

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 27

Appropriations Committee Substitute Adopted 5/11/93
Appropriations Committee Substitute No. 2 Adopted 5/12/93
Fourth Edition Engrossed 5/13/93

Short Title: Current Operations Budget.

(Public)

Sponsors:

Referred to:

February 1, 1993

A BILL TO BE ENTITLED

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

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.

Requested by: Senators Daniel and Plyler

TITLE OF ACT

Sec. 2. This act shall be known as Current Operations Appropriations Act of 1993.

PART 1. GENERAL FUND APPROPRIATIONS

1

2 **CURRENT OPERATIONS/GENERAL FUND**

3 Sec. 3. Appropriations from the General Fund of the State for the
4 maintenance of the State departments, institutions, and agencies, and for other purposes
5 as enumerated are made for the biennium ending June 30, 1995, according to the
6 following schedule (amounts set out in brackets are reductions from General Fund
7 appropriations for the 1993-94 and 1994-95 fiscal years):

8

9 <u>Current Operations - General Fund</u>	<u>1993-94</u>	<u>1994-95</u>
10		
11 General Assembly	\$ 20,336,359	\$ 23,943,637
12		
13 Judicial Department	249,649,260	253,956,769
14		
15 Office of the Governor		
16 01. Office of the Governor	5,591,133	5,860,409
17 02. Office of State Budget		
18 and Management	3,311,982	3,434,483
19 03. Office of State Planning	1,580,119	1,604,233
20		
21 Office of the Lieutenant Governor		598,002
22		599,843
23 Department of Secretary of State	4,887,398	4,837,901
24		
25 Department of State Auditor	7,624,804	7,723,059
26		
27 Department of State Treasurer		
28 01. State Treasurer	5,867,689	6,344,754
29 02. Special Contributions	5,437,248	5,437,248
30		
31 Public Education		
32 01. Department of Public		
33 Instruction	55,571,458	54,989,621
34 02. State Aid to Local School		
35 Administrative Units	3,491,050,415	3,540,632,049
36 03. State Board of Education	98,408	98,408
37 Total Public Education	3,546,720,281	3,595,720,078
38		
39 Department of Justice	54,164,332	58,555,581
40		
41 Department of Administration	51,090,994	52,164,548
42		
43 Department of Agriculture	42,806,931	43,868,404
44		

1	Department of Labor		13,264,815	13,314,286
2				
3	Department of Insurance		13,278,232	12,643,639
4				
5	Department of Transportation			
6	01. Aeronautics	8,516,571	9,016,571	
7	02. Aid to Railroads	96,305	100,000	
8	03. Air Cargo	1,250,000	1,250,000	
9	Total Department of			
10	Transportation		9,862,876	10,366,571
11				
12	Department of Environment, Health, and			
13	Natural Resources		205,544,951	218,306,674
14				
15	Office of Administrative Hearings		1,929,239	1,933,500
16				
17	Rules Review Commission		258,516	258,593
18				
19	Department of Human Resources			
20	01. DHR - Secretary	11,909,687	11,983,337	
21	02. Division of Aging	12,258,404	12,320,629	
22	03. Schools for the Deaf and			
23	Hard of Hearing	21,468,640	21,594,919	
24	04. Social Services	180,377,610	189,851,669	
25	05. Medical Assistance	861,396,696	1,011,952,533	
26	06. Social Services - State Aid to			
27	Non-State Agencies	6,862,725	6,962,725	
28	07. Division of Services for the Blind	13,928,489	14,444,550	
29	08. Division of Mental Health,			
30	Developmental Disabilities, and			
31	Substance Abuse Services	438,744,232	447,515,545	
32	09. Division of Facility Services	74,094,322	111,670,417	
33	10. Division of Vocational			
34	Rehabilitation Services	23,007,191	23,033,776	
35	11. Division of Youth Services	52,398,455	52,891,405	
36	Total Department of Human Resources		1,696,446,451	1,904,221,505
37				
38	Department of Correction		564,668,043	597,014,211
39				
40	Department of Commerce			
41	01. Commerce	37,178,059	40,557,904	
42	02. Biotechnology Reserve	7,014,396	7,014,396	
43	03. MCNC	15,680,000	15,680,000	
44	04. REDC	1,470,000	1,470,000	

1			
2	Department of Revenue	57,319,399	60,135,743
3			
4	Department of Cultural Resources	42,035,086	42,379,225
5			
6	Department of Crime Control		
7	and Public Safety	23,473,659	21,898,537
8			
9	Office of the State Controller	10,706,849	12,659,119
10			
11	University of North Carolina - Board		
12	of Governors		
13	01. General Administration	17,200,841	17,166,323
14	02. University Institutional		
15	Programs	37,925,398	51,423,174
16	03. Related Educational Programs	47,145,796	48,381,771
17	04. University of North Carolina		
18	at Chapel Hill		
19	a. Academic Affairs	137,621,265	139,521,105
20	b. Health Affairs	109,719,612	111,962,193
21	c. Area Health Education		
22	Centers	32,351,252	32,347,434
23	05. North Carolina State University		
24	at Raleigh		
25	a. Academic Affairs	179,634,829	180,459,614
26	b. Agricultural Research Service	36,338,445	36,403,257
27	c. Agricultural Extension Service	28,379,861	28,360,730
28	06. University of North Carolina at		
29	Greensboro	55,765,417	55,961,841
30	07. University of North Carolina at		
31	Charlotte	59,807,408	60,072,862
32	08. University of North Carolina at		
33	Asheville	17,274,278	17,376,386
34	09. University of North Carolina at		
35	Wilmington	34,024,551	34,264,199
36	10. East Carolina University		
37	a. Academic Affairs	75,557,468	76,109,240
38	b. Division of Health Affairs	37,621,099	37,666,752
39	11. North Carolina Agricultural and		
40	Technical State University	41,202,109	41,430,408
41	12. Western Carolina University	36,951,472	37,011,981
42	13. Appalachian State University	53,291,855	53,368,376
43	14. Pembroke State University	16,639,745	16,742,244
44	15. Winston-Salem State University	16,623,929	16,751,903

1	16.	Elizabeth City State		
2		University	15,683,323	15,703,970
3	17.	Fayetteville State University	19,563,111	19,942,709
4	18.	North Carolina Central		
5		University	28,319,792	28,533,237
6	19.	North Carolina School of the		
7		Arts	8,078,021	8,097,592
8	20.	North Carolina School of		
9		Science and Mathematics	7,373,446	7,424,203
10	21.	UNC Hospitals at Chapel Hill	40,690,416	43,476,135
11	Total University of North			
12	Carolina - Board of Governors		1,190,784,739	1,215,959,639
13				
14	Department of Community Colleges		411,650,018	438,840,309
15				
16	State Board of Elections		545,539	545,885
17				
18	Contingency and Emergency		1,125,000	1,125,000
19				
20	Reserve for Salary Increases		112,197,852	116,695,270
21				
22	Reserve for			
23	Compensation Bonus		34,244,460	–
24				
25	Reserve for Restoring Pay Date		327,800,000	–
26				
27	Reserve for Salary Adjustments		500,000	500,000
28				
29	Reserve for Lowest Paid Employees		1,400,724	1,400,724
30				
31	Reserve for OSHA - Bloodborne Pathogens		1,000,000	1,000,000
32				
33	Reserve for Retiree 30% Reduction		(7,073,940)	(7,073,940)
34				
35	Debt Service		92,263,558	89,113,783
36				
37	Local Government Shared Revenue		<u>236,824,154</u>	<u>236,824,154</u>
38				
39	GRAND TOTAL CURRENT OPERATIONS –			
40	GENERAL FUND		\$9,103,059,207	\$9,118,835,674
41				

PART 2. CURRENT OPERATIONS/HIGHWAY FUND

43

1 Sec. 4. Appropriations from the Highway Fund of the State for the
2 maintenance and operation of the Department of Transportation, and for other purposes
3 as enumerated, are made for the biennium ending June 30, 1995, according to the
4 following schedule:

	<u>1993-94</u>	<u>1994-95</u>
5		
6	<u>Current Operations - Highway Fund</u>	
7		
8	Department of Transportation	
9	01. Administration \$ 41,119,643 \$ 38,312,968	
10	02. Division of Highways	
11	a. Administration and	
12	Operations 33,415,706 33,440,792	
13	b. State Construction	
14	(01) Primary Construction — —	
15	(02) Secondary	
16	Construction	66,486,917 66,884,639
17	(03) Urban Construction	20,000,000 20,000,000
18	(04) Access and Public	
19	Service Roads	2,000,000 2,000,000
20	(05) Spot Safety	
21	Improvements	9,100,000 9,100,000
22	c. State Funds to Match Federal	
23	Highway Aid	
24	(01) Construction 37,020,332 37,020,332	
25	(02) Planning Survey and Highway	
26	Planning Research	2,959,649 2,959,649
27	d. State Maintenance	
28	(01) Primary 98,395,135 99,325,985	
29	(02) Secondary 172,426,462 174,062,501	
30	(03) Urban 25,875,286 26,129,154	
31	(04) Contract Resurfacing 87,500,000 87,500,000	
32	e. Ferry Operations 15,541,455 15,541,455	
33	03. Division of Motor Vehicles 79,025,411 78,654,819	
34	04. Governor's Highway Safety Program 290,923 291,575	
35	05. State Aid to Municipalities	66,486,917 66,884,639
36	06. State Aid for Public	
37	Transportation 10,596,461 10,646,921	
38	07. Salary Adjustments for Highway	
39	Fund Employees 200,000 200,000	
40	08. Reserve to Correct Occupational	
41	Safety and Health Conditions 425,000 425,000	
42	09. Debt Service 37,359,875 27,664,550	
43	10. Reserve for Compensation	
44	Increases 6,963,446 6,963,446	

1	11.	Reserve for Transportation		
2		Study	222,750	346,500
3				
4		Reserve for Compensation Bonus		3,481,723 –
5				
6		Emergencies and Inflationary Adjustment	1,085,490	1,585,490
7				
8		Appropriations for Other State Agencies		
9	01.	Crime Control and Public		
10		Safety	92,719,686	93,601,574
11	02.	Other Agencies		
12	a.	Department of Agriculture	3,057,180	3,030,245
13	b.	Department of Revenue	2,063,522	2,065,412
14	c.	Department of Environment,		
15		Health, and Natural Resources:		
16		LUST Trust Fund	4,809,298	4,904,343
17		Chemical Test Program	371,944	373,407
18	d.	Department of Correction	4,614,056	4,614,056
19	e.	Department of Public		
20		Education	23,188,826	23,188,826
21	f.	Department of State		
22		Treasurer	<u>9,900,000</u>	<u>10,500,000</u>
23				
24		GRAND TOTAL CURRENT OPERATIONS –		
25		HIGHWAY FUND	\$ 958,703,093	\$ 948,218,277

27 PART 3. HIGHWAY TRUST FUND

29 Sec. 5. Appropriations from the Highway Trust Fund are made for the fiscal
30 biennium ending June 30, 1995, according to the following schedule:

32	<u>Highway Trust Fund</u>	<u>1993-94</u>	<u>1994-95</u>
34	01. Intrastate System	\$ 218,025,746	\$ 230,908,868
35	02. Secondary Roads Construction	49,925,986	51,677,726
36	03. Urban Loops	88,160,532	93,369,930
37	04. State Aid - Municipalities	22,878,986	24,227,726
38	05. Program Administration	15,711,750	16,215,750
39	06. Transfer to General Fund	<u>170,000,000</u>	<u>170,000,000</u>
40			
41	GRAND TOTAL/HIGHWAY TRUST FUND	\$ 564,700,000	\$ 586,400,000

43 PART 4. BLOCK GRANT APPROPRIATIONS

1 Requested by: Senator Richardson

2 **DHR BLOCK GRANT PROVISIONS**

3 Sec. 6. (a) Appropriations from federal block grant funds are made for the
4 fiscal year ending June 30, 1994, according to the following schedule:

5

6 **COMMUNITY SERVICES BLOCK GRANT**

7

8 01. Community Action Agencies \$ 9,105,422

9

10 02. Limited Purpose Agencies 505,857

11

12 03. Department of Human Resources

13 to administer and monitor

14 the activities of the

15 Community Services Block Grant 505,857

16

17 **TOTAL COMMUNITY SERVICES BLOCK GRANT** \$

18 10,117,136

19

20 **SOCIAL SERVICES BLOCK GRANT**

21

22 01. County Departments of Social Services \$ 42,253,005

23

24 02. Allocation for In-Home Services provided

25 by County Departments of

26 Social Services 458,722

27

28 03. Division of Mental Health, Developmental

29 Disabilities, and Substance Abuse 5,519,178

30

31 04. Division of Services for the Blind 3,205,711

32

33 05. Division of Youth Services 1,052,674

34

35 06. Division of Facility Services 336,575

36

37 07. Division of Aging 334,663

38

39 08. Day Care Services 12,158,899

40

41 09. Volunteer Services 55,458

42

43 10. State Administration and State Level

44 Contracts 3,473,524

1				
2	11.	Voluntary Sterilization Funds	98,710	
3				
4	12.	Transfer to Maternal and Child		
5		Health Block Grant	1,585,833	
6				
7	13.	Adult Day Care Services	306,323	
8				
9	14.	County Departments of Social Services for		
10		Child Abuse/Prevention and		
11		Permanency Planning	394,841	
12				
13	15.	Allocation to Division of Maternal and		
14		Child Health for Grants-in-Aid to Prevention		
15		Programs	439,261	
16				
17	16.	Transfer to Preventive Health		
18		Block Grant for Emergency Medical Services		
19		and Basic Public Health Services	695,834	
20				
21	17.	Allocation to Preventive Health Block		
22		Grant for AIDS Education	81,001	
23				
24	18.	Allocation to Department of Administration		
25		for North Carolina Fund for Children	45,270	
26				
27	19.	Allocation to Home and Community Care		
28		Block Grant for Persons Age 60		
29		and Older	1,649,077	
30				
31	20.	Allocation to the Division of Economic		
32		Opportunity for Head Start,		
33		Elderly and Handicapped Services	197,421	
34				
35	TOTAL SOCIAL SERVICES BLOCK GRANT			\$
36	74,341,980			
37				
38	LOW INCOME ENERGY BLOCK GRANT			
39				
40	01.	Energy Assistance Programs	\$ 16,672,034	
41				
42	02.	Crisis Intervention	5,411,563	
43				
44	03.	Administration	2,413,779	

