTF FUNDS TO EMPLOYMENT SECURITY COMMISSION**

19 Sec. 195. There is appropriated from the Worker Training Trust Fund to the
20 Department of Commerce, Employment Security Commission, the sum of five hundred
21 twenty-five thousand dollars (\$525,000) for the 1994-95 fiscal year to be allocated as
22 follows:

- 23 (1) \$225,000 to continue the operation of the common follow-up tracking
24 system; and
- 25 (2) \$300,000 to fund salary increases enacted in this act for State
26 employees.
27

28 Requested by: Representatives Nesbitt, Redwine, Bowman

29 **EXPAND REGIONAL ECONOMIC DEVELOPMENT EFFORTS**

30 Sec. 196. (a) **Regional Economic Development Commission Expansion**
31 **Program:** The Department of Commerce shall develop a program for promoting the
32 expansion of economic development efforts such that all counties in the State participate
33 in and benefit from organized regional economic development activities. In developing
34 the program, the Department shall identify those counties currently not participating in
35 existing regional economic development commissions and shall encourage the counties
36 to either (i) join commissions established under G.S. 158-8, (ii) create new regional
37 commissions made up of nonparticipating counties in accordance with this section, or
38 (iii) request authorization by the General Assembly to participate in regional economic
39 development commissions established under G.S. 158-8.1, 158-8.2, or 158-8.3.
40 Regional economic development commissions created under this section shall be
41 subject to the provisions of Article 2 of Chapter 158 of the General Statutes and shall
42 have the powers and duties authorized thereunder, in addition to powers and duties
43 authorized under this section.

1 (b) **Scope:** This section applies to regional economic development
2 commissions created under this section, and to the Piedmont Triad Partnership, the
3 Carolinas Partnership, Inc., the Raleigh-Durham Regional Association, and the Global
4 TransPark Development Zone established pursuant to Article 4 of Chapter 158 of the
5 General Statutes. Except as provided in subdivision (g)(1) of this section, this section
6 shall not apply to regional economic development commissions established pursuant to
7 G.S. 158-8.1, 158-8.2, and 158-8.3.

8 (c) **Requirements for regional commissions:** Each regional economic
9 development commission created pursuant to this section shall include a sufficient
10 number of counties, and municipalities of those counties, to ensure that each new
11 commission:

- 12 (1) Is of adequate size in population and geographic scope to effectively
13 undertake economic development activities, to market as a distinct and
14 viable region for attraction of new investment, and to generate
15 adequate local resources to effectively cooperate with the Department
16 of Commerce;
- 17 (2) Is economically integrated as determined by commuting patterns,
18 economic base, economic interrelationships, major employers, or other
19 indicators of economic integration; and
- 20 (3) Has an identifiable focal point of economic activity, known as an
21 economic engine or driver, within the regional boundaries on which to
22 build an effective economic development and marketing strategy, such
23 as a metropolitan area, a cluster of manufacturing or nonmanufacturing
24 industries, a natural resource base, or other clearly identifiable
25 economic resources.

26 (d) **Criteria for regional boundaries:** In facilitating the creation of regional
27 economic development commissions under this section, the Department and the
28 counties involved shall consider economic interrelationships, existing development
29 organizations and relationships, natural boundaries, anticipated major projects, and
30 other factors that promote effectiveness and efficiency and foster local cooperation.

31 (e) **State funding:** Regional economic development commissions created
32 under this section shall receive State funds as follows. The Department shall allocate to
33 each newly created regional economic development commission the sum of the
34 allocations to each county that is a member of the commission. Each county's allocation
35 shall be determined by dividing the county's distress factor by the sum of the distress
36 factors for eligible counties and multiplying the resulting percentage by the amount of
37 the appropriation. As used in this section, the term "distress factor" means a county's
38 distress factor as calculated under G.S. 105-130.40(c). For counties that elect to join
39 regional economic development commissions established under G.S. 158-8, the
40 Department shall allocate to each regional economic development commission the
41 funding share of each county that joins that commission pursuant to subsection (a)(i) of
42 this section.

43 (f) **Use of funds:** Funds allocated to a regional economic development
44 commission created under this section shall be used for administrative and operating

1 expenses of the commission, marketing, advertising, promotion, and economic
2 development activities to secure jobs and new investment in the region served by the
3 commission. In addition to the powers and duties authorized under Article 2 of Chapter
4 158, the newly created commissions may use funds for the following activities:

- 5 (1) Marketing the region to promote new investment from out-of-state
6 companies;
- 7 (2) Promoting travel and tourism or natural resource-based attractions;
- 8 (3) Trade missions;
- 9 (4) Marketing and promoting existing industries;
- 10 (5) Encouraging attraction or retention of entrepreneurial development;
- 11 (6) Promoting and marketing local crafts, industries, or other specialized
12 economic development opportunities; and
- 13 (7) Research-related economic development activities such as industry
14 sector studies for targeted marketing, buyer-supplier analyses for
15 targeted marketing or to support existing industry, development of
16 necessary supporting information and data, or linking the region with
17 the Department of Commerce's Economic Development Information
18 System.

19 (g) **Duties of the Department of Commerce:** The Department shall have
20 the following duties under this section:

- 21 (1) Actively assist each regional economic development commission,
22 including those established under G.S. 158-8.1, 158-8.2, and 158-8.3,
23 in organizing and carrying out its economic development activities. To
24 this end, the Department shall:
 - 25 a. Ensure that each commission is linked to the Economic
26 Development Information System; and
 - 27 b. Develop procedures that ensure that each region has maximum
28 opportunity to attract new jobs and investment, that all inquiries
29 from companies concerning location in North Carolina are
30 fairly and equitably handled within the confines of the inquiring
31 company's requirements and needs, and that all inquiries and
32 prospective investments are handled efficiently and effectively.
- 33 (2) Institute a process to organize programs and services in a manner that
34 will assist each region in taking maximum advantage of potential
35 development opportunities. This process shall include all of the
36 following:
 - 37 a. Integrating each regional economic development commission
38 into the Economic Development Information System and the
39 Geographic Information System;
 - 40 b. Developing joint marketing strategies and materials for targeted
41 industries, services, or promotional markets based on each
42 region's strengths and priorities;
 - 43 c. Assigning an economic development specialist to work with
44 each regional economic development commission;

- 1 d. Providing technical assistance and training, if needed, to help
2 build regional capacity;
- 3 e. Developing cooperative marketing and advertising campaigns
4 to ensure consistency of image and quality, and to secure
5 discounts on media presentations; and
- 6 f. Customizing the services and programs within the Department,
7 where practicable, to better link departmental resources with the
8 diverse needs and opportunities within the boundaries of each
9 regional commission;

10 (3) Study and determine whether certain counties currently participating in
11 existing commissions should be transferred to other regional
12 commissions, and make recommendations to the 1995 General
13 Assembly, by January 15, 1995, regarding the advisability of such
14 transfers and regarding the effectiveness of the current structure of
15 regional commissions; and

16 (4) Recommend to the 1995 General Assembly, by January 15,
17 1995, a strategy for reducing duplication and fragmentation in
18 State-funded regional economic development organizations.

19 (h) As used in this subsection, the term "Authority" means the North Carolina
20 Air Cargo Airport Authority doing business as the North Carolina Global TransPark
21 Authority. For purposes of this section, the Global TransPark Development Zone is a
22 regional economic development commission, except that no funds authorized under
23 subsection (i) of this section shall be allocated by the Department to the Global
24 TransPark Development Commission for the Global TransPark Development Zone
25 because funds have been appropriated by the General Assembly for the same fiscal year
26 to the Authority for administration of the Authority and to the Department for
27 promotion of the Global TransPark.