1			
2	04.	Weatherization Program	2,100,000
3			
4	05.	Indian Affairs	33,022
5			
6	TOTAL LOW INCOME ENERGY BLOCK GRANT		\$
7	26,630,398		
8			
9	MENTAL HEALTH SERVICES BLOCK GRANT		
10			
11	01.	Provision of Community-Based	
12		Services in accordance with the	
13		Mental Health Study Commission's	
14		Adult Severe and Persistently	
15		Mentally Ill Plan	3,794,179
16			
17	02.	Provision of Community-Based	
18		Services in accordance with the	
19		Mental Health Study Commission's	
20		Child Mental Health Plan	1,802,819
21			
22	03.	Administration	514,037
23			
24	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT		\$
25	6,111,035		
26			
27	BLOCK GRANT FOR THE PREVENTION AND		
28	TREATMENT OF SUBSTANCE ABUSE		
29			
30	01.	Provision of Community-Based	
31		Alcohol and Drug-Abuse Services,	
32		Tuberculosis Services, and Services	
33		provided by the Alcohol, Drug-Abuse	
34		Treatment Centers	\$ 10,335,939
35			
36	02.	Continuation and Expansion of	
37		Services for Pregnant Women and	
38		Women with Dependent Children	4,795,389
39			
40	03.	Continuation and Expansion of	
41		Services to IV Drug Abusers and others	
42		at risk for HIV diseases	5,567,328
43			
44	04.	Provision of services in accordance with	

1 the Mental Health Study Commission's
 2 Child and Adolescent Alcohol and other
 3 Drug-Abuse Plan 4,396,416
 4
 5 05. Administration 1,669,460
 6
 7 TOTAL BLOCK GRANT FOR PREVENTION
 8 AND TREATMENT OF SUBSTANCE ABUSE \$
 9 26,764,532

10
 11 CHILD CARE AND DEVELOPMENT BLOCK GRANT

12
 13 01. Child Day Care Services \$ 14,953,945
 14
 15 02. Administrative Expenses and Quality
 16 and Availability Initiatives 1,544,405
 17
 18 03. Before and After School Child Care Programs
 19 and Early Childhood Development Programs 5,010,698
 20
 21 04. Quality Improvement Activities 1,480,737
 22
 23 TOTAL CHILD CARE AND DEVELOPMENT
 24 BLOCK GRANT \$
 25 22,989,785

26
 27 (b) Decreases in Federal Fund Availability

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

31 (c) Increases in Federal Fund Availability

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

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

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

1

2 Requested by: Senator Martin of Pitt

3 **NER BLOCK GRANT PROVISIONS**4 Sec. 7. (a) Appropriations from federal block grant funds are made for the
5 fiscal year ending June 30, 1994, according to the following schedule:

6

7 TOTAL JOB TRAINING PARTNERSHIP ACT \$

8 53,841,243

9

10 COMMUNITY DEVELOPMENT BLOCK GRANT

11

12 01. State Administration \$ 1,026,940

13

14 02. Urgent Needs and Contingency 2,242,830

15

16 03. Housing Development 2,242,829

17

18 04. Economic Development 8,971,318

19

20 05. Community Revitalization 31,399,613

21

22 06. State Technical Assistance 463,470

23

24 TOTAL COMMUNITY DEVELOPMENT

25 BLOCK GRANT \$

26 46,347,000

27

28 MATERNAL AND CHILD HEALTH SERVICES

29

30 01. Healthy Mother/Healthy Children

31 Block Grants to Local Health

32 Departments \$ 11,399,969

33

34 02. High Risk Maternity Clinic Services,

35 Perinatal Education, and Consultation

36 to Local Health Departments

37 and Other Health Care Providers 1,383,538

38

39 03. Services to Children with Disabilities 5,065,331

40

41 04. Reimbursements for Local Health

42 Departments for Contracted

43 Nutritional Services 120,530

44

1	TOTAL MATERNAL AND CHILD		
2	HEALTH SERVICES		\$
3	17,969,368		
4			
5	PREVENTIVE HEALTH BLOCK GRANT		
6			
7	01. Emergency Medical Services	\$ 452,375	
8			
9	02. Basic Public Health Services	428,395	
10			
11	03. Hypertension Programs	671,630	
12			
13	04. Statewide Health Promotion Programs	2,651,119	
14			
15	05. Fluoridation of Water Supplies	228,404	
16			
17	06. Rape Prevention and Rape		
18	Crisis Programs	183,632	
19			
20	07. AIDS/HIV Education, Counseling,		
21	and Testing	81,001	
22			
23	08. Office of Minority Health and		
24	Minority Health Council	190,000	
25			
26	TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$
27	4,886,566		
28			
29	(b) Decreases in Federal Fund Availability		
30	If federal funds are reduced below the amounts specified above after the		
31	effective date of this act, then every program, in each of the federal block grants listed		
32	above, shall be reduced by the same percentage as the reduction in federal funds.		
33	(c) Increases in Federal Fund Availability		
34	Any block grant funds appropriated by the United States Congress in addition		
35	to the funds specified in this act shall be expended as follows:		
36	(1) For the Community Development Block Grant – each program		
37	category under the Community Development Block Grant shall be		
38	increased by the same percentage as the increase in federal funds.		
39	(2) For the Maternal and Child Health Services Block Grant – thirty		
40	percent (30%) of these additional funds shall be allocated to services		
41	for children with special health care needs and seventy percent (70%)		
42	shall be allocated to local health departments to assist in the reduction		
43	of infant mortality.		

1 (3) For the Preventive Health Block Grants – these additional funds may
2 be budgeted by the appropriate department, with the approval of the
3 Office of State Budget and Management, provided the resultant
4 increases are in accordance with federal block grant requirements and
5 are within the scope of the block grant plan approved by the General
6 Assembly. All these budgeted increases shall be reported to the Joint
7 Legislative Commission on Governmental Operations and to the
8 Director of the Fiscal Research Division.

9 (d) Education Setaside of JTPA Funds

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

15 (e) Limitations on Community Development Block Grant Funds

16 Of the funds appropriated in this section for the Community Development
17 Block Grant, not more than one million twenty-six thousand nine hundred forty dollars
18 (\$1,026,940) may be used for State administration; up to two million two hundred forty-
19 two thousand eight hundred thirty dollars (\$2,242,830) may be used for Urgent Needs
20 and Contingency; up to two million two hundred forty-two thousand eight hundred
21 twenty-nine dollars (\$2,242,829) may be used for Housing Development; up to eight
22 million nine hundred seventy-one thousand three hundred eighteen dollars (\$8,971,318)
23 may be used for Economic Development; not less than thirty-one million three hundred
24 ninety-nine thousand six hundred thirteen dollars (\$31,399,613) shall be used for
25 Community Revitalization; and up to four hundred sixty-three thousand four hundred
26 seventy dollars (\$463,470) may be used for State Technical Assistance. If federal block
27 grant funds are reduced or increased by the United States Congress after the effective
28 date of this act, then these reductions or increases shall be allocated in accordance with
29 subsection (b) or (c) of this section, as applicable.

30
31 **PART 5. GENERAL PROVISIONS**

32
33 Requested by: Senators Daniel and Plyler

34 **SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL**
35 **RECEIPTS/AUTHORIZATION FOR EXPENDITURES**

36 Sec. 8. There is appropriated out of the cash balances, federal receipts, and
37 departmental receipts available to each department, sufficient amounts to carry on
38 authorized activities included under each department's operations. All these cash
39 balances, federal receipts, and departmental receipts shall be expended and reported in
40 accordance with provisions of the Executive Budget Act, except as otherwise provided
41 by statute, and shall be expended at the level of service authorized by the General
42 Assembly. If the receipts, other than gifts and grants that are unanticipated and are for a
43 specific purpose only, collected in a fiscal year by an institution, department, or agency
44 exceed the receipts certified for it in General Fund Codes or Highway Fund Codes, then

1 the Director of the Budget shall decrease the amount he allots to that institution,
2 department, or agency from appropriations from that Fund by the amount of the excess,
3 unless the Director of the Budget finds that the appropriations from the Fund are
4 necessary to maintain the function that generated the receipts at the level anticipated in
5 the certified Budget Codes for that Fund. Funds that become available from
6 overrealized receipts in General Fund Codes and Highway Fund Codes, other than gifts
7 and grants that are unanticipated and are for a specific purpose only, shall not be used
8 for new permanent employee positions or to raise the salary of existing employees
9 except:

- 10 (1) As provided in G.S. 116-30.1, 116-30.2, 116-30.3, 116-30.4, or 143-
11 27; or
- 12 (2) If the Director of the Budget finds that the new permanent employee
13 positions are necessary to maintain the function that generated the
14 receipts at the level anticipated in the certified budget codes for that
15 Fund. The Director of the Budget shall notify the President Pro
16 Tempore of the Senate, the Speaker of the House of Representatives,
17 the chairmen of the appropriations committees of the Senate and the
18 House of Representatives, and the Fiscal Research Division of the
19 Legislative Services Office that he intends to make such a finding at
20 least 10 days before he makes the finding. The notification shall set
21 out the reason the positions are necessary to maintain the function.

22 The Office of State Budget and Management shall report to the Joint Legislative
23 Commission on Governmental Operations and to the Fiscal Research Division of the
24 Legislative Services Office within 30 days after the end of each quarter the General
25 Fund Codes or Highway Fund Codes that did not result in a corresponding reduced
26 allotment from appropriations from that Fund.

27 The Director of the Budget shall develop necessary budget controls,
28 regulations, and systems to ensure that these funds and other State funds subject to the
29 Executive Budget Act, are not spent in a manner which would cause a deficit in
30 expenditures.

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

37
38 Requested by: Senators Daniel and Plyler

39 **INSURANCE AND FIDELITY BONDS**

40 Sec. 9. All insurance and all official fidelity and surety bonds authorized for
41 the several departments, institutions, and agencies shall be effected and placed by the
42 Insurance Department, and the cost of placement shall be paid by the affected
43 department, institution, or agency with the approval of the Insurance Commissioner.

44

1 Requested by: Senators Daniel and Plyler

2 **CONTINGENCY AND EMERGENCY FUND ALLOCATION**

3 Sec. 10. Of the funds appropriated in this act to the Contingency and
4 Emergency Fund, the sum of nine hundred thousand dollars (\$900,000) for the 1993-94
5 fiscal year and the sum of nine hundred thousand dollars (\$900,000) for the 1994-95
6 fiscal year shall be designated for emergency allocations, which are for the purposes
7 outlined in G.S. 143-23(a1)(3), (4), and (5). Two hundred twenty-five thousand dollars
8 (\$225,000) for the 1993-94 fiscal year and two hundred twenty-five thousand dollars
9 (\$225,000) for the 1994-95 fiscal year shall be designated for other allocations from the
10 Contingency and Emergency Fund.

11

12 Requested by: Senators Daniel and Plyler

13 **BUDGETING OF PILOT PROGRAMS**

14 Sec. 11. (a) Any program designated by the General Assembly as experimental,
15 model, or pilot shall be shown as a separate budget item and shall be considered as an
16 expansion item until a succeeding General Assembly reapproves it.

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

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

22

23 Requested by: Senators Daniel and Plyler

24 **AUTHORIZED TRANSFERS**

25 Sec. 12. The Director of the Budget may transfer to General Fund budget
26 codes from the General Fund salary adjustment appropriation, and may transfer to
27 Highway Fund budget codes from the Highway Fund salary adjustment appropriation,
28 amounts required to support approved salary adjustments made necessary by difficulties
29 in recruiting and holding qualified employees in State government. The funds may be
30 transferred only when the use of salary reserve funds in individual operating budgets is
31 not feasible.

32

33 Requested by: Senators Daniel and Plyler

34 **EXPENDITURES OF FUNDS IN RESERVES LIMITED**

35 Sec. 13. All funds appropriated by this act into reserves may be expended
36 only for the purposes for which the reserves were established.

37

38 Requested by: Senator Martin of Pitt

39 **STATE MONEY RECIPIENTS/CONFLICT OF INTEREST POLICY**

40 Sec. 14. Each private, nonprofit entity eligible to receive State funds, either
41 by General Assembly appropriation, or by grant, loan, or other allocation from a State
42 agency, before funds may be disbursed to the entity, shall file with the disbursing
43 agency a notarized copy of that entity's policy addressing conflicts of interest that may
44 arise involving the entity's management employees and the members of its board of

1 directors or other governing body. The policy shall address situations where any of
 2 these individuals may directly or indirectly benefit, except as the entity's employees or
 3 members of the board or other governing body, from the entity's disbursing of State
 4 funds, and shall include actions to be taken by the entity or the individual, or both, to
 5 avoid conflicts of interest and the appearance of impropriety.

6
 7 Requested by: Senators Daniel and Plyler

8 **BUDGET REFORM STATEMENTS**

9 Sec. 14.1. The General Fund appropriations availability used in developing
 10 the 1993-95 General Fund budget is shown below:(\$Million) (\$Million)

	<u>1993-94</u>	<u>1994-95</u>
11 Beginning Credit Balance	\$ 303.8	-
12 Revenues:		
13 Existing Base	\$8,645.7	\$9,208.1
14 New Revenue	<u>11.1</u>	<u>11.0</u>
15 Total Revenue	\$8,656.8	\$9,219.1
16 Disproportionate Share Payments	\$ 207.4	\$ 203.0
17 Total Availability	\$9,168.0	\$9,422.1
18 Revenue Growth Rates:		
19 Economic Basis	6.2%	6.5%
20 Less: Impact of Special Factors	<u>1.4%</u>	<u>-</u>
21 Actual Basis	4.8%	6.5%".

22
 23 Requested by: Senators Daniel, Plyler, and Conder

24 **REPAIRS/RENOVATIONS RESERVE CREATED**

25 Sec. 14.2. (a) G.S. 143-15.2 reads as rewritten:

26 **"§ 143-15.2. Use of General Fund credit balance.**

27 The State Controller shall reserve up to one-fourth of any credit balance, as
 28 determined on a cash basis, remaining in the General Fund at the end of each fiscal year
 29 to the Savings Reserve Account as provided in G.S. 143-15.3, unless that would result
 30 in the Savings Reserve Account having funds in excess of five percent (5%) of the
 31 amount appropriated the preceding year for the General Fund operating budget,
 32 including local government tax-sharing funds; in that case, only funds sufficient to
 33 reach the five percent (5%) level shall be reserved. The State Controller shall also
 34 reserve the lesser of (i) one-fourth of any credit balance, as determined on a cash basis,
 35 remaining in the General Fund and (ii) one and one-half percent (1.5%) of the
 36 replacement value of all State buildings supported from the General Fund, at the end of
 37 each fiscal year to the Repairs and Renovations Reserve Account as provided in G.S.
 38 143-15.3A. The General Assembly may appropriate that part of the anticipated General
 39 Fund credit balance not expected to be reserved to the Savings Reserve Account or the
 40
 41
 42
 43

1 Repairs and Renovations Reserve Account only for capital improvements or other one-
2 time expenditures."

3 (b) Chapter 143 of the General Statutes is amended by adding a new section to
4 read:

5 **"§ 143-15.3A. Repairs and Renovations Reserve Account.**

6 (a) There is established a Repairs and Renovations Reserve Account as a
7 restricted reserve in the General Fund. The State Controller shall reserve to the Repairs
8 and Renovations Reserve Account one-fourth of any unreserved credit balance
9 remaining in the General Fund at the end of each fiscal year. As used in this section, the
10 term 'unreserved credit balance' means that part of the credit balance, as determined on a
11 cash basis, not already reserved to the Savings Reserve Account or the Repairs and
12 Renovations Reserve Account.

13 (b) The Director may allocate funds in the Repairs and Renovations Reserve
14 Account to State agencies for the repair and renovation of State buildings supported
15 from the General Fund. The Director shall report to the Advisory Budget Commission
16 and the Joint Legislative Commission on Governmental Operations on any allocations
17 from the Reserve the Director intends to make at least 30 days prior to allocating funds
18 from the Reserve."

19 (c) 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 that
32 part of the credit balance, as determined on a cash basis, not already reserved to the
33 Savings Reserve ~~Account.~~ Account or the Repairs and Renovations Reserve Account."

34 (d) This section becomes effective beginning with the General Fund credit
35 balance at the end of the 1992-93 fiscal year.

36
37 **PART 6. GENERAL GOVERNMENT**

38
39 Requested by: Senators Plexico, Martin of Guilford, and Codington

40 **BUDGET PRACTICES STUDY COMMISSION**

41 Sec. 15. (a) There is created the Budget Practices Study Commission, an
42 independent commission to study the effectiveness of the Executive Budget Act, Article
43 1 of Chapter 143 of the General Statutes. The Commission shall consist of 14 members.
44 The Speaker of the House of Representatives shall appoint seven members, six who

1 shall be members of the House of Representatives and one who shall be familiar with
2 and have experience in government fiscal management. The President Pro Tempore of
3 the Senate shall appoint seven members, six who shall be members of the Senate and
4 one who shall be familiar with and have experience in government fiscal management.
5 Initial appointments shall be made within 30 days following the 1993 General
6 Assembly's adjournment for a period of more than 10 days.

7 The President Pro Tempore of the Senate and the Speaker of the House of
8 Representatives shall each appoint a cochair of the Commission from their appointees.
9 The cochairs shall call the first meeting and preside at alternate meetings.

10 (b) The Budget Practices Study Commission shall examine the current content,
11 interpretation, and application of the Executive Budget Act, and shall address in
12 particular the following topics:

13 (1) Similarities and differences between the Executive Budget Act and
14 analogous statutes in other states, including the advantages of various
15 approaches to budget preparation, presentation, appropriation, and
16 execution.

17 (2) The effect of current statutory provisions, appropriations techniques,
18 and administrative practices upon:

19 a. The ability of the General Assembly to anticipate, evaluate, and
20 meet the financial needs of State government.

21 b. The availability of data needed by the General Assembly for
22 informed fiscal decision-making; particularly the availability of
23 output, impact, or performance data.

24 c. The General Assembly's ability to exercise its authority under
25 Section 7 of Article V of the North Carolina Constitution;
26 namely, its authority to control withdrawals from the State
27 treasury and to determine the purposes for which State funds
28 may be expended.

29 d. The Governor's authority under Section 5 of Article III of the
30 North Carolina Constitution; namely, the authority to prepare
31 and recommend a budget and the obligation to administer the
32 budget as enacted by the General Assembly.

33 e. The balance between fiscal control and management flexibility
34 in the administration of agency budgets.

35 f. The ability of State agencies to plan their fiscal conduct and to
36 perform their statutorily assigned functions efficiently in
37 accordance with modern business practices.

38 (3) Provisions of the budget system regarding management of various
39 fund types, including special revenue funds, federal funds, proprietary
40 funds, university funds, and fiduciary funds; and various types of
41 departmental receipts.

42 (4) The appropriate role of legislative oversight mechanisms, including the
43 Joint Legislative Commission on Governmental Operations.

1 (5) Such matters as may, in the judgment of the Commission, affect the
2 capacity of the General Assembly or the Governor to devise, adopt,
3 and implement a sound program of fiscal management on behalf of the
4 people of North Carolina.

5 (c) The Budget Practices Study Commission shall also have the following
6 additional powers and duties with specific reference to the performance budget review
7 process:

8 (1) To review and evaluate the development and implementation of the
9 performance budgeting system authorized by the General Assembly.

10 (2) To examine the presentation of information in the performance
11 budgeting system to assure the quality and validity of the information.

12 (3) To work in cooperation with the Governor and other State agencies as
13 additional program areas are converted into the performance budgeting
14 system.

15 (4) To propose strategies for the General Assembly to manage and make
16 decisions based on the performance budgeting system.

17 (d) Subject to the approval of the Legislative Services Commission, the
18 professional and clerical staff of the Legislative Services Office shall be available to the
19 Budget Practices Study Commission. Upon request of the Commission, all State
20 departments and agencies shall furnish to the Commission any information in their
21 possession or available to them. The Commission may acquire by contract or purchase
22 such other expertise or information as may be necessary to complete its report.

23 (e) Members of the Commission who are also members of the General
24 Assembly shall be paid subsistence and travel expenses at the rate set forth in G.S. 120-
25 3.1. Members of the Commission who are officials or employees of the State shall
26 receive travel allowances at the rate set forth in G.S. 138-6. All other members of the
27 Commission shall be paid per diem and allowances at the rates set forth in G.S. 138-5.

28 (f) The Budget Practices Study Commission shall report its findings and
29 recommendations to the 1993 General Assembly, 1994 Regular Session.

30 (g) Of the funds appropriated from the General Fund to the General
31 Assembly, the sum of forty thousand dollars (\$40,000) for the 1993-94 fiscal year shall
32 be allocated for this study.

33

34 Requested by: Senator Martin of Pitt

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

38 Sec. 16. (a) Funds appropriated in this act to the Office of State Budget and
39 Management for the implementation of the federal OSHA regulations regarding
40 bloodborne pathogens shall be used only to support the cost of testing, inoculations,
41 personal protective equipment, and required cleanup equipment and supplies for
42 employees who are subject to these regulations and only if adequate funds are not
43 available for these purposes. They shall not be used as planning money or for salaries

1 for any new positions or for any other purpose than specifically authorized by this
2 section.

3 (b) The Office of State Budget and Management, in consultation with the
4 Department of Environment, Health, and Natural Resources, the Department of Labor,
5 the Office of State Personnel, and the Department of Administration, shall prepare a
6 long-range plan for State government implementation of the federal OSHA regulations
7 regarding bloodborne pathogens. The plan shall include identification of all
8 implementation costs over a five-year period, both recurring and nonrecurring, by
9 agency and by type of expenditure. The plan shall be presented to the General
10 Assembly by April 1, 1994.

11
12 Requested by: Senators Daniel and Plyler

13 MINORITY PARTY APPOINTMENT TO ADVISORY BUDGET COMMISSION

14 Sec. 16.1. G.S. 143-4 reads as rewritten:

15 "**§ 143-4. Advisory Budget Commission.**

16 (a) ~~Five~~Six Senators appointed by the President Pro Tempore of the Senate, ~~five~~
17 six Representatives appointed by the Speaker of the House and ~~five~~six persons
18 appointed by the Governor shall constitute the Advisory Budget Commission. If the
19 Governor appoints any members of the General Assembly to the Advisory Budget
20 Commission, he must appoint an equal number from the Senate and House of
21 Representatives. At least one of the six appointments of each appointing authority shall
22 be from the membership of the minority party.

23 (b) The Chairman of the Advisory Budget Commission shall also receive an
24 additional two thousand five hundred dollars (\$2,500) payable in quarterly installments,
25 for expenses.

26 The members of the Advisory Budget Commission shall receive no per diem
27 compensation for their services, but shall receive the same subsistence and travel
28 allowance as are provided for members of the General Assembly for services on interim
29 legislative committees.

30 (c) The Governor may call a meeting of the Commission during the period
31 beginning with the convening of each regular session and ending 30 days later.
32 Otherwise, meetings of the Commission may be called by the Governor or by the
33 chairman.

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

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

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

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

1 A vacancy in one of the seats on the Commission shall be filled in accordance with
2 subsection (a) of this section by appointment by the officer who appointed the
3 person causing the vacancy.

4 (e) Before the end of each fiscal year or as soon thereafter as practicable, the
5 Advisory Budget Commission shall contract with a competent certified public
6 accountant who is in no way otherwise affiliated with the State or with any agency
7 thereof to conduct a thorough and complete audit of the receipts and expenditures of the
8 State Auditor's office during the immediate fiscal year just ended, and to report to the
9 Advisory Budget Commission on such audit not later than the following October first.
10 A sufficient number of copies of such audit shall be provided so that at least one copy is
11 filed with the Governor's Office, one copy with the Office of State Budget and
12 Management and at least two copies filed with the Secretary of State.

13 (f) In all matters where action on the part of the Advisory Budget Commission is
14 required by this Article, 10 members of the Commission shall constitute a quorum for
15 performing the duties or acts required by the Commission."
16

17 **PART 7. DEPARTMENT OF ADMINISTRATION**

18
19 Requested by: Senator Plexico

20 **STATE CAPITOL RESTORATION**

21 Sec. 17. For all construction projects concerning restoration of the North
22 Carolina State Capitol, the Department of Administration may prequalify bidders.
23

24 Requested by: Senator Plexico

25 **OFFICE OF MARINE AFFAIRS' TRANSFER TO THE DEPARTMENT OF** 26 **ENVIRONMENT, HEALTH, AND NATURAL RESOURCES**

27 Sec. 18. (a) G.S. 143B-279.3(a) is amended by adding a new subdivision to
28 read:

29 "(14) Office of Marine Affairs, Department of Administration."

30 (b) G.S. 143B-279.3(b) is amended by adding a new subdivision to read:

31 "(23) North Carolina Aquariums Commission, Department of
32 Administration."

33 (c) G.S. 143B-279.2 is amended by adding a new subdivision to read:

34 "(1a) To administer the State Outer Continental Shelf (OCS) Task Force and
35 coordinate State participation activities in the federal outer continental
36 shelf resource recovery programs as provided under the OCS Lands
37 Act Amendments of 1978 (43 USC §§ 1801 et seq.) and the OCS
38 Lands Act Amendments of 1986 (43 USC §§ 1331 et seq.)."

39 (d) Part 8A of Article 9 of Chapter 143B of the General Statutes, G.S.
40 143B-390.2 through G.S. 143B-390.4, is recodified as Part 5B of Article 7 of Chapter
41 143B of the General Statutes, G.S. 143B-289.20 through G.S. 143B-289.22.

42 (e) G.S. 143B-390.2, as recodified as G.S. 143B-289.20 by this act, reads as
43 rewritten:

44 "**§ 143B-289.20. Office of Marine Affairs – organization; powers and duties.**

1 (a) The Office shall be organized as prescribed by the Secretary of
2 ~~Administration—the Department of Environment, Health, and Natural Resources~~ and
3 exercise the following powers and duties:

4 (1) Repealed by Session Laws 1991, c. 320, s. 3.

5 (1a) To establish and maintain the North Carolina Aquariums;

6 (1b) To administer the operations of the North Carolina Aquariums, such
7 administrative duties to include, but not be limited to the following:

8 a. Adopt goals and objectives for the Aquariums and review and
9 revise these goals and objectives periodically;

10 b. Review and approve requests for use of the Aquarium facilities
11 and advise the Secretary of ~~Administration—the Department of~~
12 Environment, Health, and Natural Resources on the most
13 appropriate use consistent with the goals and objectives of the
14 Aquariums;

15 c. Continually review and evaluate the types of projects and
16 programs being carried out in the Aquarium facilities and
17 determine if the operation of the facilities is in compliance with
18 the established goals and objectives;

19 d. Recommend to the Secretary of ~~Administration—the Department~~
20 of Environment, Health, and Natural Resources any policies
21 and procedures needed to assure effective staff performance and
22 proper liaison among Aquarium facilities in carrying out the
23 overall purposes of the Aquarium programs;

24 e. Review Aquarium budget submissions to the Secretary of
25 ~~Administration;—the Department of Environment, Health, and~~
26 Natural Resources;

27 f. Recruit and recommend to the Secretary of ~~Administration—the~~
28 Department of Environment, Health, and Natural Resources
29 candidates for the positions of directors of the North Carolina
30 Aquariums; and

31 g. Create local advisory committees in accordance with the
32 provisions of G.S. ~~143B-390.4. 143B-289.22.~~

33 (2) ~~Provide staff to the North Carolina Council on Ocean Affairs in~~
34 ~~furtherance of the Council's statutory powers and duties;~~

35 (3) ~~Advise the Secretary of Administration regarding the analysis,~~
36 ~~planning and implementation of current and future State and federal~~
37 ~~goals, policies and programs relating to the ocean and marine~~
38 ~~resources of North Carolina, such duties to include, but not be limited~~
39 ~~to, giving advice regarding:~~

40 a. ~~Providing recommendations to other educational, informational~~
41 ~~and policy-making bodies regarding marine and ocean resource~~
42 ~~issues;~~

43 b. ~~Administering* the State Outer Continental Shelf (OCS) Task~~
44 ~~Force and coordinate State participation activities in the federal~~

1 outer continental shelf resource recovery programs as provided
2 under the OCS Lands Act Amendments of 1978 (43 USC §§
3 1801 ~~et seq.~~) and the OCS Lands Act Amendments of 1986 (43
4 USC §§ 1331 ~~et seq.~~); and

5 e. ~~Coordinating necessary legal or technical research to carry out~~
6 ~~the duties set forth in this subdivision.~~

7 (4) to (6) Repealed by Session Laws 1991, c. 320, s. 3.

8 (7) Assume any other powers and duties assigned to it by the Secretary.

9 (b) The Secretary may adopt any rules and procedures necessary to implement
10 this section."