28 (i) Of the funds appropriated in this act to the Department of Commerce, the
29 sum of two million one hundred thousand dollars (\$2,100,000) shall be used for
30 allocation to regional economic development commissions in accordance with this
31 section. These funds shall not revert but shall remain available until used for the
32 purposes set forth in this section.

33
34 Requested by: Representatives Nesbitt, H. Hunter

35 REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS

36 Sec. 197. (a) G.S. 158-8.1(a) reads as rewritten:

37 "(a) There is created the Western North Carolina Regional Economic
38 Development Commission to serve Buncombe, Cherokee, Clay, Cleveland, Graham,
39 Haywood, Henderson, Jackson, McDowell, Macon, Madison, Polk, Rutherford, Swain,
40 Transylvania, and Yancey Counties. The Commission shall be located administratively
41 in the Department of Commerce but shall exercise its statutory powers and duties
42 independently of the Department of Commerce. Funds appropriated for the
43 Commission by the General Assembly shall be disbursed directly to the Commission at
44 the beginning of each fiscal year."

1 (b) G.S. 158-8.1(d) reads as rewritten:

2 "(d) Members of the Commission who are State employees shall receive travel
3 expenses as provided in G.S. 138-6. Other Commission members shall receive per diem
4 ~~and travel expenses of one hundred dollars (\$100.00) a day for each day of service when~~
5 the Commission meets and shall be reimbursed for travel and subsistence as provided in
6 G.S. 138-5. The Commission may adopt policies authorizing additional per diem of one
7 hundred dollars (\$100.00) a day for non-State employee members' additional days of
8 service including Commission subcommittee meetings or other Commission activities,
9 plus reimbursement for related travel and subsistence as provided in G.S. 138-5."

10 (c) G.S. 158-8.2(a) reads as rewritten:

11 "(a) There is created the Northeastern North Carolina Regional Economic
12 Development Commission to facilitate economic development and tourism development
13 in Beaufort, Bertie, Camden, Chowan, Currituck, Dare, Gates, Halifax, Hertford, Hyde,
14 Martin, Northampton, Pasquotank, Perquimans, Tyrrell, and Washington Counties. The
15 Commission shall be located administratively in the Department of Commerce but shall
16 exercise its statutory powers and duties independently of the Department of Commerce.
17 Funds appropriated for the Commission by the General Assembly shall be disbursed
18 directly to the Commission at the beginning of each fiscal year."

19 (d) G.S. 158-8.2(h) reads as rewritten:

20 "(h) Members of the Commission who are State employees shall receive travel
21 expenses as provided in G.S. 138-6. Other Commission members shall receive per diem
22 ~~and travel expenses of one hundred dollars (\$100.00) a day for each day of service when~~
23 the Commission meets and shall be reimbursed for travel and subsistence as provided in
24 G.S. 138-5. The Commission may adopt policies authorizing additional per diem of one
25 hundred dollars (\$100.00) a day for non-State employee members' additional days of
26 service including Commission subcommittee meetings or other Commission activities,
27 plus reimbursement for related travel and subsistence as provided in G.S. 138-5.
28 Members of the advisory boards who are State employees shall receive travel expenses
29 as provided in G.S. 138-6 for participating in meetings and other official activities
30 authorized by the Commission. Other members of the advisory boards shall receive per
31 diem and travel expenses as provided in G.S. 138-5 for participating in meetings and
32 other official activities authorized by the Commission."

33 (e) G.S. 158-8.3(a) reads as rewritten:

34 "(a) There is created the Southeastern North Carolina Regional Economic
35 Development Commission to serve Bladen, Brunswick, Columbus, Cumberland, Hoke,
36 New Hanover, Pender, Richmond, Robeson, Sampson, and Scotland Counties. The
37 Commission shall be located administratively in the Department of Commerce but shall
38 exercise its statutory powers and duties independently of the Department of Commerce.
39 Funds appropriated for the Commission by the General Assembly shall be disbursed
40 directly to the Commission at the beginning of each fiscal year."

41 (f) G.S. 158-8.3(d) reads as rewritten:

42 "(d) Members of the Commission who are State employees shall receive travel
43 expenses as provided in G.S. 138-6. Other Commission members shall receive per diem
44 ~~and travel expenses of one hundred dollars (\$100.00) a day for each day of service when~~

1 the Commission meets and shall be reimbursed for travel and subsistence as provided in
 2 G.S. 138-5. The Commission may adopt policies authorizing additional per diem of one
 3 hundred dollars (\$100.00) a day for non-State employee members' additional days of
 4 service including Commission subcommittee meetings or other Commission activities,
 5 plus reimbursement for related travel and subsistence as provided in G.S. 138-5."

6
 7 Requested by: Representative James

8 **NORTHEASTERN REGIONAL COMMISSION**

9 Sec. 198. G.S. 158-8.2(g) reads as rewritten:

10 "(g) ~~The Governor shall appoint and set the salary of a Director of Economic~~
 11 ~~Development who shall coordinate the Commission's activities with regard to the~~
 12 ~~economic development program. The Governor shall appoint and set the salary of a~~
 13 ~~Director of Tourism who shall coordinate the Commission's activities with regard to the~~
 14 ~~tourism program.~~

15 Within the limits of funds available, the Commission may hire and fix the
 16 compensation of any ~~other~~ personnel necessary to its operations, contract with
 17 consultants for any services as it may require, and contract with the State of North
 18 Carolina or the federal government, or any agency or department thereof, for any
 19 services as may be provided by those agencies. The Commission may carry out the
 20 provisions of any contracts as it may enter.

21 Within the limits of funds available, the Commission may lease, rent, or purchase, or
 22 otherwise obtain suitable quarters and office space for its staff, and may lease, rent, or
 23 purchase necessary furniture, fixtures, and other equipment."

24
 25 Requested by: Representative H. Hunter

26 **SMALL BUSINESS SURETY BONDS FUNDS CONTINGENCY**

27 Sec. 200. The funds appropriated in this act to the Department of Commerce
 28 for the Small Business Surety Bond Fund established in Part 16 of Article 10 of Chapter
 29 143B of the General Statutes shall be contingent upon the ratification of House Bill
 30 2057 by the 1993 General Assembly, Regular Session 1994.

31
 32 Requested by: Representative Bowman

33 **EXPAND NORTH CAROLINA INDUSTRIAL COMMISSION**

34 Sec. 201. (a) G.S. 97-77 reads as rewritten:

35 "**§ 97-77. North Carolina Industrial Commission created; members appointed by**
 36 **Governor; terms of office; chairman.**

37 (a) There is hereby created a commission to be known as the North Carolina
 38 Industrial Commission, consisting of ~~three~~ seven commissioners who shall devote their
 39 entire time to the duties of the Commission. The Governor shall appoint the members
 40 of the Commission, ~~one~~ two for a term of two years, ~~one~~ two for a term of four years,
 41 and ~~one~~ three for a term of six years. Upon the expiration of each term as above
 42 mentioned, the Governor shall appoint a successor for a term of six years, and thereafter
 43 the term of office of each commissioner shall be six years. Not more than ~~one~~
 44 ~~appointee~~ three appointees shall be a ~~person~~ persons who, on account of ~~his~~ their

1 previous ~~vocation,~~ vocations, employment or affiliations, can be classed as a
2 ~~representative~~ representatives of employers, and not more than ~~one appointee~~ three
3 appointees shall be a ~~person~~ persons who, on account of ~~his~~ their previous ~~vocation,~~
4 vocations, employment or affiliations, can be classed as a ~~representative~~ representatives
5 of employees.