11 (f) G.S. 143B-390.4, as recodified as G.S. 143B-289.22 by this act, reads as
12 rewritten:

13 "**§ 143B-289.22. Local advisory committees; duties; membership.**

14 Local advisory committees created pursuant to ~~G.S. 143B-390.2(a)(1b)~~ G.S. 143B-
15 289.20(a)(1b) shall assist each North Carolina Aquarium in its efforts to establish
16 projects and programs and to assure adequate citizen-consumer input into those efforts.
17 Members of these committees shall be appointed by the Secretary of ~~Administration~~ the
18 Department of Environment, Health, and Natural Resources for three-year terms from
19 nominations made by the Director of the Office of Marine Affairs. Each committee
20 shall select one of its members to serve as chairperson. Members of the committees
21 shall serve without compensation for services or expenses."

22 (g) Part 8B of Article 9 of Chapter 143B of the General Statutes is repealed.

23 (h) Part 8C of Article 9 of Chapter 143B of the General Statutes, G.S. 143B-
24 390.15 through G.S. 143B-390.16, is recodified as Part 28 of Article 7 of Chapter 143B
25 of the General Statutes, G.S. 143B-344.16 through G.S. 143B-344.17.

26 (i) G.S. 143B-390.16, as recodified as G.S. 143B-344.17 by this act, reads as
27 rewritten:

28 "**§ 143B-344.17. North Carolina Aquariums Commission – organization, powers,**
29 **and duties.**

30 (a) The Commission shall consist of 12 members appointed as follows:

31 (1) Four members appointed by the Governor, including one member
32 designated by the Governor to serve as chair of the Commission and
33 one member appointed upon recommendation of the North Carolina
34 Aquarium Society, Inc., who resides in one of the counties where the
35 North Carolina Aquariums are located: Carteret, Dare, and New
36 Hanover,

37 (2) Four members appointed by the General Assembly upon the
38 recommendation of the Speaker of the House of Representatives in
39 accordance with G.S. 120-121, including one member appointed upon
40 the recommendation of the North Carolina Aquarium Society, Inc.,
41 who resides in another of the counties where the North Carolina
42 Aquariums are located: Carteret, Dare, and New Hanover,

43 (3) Four members appointed by the General Assembly upon the
44 recommendation of the President Pro Tempore of the Senate in

1 accordance with G.S. 120-121, including one member appointed upon
2 the recommendation of the North Carolina Aquarium Society, Inc.,
3 who resides in another of the counties where the North Carolina
4 Aquariums are located: Carteret, Dare, and New Hanover.

5 (b) Commission members shall serve for terms of four years, beginning July 1,
6 1992, and may be removed at any time by the appointing authority. If a vacancy on the
7 Commission occurs, the appointing authority shall appoint a replacement to serve for
8 the unexpired term.

9 (c) The Commission shall meet upon the call of the chair.

10 (d) The Secretary of ~~Administration~~ the Department of Environment, Health, and
11 Natural Resources shall provide staff support for Commission activities and travel
12 reimbursement for Commission members.

13 (e) The Commission may recommend a schedule of uniform fees for the North
14 Carolina Aquariums to the Secretary of the Department of ~~Administration~~ Environment,
15 Health, and Natural Resources who may adopt the schedule. The schedule may be
16 revised from time to time by the same procedure.

17 (f) The North Carolina Special Aquariums Fund, hereafter 'Fund', is hereby
18 created, and shall be a special and nonreverting fund. The Fund shall be used only for
19 repair, maintenance, and educational exhibit construction at existing aquariums. The
20 Fund may also be used to match private funds that are raised for these purposes.

21 (g) All entrance fee receipts shall be credited to the Fund. The Secretary of
22 ~~Administration~~ the Department of Environment, Health, and Natural Resources may
23 expend monies from the Fund only upon the authorization of the General Assembly."
24

25 Requested by: Senator Plexico

26 **DEPARTMENT OF ADMINISTRATION EMPLOYEE TRAINING**

27 Sec. 19. Of the funds appropriated for Travel Expenses in the Division of
28 Information Services, Department of Administration, during fiscal year 1993-94 and
29 fiscal year 1994-95, at least three thousand dollars (\$3,000) per year shall be used to
30 support employee training.
31

32 Requested by: Senator Martin of Guilford

33 **ALLOCATION OF RAPE CRISIS CENTER FUNDS**

34 Sec. 20. All funds for the Rape Crisis Centers appropriated to the
35 Department of Administration, the North Carolina Council for Women, for the 1993-94
36 fiscal year and the 1994-95 fiscal year in this act shall be available to Rape Crisis
37 Centers providing direct services to victims of sexual assault and rape prevention
38 services. Funds shall be awarded according to criteria established by the Department of
39 Administration. Grants shall be awarded by September 1 each fiscal year and the funds
40 shall be disbursed on a quarterly basis.
41

42 Requested by: Senator Martin of Guilford

43 **DOMESTIC VIOLENCE CENTER FUNDS**

1 Sec. 21. The funds appropriated in this act to the Department of
2 Administration, the North Carolina Council for Women, for the 1993-94 fiscal year and
3 for the 1994-95 fiscal year for domestic violence centers, shall be allocated equally
4 among domestic violence centers in operation on July 1, 1990, that offer services
5 including a hotline, transportation services, community education programs, daytime
6 services, and call forwarding during the night and that fulfill other criteria established
7 by the Department of Administration. Grants shall be awarded based on criteria
8 established by the Department of Administration and disbursed on a quarterly basis.
9 The North Carolina Coalition against Domestic Violence, Incorporated, is eligible for a
10 grant of ten thousand dollars (\$10,000) under this section.

11
12 Requested by: Senator Plexico

13 **PARKING REVENUES**

14 Sec. 22. The Secretary of Administration may use funds from parking
15 revenues that are in excess of parking system expense requirements to fund the ten
16 dollar (\$10.00) per month subsidies for vanpools and transit passes.

18 **PART 8. DEPARTMENT OF CULTURAL RESOURCES**

19
20 Requested by: Senator Plyler

21 **REPEAL RESTRICTION ON GRASSROOTS ARTS PROGRAM FUNDS**

22 Sec. 23. Section 5 of Chapter 1008 of the 1977 Session Laws reads as
23 rewritten:

24 "Sec. 5. Funds for counties without organizations which meet the necessary
25 standards set by the Department of Cultural Resources shall be retained by the
26 department and used for arts programming within these counties. Where feasible, the
27 department shall maintain the same per capita rate for distribution of funds to these
28 counties and shall require the same matching ratio. ~~No State funds appropriated for the
29 programs set forth in this act shall be used to pay for personnel positions."~~

30
31 Requested by: Senator Plexico

32 **CULTURAL RESOURCES SECURITY OFFICERS**

33 Sec. 24. On July 1, 1994, the Department of Cultural Resources shall
34 redefine the job responsibilities of its security positions so that the services of a certified
35 law enforcement officer are no longer required, and shall accordingly discontinue
36 payments to the Law Enforcement Officers' Retirement System.

37
38 Requested by: Senator Martin of Guilford

39 **DEPARTMENT OF CULTURAL RESOURCES VEHICLES**

40 Sec. 25. On or before December 30, 1993, the Department of Cultural
41 Resources shall transfer ownership of all vans, pick-ups, utility vehicles, and similar
42 passenger-carrying vehicles to the Division of Motor Fleet Management, Department of
43 Administration.

PART 9. OFFICE OF THE GOVERNOR

Requested by: Senator Plexico

COUNCIL OF GOVERNMENT FUNDS

Sec. 26. (a) Of the funds appropriated in this act to the Office of State Planning, eight hundred sixty-four thousand two hundred seventy dollars (\$864,270) for the 1993-94 fiscal year and eight hundred sixty-four thousand two hundred seventy dollars (\$864,270) for the 1994-95 fiscal year shall only be used as provided by this section. Each regional council of government or lead regional organization is allocated up to forty-eight thousand fifteen dollars (\$48,015) for each fiscal year, with the actual amount calculated as provided in subsection (b) of this section.

(b) The funds shall be allocated as follows: A share of the maximum forty-eight thousand fifteen dollars (\$48,015) each fiscal year shall be allocated to each county and smaller city based on the most recent annual estimate of the Office of State Budget and Management of the population of that county (less the population of any larger city within that county) or smaller city, divided by the sum of the total population of the region (less the population of larger cities within that region) and the total population of the region living in smaller cities. Those funds shall be paid to the regional council of government for the region in which that city or county is located upon receipt by the Office of State Planning of a resolution of the governing board of the county or city requesting release of the funds. If any city or county does not so request payment of funds by June 30 of a State fiscal year, that share of the allocation for that fiscal year shall revert to the General Fund.

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

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

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

PART 10. DEPARTMENT OF INSURANCE

Requested by: Senator Plexico

DEPARTMENT OF INSURANCE UNBUDGETED RECEIPTS

Sec. 27. In addition to amounts appropriated by the General Assembly from the Department of Insurance Fund, receipts realized by the Department of Insurance in excess of budgeted levels shall be available, up to a maximum of ten percent (10%) above budgeted levels, for each Fund Code, to support the operations generating such receipts, as approved by the Director of the Budget. Excess receipts approved for expenditure under this provision shall not be used either directly or indirectly to establish permanent positions.

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PART 11. OFFICE OF THE LIEUTENANT GOVERNOR

Requested by: Senator Plexico

CERTAIN LIEUTENANT GOVERNOR APPROPRIATIONS NOT TO BE TRANSFERRED

Sec. 28. Funds appropriated to the Office of Lieutenant Governor for Other Services and for Service and Maintenance Contracts shall not be transferred to other objects of expenditure.

PART 12. DEPARTMENT OF REVENUE

Requested by: Senator Plexico

REVENUE FIELD OFFICE CLOSURES AND CONSOLIDATIONS

Sec. 29. The Department of Revenue shall thoroughly analyze the effect of field office closures and consolidations executed pursuant to recommendations by the Government Performance Audit Committee, and shall report its findings to the General Assembly on or before March 31, 1994. At a minimum, the report shall present evidence relevant to the following issues:

- (1) The impact of consolidation on tax compliance rates;
- (2) Changes in collections resulting from the loss of personal contact between taxpayers and Department of Revenue personnel engaged in taxpayer assistance; and
- (3) Increases in operating efficiency made possible by shifting to a smaller number of larger offices.

The General Assembly intends that this study by the Department of Revenue shall be considered, together with other relevant data, to determine whether a continued strategy of field office consolidation is in the public interest.

PART 13. OFFICE OF STATE AUDITOR

Requested by: Senator Plexico

INFORMATION FROM PRIVATE ORGANIZATIONS RECEIVING STATE FUNDS; INFORMATION FROM STATE DEPARTMENTS AND AGENCIES PROVIDING STATE FUNDS

Sec. 31. G.S. 143-6.1 reads as rewritten:

"§ 143-6.1. Information from private organizations receiving State funds; information from State departments and agencies providing State funds.

Every corporation, organization, and institution which receives, uses or expends any State funds shall use or expend such funds only for the purposes for which such State funds were appropriated by the General Assembly or collected by the State. State funds include federal funds that flow through the State.

Each corporation, organization, and institution which receives, uses or expends State funds in the amount of twenty-five thousand dollars (\$25,000) or more annually, except

1 when the funds are for the purchase of goods or services, shall file annually with the
2 State Auditor and with the Joint Legislative Commission on Governmental Operations
3 financial statements ~~in such form and on such schedule as shall be prescribed by the~~
4 ~~State Auditor, and for that year in which twenty-five thousand dollars (\$25,000) or more~~
5 in State funds were received, used, or expended. These financial statements shall be
6 audited in accordance with the auditing standards prescribed by the State Auditor, and
7 the audit report shall be received by the State Auditor within six months after the end of
8 the private organization's year in which twenty-five thousand dollars (\$25,000) or more
9 were received, used, or expended. Each corporation, organization, and institution shall
10 furnish to the State Auditor for audit all books, records and other information as shall be
11 necessary for the State Auditor to account fully for the use and expenditure of State
12 funds. Each such corporation, organization, and institution shall furnish such additional
13 financial or budgetary information as shall be requested by the State Auditor or by the
14 Joint Legislative Commission on Governmental Operations. The State shall not
15 disburse State funds appropriated by the General Assembly or collected by the State for
16 use by any ~~private person, corporation, organization, or institution unless until that~~
17 ~~person, corporation, organization, or institution~~ has provided all the reports and
18 financial information required by this section. All financial statements furnished to the
19 State Auditor or to the Joint Legislative Commission on Governmental Operations
20 pursuant to this section, and any audits or other reports prepared by the State Auditor,
21 shall be public records.

22 Each State department and agency shall identify to the State Auditor each
23 corporation, organization, and institution to which State funds received by the
24 department or agency have been provided, except for the purchase of goods and
25 services, and submit documents to the State Auditor for approval in a prescribed format
26 describing standards of compliance and suggested audit procedures sufficient to give
27 adequate direction to independent auditors performing audits.

28 The receipt, use or expenditure of State funds by a corporation, organization, and
29 institution shall not, in and of itself, make or constitute such corporation, organization,
30 or institution a State agency."
31

32 Requested by: Senator Plexico

33 **AUDITOR FUNDS/PARTIAL REVERSION**

34 Sec. 32. Of funds that would otherwise revert to the General Fund at the end
35 of the 1992-93 fiscal year, the Department of State Auditor shall be allowed to carry
36 forward a balance not exceeding six hundred one thousand ninety-one dollars
37 (\$601,091) to be used for the purchase of data processing equipment and software.
38

39 **PART 13A. GENERAL ASSEMBLY**

40
41 Requested by: Senator Lee

42 **NAMING OF BRIDGES, HIGHWAYS, AND FACILITIES MORATORIUM;** 43 **GUIDELINES**

1 Sec. 32.1. (a) From July 1, 1993, through June 30, 1994, there is a moratorium on
2 the naming of bridges, highways, and facilities after a person except in honor of
3 deceased State, federal, or local officials.

4 (b) The Joint Legislative Transportation Oversight Committee shall adopt
5 guidelines for the future naming of bridges, highways, and facilities. The Committee
6 shall report these guidelines, together with any legislative recommendations, to the 1993
7 General Assembly, Regular Session 1994.

9 PART 14. SALARIES AND BENEFITS

10
11 Requested by: Senators Daniel, Plyler, and Conder

12 RESTORE JUNE 30TH PAY DATE

13 Sec. 32.2. (a) Of the funds appropriated to the Reserve for Restoring Pay
14 Date, the sum of one hundred ninety million six hundred thousand dollars
15 (\$190,600,000) for the 1993-94 fiscal year shall be used to pay university and State
16 employees, paid from the General Fund, on June 30, 1994, instead of on July 1, 1994,
17 for work done during June of 1994.