6 (b) One member, to be designated by the Governor, shall act as chairman. The
7 chairman shall be the chief judicial officer and the chief executive officer of the
8 Industrial Commission; such authority shall be exercised pursuant to the provisions of
9 Chapter 126 of the General Statutes and the rules and policies of the State Personnel
10 Commission. Notwithstanding the provisions of this Chapter, the chairman shall have
11 such authority as is necessary to direct and oversee the Commission. The chairman may
12 delegate any duties and responsibilities as may be necessary to ensure the proper
13 management of the Industrial Commission. Notwithstanding the provisions of this
14 Chapter, Chapter 143A, and Chapter 143B of the General Statutes, the chairman may
15 hire or fire personnel and transfer personnel within the Industrial Commission.

16 The Governor may designate one vice-chairman from the remaining ~~two~~
17 commissioners. The vice-chairman shall assume the powers of the chairman upon
18 request of the chairman or when the chairman is absent for 24 hours or more. The
19 authority delegated to the vice-chairman shall be relinquished immediately upon the
20 return of the chairman or at the request of the chairman."

21 (b) This section becomes effective July 1, 1994, and applies to appointments
22 made on and after that date.

23
24 Requested by: Representatives Jenkins, Bowman, H. Hunter

25 **RURAL TOURISM GRANTS**

26 Sec. 202. Of the funds appropriated in this act to the Department of
27 Commerce, the sum of two hundred thousand dollars (\$200,000) for the 1994-95 fiscal
28 year shall be used for the Rural Tourism Development Grant Program. The Department
29 shall implement this program to provide grants to local governments and nonprofit
30 organizations to encourage the development of new tourism projects and activities in
31 rural areas of the State. Grant funds shall not be allocated for projects or activities
32 eligible to receive funds from the Department's Tourism Promotion Grant Program.
33 The Secretary shall establish guidelines for eligibility to receive grants under the Rural
34 Tourism Development Grant Program. No recipient or new tourism project shall
35 receive a total of more than fifty thousand dollars (\$50,000) of these grant funds for the
36 1994-95 fiscal year.

37
38 Requested by: Representative Alphin

39 **ECONOMIC DEVELOPMENT OF DUPLIN COUNTY**

40 Sec. 203. If G.S. 160A-457.1 or any other provision of Part 8 of Article 19 of
41 Chapter 160A of the General Statutes, read together with G.S. 160A-360(a), limits the
42 territory in which the Town of Faison may use Community Development Block Grant
43 funds, then notwithstanding G.S. 160A-360(a), the Town of Faison may use such funds
44 for financing of extension of natural gas lines from Mt. Olive to the Bowden area.

1

2 Requested by: Representative Bowman

3 **CENTER FOR COMMUNITY SELF-HELP FUNDS**

4 Sec. 204. (a) Of the funds appropriated in this act to the Department of
5 Commerce, the sum of five million dollars (\$5,000,000) for the 1994-95 fiscal year shall
6 be allocated to the Center for Community Self-Help to further a statewide program of
7 lending for home ownership throughout North Carolina. These funds will be leveraged
8 on a ten-to-one basis, generating at least ten dollars (\$10.00) of nontraditional home
9 loans for every one dollar (\$1.00) of State funds. Payments of principal shall be
10 available for further loans or loan guarantees.

11 (b) The Center for Community Self-Help shall submit, within 180 days after
12 the close of its fiscal year, audited financial statements to the State Auditor. All records
13 pertaining to the use of State funds shall be made available to the State Auditor upon
14 request. The Center for Community Self-Help shall make quarterly reports on the use
15 of State funds to the State Auditor, in form and format prescribed by the State Auditor
16 or his designee. The Center for Community Self-Help shall make a written report by
17 May 1 of each year for the next three years to the General Assembly on the use of the
18 funds allocated under this section.

19 (c) The Center for Community Self-Help shall report to the Joint Legislative
20 Commission on Governmental Operations, the House Appropriations Subcommittee on
21 Natural and Economic Resources, the Senate Appropriations Committee on Natural and
22 Economic Resources, and the Department of Commerce on a quarterly basis for the next
23 three years.

24 (d) The Office of the State Auditor may conduct an annual end-of-year audit
25 of the revolving fund for economic development lending created by this appropriation
26 for each year of the life of the revolving fund.

27 (e) If the Center for Community Self-Help dissolves, the corporation shall
28 transfer the remaining assets of the revolving fund to the State and shall refrain from
29 disposing of the revolving fund assets without approval of the State Treasurer.

30 (f) The Office of State Budget and Management shall disburse this
31 appropriation within 15 working days of the receipt of a request for the funds from the
32 Center for Community Self-Help. The request shall include a commitment of the
33 leveraged funds by the Center for Community Self-Help or its affiliates.

34

35 Requested by: Representative Luebke

36 **INDUSTRIAL RECRUITMENT DEVELOPMENT FUNDS**

37 Sec. 205. In determining the allocation of economic development grants
38 from funds appropriated in this act to the Department of Commerce for the Industrial
39 Recruitment Competitive Fund, the Department shall consider the extent to which a
40 potential new enterprise uses recycled materials and the extent to which a potential new
41 enterprise generates high levels of environmental pollution.

42

43 Requested by: Representatives Nesbitt, Bowman

44 **ENERGY PROGRAM/REPAIR AND RENOVATION FUNDS**

1 Sec. 205.1. (a) G.S. 143-341(4) reads as rewritten:

2 "(4) Real Property Control:

- 3 a. To prepare and keep current a complete and accurate inventory
4 of all land owned or leased by the State or by any State agency.
5 This inventory shall show the location, acreage, description,
6 source of title and current use of all land (including swamplands
7 or marshlands) owned by the State or by any State agency, and
8 the agency to which each tract is currently allocated. Surveys
9 may be made where necessary to obtain information for the
10 purposes of this inventory. Accurate plats or maps of all such
11 land may be prepared, or copies obtained where such maps or
12 plats are available.
- 13 b. To prepare and keep current a complete and accurate inventory
14 of all buildings owned or leased (in whole or in part) by the
15 State or by any State agency. This inventory shall show the
16 location, amount of floor space and floor plans of every
17 building owned or leased by the State or by any State agency,
18 and the agency to which each building, or space therein, is
19 currently allocated. Floor plans of every such building shall be
20 prepared or copies obtained where such floor plans are
21 available, where needed for use in the allocation of space
22 therein.
- 23 c. To obtain and deposit with the Secretary of State the originals
24 of all deeds and other conveyances of real property to the State
25 or to any State agency, copies of all leases wherein the State or
26 any State agency is lessor or lessee, and certified copies of
27 wills, judgments, and other instruments whereby the State or
28 any State agency has acquired title to real property. Where an
29 original of a deed, lease, or other instrument cannot be found,
30 but has been recorded in the registry of office of the clerk of
31 superior court of any county, a certified copy of such deed,
32 conveyance, or instrument shall be obtained and deposited with
33 the Secretary of State.
- 34 d. To acquire, whether by purchase, exercise of the power of
35 eminent domain, lease, or rental, all land, buildings, and space
36 in buildings for all State agencies, subject to the approval of the
37 Governor and Council of State in each instance. The Governor,
38 acting with the approval of the Council of State, may adopt
39 rules (i) exempting from any or all of the requirements of this
40 paragraph such classes of lease, rental, easement, and right-of-
41 way transactions as he deems advisable; and (ii) authorizing any
42 State agency to enter into and/or approve the classes of
43 transactions thus exempted from the requirements of this
44 paragraph; and (iii) delegating to any other State agency the

1 authority to approve the severance of buildings and standing
2 timber from State lands; upon such approval of severance, the
3 buildings and timber so affected shall be treated, for the
4 purposes of this Chapter, as personal property. Any contract
5 entered into or any proceeding instituted contrary to the
6 provisions of this paragraph is voidable in the discretion of the
7 Governor and Council of State.