18 (b) Of the funds appropriated to the Reserve for Restoring Pay Date, the sum
19 of twenty-four million four hundred thousand dollars (\$24,400,000) for the 1993-94
20 fiscal year shall be used to pay community college employees, paid from the General
21 Fund, on June 30, 1994, instead of on July 1, 1994, for work done during June of 1994.

22 (c) Of the funds appropriated from the General Fund to the Reserve for
23 Restoring Pay Date, the sum of one hundred twelve million eight hundred thousand
24 dollars (\$112,800,000) for the 1993-94 fiscal year shall be used to pay public school
25 teachers, paid from the General Fund, on June 30, 1994, instead of on July 1, 1994, for
26 work done during June of 1994.

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

28 "(b) The Director ~~may~~shall not use funds in the Savings Reserve Account unless
29 the use has been approved by an act of the General Assembly. ~~It is the intent of the~~
30 ~~General Assembly that in future sessions, as funds are available, it will reduce and then~~
31 ~~eliminate the State's liability for payroll deferrals for State employees and community~~
32 ~~college employees and for the deferral of the twelfth month of teacher payroll. These~~
33 ~~actions will bring the State into closer conformity with the GAAP."~~

34
35 Requested by: Senators Daniel and Plyler

36 APPROPRIATIONS

37 Sec. 33. (a) Of the funds appropriated from the General Fund to the Reserve for
38 Salary Increases, the sum of sixty-four million twenty-seven thousand two hundred
39 fifty-seven dollars (\$64,027,257) for the 1993-94 fiscal year and sixty-eight million five
40 hundred twenty-four thousand six hundred seventy-five dollars (\$68,524,675) for the
41 1994-95 fiscal year shall be used to provide raises for State employees and school
42 personnel other than teachers.

43 (b) Of the funds appropriated from the Highway Fund to the Reserve for Salary
44 Increases, the sum of six million nine hundred sixty-three thousand four hundred forty-

1 six dollars (\$6,963,446) for the 1993-94 fiscal year and the sum of six million nine
 2 hundred sixty-three thousand four hundred forty-six dollars (\$6,963,446) for the 1994-
 3 95 fiscal year shall be used to provide raises for State employees.

4 (c) Of the funds appropriated from the General Fund to the Reserve for Salary
 5 Increases, the sum of forty-two million five hundred eighty-eight thousand nine hundred
 6 twenty-seven dollars (\$42,588,927) for the 1993-94 fiscal year and the sum of forty-two
 7 million five hundred eighty-eight thousand nine hundred twenty-seven dollars
 8 (\$42,588,927) for the 1994-95 fiscal year shall be used to implement the teacher salary
 9 schedule provided in this act. This is the equivalent of two percent (2%) of teacher
 10 payroll.

11 (d) Of the funds appropriated from the General Fund to the Reserve for
 12 Salary Increases, the sum of five million five hundred eighty-one thousand six hundred
 13 sixty-eight dollars (\$5,581,668) for the 1993-94 fiscal year and the sum of five million
 14 five hundred eighty-one thousand six hundred sixty-eight dollars (\$5,581,668) for the
 15 1994-95 fiscal year shall be used to implement salary increases for employees in locally
 16 operated State-funded programs as provided in this act.

17
 18 Requested by: Senators Daniel and Plyler

19 **GOVERNOR'S SALARY INCREASE**

20 Sec. 34. G.S. 147-11(a) reads as rewritten:

21 "(a) The salary of the Governor shall be ~~ninety-one thousand nine hundred thirty-~~
 22 ~~eight dollars (\$91,938) ninety-three thousand seven hundred seventy-seven dollars~~
 23 (\$93,777) annually, payable monthly."
 24

25 Requested by: Senators Daniel and Plyler

26 **COUNCIL OF STATE/SALARY INCREASE**

27 Sec. 35. The annual salaries for members of the Council of State, payable
 28 monthly, for the 1993-94 and 1994-95 fiscal years are:

29 <u>Council of State</u>	<u>Annual Salary</u>
30	
31 Lieutenant Governor	\$77,289
32 Attorney General	77,289
33 Secretary of State	77,289
34 State Treasurer	77,289
35 State Auditor	77,289
36 Superintendent of Public Instruction	77,289
37 Agriculture Commissioner	77,289
38 Insurance Commissioner	77,289
39 Labor Commissioner	77,289.

40
 41 Requested by: Senators Daniel and Plyler

42 **NONELECTED DEPARTMENT HEAD/SALARY INCREASES**

1 Sec. 36. In accordance with G.S. 143B-9, the maximum annual salaries,
2 payable monthly, for the nonelected heads of the principal State departments for the
3 1993-94 and 1994-95 fiscal years are:

<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
4	
5	
6 Secretary of Administration	\$77,289
7 Secretary of Correction	77,289
8 Secretary of Crime Control and	
9 Public Safety	77,289
10 Secretary of Cultural Resources	77,289
11 Secretary of Commerce	77,289
12 Secretary of Environment, Health,	
13 and Natural Resources	77,289
14 Secretary of Human Resources	77,289
15 Secretary of Revenue	77,289
16 Secretary of Transportation	77,289.

17
18 Requested by: Senators Daniel and Plyler

19 **CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES**

20 Sec. 37. (a) The annual salaries, payable monthly, for the 1993-94 and 1994-95
21 fiscal years for the following executive branch officials are:

<u>Executive Branch Officials</u>	<u>Annual Salary</u>
22	
23	
24 Chairman, Alcoholic Beverage Control	
25 Commission	\$74,389
26 State Controller	120,301
27 Commissioner of Motor Vehicles	74,389
28 Commissioner of Banks	74,389
29 Chairman, Employment Security	
30 Commission	74,389
31 State Personnel Director	77,289
32 Chairman, Parole Commission	67,926
33 Members of the Parole Commission	62,712
34 Chairman, Industrial Commission	66,837
35 Members of the Industrial Commission	65,209
36 Executive Director, Agency for Public	
37 Telecommunications	62,712
38 General Manager, Ports Railway	
39 Commission	56,628
40 Director, Museum of Art	76,225
41 Executive Director, Wildlife Resources	
42 Commission	64,205
43 Executive Director, North Carolina	
44 Housing Finance Agency	92,063

1 Executive Director, North Carolina
 2 Agricultural Finance Authority 72,406
 3 Director, Office of Administrative
 4 Hearings 65,674.

5 (b) Any person carrying on the functions of a position listed in subsection (a)
 6 of this section shall be paid only the salary set out in that subsection, and the mere
 7 classification of the position to be some other position does not allow the salary of that
 8 position to be set in some other manner.

9

10 Requested by: Senators Daniel and Plyler

11 **LEGISLATORS/SALARY AND EXPENSES INCREASE**

12 Sec. 38. Effective upon convening of the 1995 Regular Session of the
 13 General Assembly, G.S. 120-3 reads as rewritten:

14 **"§ 120-3. Pay of members and officers of the General Assembly.**

15 (a) The Speaker of the House shall be paid an annual salary of ~~thirty-five~~
 16 ~~thousand six hundred twenty-two dollars (\$35,622),~~ thirty-six thousand three hundred
 17 thirty-four dollars (\$36,334), payable monthly, and an expense allowance of one
 18 thousand three hundred ~~twenty-fourty-six~~ dollars (\$1,320) (\$1,346) per month. The
 19 President Pro Tempore of the Senate shall be paid an annual salary of ~~thirty-five~~
 20 ~~thousand six hundred twenty-two dollars (\$35,622),~~ thirty-six thousand three hundred
 21 thirty-four dollars (\$36,334), payable monthly, and an expense allowance of one
 22 thousand three hundred ~~twenty-fourty-six~~ dollars (\$1,320) (\$1,346) per month. The
 23 Speaker Pro Tempore of the House shall be paid an annual salary of twenty thousand
 24 ~~two hundred ninety-eight dollars seven hundred four dollars (\$20,298),~~ (\$20,704)
 25 payable monthly, and an expense allowance of seven hundred ~~eighty-ninety-six~~
 26 ~~(\$780.00) (\$796.00)~~ dollars (\$780.00) (\$796.00) per month. The Deputy President Pro Tempore of the Senate shall
 27 be paid an annual salary of twenty thousand ~~two hundred ninety-eight dollars seven~~
 28 ~~hundred four (\$20,298),~~ (\$20,704) payable monthly, and an expense allowance of seven
 29 hundred ~~eighty-ninety-six~~ dollars (\$780.00) (\$796.00) per month. The majority and
 30 minority leaders in the House and the majority and minority leaders in the Senate shall
 31 be paid an annual salary of ~~fifteen thousand nine hundred eighteen dollars (\$15,918),~~
 32 sixteen thousand two hundred thirty-six dollars (\$16,236) payable monthly, and an
 33 expense allowance of six hundred ~~twenty-two-thirty-four~~ dollars (\$622.00) (\$634.00)
 34 per month.

35 (b) Every other member of the General Assembly shall receive increases in
 36 annual salary only to the extent of and in the amounts equal to the average increases
 37 received by employees of the State, effective upon convening of the next Regular
 38 Session of the General Assembly after enactment of these increased amounts.
 39 Accordingly, upon convening of the ~~1993-1995~~ Regular Session of the General
 40 Assembly, every other member of the General Assembly shall be paid an annual salary
 41 of thirteen thousand ~~twenty-six-two hundred eighty-seven~~ dollars (\$13,026) (\$13,287)
 42 payable monthly, and an expense allowance of five hundred ~~twenty-two-thirty-two~~
 43 dollars (\$522.00) (\$532.00) per month.

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

6
7 Requested by: Senators Daniel and Plyler

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

9 Sec. 39. G.S. 120-37(c) reads as rewritten:

10 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
11 entitled to other benefits available to permanent legislative employees and shall be paid
12 an annual salary of ~~forty-six thousand six hundred eighty-six dollars (\$46,686)~~, forty-
13 seven thousand six hundred twenty dollars (\$47,620) payable monthly. The Legislative
14 Services Commission shall review the salary of the principal clerks prior to submission
15 of the proposed operating budget of the General Assembly to the Governor and
16 Advisory Budget Commission and shall make appropriate recommendations for
17 changes in those salaries. Any changes enacted by the General Assembly shall be by
18 amendment to this paragraph."

19
20 Requested by: Senators Daniel and Plyler

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

22 Sec. 40. G.S. 120-37(b) reads as rewritten:

23 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a
24 salary of ~~two hundred nineteen dollars (\$219.00)~~ two hundred twenty-three dollars
25 (\$223.00) per week, plus subsistence at the same daily rate provided for members of the
26 General Assembly, plus mileage at the rate provided for members of the General
27 Assembly for one round trip only from their homes to Raleigh and return. The
28 sergeants-at-arms shall serve during sessions of the General Assembly and at such time
29 prior to the convening of, and subsequent to adjournment or recess of, sessions as may
30 be authorized by the Legislative Services Commission. The reading clerks shall serve
31 during sessions only."

32
33 Requested by: Senators Daniel and Plyler

34 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

35 Sec. 41. The Legislative Administrative Officer may increase the salaries of
36 nonelected employees of the General Assembly in effect for fiscal year 1992-93 by an
37 amount equal to two percent (2%). Nothing in this act limits any of the provisions of
38 G.S. 120-32.

39
40 Requested by: Senators Daniel and Plyler

41 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASE**

42 Sec. 42. (a) The annual salaries, payable monthly, for specified judicial branch
43 officials for fiscal year 1993-94 and fiscal year 1994-95 are:

44 Judicial Branch Officials Annual Salary

1		
2	Chief Justice, Supreme Court	\$93,777
3	Associate Justice, Supreme Court	91,855
4	Chief Judge, Court of Appeals	88,930
5	Judge, Court of Appeals	86,996
6	Judge, Senior Regular Resident	
7	Superior Court	79,823
8	Judge, Superior Court	77,289
9	Chief Judge, District Court	68,256
10	Judge, District Court	65,674
11	District Attorney	71,965
12	Assistant District Attorney - an	
13	average of	46,738
14	Administrative Officer of the Courts	79,823
15	Assistant Administrative Officer	
16	of the Courts	65,160
17	Public Defender	71,965
18	Assistant Public Defender - an	
19	average of	46,738.

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

24 The district attorney or public defender of a judicial district, with the approval
25 of the Administrative Officer of the Courts, shall set the salaries of assistant district
26 attorneys or assistant public defenders, respectively, in that district such that the average
27 salaries of assistant district attorneys or assistant public defenders in that district do not
28 exceed forty-six thousand seven hundred thirty-eight dollars (\$46,738), and the
29 minimum salary of any assistant district attorney or assistant public defender is at least
30 twenty-three thousand eight hundred sixty-two dollars (\$23,862) effective July 1, 1993.

31 (b) The salaries in effect for fiscal year 1992-93 for permanent, full-time
32 employees of the Judicial Department, except for those whose salaries are itemized in
33 this act, shall be increased by two percent (2%), commencing July 1, 1993.

34 (c) The salaries in effect for fiscal year 1992-93 for all permanent, part-time
35 employees of the Judicial Department shall be increased on and after July 1, 1993, by
36 pro rata amounts of the two percent (2%).

37

38 Requested by: Senators Daniel and Plyler

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

40 Sec. 43. G.S. 7A-101 reads as rewritten:

41 **"§ 7A-101. Compensation.**

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

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

3 Population	Annual Salary	
4 '1992-93'		
5 Less than 100,000	\$47,442	<u>\$48,391</u>
6 100,000 to 199,999	53,550	<u>54,621</u>
7 200,000 and above	61,026-	<u>62,247.</u>

8
 9 When a county changes from one population group to another, the salary of the clerk
 10 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
 11 salary appropriate for the new population group, except that the salary of an incumbent
 12 clerk shall not be decreased by any change in population group during his continuance
 13 in office."
 14

15 Requested by: Senators Daniel and Plyler
 16 **ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE**

17 Sec. 44. G.S. 7A-102(c) reads as rewritten:
 18 "(c) Notwithstanding the provisions of subsection (a), the Administrative Officer
 19 of the Courts shall establish an incremental salary plan for assistant clerks and for
 20 deputy clerks based on a series of salary steps corresponding to the steps contained in
 21 the Salary Plan for State Employees adopted by the Office of State Personnel, subject to
 22 a minimum and a maximum annual salary as set forth below. On and after July 1, 1985,
 23 each assistant clerk and each deputy clerk shall be eligible for an annual step increase in
 24 his salary plan based on satisfactory job performance as determined by each clerk.
 25 Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the
 26 office of superior court clerk would warrant an annual salary greater than the salary first
 27 established under this section, that assistant or deputy clerk shall be eligible on and after
 28 July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after
 29 July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps
 30 in his salary plan, and shall remain eligible for a two-step increase each year as
 31 recommended by each clerk until that assistant or deputy clerk's annual salary
 32 corresponds to his number of years of service. Any person covered by this subsection
 33 who would not receive a step increase in fiscal year ~~1992-93-1993-94~~ because that
 34 person is at the top of the salary range as it existed for fiscal year ~~1990-91-1992-93~~ shall
 35 receive a salary increase to the maximum annual salary provided for fiscal year ~~1992-93~~
 36 by subsection (c1) of this section."