- 8 d1. To require all State departments, institutions, and agencies to
9 use State-owned office space instead of negotiating or
10 renegotiating leases for rental of office space. Any lease entered
11 into contrary to the provisions of this paragraph is voidable in
12 the discretion of the Governor and the Council of State.

13 The Department of Administration shall report to the Joint
14 Legislative Commission on Governmental Operations and to
15 the Fiscal Research Division no later than May 1 of each year
16 on leased office space.

- 17 d2. To contract for or approve all contracts for modifying,
18 rehabilitating, renovating, or improving existing buildings or
19 facilities, or acquiring and installing fixtures or equipment in
20 existing buildings or facilities, or any combination of the
21 foregoing pursuant to an energy conservation project under Part
22 2 of Article 3B of Chapter 143 of the General Statutes.

- 23 e. To make all sales of real property (including marshlands or
24 swamplands) owned by the State or by any State agency, with
25 the approval of the Governor and Council of State in each
26 instance. All conveyances in fee by the State shall be executed
27 in accordance with the provisions of G.S. 146-74 through 146-
28 78. Any conveyance of land made or contract to convey land
29 entered into without the approval of the Governor and Council
30 of State is voidable in the discretion of the Governor and
31 Council of State. The proceeds of all sales of swamplands or
32 marshlands shall be dealt with in the manner required by the
33 Constitution and statutes.

- 34 f. With the approval of the Governor and Council of State, to
35 make all leases and rentals of land or buildings owned by the
36 State or by any State agency, and to sublease land or buildings
37 leased by the State or by any State agency from another owner,
38 where such land or building owned or leased by the State or by
39 any State agency is not needed for current use. The Governor,
40 acting with the approval of the Council of State, may adopt
41 rules (i) exempting from any or all of the requirements of this
42 paragraph such classes of lease or rental transactions as he
43 deems advisable; and (ii) authorizing any State agency to enter
44 into and/or approve the classes of transactions thus exempted

1 from the requirements of this paragraph; and (iii) delegating to
2 any other State agency the authority to approve the severance of
3 buildings and standing timber from State lands; upon such
4 approval of severance, the buildings and timber so affected
5 shall be treated, for the purposes of this Chapter, as personal
6 property. Any lease or rental agreement entered into contrary to
7 the provisions of this paragraph is voidable in the discretion of
8 the Governor and Council of State.

9 g. To allocate and reallocate land, buildings, and space in
10 buildings to the several State agencies, in accordance with rules
11 adopted by the Governor with the approval of the Council of
12 State; provided that if the proposed reallocation is of land with
13 an appraised value of at least twenty-five thousand dollars
14 (\$25,000), the reallocation may only be made after consultation
15 with the Joint Legislative Commission on Governmental
16 Operations. The authority granted in this paragraph shall not
17 apply to the State Legislative Building and grounds or to the
18 Legislative Office Building and grounds.

19 h. To require any State agency to make reports regarding the land
20 and buildings owned by it or allocated to it at such times and in
21 such form as the Department may deem necessary.

22 i. To determine whether all deeds, judgments, and other
23 instruments whereby title to real estate has been or may be
24 acquired by the State or by any State agency have been properly
25 recorded in the county wherein the real property is situated, and
26 to make or cause to be made proper recordation of such
27 instruments. The Department may have previously recorded
28 instruments which conveyed title to or from the State or any
29 State agency or officer reindexed, where necessary, to show the
30 State of North Carolina or grantor or grantee, as the case may
31 be, and the cost of such reindexing shall be paid from the State
32 Land Fund.

33 j. To call upon the Attorney General for advice and assistance in
34 the performance of any of the foregoing duties.

35 k. None of the provisions of this subdivision apply to highway or
36 railroad rights-of-way or other interests or estates in land held
37 for the same or similar purposes, or to the acquisition or
38 disposition of such rights-of-way, interests, or estates in land.

39 l. To manage and control the vacant and unappropriated lands,
40 swamplands, lands acquired by the State by virtue of being sold
41 for taxes, and submerged lands of the State, pursuant to Chapter
42 146 of the General Statutes.

43 m. To contract for or approve all contracts for all appraisals and
44 surveys of real property for all State agencies; provided,

1 however, this provision shall not apply to appraisals and
2 surveys obtained in connection with the acquisition of highway
3 rights-of-way, borrow pits, or other interests or estates in land
4 acquired for the same or similar purposes, or to the disposition
5 thereof, by the Board of Transportation.

6 n. To petition for the annexation of state-owned lands into any
7 municipality."

8 (b) The title of Article 3B of Chapter 143 of the General Statutes reads as
9 rewritten:

10 "~~Energy Policy for State Agencies Concerning Major Construction or Renovation of~~
11 ~~Buildings-Conservation in State Facilities.~~"

12 (c) Existing Article 3B of Chapter 143 of the General Statutes is designated as
13 Part 1 of that Article, to be entitled "Energy Policy for State and State-Assisted
14 Facilities."

15 (d) Article 3B of Chapter 143 of the General Statutes is amended by adding a
16 new Part to read:

17 **"PART 2. STATE FACILITIES ENERGY CONSERVATION PROGRAM.**

18 **"§ 143-64.17. Definitions.**

19 As used in this Part:

- 20 (1) 'Energy Division' means the Energy Division of the Department of
21 Commerce.
- 22 (2) 'Energy conservation project' includes:
23 a. Any modification, rehabilitation, renovation, or improvement of
24 existing State facilities;
25 b. Any acquisition and installation of fixtures or equipment in
26 existing State facilities; or
27 c. Any combination of the foregoing
28 that is intended to reduce energy costs or consumption or to allow the
29 use of an alternative energy source and that may include integral
30 control and measurement devices.
- 31 (3) 'Implementation cost' means includes, but is not limited to:
32 a. The cost of construction, modification, rehabilitation,
33 renovation, improvement, acquisition, or installation in
34 connection with an energy conservation project;
35 b. The cost of engineering, architectural, and other consulting
36 services as may be required, including the cost of performing
37 the technical analysis in accordance with G.S. 143-64.17B;
38 c. Any other costs and expenses necessary or incidental to
39 implementing the purposes of this Article.
- 40 (4) 'State facility' means a building owned by the State or a group of
41 buildings owned by the State that are served by a central energy
42 distribution system or by components of a central energy distribution
43 system.

- 1 (5) 'Technical analysis' means a specialized engineering study conducted
2 within a State facility to identify specific energy conservation projects,
3 the implementation costs of these projects, and the expected energy
4 and energy savings and energy cost savings after implementation.

5 **"§ 143-64.17A. State Facilities Energy Conservation Program.**

6 (a) The General Assembly finds that:

- 7 (1) State government should take a leadership role in aggressively
8 undertaking energy conservation in North Carolina.
9 (2) After the implementation cost of the energy conservation project is
10 paid, the State will save substantial sums of money in reduced utility
11 bills.
12 (3) The actual energy savings that result from an energy conservation
13 project should offset, in whole or in part, the implementation cost of
14 the energy conservation project.
15 (4) The State should undertake only those energy conservation projects
16 that are projected to require less than an aggregate of six years for the
17 recoupment of the implementation cost based on the projected energy
18 cost savings from implementing the energy conservation project.
19 (5) The State should give highest priority to those energy conservation
20 projects that are projected to require less than an aggregate of two
21 years for the recoupment of the implementation cost of the energy
22 conservation project based on the projected energy cost savings of the
23 improvement.

24 (b) The State Facilities Energy Conservation Program is established to more
25 efficiently use energy resources in State facilities and to reduce the utility costs of the
26 State. The Energy Division shall develop, administer, and coordinate the State
27 Facilities Energy Conservation Program.

28 (c) The State Facilities Energy Conservation Program shall assist State agencies
29 as follows:

- 30 (1) Serve as a source of technical support for energy conservation
31 management.
32 (2) Identify sources of moneys for conducting technical analyses pursuant
33 to G.S. 143-64.17B.

34 (d) The Energy Division shall:

- 35 (1) When necessary to carry out its duties under this Part, enter into
36 contracts with State agencies and other qualified contractors.
37 (2) Promulgate rules necessary to carry out the provisions of this Article.
38 (3) Provide criteria for the selection of State projects or facilities to
39 participate in this Program and develop a format that comports with
40 these criteria.
41 (4) Develop procedures for the technical analyses required under G.S.
42 143-64.17B and procedures for implementing energy conservation
43 projects.

1 (5) Select, in order of priority and in consultation with the Department of
2 Administration, State projects or facilities to participate in this
3 Program.

4 (6) Assess energy conservation program savings.

5 (7) Be responsible for considering the costs of the constituent fixtures or
6 improvements over their economic life during the selection of projects
7 or facilities to participate in this Program.

8 **"§ 143-64.17B. Identification and implementation of energy conservation projects.**

9 (a) Each State project or facility that is selected shall undergo a technical analysis
10 conducted by an engineer qualified to conduct such analysis. When the Energy
11 Division enters into a contract with a State agency whereby the State agency is to select
12 and contract with an engineer to conduct the technical analysis of the agency's facilities,
13 the State agency shall select the engineer within 60 days of entering into the contract
14 with the Energy Division. The Energy Division, in consultation with the Department of
15 Administration, shall review all completed technical analyses. If the Energy Division
16 does not approve a technical analysis, the energy conservation project shall not be
17 implemented.

18 (b) Only those energy conservation projects identified by the technical analysis
19 that are economically practical and that are projected not to require more than an
20 aggregate of six years for the recoupment through energy cost savings of the estimated
21 implementation cost of the improvements may be implemented. Those energy
22 conservation projects identified by the technical analysis that are projected to not
23 require more than an aggregate of two years for the recoupment of the estimated
24 implementation cost of the improvements shall be given priority.

25 (c) Selection of a designer for an energy conservation project shall occur within
26 60 days of the Office of State Budget and Management certifying the availability of
27 funds for the project.

28 **"§ 143-64.17C. Additional reporting requirements.**

29 The Energy Division shall report on a quarterly basis to the Joint Legislative
30 Commission on Governmental Operations. This report shall include:

31 (1) The technical analyses conducted in the previous quarter, including the
32 location of the State facilities subject to the analyses and the results of
33 the analyses.

34 (2) The estimated implementation cost of each proposed project, the
35 projected energy savings, and the projected payback period for each
36 energy conservation project.

37 (3) The energy conservation projects that were initiated during the
38 previous quarter and the progress to date.

39 (4) The energy conservation projects that were completed during the
40 previous quarter, including the actual cost of constructing each energy
41 conservation project.

42 (5) The amount of time required for the implementation cost of each
43 energy conservation project to be recouped, based on the energy
44 savings of the project.

1 (6) Any other information requested by the Commission.

2 **"§ 143-64.17D. Scope of this Part.**

3 The provisions of this Part apply to all State facilities, including facilities in The
4 University of North Carolina System and State hospitals."

5 (e) The one million one hundred nineteen thousand six hundred fifty-two dollars
6 (\$1,119,652) that was received from the United States Department of Energy's Stripper
7 Well Litigation (MDL378), appropriated from the Special Reserve for Oil Overcharge
8 Funds to the Department of Economic and Community Development for the 1992-93
9 fiscal year, and allocated for energy conservation programs for hospitals and schools
10 shall be reallocated to the Department of Commerce for the 1994-95 fiscal year for
11 energy conservation programs for hospitals and schools and for energy conservation
12 projects for State facilities pursuant to Part 2 of Article 3B of Chapter 143 of the
13 General Statutes, as enacted by subsection (d) of this section.

14 (f) Energy conservation projects that are selected to be implemented pursuant to
15 Part 2 of Article 3B of Chapter 143 of the General Statutes, as enacted by subsection (d)
16 of this section, may receive funding from the Reserve for Repairs and Renovations as
17 approved by the Office of State Budget and Management or the Board of Governors of
18 The University of North Carolina consistent with G.S. 143-15.3A.

19

20 **PART 27. DEPARTMENT OF LABOR**

21

22 Requested by: Representative Bowman

23 **PRIVATE PERSONNEL SERVICE ADVISORY COUNCIL**

24 Sec. 206. (a) G.S. 95-47.4(b) reads as rewritten:

25 "(b) Any contract that obligates an applicant to pay a fee to the private personnel
26 service shall include:

- 27 (1) The name, address and telephone number of the private personnel
28 service;
- 29 (2) The name of the applicant;
- 30 (3) The date the contract was signed;
- 31 (4) A clear schedule of the fees to be charged to the applicant at various
32 salary levels;
- 33 (5) A clear explanation of when the applicant becomes obligated to pay a
34 fee;
- 35 (6) A clear refund policy (or no refund policy) that conforms to the
36 requirements of G.S. 95-47.4(f) and (g);
- 37 (7) If the applicant is obligated whether or not the applicant accepts
38 employment, a clear explanation of the services provided and a
39 statement that the private personnel service does not guarantee that the
40 applicant will obtain employment as a result of its services;
- 41 (8) A statement, in a type size no smaller than nine point, directly above
42 the place for the applicant's signature, that reads as follows: 'I have
43 read and received a copy of this CONTRACT, which I understand
44 makes me legally obligated to pay a fee under conditions outlined

1 ~~below~~above.' In the preceding statement the word 'CONTRACT' and
2 no others shall be in all capitals; and

3 (9) A statement that the private personnel service is licensed and regulated
4 by the Commissioner and the address at which a copy of laws and
5 regulations governing private personnel services may be obtained."

6 (b) G.S. 95-47.7(a) reads as rewritten:

7 "(a) There is hereby established the North Carolina Private Personnel Service
8 Advisory Council. The Council shall be composed of 12 members appointed by the
9 Commissioner. Each member of the Council shall be domiciled in this State for at least
10 three years immediately preceding his appointment and be of good moral character. At
11 least five members shall have occupied for at least three years immediately preceding
12 their appointment, and shall occupy at the time of appointment, executive or managerial
13 positions in the private personnel service industry in North Carolina; and at least three
14 shall have occupied, for at least three years immediately preceding their appointment,
15 executive or managerial positions as personnel officers in companies which regularly
16 utilize the services of private personnel services in obtaining employees. Members of
17 the Council shall serve without ~~salary~~salary, but shall be paid per diem, subsistence,
18 and travel allowance in accordance with Chapter 138 of the General Statutes."

19

20 Requested by: Representative Bowman

21 **FUNDS FOR LABOR SALARY ADJUSTMENTS**

22 Sec. 207. If no salary reserve funds are available to the Department of Labor,
23 the Director of the Budget may transfer to that Department from the Reserve for Salary
24 Adjustments for the 1994-95 fiscal year funds to support approved salary adjustments
25 within the Department consistent with the salary adjustments the State Personnel
26 Commission recommends if the Office of State Personnel completes a personnel study
27 and subsequently the State Personnel Commission approves that study.

28

29

TITLE II. CAPITAL IMPROVEMENTS

30

31 **PART 28. INTRODUCTION**

32

33 Sec. 208. The appropriations made by the 1994 General Assembly for capital
34 improvements are for constructing, repairing, or renovating State buildings, utilities, and
35 other capital facilities, for acquiring sites for them where necessary, and for acquiring
36 buildings and land for State government purposes.