37 Sec. 45. G.S. 7A-102(c1) reads as rewritten:
 38 "(c1) A full-time assistant clerk or a full-time deputy clerk shall be paid an annual
 39 salary subject to the following minimum and maximum rates:

40 Assistant Clerks	Annual Salary	
41 '1992-93'		
42 Minimum \$20,712		
43 Maximum	35,262	<u>35,967</u>

44

1 Deputy Clerks Annual Salary
 2 ~~'1992-93'~~
 3 Minimum \$16,236
 4 Maximum ~~27,162.~~ 27,705."
 5

6 Requested by: Senators Daniel and Plyler
 7 **MAGISTRATES/SALARY INCREASE**

8 Sec. 46. G.S. 7A-171.1(a)(1) reads as rewritten:

9 "(1) A full-time magistrate, so designated by the Administrative Officer of
 10 the Courts, shall be paid the annual salary indicated in the table below
 11 according to the number of years he has served as a magistrate. The
 12 salary steps shall take effect on the anniversary of the date the
 13 magistrate was originally appointed:
 14

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

16	17	18
	Number of Prior Years of Service	Annual Salary
	'1992-93'	
19	Less than 1	\$17,058 <u>\$17,399</u>
20	1 or more but less than 3	17,934 <u>18,293</u>
21	3 or more but less than 5	19,698 <u>20,092</u>
22	5 or more but less than 7	21,642 <u>22,075</u>
23	7 or more but less than 9	23,814 <u>24,290</u>
24	9 or more but less than 11	26,178 <u>26,702</u>
25	11 or more	28,758. <u>29,333.</u>

26
 27 A 'Full-time magistrate' is a magistrate who is assigned to work an
 28 average of not less than 40 hours a week during his term of office.

29 Notwithstanding any other provision of this subdivision, a full-time
 30 magistrate, who was serving as a magistrate on December 31, 1978,
 31 and who was receiving an annual salary in excess of that which would
 32 ordinarily be allowed under the provisions of this subdivision, shall
 33 not have the salary, which he was receiving reduced during any
 34 subsequent term as a full-time magistrate. That magistrate's salary
 35 shall be fixed at the salary level from the table above which is nearest
 36 and higher than the latest annual salary he was receiving on December
 37 31, 1978, and, thereafter, shall advance in accordance with the
 38 schedule in the table above."
 39

40 Requested by: Senators Daniel, Plyler, and Ward

41 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

42 Sec. 47. The Director of the Budget may transfer from the Reserve for Salary
 43 Increases created in this act for fiscal years 1993-94 and 1994-95 funds to the
 44 Department of Community Colleges necessary to provide an average annual salary

1 increase of two percent (2%), including funds for the employer's retirement and social
2 security contributions, commencing July 1, 1993, for all permanent full-time
3 community college institutional personnel supported by State funds. The State Board
4 shall establish guidelines for providing salary increases to community college
5 institutional personnel. Salary funds shall be used to provide an average annual salary
6 increase of two percent (2%) to all full-time employees and part-time employees on a
7 pro rata basis.

8

9 Requested by: Senators Daniel, Plyler, and Ward

10 **HIGHER EDUCATION PERSONNEL/SALARY INCREASES**

11 Sec. 48. The Director of the Budget shall transfer to the Board of Governors
12 of The University of North Carolina sufficient funds from the Reserve for Salary
13 Increases created in this act for fiscal year 1993-94 and fiscal year 1994-95 to provide
14 an annual average salary increase of two percent (2%), including funds for the
15 employer's retirement and social security contributions, commencing July 1, 1993, for
16 all employees of The University of North Carolina, as well as employees of the North
17 Carolina School of Science and Mathematics, supported by State funds and whose
18 salaries are exempt from the State Personnel Act. These funds shall be allocated to
19 individuals according to the rules adopted by the Board of Governors, or the Board of
20 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and
21 may not be used for any purpose other than for salary increases and necessary employer
22 contributions provided by this section.

23

24 Requested by: Senators Daniel and Plyler

25 **MOST STATE EMPLOYEES/SALARY INCREASES/1993-94**

26 Sec. 49. (a) The salaries in effect for fiscal year 1992-93 for all permanent full-
27 time State employees whose salaries are set in accordance with the State Personnel Act
28 and who are paid from the General Fund or the Highway Fund shall be increased, on
29 and after July 1, 1993, unless otherwise provided by this act, by two percent (2%).

30 (b) Except as otherwise provided in this act, the fiscal year 1992-93 salaries for
31 permanent full-time State officials and persons in exempt positions that are
32 recommended by the Governor or the Governor and the Advisory Budget Commission
33 and set by the General Assembly shall be increased by two percent (2%), commencing
34 July 1, 1993.

35 (c) The salaries in effect for fiscal year 1992-93 for all permanent part-time State
36 employees shall be increased on and after July 1, 1993, by pro rata amounts of the two
37 percent (2%) salary increase provided for permanent full-time employees covered under
38 subsection (a) of this section.

39 (d) The Director of the Budget may allocate out of special operating funds or
40 from other sources of the employing agency, except tax revenues, sufficient funds to
41 allow a salary increase, on and after July 1, 1993, in accordance with subsections (a),
42 (b), or (c) of this section, including funds for the employer's retirement and social
43 security contributions, for the permanent full-time and part-time employees of the
44 agency, provided the employing agency elects to make available the necessary funds.

1 (e) Within regular Executive Budget Act procedures as limited by this act, all
2 State agencies and departments may increase on an equitable basis the rate of pay of
3 temporary and permanent hourly State employees, subject to availability of funds in the
4 particular agency or department, by pro rata amounts of the two percent (2%) salary
5 increase provided for permanent full-time employees covered by the provisions of
6 subsection (a) of this section, commencing July 1, 1993.

7 (f) The provisions of this section do not apply to employees whose salaries
8 are determined in accordance with G.S. 7A-102 or G.S. 20-187.3(a), except for those
9 employees who would not receive a salary increment for the 1993-94 fiscal year under
10 G.S. 7A-102 or G.S. 20-187.3(a) because they are at the top of their salary range.

11
12 Requested by: Senators Daniel and Plyler

13 **SALARY INCREASE FOR STATE FUNDED LOCAL PROGRAMS**

14 Sec. 50. Of the funds appropriated from the General Fund for the Reserve for
15 Salary Increases in this act for the 1993-94 fiscal year and the 1994-95 fiscal year, funds
16 shall be made available for employees in locally operated State funded programs in an
17 amount equivalent to a two percent (2%) across-the-board salary increase. Such
18 employees do not receive the compensation bonus provided in this act.

19
20 Requested by: Senators Daniel and Plyler

21 **PUBLIC SCHOOL PERSONNEL/SALARY INCREASES**

22 Sec. 51. (a) Superintendents, Assistant Superintendents, Associate
23 Superintendents, Supervisors, Directors, Coordinators, Evaluators, Program
24 Administrators, Principals, and Assistant Principals. – The Director of the Budget may
25 transfer from the Reserve for Salary Increases created in this act for fiscal year 1993-94
26 and fiscal year 1994-95 funds necessary to provide a salary increase of two percent
27 (2%), including funds for the employer's retirement and social security contributions,
28 commencing July 1, 1993, for all superintendents, assistant superintendents, associate
29 superintendents, supervisors, directors, coordinators, evaluators, program
30 administrators, principals, and assistant principals whose salaries are supported from the
31 State's General Fund. These funds may not be used for any purpose other than for the
32 salary increase and necessary employer contributions provided by this subsection.

33 (b) Noncertified Employees. – The Director of the Budget may transfer from the
34 Reserve for Salary Increases created in this act for fiscal year 1993-94 and fiscal year
35 1994-95 funds necessary to provide a salary increase of two percent (2%), including
36 funds for the employer's retirement and social security contributions, commencing July
37 1, 1993, for all noncertified public school employees, except school bus drivers, whose
38 salaries are supported from the State's General Fund. These funds may not be used for
39 any purpose other than for the salary increases and necessary employer contributions
40 provided by this subsection.

41 (c) The fiscal year 1992-93 pay rates adopted by local boards of education for
42 school bus drivers shall be increased by at least two percent (2%) on and after July 1,
43 1993, to the extent that such rates of pay are supported by the allocation of State funds
44 from the State Board of Education. Local boards of education shall increase the rates of

1 pay for all school bus drivers who were employed during fiscal year 1992-93 and who
2 continue their employment for fiscal year 1993-94 and fiscal year 1994-95 by at least
3 two percent (2%) on and after July 1, 1993. The Director of the Budget may transfer
4 from the salary increase reserve fund created in this act for fiscal year 1993-94 and
5 fiscal year 1994-95 funds necessary to provide the salary increases for school bus
6 drivers whose salaries are supported from the State's General Fund in accordance with
7 the provisions of this subsection.

8

9 Requested by: Senators Daniel and Plyler

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

11 Sec. 52. (a) Salaries for positions that are funded partially from the General
12 Fund or Highway Fund and partially from sources other than the General Fund or
13 Highway Fund shall be increased from the General Fund or Highway Fund
14 appropriation only to the extent of the proportionate part of the salaries paid from the
15 General Fund or Highway Fund.

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

19 (c) The salary increases provided in this Part are to be effective July 1, 1993, do
20 not apply to persons separated from State service due to resignation, dismissal,
21 reduction in force, death, or retirement, whose last workday is prior to July 1, 1993, or
22 to employees involved in written disciplinary procedures.

23 Payroll checks issued to employees after July 1, 1993, which represent
24 payment for services provided prior to July 1, 1993, shall not be eligible for salary
25 increases provided for in this act. This subsection shall apply to all employees, subject
26 to or exempt from the State Personnel Act, paid from State funds, including public
27 schools, community colleges, and The University of North Carolina.

28 (d) Notwithstanding the provisions of Section 19.1 of Chapter 1137 of the 1979
29 Session Laws, as amended by Chapter 1053 of the 1981 Session Laws, G.S. 115C-
30 12(9)a., 115C-12(16), 126-7, or any other provision of law other than G.S. 20-187.3(a)
31 and G.S. 7A-102(c), no employee or officer of the public school system shall receive an
32 automatic increment, and no State employee or officer shall receive a merit increment
33 during the 1993-94 and 1994-95 fiscal years, except as otherwise permitted by this act.

34 (e) The Director of the Budget shall transfer from the Reserve for Salary
35 Increases created in this act for fiscal year 1993-94 and fiscal year 1994-95 all funds
36 necessary for the salary increases provided by this act, including funds for the
37 employer's retirement and social security contributions.

38 (f) Nothing in this act authorizes the transfer of funds from the General Fund
39 to the Highway Fund for salary increases.

40

41 Requested by: Senators Daniel and Plyler

42 **RESERVE FOR LOWEST PAID EMPLOYEES**

43 Sec. 53. Notwithstanding any other provisions of the current law, the Office
44 of State Budget and Management may use funds in the Reserve for Lowest Paid

1 Employees for the purpose of continuing salary increases awarded during fiscal year
2 1992-93 to the lowest paid State employees pursuant to Section 37 of Chapter 1066 of
3 the 1989 Session Laws.

4
5 Requested by: Senators Daniel and Plyler

6 **COMPENSATION BONUS**

7 Sec. 54. (a) Any employee or officer who is an employee or officer on
8 December 31, 1993 and whose:

9 (1) Salary is set by or under this Part;

10 (2) Who was, on July 1, 1992, an officer or employee whose salary is set
11 by or under this Part; and

12 (3) Who during the pay period for which the payment is made holds an
13 office or is employed in an office or employment whose salary is set
14 by or under this Part

15 shall receive in December of 1993, a compensation bonus of one percent (1%) of the
16 annual salary for that position which was in effect on June 30, 1993; provided that if the
17 position is created after that date, only ninety-eight percent (98%) of the salary for that
18 position shall be included in the computation.

19 (b) The provisions of this section do not apply to persons whose salaries are
20 determined in accordance with G.S. 7A-102 or G.S. 20-187.3(a), except for those
21 employees who would not receive a salary increment for the 1993-94 fiscal year under
22 G.S. 7A-102 or G.S. 20-187.3(a) because they are at the top of their salary range.

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

25
26 Requested by: Senators Daniel and Plyler

27 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

28 Sec. 55. (a) Required employer salary-related contributions for employees
29 whose salaries are paid from department, office, institution, or agency receipts shall be
30 paid from the same source as the source of the employees' salary. If an employee's
31 salary is paid in part from the General Fund or Highway Fund and in part from
32 department, office, institution, or agency receipts, required employer salary-related
33 contributions may be paid from the General Fund or Highway Fund only to the extent of
34 the proportionate part paid from the General Fund or Highway Fund in support of the
35 salary of the employee, and the remainder of the employer's requirements shall be paid
36 from the source that supplies the remainder of the employee's salary. The requirements
37 of this section as to source of payment are also applicable to payments on behalf of the
38 employee for hospital-medical benefits, longevity pay, unemployment compensation,
39 accumulated leave, workers' compensation, severance pay, separation allowances, and
40 applicable disability income and disability salary continuation benefits.

41 (b) Effective July 1, 1993, the State's employer contribution rates budgeted for
42 retirement and related benefits as a percentage of covered salaries for the 1993-94 and
43 1994-95 fiscal years are (i) ten and ninety-three hundredths percent (10.93%) - Teachers
44 and State Employees; (ii) fifteen and ninety-three hundredths percent (15.93%) - State

1 Law Enforcement Officers; (iii) eight and ninety-six hundredths percent (8.96%) -
2 University Employees' Optional Retirement Program; (iv) twenty-six and three
3 hundredths percent (26.03%) - Consolidated Judicial Retirement System; and (v)
4 twenty-four and forty-eight hundredths percent (24.48%) - Legislative Retirement
5 System. Each of the foregoing contribution rates includes two percent (2%) for hospital
6 and medical benefits. The rate for State Law Enforcement Officers includes five
7 percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers and
8 State Employees, State Law Enforcement Officers, and for the University Employees'
9 Optional Retirement Program includes fifty hundredths percent (0.50%) for the
10 Disability Income Plan.

11 (c) The maximum annual employer contributions, payable monthly, by the State
12 for each covered employee or retiree for the 1993-94 fiscal year and the 1994-95 fiscal
13 year to the Teachers' and State Employees' Comprehensive Major Medical Plan are: (i)
14 Medicare-eligible employees and retirees - one thousand three hundred twenty-one
15 dollars (\$1,321); and (ii) Non-Medicare-eligible employees and retirees - one thousand
16 seven hundred thirty-six dollars (\$1,736).

17 ..
18 Requested by: Senators Daniel and Plyler

19 **PROVIDE AN INCREASE TO RETIREES OF THE LOCAL**
20 **GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE**
21 **TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE**
22 **CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE**
23 **LEGISLATIVE RETIREMENT SYSTEM**

24 Sec. 56. (a) G.S. 120-4.22A is amended by adding a new subsection to read:

25 "(h) In accordance with subsection (a) of this section, from and after July 1, 1993,
26 the retirement allowance to or on account of beneficiaries whose retirement commenced
27 on or before January 1, 1993, shall be increased by one and six-tenths percent (1.6%) of
28 the allowance payable on January 1, 1993. Furthermore, from and after July 1, 1993,
29 the retirement allowance to or on account of beneficiaries whose retirement commenced
30 after January 1, 1993, but before June 30, 1993, shall be increased by a prorated amount
31 of one and six-tenths percent (1.6%) of the allowance payable as determined by the
32 Board of Trustees based upon the number of months that a retirement allowance was
33 paid between January 1, 1993, and June 30, 1993."

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

35 "(ll) From and after July 1, 1993, the retirement allowance to or on account
36 of beneficiaries whose retirement commenced on or before July 1,
37 1992, shall be increased by one and six-tenths percent (1.6%) of the
38 allowance payable on July 1, 1992, in accordance with G.S. 128-27(k).
39 Furthermore, from and after July 1, 1993, the retirement allowance to
40 or on account of beneficiaries whose retirement commenced after July
41 1, 1992, but before June 30, 1993, shall be increased by a prorated
42 amount of one and six-tenths percent (1.6%) of the allowance payable
43 as determined by the Board of Trustees based upon the number of

1 months that a retirement allowance was paid between July 1, 1992, and
2 June 30, 1993."

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

4 "(vv) From and after July 1, 1993, the retirement allowance to or on account of
5 beneficiaries whose retirement commenced on or before July 1, 1992, shall be increased
6 by one and six-tenths percent (1.6%) of the allowance payable on July 1, 1992, in
7 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1993, the
8 retirement allowance to or on account of beneficiaries whose retirement commenced
9 after July 1, 1992, but before June 30, 1993, shall be increased by a prorated amount of
10 one and six-tenths percent (1.6%) of the allowance payable as determined by the Board
11 of Trustees based upon the number of months that a retirement allowance was paid
12 between July 1, 1992, and June 30, 1993."

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

14 "(n) From and after July 1, 1993, the retirement allowance to or on account of
15 beneficiaries whose retirement commenced on or before July 1, 1992, shall be increased
16 by one and six-tenths percent (1.6%) of the allowance payable on July 1, 1992, in
17 accordance with G.S. 135-50. Furthermore, from and after July 1, 1993, the retirement
18 allowance to or on account of beneficiaries whose retirement commenced after July 1,
19 1992, but before June 30, 1993, shall be increased by a prorated amount of one and six-
20 tenths percent (1.6%) of the allowance payable as determined by the Board of Trustees
21 based upon the number of months that a retirement allowance was paid between July 1,
22 1992, and June 30, 1993."

23
24 Requested by: Senators Daniel and Plyler

25 **PROVIDE THAT RETIRED MEMBERS IN RECEIPT OF A RETIREMENT**
26 **ALLOWANCE FROM THE STATE-ADMINISTERED RETIREMENT**
27 **SYSTEMS SHALL RECEIVE RETIREMENT BENEFITS EQUAL TO AN**
28 **AMOUNT NOT LESS THAN THE ACCUMULATED CONTRIBUTIONS OF**
29 **THE RETIREE AT RETIREMENT**

30 Sec. 57. (a) G.S. 120-4.26 reads as rewritten:

31 **"§ 120-4.26. Benefit payment options.**

32 Any member may elect to receive his benefits in a retirement allowance payable
33 throughout life, or he may elect to receive the actuarial equivalent of the retirement
34 allowance in a reduced allowance payable throughout life under the provisions of one of
35 the options set forth below. No election may be made after the first payment becomes
36 due, or the first retirement check cashed, nor may an election be revoked or a
37 nomination changed. The election of Option 2 or Option 3 or the nomination of the
38 person thereunder shall be revoked if the person nominated dies prior to the date the
39 first payment becomes normally due or until the first retirement check has been cashed.
40 The election may be revoked by the member prior to the date the first payment becomes
41 normally due or until his first retirement check has been cashed. Provided, however,
42 any member having elected Options 2 or 3 and nominated his or her spouse to receive a
43 retirement allowance upon the member's death may, after divorce from his or her
44 spouse, revoke the nomination and elect a new option, effective on the first day of the

1 month in which the new option is elected, providing for a retirement allowance
2 computed to be the actuarial equivalent to the retirement allowance in effect
3 immediately prior to the effective date of the new option.

4 Option 1. For Members Retiring Prior to July 1, 1993. – If a member dies within 10
5 years from his retirement date, an amount equal to his accumulated contributions at
6 retirement, less one-one hundred twentieth (1/120) for each month for which he has
7 received a retirement allowance payment, shall be paid to his legal representative or to
8 the person he nominates by written designation acknowledged and filed with the Board
9 of Trustees;

10 Option 2. – Upon his death, his reduced retirement allowance shall be continued
11 throughout the life of and paid to the person he nominates by written designation duly
12 acknowledged and filed with the Board of Trustees at the time of his retirement. If the
13 person selected is other than his spouse, the reduced retirement allowance payable to the
14 member shall not be less than one half of the retirement allowance without optional
15 modification which would otherwise be payable to him; or

16 Option 3. – Upon his death, one half of his reduced retirement allowance shall be
17 continued throughout the life of and paid to the person he nominates by written
18 designation duly acknowledged and filed with the Board of Trustees at the time of his
19 retirement."

20 (b) Article 1A of Chapter 120 of the General Statutes is amended by adding a
21 new section to read:

22 "**§ 120-4.26A. Benefits on death after retirement.**

23 In the event of the death of a retired member while in receipt of a retirement
24 allowance under the provisions of this Article, there shall be paid to such person or
25 persons as the retiree shall have nominated by written designation duly acknowledged
26 and filed with the Board of Trustees, if such person or persons are living at the time of
27 the retiree's death, otherwise to the retiree's legal representatives, a death benefit equal
28 to the excess, if any, of the accumulated contributions of the retiree at the date of
29 retirement over the total of the retirement allowances paid prior to the death of the
30 retiree.

31 In the event that a retirement allowance becomes payable to the designated survivor
32 of a retired member under the provisions of G.S. 120-4.26 and such retirement
33 allowance to the survivor shall terminate upon the death of the survivor before the total
34 of the retirement allowances paid to the retiree and the designated survivor combined
35 equals the amount of the accumulated contributions of the retiree at the date of
36 retirement, the excess, if any, of such accumulated contributions over the total of the
37 retirement allowances paid to the retiree and the survivor combined shall be paid in a
38 lump sum to such person or persons as the retiree shall have nominated by written
39 designation duly acknowledged and filed with the Board of Trustees, if such person or
40 persons are living at the time such payment falls due, otherwise to the retiree's legal
41 representative."

42 (c) G.S. 128-27(g) reads as rewritten:

43 "(g) Election of Optional Allowance. – With the provision that until the first
44 payment on account of any benefit becomes normally due, or his first retirement check

1 has been cashed, any member may elect to receive his benefits in a retirement allowance
2 payable throughout life, or he may elect to receive the actuarial equivalent of such
3 retirement allowance in a reduced allowance payable throughout life under the
4 provisions of one of the Options set forth below. The election of Option two or Option
5 three or nomination of the person thereunder shall be revoked if such person nominated
6 dies prior to the date the first payment becomes normally due or the first retirement
7 check has been cashed. Such election may be revoked by the member prior to the date
8 the first payment becomes normally due or his first retirement check has been cashed.
9 Provided, however, any member having elected Options two, three, ~~five,~~ or six and
10 nominated his or her spouse to receive a retirement allowance upon the member's death
11 may, after divorce from his or her spouse, revoke the nomination and elect a new
12 option, effective on the first day of the month in which the new option is elected,
13 providing for a retirement allowance computed to be the actuarial equivalent of the
14 retirement allowance in effect immediately prior to the effective date of the new option.

15 Option one. (a) In the Case of a Member Who Retires prior to July 1, 1965.
16 – If he dies before he has received in annuity payments the present value of his annuity
17 as it was at the time of his retirement, the balance shall be paid to such person as he
18 shall nominate by written designation duly acknowledged and filed with the Board of
19 Trustees or, if none, to his legal representative.

20 (b) In the Case of a Member Who Retires on or after July 1, ~~1965-1965,~~
21 but prior to July 1, 1993. – If he dies within 10 years from his
22 retirement date, an amount equal to his accumulated contributions at
23 retirement, less one one-hundred-twentieth thereof for each month for
24 which he has received a retirement allowance payment, shall be paid to
25 such person as he shall nominate by written designation duly
26 acknowledged and filed with the Board of Trustees or, if none, to his
27 legal representative; or

28 Option two. Upon his death his reduced retirement allowance shall be continued
29 throughout the life of and paid to such person as he shall nominate by written
30 designation duly acknowledged and filed with the Board of Trustees at the time of his
31 retirement, provided that if the person selected is other than his spouse the reduced
32 retirement allowance payable to the member shall not be less than one half of the
33 retirement allowance without optional modification which would otherwise be payable
34 to him; or

35 Option three. Upon his death, one half of his reduced retirement allowance shall be
36 continued throughout the life of, and paid to such person as he shall nominate by written
37 designation duly acknowledged and filed with the Board of Trustees at the time of his
38 retirement; or

39 Option four. Adjustment of Retirement Allowance for Social Security Benefits. –
40 Until the first payment on account of any benefit becomes normally due, any member
41 may elect to convert his benefit otherwise payable on his account after retirement into a
42 retirement allowance of equivalent actuarial value of such amount that with his benefit
43 under Table II of the Federal Social Security Act, he will receive, so far as possible,
44 approximately the same amount per year before and after the earliest age at which he

1 becomes eligible, upon application therefor, to receive a social security benefit. A
2 member who makes an election in accordance with this option shall be deemed to have
3 made a further election of Option one above.

4 Option five. For Members Retiring prior to July 1, 1993. The member may elect:
5 elect to ~~(1)~~ ~~To receive a reduced retirement allowance under the conditions of Option~~
6 two or Option three, as provided for above, with the modification that if both he and the
7 person nominated die within 10 years from his retirement date, an amount equal to his
8 accumulated contributions at retirement, less 1/120th thereof for each month for which
9 a retirement allowance has been paid, shall be paid to his legal representatives or to such
10 person as he shall nominate by written designation duly acknowledged and filed with
11 the Board of ~~Trustees;~~ Trustees. or

12 (2) ~~To receive a reduced retirement allowance during his life with~~
13 ~~provisions for some other benefit to be paid after his death in~~
14 ~~accordance with a plan submitted to and approved by the Board of~~
15 ~~Trustees.~~

16 Option six. A member may elect either Option two or Option three with the added
17 provision that in the event the designated beneficiary predeceases the member, the
18 retirement allowance payable to the member after the designated beneficiary's death
19 shall be equal to the retirement allowance which would have been payable had the
20 member not elected the option."

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

22 "(g1) In the event of the death of a retired member while in receipt of a retirement
23 allowance under the provisions of this Article, there shall be paid to such person or
24 persons as the retiree shall have nominated by written designation duly acknowledged
25 and filed with the Board of Trustees, if such person or persons are living at the time of
26 the retiree's death, otherwise to the retiree's legal representatives, a death benefit equal
27 to the excess, if any, of the accumulated contributions of the retiree at the date of
28 retirement over the total of the retirement allowances paid prior to the death of the
29 retiree.

30 In the event that a retirement allowance becomes payable to the designated survivor
31 of a retired member under the provisions above and such retirement allowance to the
32 survivor shall terminate upon the death of the survivor before the total of the retirement
33 allowances paid to the retiree and the designated survivor combined equals the amount
34 of the accumulated contributions of the retiree at the date of retirement, the excess, if
35 any, of such accumulated contributions over the total of the retirement allowances paid
36 to the retiree and the survivor combined shall be paid in a lump sum to such person or
37 persons as the retiree shall have nominated by written designation duly acknowledged
38 and filed with the Board of Trustees, if such person or persons are living at the time
39 such payment falls due, otherwise to the retiree's legal representative."

40 (e) G.S. 135-5(g) reads as rewritten:

41 "(g) Election of Optional Allowance. – With the provision that until the first
42 payment on account of any benefit becomes normally due, or his first retirement check
43 has been cashed, any member may elect to receive his benefits in a retirement allowance
44 payable throughout life, or he may elect to receive the actuarial equivalent of such

1 retirement allowance in a reduced allowance payable throughout life under the
2 provisions of one of the options set forth below. The election of Option 2 or Option 3
3 or nomination of the person thereunder shall be revoked if such person nominated dies
4 prior to the date the first payment becomes normally due or until the first retirement
5 check has been cashed. Such election may be revoked by the member prior to the date
6 the first payment becomes normally due or until his first retirement check has been
7 cashed. Provided, however, any member having elected Options 2, 3, ~~5~~—or 6 and
8 nominated his or her spouse to receive a retirement allowance upon the member's death
9 may, after divorce from his or her spouse, revoke the nomination and elect a new
10 option, effective on the first day of the month in which the new option is elected,
11 providing for a retirement allowance computed to be the actuarial equivalent of the
12 retirement allowance in effect immediately prior to the effective date of the new option.

13 Option 1. (a) In the Case of a Member Who Retires prior to July 1, 1963. – If
14 he dies before he has received in annuity payments the present value
15 of his annuity as it was at the time of his retirement, the balance shall
16 be paid to his legal representatives or to such person as he shall
17 nominate by written designation duly acknowledged and filed with
18 the Board of Trustees.