37

38 **PART 29. PROCEDURES FOR DISBURSEMENTS**

39

40 Sec. 209. The appropriations made by the 1994 General Assembly for capital
41 improvements shall be disbursed for the purposes provided by this act. Expenditure of
42 funds shall not be made by any State department, institution, or agency, until an
43 allotment has been approved by the Governor as Director of the Budget. The allotment
44 shall be approved only after full compliance with the Executive Budget Act, Article 1 of

1 Chapter 143 of the General Statutes. Prior to the award of construction contracts for
 2 projects to be financed in whole or in part with self-liquidating appropriations, the
 3 Director of the Budget shall approve the elements of the method of financing of those
 4 projects including the source of funds, interest rate, and liquidation period. Provided,
 5 however, that if the Director of the Budget approves the method of financing a project,
 6 the Director shall report that action to the Joint Legislative Commission on
 7 Governmental Operations at its next meeting.

8 Where direct capital improvement appropriations include the purpose of
 9 furnishing fixed and movable equipment for any project, those funds for equipment
 10 shall not be subject to transfer into construction accounts except as authorized by the
 11 Director of the Budget. The expenditure of funds for fixed and movable equipment and
 12 furnishings shall be reviewed and approved by the Director of the Budget prior to
 13 commitment of funds.

14 Capital improvement projects authorized by the 1994 General Assembly shall
 15 be completed, including fixed and movable equipment and furnishings, within the limits
 16 of the amounts of the direct or self-liquidating appropriations provided, except as
 17 otherwise provided in this act.

18

19 **PART 30. CAPITAL IMPROVEMENTS/GENERAL FUND**

20

21 Sec. 210. Appropriations are made from the General Fund for the 1994-95
 22 fiscal year for use by the State departments, institutions, and agencies to provide for
 23 capital improvement projects according to the following schedule:

24

25	GENERAL ASSEMBLY		<u>1994-95</u>
26	1. Complete Renovation of HVAC System		\$6,200,000
27	DEPARTMENT OF ADMINISTRATION		
28	1. Reserve for Repairs/Renovation of the		
29	Old Education and Revenue Buildings	20,000,000	
30	2. Natural Science Museum and Wet Lab		
31	Collection	30,934,500	
32	3. State Government Visitors Center -		
33	Planning	430,000	
34	4. Prison Enterprises		<u>10,810,430</u>
35	TOTAL		<u>\$62,174,930</u>

36

37 DEPARTMENT OF CULTURAL RESOURCES

38

39	1. Fort Fisher State Historic Site		
40	Erosion Control Measures		
41	Requirements	\$8,340,000	
42	Receipts-Federal	<u>4,170,000</u>	
43	State Appropriation		
44	TOTAL		<u>\$4,170,000</u>

1	STATE BUDGET	
2	1. Reserve for Prison Chapels	500,000
3		
4	DEPARTMENT OF JUSTICE	
5	1. Blue Bell Building Replacement	3,687,700
6	2. SBI Complex	<u>12,404,300</u>
7	TOTAL	\$16,092,000
8		
9		
10		
11	DEPARTMENT OF HUMAN RESOURCES	
12	1. Detention Center - Capital needs	205,000
13	2. Renovations to support day treatment	
14	programs at the schools for the deaf	600,000
15	3. Activity/Recreation Complex at the	
16	Eastern N.C. School for the Deaf	<u>3,019,100</u>
17	TOTAL	\$3,824,100
18		
19	UNIVERSITY - BOARD OF GOVERNORS	
20	1. N.C. State University - Agricultural	
21	Extension - 4-H Camp Programs -	
22	mandated safety, health and fire	
23	compliance and accessibility	
24	requirements	\$2,000,000
25		
26	DEPARTMENT OF AGRICULTURE	
27	1. Dairy Milking Parlor - Umstead	
28	Research Station - Supplement	
29	Requirements	\$387,000
30	Timber Receipts	<u>387,000</u>
31	State Appropriation	
32	2. Southeastern Farmer's Market and Equestrian	
33	Agricultural Center -	3,600,000
34	3. Western North Carolina - Agricultural	
35	Facilities	1,900,000
36	4. Tidewater Research and Extension	
37	Center - Phase II	<u>283,600</u>
38	TOTAL	\$5,783,600
39		
40	DEPARTMENT OF ENVIRONMENT, HEALTH AND NATURAL RESOURCES	
41	1. Water Resources (Civil Works) Development	
42	Projects	2,750,000
43	2. Wilmington Harbor Ocean Bar Deepening	10,906,000
44	3. Falls Lake Recreation/Jordan Water	

1 The Board of Governors and the Office of State Budget and Management shall
2 submit to the Joint Legislative Commission on Governmental Operations and to the
3 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."

8

9

10 **PART 32. DEPARTMENT OF CULTURAL RESOURCES**

11

12 Requested by: Representatives Nesbitt, Diamont

13

ART MUSEUM AMPHITHEATER

14

15 Sec. 212. The Department of Cultural Resources, North Carolina Museum of
16 Art, may use additional gifts and grants to supplement the Art Museum Amphitheater
17 capital project authorized in Section 4 of Chapter 1044 of the 1991 Session Laws,
18 Regular Session 1992. The total scope of the project shall not exceed two million
19 dollars (\$2,000,000) and shall not include any appropriated State funds.

19

20 Requested by: Representatives Holt, Redwine

21

CORRECTION ENTERPRISES FUNDS

22

23 Sec. 212.1. With respect to funds appropriated in this act for the expansion of
24 the Correction Enterprises program, the Office of State Construction of the Department
25 of Administration may contract for and supervise all aspects of administration, technical
26 assistance, design, construction, or demolition of facilities in order to implement the
27 providing of facilities under the provisions of this act.

27

28 The facilities authorized under this act shall be constructed in accordance
29 with the provisions of general law applicable to the construction of State facilities. If
30 the Secretary of Administration, after consultation with the Secretary of Correction,
31 finds that the delivery of facilities must be expedited for good cause, the Office of State
32 Construction of the Department of Administration shall be exempt from the following
33 statutes and rules implementing those statutes, to the extent necessary to expedite
34 delivery: G.S. 143-135.26, 143-128, 143-129, 143-131, 143-132, 143-134, 113A-1
35 through 113A-10, 113A-50 through 113A-66, 133-1.1(g), and 143-408.1 through 143-
36 408.7.

36

37 Prior to exercising the exemptions allowable under this section, the Secretary
38 of Administration shall give reasonable notice in writing of the Department's intent to
39 exercise the exemptions to the President Pro Tempore of the Senate, the Speaker of the
40 House of Representatives, the Chairs of the House and Senate Appropriations
41 Committees, the Chairs of the House and Senate Appropriations Subcommittees on
42 Justice and Public Safety, and the Fiscal Research Division. The written notice shall
43 contain at least the following information: (i) the specific statutory requirement or
44 requirements from which the Department intends to exempt itself; (ii) the reason the
45 exemption is necessary to expedite delivery of facilities; (iii) the way in which the

1 Department anticipates the exemption will expedite the delivery of prison facilities; and
2 (iv) a brief summary of the proposed contract for the project which is to be exempted.

3 The Office of State Construction of the Department of Administration shall
4 have a verifiable ten percent (10%) goal for participation by minority and women-
5 owned businesses. All contracts for the design, construction, or demolition of prison
6 facilities shall include a penalty for failure to complete the work by a specified date.

7 The Office of State Construction of the Department of Administration shall
8 involve the Department of Correction in all aspects of the projects to the extent that
9 such involvement relates to the Department's program needs and to its responsibility for
10 the care of the prison population.

11 (b) With respect to funds appropriated in this act for the expansion of the
12 Correction Enterprises program, the Office of State Construction of the Department of
13 Administration shall provide quarterly reports to the Chairs of the Appropriations
14 Committee and the Base Budget Committee in the Senate, the Chairs of the
15 Appropriations Committee in the House, the Joint Legislative Commission on
16 Governmental Operations, and the Fiscal Research Division as to any changes in
17 projects and allocations made under this act. The report shall include any changes in the
18 projects and allocations made pursuant to this act, information on which contractors
19 have been selected, what contracts have been entered into, the projected and actual
20 occupancy dates of facilities contracted for, the number of beds to be constructed on
21 each project, the location of each project, and the projected and actual cost of each
22 project.

23 The Department of Insurance and the Department of Correction shall report
24 quarterly to the Joint Legislative Commission on Governmental Operations on their
25 involvement in the prison construction program.

26
27 Requested by: Representatives Crawford, Nesbitt

28 PRISON CHAPEL FUNDS

29 Sec. 212.2. Section 44 of Chapter 1044 of the 1991 Session Laws reads as
30 rewritten:

31 " Sec. 44. A Reserve for Prison Chapels is established in the Office of
32 State Budget and Management to construct chapels at correctional facilities. The funds
33 are to be allocated to specific chapel projects when a minimum local match of one
34 dollar for every two State dollars needed for the estimated project cost is made
35 available. ~~No more than fifty thousand dollars (\$50,000) of State funds shall be~~
36 ~~allocated to any single project.~~ Funds appropriated to the reserve established in this
37 section shall not revert but shall remain available to the Department for the purposes of
38 this section.

39 The Department of Correction shall notify all prison units of the availability of these
40 funds and shall solicit letters of intent from interested units. The Department shall
41 evaluate the letters of intent for proposed chapel projects, notify those prison units
42 whose projects appear most likely to obtain local matching funds during the ~~1992-93~~
43 fiscal year, and authorize those units to proceed based upon the total availability of State

1 funds. The Department shall notify the Office of State Budget and Management of
2 those units that have been authorized to proceed.

3 The Office of State Budget and Management shall report quarterly to the Joint
4 Legislative Commission on Governmental Operations on any allocations from the
5 reserve established in this section."
6

7 **PART 33. DEPARTMENT OF TRANSPORTATION**

8

9 Requested by: Representatives McAllister, McLaughlin

10 **RESERVE FOR CAPITAL IMPROVEMENTS**

11 Sec. 213. There is created in the Highway Fund a reserve for capital
12 improvements in the amount of two million five hundred thousand dollars (\$2,500,000).
13 These funds may be used by the Department of Transportation for capital improvements
14 and for repairs and renovations.
15

16 **PART 34. DEPARTMENT OF HUMAN RESOURCES**

17

18 Requested by: Representatives Easterling, Nye

19 **CAPITAL FUNDS FOR MENTAL HEALTH INSTITUTIONS**

20 Sec. 215. Of the funds reserved in this act for repairs and renovations in the
21 Office of State Budget and Management, ten million dollars (\$10,000,000) shall be used
22 for the capital needs of the State Mental Health, Developmental Disabilities, and
23 Substance Abuse Facilities.
24

25 **PART 35. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL** 26 **RESOURCES**

27

28 Requested by: Representative Bowman

29 **WATER RESOURCES DEVELOPMENT PROJECTS FUNDS**

30 Sec. 216. (a) Of the funds appropriated in this act to the Department of
31 Environment, Health, and Natural Resources for the 1994-95 fiscal year the sum of two
32 million seven hundred fifty thousand dollars (\$2,750,000) shall be used for water
33 resources development projects. The Department shall allocate funds for the following
34 projects whose estimated costs are as indicated:

35 (1) Wilmington Harbor
36 Deepening Study\$ 300,000
37

38 (2) Wilmington Harbor
39 38-ft. Navigation 400,000
40

41 (3) Aquatic Plant Control
42 (Statewide) includes
43 Lake Gaston 150,000
44

1 (4) Carolina Beach Renourishment
2 (New Hanover County) 900,000

3
4 (5) Dare County Beaches
5 Feasibility Study 200,000

6
7 (6) State-Local Projects 800,000

8 (b) Where the actual costs are different from the estimated costs under
9 subsection (a) of this section, the Department may adjust the allocations among projects
10 as needed. If any projects listed in subsection (a) of this section are delayed and the
11 budgeted State funds cannot be used during the 1994-95 fiscal year, or if the projects
12 listed in subsection (a) of this section are accomplished at a lower cost, the Department
13 may use the resulting fund availability to fund:

14 (1) Corps of Engineers project feasibility studies, or

15 (2) Corps of Engineers projects whose schedules have advanced and
16 require State matching funds in fiscal year 1994-95, or

17 (3) State-local Water Resources Development Projects.

18 Funds not expended or encumbered for these purposes shall revert to the General Fund
19 at the end of the 1995-96 fiscal year.

20 (c) The Department shall make quarterly reports on the use of these funds to
21 the Joint Legislative Commission on Governmental Operations, the Fiscal Research
22 Division, and the Office of State Budget and Management. Each report shall include:

23 (1) All projects listed in this section;

24 (2) The estimated cost of each project;

25 (3) The date that work on each project began or is expected to begin;

26 (4) The date that work on each project was completed or is expected to be
27 completed; and

28 (5) The actual cost of each project.

29 The quarterly reports shall also show those projects advanced in schedule, those projects
30 delayed in schedule, and an estimate of the amount of funds expected to revert to the
31 General Fund.

32

33 **PART 36. GENERAL CAPITAL PROVISIONS**

34

35 Requested by: Representatives Nesbitt, Diamont

36 **RESERVE FOR ADVANCE PLANNING**

37

38 Sec. 217. The Office of State Budget and Management shall report to the
39 Joint Legislative Commission on Governmental Operations and to the Fiscal Research
40 Division on how it intends to spend funds from the Reserve for Advance Planning at
41 least 45 days before it spends the funds.

42 The Office of State Budget and Management shall also report the results of
43 any project on which it uses funds from the Reserve for Advance Planning to the Joint
44 Legislative Commission on Governmental Operations and to the Fiscal Research
45 Division.

1
2 Requested by: Representatives Nesbitt, Diamont

3 **ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND**

4 Sec. 218. When each capital improvement project appropriated by the 1993
5 General Assembly, other than those projects under the Board of Governors of The
6 University of North Carolina, is placed under a construction contract, direct
7 appropriations shall be encumbered to include all costs for construction, design,
8 investigation, administration, movable equipment, and a reasonable contingency.
9 Unencumbered direct appropriations remaining in the project budget shall be placed in a
10 project reserve fund credited to the Office of State Budget and Management. Funds in
11 the project reserve may be used for emergency repair and renovation projects at State
12 facilities with the approval of the Director of the Budget. The project reserve fund may
13 be used, at the discretion of the Director of the Budget, to allow for award of contracts
14 where bids exceed appropriated funds, if those projects supplemented were designed
15 within the scope intended by the applicable appropriation or any authorized change in it,
16 and if, in the opinion of the Director of the Budget, all means to award contracts within
17 the appropriation were reasonably attempted. At the discretion of the Director of the
18 Budget, any balances in the project reserve fund shall revert to the original source.

19
20 Requested by: Representatives Nesbitt, Diamont

21 **PROJECT COST INCREASE**

22 Sec. 219. Upon the request of the administration of a State agency,
23 department, or institution, the Director of the Budget may, when in the Director's
24 opinion it is in the best interest of the State to do so, increase the cost of a capital
25 improvement project. Provided, however, that if the Director of the Budget increases
26 the cost of a project, the Director shall report that action to the Joint Legislative
27 Commission on Governmental Operations at its next meeting. The increase may be
28 funded from gifts, federal or private grants, special fund receipts, excess patient receipts
29 above those budgeted at University of North Carolina Hospitals at Chapel Hill, or direct
30 capital improvement appropriations to that department or institution.

31
32 Requested by: Representatives Nesbitt, Diamont

33 **NEW PROJECT AUTHORIZATION**

34 Sec. 220. Upon the request of the administration of any State agency,
35 department, or institution, the Governor may authorize the construction of a capital
36 improvement project not specifically authorized by the General Assembly if such
37 project is to be funded by gifts, federal or private grants, special fund receipts, excess
38 patient receipts above those budgeted at University of North Carolina Hospitals at
39 Chapel Hill, or self-liquidating indebtedness. Provided, however, that if the Director of
40 the Budget authorizes the construction of such a capital improvement project, the
41 Director shall report that action to the Joint Legislative Commission on Governmental
42 Operations at its next meeting.

43
44 Requested by: Representatives Nesbitt, Diamont

1 ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS

2 Sec. 221. Funds which become available by gifts, excess patient receipts
3 above those budgeted at University of North Carolina Hospitals at Chapel Hill, federal
4 or private grants, receipts becoming a part of special funds by act of the General
5 Assembly or any other funds available to a State department or institution may be
6 utilized for advance planning through the working drawing phase of capital
7 improvement projects, upon approval of the Director of the Budget. The Director of the
8 Budget may make allocations from the Advance Planning Fund for advance planning
9 through the working drawing phase of capital improvement projects, except that this
10 revolving fund may not be utilized by the Board of Governors of The University of
11 North Carolina or the State Board of Community Colleges.

12
13 Requested by: Representatives Nesbitt, Diamont

14 APPROPRIATIONS LIMITS/REVERSION OR LAPSE

15 Sec. 222. Except as permitted in previous sections of this act, the
16 appropriations for capital improvements made by the 1993 General Assembly may be
17 expended only for specific projects set out by the 1993 General Assembly and for no
18 other purpose. Construction of all capital improvement projects enumerated by the
19 1993 General Assembly shall be commenced, or self-liquidating indebtedness with
20 respect to them shall be incurred, within 12 months following the first day of the fiscal
21 year in which the funds are available. If construction contracts on those projects have
22 not been awarded or self-liquidating indebtedness has not been incurred within that
23 period, the direct appropriation for those projects shall revert to the original source, and
24 the self-liquidating appropriation shall lapse; except that direct appropriations may be
25 placed in a reserve fund as authorized in this act. This deadline with respect to both
26 direct and self-liquidating appropriations may be extended with the approval of the
27 Director of the Budget up to an additional 12 months if circumstances and conditions
28 warrant such extension.

30 TITLE III. MISCELLANEOUS OPERATING AND CAPITAL
31 APPROPRIATIONS PROVISIONS

32
33 Requested by: Representatives Nesbitt, Daniel

34 EXECUTIVE BUDGET ACT APPLIES

35 Sec. 223. The provisions of the Executive Budget Act, Chapter 143, Article 1
36 of the General Statutes are reenacted and shall remain in full force and effect and are
37 incorporated in this act by reference.

38
39 Requested by: Representatives Nesbitt, Diamont

40 COMMITTEE REPORT

41 Sec. 224. (a) The House of Representatives Appropriations Committee
42 Report on Budget Modifications/ Expansion Budget/ Capital Budget, dated June 17,
43 1994, which was distributed in the House of Representatives and used to explain this
44 act, shall indicate action by the General Assembly on this act and shall therefore be used

1 to construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for
2 these purposes shall be considered a part of this act.

3 (b) The budget enacted by the General Assembly for the maintenance of the
4 various departments, institutions, and other spending agencies of the State for the 1993-
5 95 fiscal biennium is a line item budget, in accordance with the Budget Code Structure
6 and the State Accounting System Uniform Chart of Accounts set out in the
7 Administrative Policies and Procedures Manual of the Office of the State Controller.
8 This budget includes the appropriations made from all sources including the General
9 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental
10 receipts.

11 The General Assembly amended the itemized budget requests submitted to
12 the General Assembly by the Director of the Budget and the Advisory Budget
13 Commission, in accordance with the steps that follow, and the line item detail in the
14 budget enacted by the General Assembly may be derived accordingly:

15 (1) Negative reserves set out in the submitted budget were deleted and the
16 totals were increased accordingly.

17 (2) The base budget was adjusted in accordance with the base budget cuts
18 and additions that were set out in the House Appropriations Committee
19 Report on Budget Modifications/ Expansion Budget/ Capital Budget,
20 dated June 17, 1994.

21 (3) The expansion budget items were added in accordance with the House
22 Appropriations Committee Report on Budget Modifications/
23 Expansion Budget/ Capital Budget, dated June 17, 1994. Some of
24 those expansion budget items were in the budget submitted to the
25 General Assembly by the Director of the Budget and the Advisory
26 Budget Commission.

27 Expansion budget items that were funded from new receipts are
28 included in the budget enacted by the General Assembly with
29 program-level detail.

30 (4) Transfers of funds supporting programs were made in accordance with
31 the House Appropriations Committee Report on Budget
32 Modifications/ Expansion Budget/ Capital Budget, dated June 17,
33 1994, and any accompanying correction sheets.

34 The budget enacted by the General Assembly shall also be interpreted in
35 accordance with the special provisions in this act and in accordance with other
36 appropriate legislation.

37 In the event that there is a conflict between the line item budget certified by
38 the Director of the Budget and the budget enacted by the General Assembly, the budget
39 enacted by the General Assembly shall prevail.

40
41 Requested by: Representatives Nesbitt, Diamont

42 **MOST TEXT APPLIES ONLY TO 1994-95**

43 Sec. 225. Except for statutory changes or other provisions that clearly
44 indicate an intention to have effects beyond the 1994-95 fiscal year, the textual

1 provisions of this act apply only to funds appropriated for, and activities occurring
2 during, the 1994-95 fiscal year.

3

4 Requested by: Representatives Nesbitt, Diamont

5 **1993-94 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

6 Sec. 226. (a) Except where expressly repealed or amended by this act, the
7 provisions of Chapters 321 and 561 of the 1993 Session Laws, and Chapter 24 of the
8 Session Laws of the 1994 Extra Session, remain in effect.

9 (b) Notwithstanding any modifications by this act in the amounts
10 appropriated, except where expressly repealed or amended, the limitations and
11 directions for the 1994-95 fiscal year in Chapters 321 and 561 of the 1993 Session
12 Laws, and Chapter 24 of the Session Laws of the 1994 Extra Session, that applied to
13 appropriations to particular agencies or for particular purposes apply to the newly
14 enacted appropriations and budget reductions of this act for those same particular
15 purposes.

16

17 Requested by: Representatives Nesbitt, Diamont

18 **EFFECT OF HEADINGS**

19 Sec. 227. The headings to the titles, parts, and sections of this act are a
20 convenience to the reader and are for reference only. The headings do not expand,
21 limit, or define the text of this act.

22

23 Requested by: Representatives Nesbitt, Diamont

24 **SEVERABILITY CLAUSE**

25 Sec. 228. If any section or provision of this act is declared unconstitutional or
26 invalid by the courts, it does not affect the validity of this act as a whole or any part
27 other than the part so declared to be unconstitutional or invalid.

28

29 Requested by: Representatives Nesbitt, Diamont

30 **EFFECTIVE DATE**

31 Sec. 229. Except as otherwise provided, this act becomes effective July 1,
32 1994.