19 (b) In the Case of a Member Who Retires on or after July 1,
20 ~~1963~~.1963, but prior to July 1, 1993. – If he dies within 10 years
21 from his retirement date, an amount equal to his accumulated
22 contributions at retirement, less 1/120 thereof for each month for
23 which he has received a retirement allowance payment, shall be paid
24 to his legal representatives or to such person as he shall nominate by
25 written designation duly acknowledged and filed with the Board of
26 Trustees; or

27 Option 2. Upon his death his reduced retirement allowance shall be continued
28 throughout the life of and paid to such person as he shall nominate by written
29 designation duly acknowledged and filed with the Board of Trustees at the time of his
30 retirement, provided that if the person selected is other than his spouse the reduced
31 retirement allowance payable to the member shall not be less than one half of the
32 retirement allowance without optional modification which would otherwise be payable
33 to him; or

34 Option 3. Upon his death, one half of his reduced retirement allowance shall be
35 continued throughout the life of, and paid to such person as he shall nominate by written
36 designation duly acknowledged and filed with the Board of Trustees at the time of his
37 retirement; or

38 Option 4. Adjustment of Retirement Allowance for Social Security Benefits. – Until
39 the first payment on account of any benefit becomes normally due, any member may
40 elect to convert his benefit otherwise payable on his account after retirement into a
41 retirement allowance of equivalent actuarial value of such amount that with his benefit
42 under Title II of the Federal Social Security Act, he will receive, so far as possible,
43 approximately the same amount per year before and after the earliest age at which he
44 becomes eligible, upon application therefor, to receive a social security benefit. A

1 member who makes an election in accordance with this option shall be deemed to have
2 made a further election of Option 1 above.

3 Option 5. For Members Retiring Prior to July 1, 1993. – The member may elect:
4 elect to (1) To receive a reduced retirement allowance under the conditions of Option
5 2 or Option 3, as provided for above, with the modification that if both he and the
6 person nominated die within 10 years from his retirement date, an amount equal to his
7 accumulated contributions at retirement, less 1/120 thereof for each month for which a
8 retirement allowance has been paid, shall be paid to his legal representatives or to such
9 person as he shall nominate by written designation duly acknowledged and filed with
10 the Board of Trustees; Trustees. or

11 (2) ~~To receive a reduced retirement allowance during his life with~~
12 ~~provision for some other benefit to be paid after his death in~~
13 ~~accordance with a plan submitted to and approved by the Board of~~
14 ~~Trustees.~~

15 Option 6. A member may elect either Option 2 or Option 3 with the added provision
16 that in the event the designated beneficiary predeceases the member, the retirement
17 allowance payable to the member after the designated beneficiary's death shall be equal
18 to the retirement allowance which would have been payable had the member not elected
19 the option."

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

21 "(g1) In the event of the death of a retired member while in receipt of a retirement
22 allowance under the provisions of this Article, there shall be paid to such person or
23 persons as the retiree shall have nominated by written designation duly acknowledged
24 and filed with the Board of Trustees, if such person or persons are living at the time of
25 the retiree's death, otherwise to the retiree's legal representatives, a death benefit equal
26 to the excess, if any, of the accumulated contributions of the retiree at the date of
27 retirement over the total of the retirement allowances paid prior to the death of the
28 retiree.

29 In the event that a retirement allowance becomes payable to the designated survivor
30 of a retired member under the provisions above and such retirement allowance to the
31 survivor shall terminate upon the death of the survivor before the total of the retirement
32 allowances paid to the retiree and the designated survivor combined equals the amount
33 of the accumulated contributions of the retiree at the date of retirement, the excess, if
34 any, of such accumulated contributions over the total of the retirement allowances paid
35 to the retiree and the survivor combined shall be paid in a lump sum to such person or
36 persons as the retiree shall have nominated by written designation duly acknowledged
37 and filed with the Board of Trustees, if such person or persons are living at the time
38 such payment falls due, otherwise to the retiree's legal representative."

39 (g) In order to fund the provisions of this section, the Boards of Trustees of
40 the Teachers' and State Employees' Retirement System, the Local Governmental
41 Employees' Retirement System, and the Legislative Retirement System, with the advice
42 of the consulting actuary, shall apply unencumbered actuarial gain remaining after the
43 application of this gain to cost-of-living increases for retired members and any other
44 increases in retirement benefits contained in the 1993-94 Current Operations

1 Appropriations Act, and shall allocate the percentage of payroll contributions to the
2 Retirement System without an increase in the total employer contribution rate and
3 without an increase in the scheduled amortization period for liquidation of unfunded
4 accrued liabilities in the Retirement Systems.

5 (h) This section becomes effective July 1, 1993.
6

7 Requested by: Senators Daniel and Plyler

8 **ALLOW LEGISLATORS SERVING IN JANUARY 1985 TO PURCHASE**
9 **CREDITABLE SERVICE IN THE LEGISLATIVE RETIREMENT SYSTEM**

10 Sec. 58. G.S. 120-4.12 is amended by adding a new subsection to read:

11 "(c1) Any member of the Retirement System who was a member of the General
12 Assembly as of January 1985 may purchase prior service credit for the month of
13 January 1985 based upon seven percent (7%) of the compensation received for that
14 period."

15
16 Requested by: Senator Odom

17 **DEATH BENEFIT DATE CHANGE**

18 Sec. 59. (a) Section 12 of Chapter 1108 of the 1987 Session Laws reads as
19 rewritten:

20 "Sec. 12. Section 1 of this act is effective upon ratification. The remainder of this
21 act ~~This act~~ shall become effective August 1, 1988."

22 (b) Funds to support any costs incurred as a result of the date change in
23 subsection (a) of this section shall be made available from earnings generated within the
24 Teachers' and State Employees' Retirement System.
25

26 **PART 15. COLLEGES AND UNIVERSITIES**
27

28 Requested by: Senator Ward

29 **UNC ACADEMIC PROVISIONS**

30 Sec. 60. It is the intent of the General Assembly not to reduce the budgets of
31 The University of North Carolina for the 1993-95 fiscal biennium in response to the
32 thirty percent (30%) of costs of personnel exempt from the State Personnel Act who
33 retired during the 1992-93 fiscal year and were working in the areas of teaching,
34 libraries, and academic leadership.
35

36 Requested by: Senator Ward

37 **INVENTORY**

38 Sec. 61. The Board of Governors of The University of North Carolina shall
39 direct the chancellors and appropriate management staff at the constituent institutions
40 and other affiliated operations to review their management of expendable inventory and
41 to establish the best management practices for inventory control, in keeping with the
42 recommendations of the Government Performance Audit Committee. To the degree
43 that savings can be achieved from better inventory management, the Board shall report

1 these savings to the Joint Appropriations Committees of the General Assembly by April
2 15, 1994.

3

4 Requested by: Senator Ward

5 **COMPUTER NETWORK MANAGEMENT**

6 Sec. 62. The Board of Governors of The University of North Carolina shall
7 review its planned improvements in the LINCNET network operated by The University
8 of North Carolina, and, in conjunction with the Office of the State Controller and the
9 Microelectronics Center of North Carolina, determine if the improvements and the
10 ongoing operation of LINCNET can be accomplished more efficiently by combining
11 LINCNET with other networks or by its integration into the proposed statewide
12 broadband network. The Board shall report its findings to the General Assembly and to
13 the Information Resources Management Commission by May 1, 1994.

14

15 Requested by: Senator Ward

16 **WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING**
17 **FORMULAE**

18 Sec. 63. Funds appropriated in this act to the Board of Governors of The
19 University of North Carolina for continuation of financial assistance to the medical
20 schools of Duke University and Wake Forest University shall be disbursed on
21 certifications of the respective schools of medicine that show the number of North
22 Carolina residents as first-year, second-year, third-year, and fourth-year students in the
23 medical school as of November 1, 1993, and November 1, 1994. Disbursement to
24 Wake Forest University shall be made in the amount of eight thousand dollars (\$8,000)
25 for each medical student who is a North Carolina resident, one thousand dollars
26 (\$1,000) of which shall be placed by the school in a fund to be used to provide financial
27 aid to needy North Carolina students who are enrolled in the medical school. The
28 maximum aid given to any student from this fund in a given year may not exceed the
29 amount of the difference in tuition and academic fees charged by the school and those
30 charged at the School of Medicine at the University of North Carolina at Chapel Hill.

31 Disbursement to Duke University shall be made in the amount of five
32 thousand dollars (\$5,000) for each medical student who is a North Carolina resident,
33 five hundred dollars (\$500.00) of which shall be placed by the school in a fund to be
34 used to provide student financial aid to financially needy North Carolina students who
35 are enrolled in the medical school. No individual student may be awarded assistance
36 from this fund in excess of two thousand dollars (\$2,000) each year. In addition to this
37 basic disbursement for each year of the biennium, a disbursement of one thousand
38 dollars (\$1,000) shall be made for each medical student who is a North Carolina
39 resident in the first-year, second-year, third-year, and fourth-year classes to the extent
40 that enrollment of each of those classes exceeds 30 North Carolina students.

41 The Board of Governors shall establish the criteria for determining the
42 eligibility for financial aid of needy North Carolina students who are enrolled in the
43 medical schools and shall review the grants or awards to eligible students. The Board of
44 Governors shall adopt rules for determining which students are residents of North

1 Carolina for the purposes of these programs. The Board of Governors shall also make
2 any regulations as necessary to ensure that these funds are used directly for instruction
3 in the medical programs of the schools and not for religious or other nonpublic
4 purposes. In recognition of North Carolina's need for primary care physicians, Bowman
5 Gray School of Medicine and Duke University School of Medicine shall each prepare a
6 plan with strategies to encourage North Carolina residents to enter the primary care
7 disciplines of internal medicine, pediatrics, family medicine, obstetrics/gynecology, and
8 combined medicine/pediatrics. These schools of medicine shall present their plans to
9 the Board of Governors of The University of North Carolina by December 1, 1993. The
10 Board of Governors shall report to the Joint Legislative Commission on Governmental
11 Operations by March 1, 1994, on the status of these efforts to strengthen primary health
12 care in North Carolina.

13
14 Requested by: Senators Perdue and Basnight

15 **RESEARCH CAMPUSES/FACULTY COMPETITIVENESS**

16 Sec. 64. The Board of Governors of The University of North Carolina shall
17 authorize a tuition surcharge for students on the research university campuses in an
18 amount of two hundred dollars (\$200.00) per student per year. The tuition surcharge
19 shall be pro-rated for part-time students. The receipts from this surcharge shall be
20 retained at the collecting campus and shall be used to increase the competitiveness of
21 faculty teaching salaries, notwithstanding Part 14 of this act, in an amount equal to fifty
22 percent (50%) of the total surcharge receipts, to increase student financial aid in an
23 amount equal to thirty percent (30%) of the total surcharge receipts, and to enhance the
24 operations of the library in an amount equal to twenty percent (20%) of the total
25 surcharge receipts.

26
27 Requested by: Senator Ward

28 **AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT**
29 **LIMITATIONS**

30 Sec. 65. (a) The amount of a tuition grant awarded to a student enrolled in a
31 degree program at a site away from the main campus of the approved private institution,
32 as defined in G.S. 116-22(1), shall be no more than the result of the ratio of the cost per
33 credit hour for off-campus instruction at that site to the cost per credit hour for regular,
34 full-time on-campus instruction, multiplied by the maximum grant award, or the
35 maximum grant award allowable under this act, whichever is less.

36 (b) No Legislative Tuition Grant funds shall be expended for a program at an off-
37 campus site of a private institution, as defined in G.S. 116-22(1), established after May
38 15, 1987, unless (i) the private institution offering the program has previously notified
39 and secured agreement from other private institutions operating degree programs in the
40 county in which the off-campus program is located or operating in the counties adjacent
41 to that county or (ii) the degree program is neither available nor planned in the county
42 with the off-campus site or in the counties adjacent to that county.

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

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

7
8 Requested by: Senator Ward

9 **AID TO PRIVATE COLLEGES/PROCEDURE**

10 Sec. 66. (a) Funds appropriated in this act to the Board of Governors of The
11 University of North Carolina for aid to private colleges shall be disbursed in accordance
12 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up
13 to four hundred fifty dollars (\$450.00) per full-time equivalent North Carolina
14 undergraduate student enrolled at a private institution as of October 1, 1993, and up to
15 four hundred seventy-five dollars (\$475.00) as of October 1, 1994.

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

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

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

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

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

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

10 Any remaining funds shall revert to the General Fund.

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

13
14 Requested by: Senators Perdue and Ward

15 **NORTH CAROLINA STATE UNIVERSITY/COMPETITIVE INDUSTRY**

16 Sec. 67. There is appropriated from overhead receipts at North Carolina State
17 University to the Board of Governors of The University of North Carolina for North
18 Carolina State University for the 1993-94 fiscal year and for the 1994-95 fiscal year the
19 sums of two hundred fifty thousand dollars (\$250,000) for State matching funds for the
20 Nonwovens Cooperative Research Center, five hundred thousand dollars (\$500,000) for
21 the Furniture Manufacturing and Management Center, and three hundred thousand
22 dollars (\$300,000) for technology enhancement in the pulp and paper manufacturing
23 programs.

24
25 Requested by: Senators Ward and Winner of Mecklenburg

26 **NEW DEGREE PROGRAMS**

27 Sec. 68. The Board of Governors of The University of North Carolina shall
28 allocate up to one million four hundred thousand dollars (\$1,400,000) for the 1993-94
29 fiscal year of its lump sum appropriations in this act to supplement funds available to
30 the constituent institutions to implement the new degree programs proposed in the long-
31 range plan that have received the Board's approval for implementation.

32
33 Requested by: Senator Warren

34 **EAST CAROLINA UNIVERSITY MEDICAL SCHOOL/HOSPITAL**
35 **TEACHING COSTS**

36 Sec. 69. In the event that the State Medicaid Plan amendment affecting Pitt
37 County Memorial Hospital reimbursement at full cost due to its status as a primary
38 affiliated teaching hospital of a State-operated medical school is not approved by the
39 Health Care Financing Agency, funds in the amount of five million four hundred twenty
40 thousand nine hundred ninety-four dollars (\$5,420,994) for the 1993-94 fiscal year and
41 five million eight hundred sixty-five thousand seven hundred thirteen dollars
42 (\$5,865,713) for the 1994-95 fiscal year, shall be transferred from the Division of
43 Medical Assistance, Department of Human Resources, to the East Carolina University
44 School of Medicine for hospital teaching costs. In addition, if the amendment is not

1 approved, for the 1993-94 fiscal year, the amount of ten million six hundred two
2 thousand six hundred ninety-seven dollars (\$10,602,697) shall be appropriated from the
3 Savings Reserve Fund to the East Carolina University School of Medicine for hospital
4 teaching costs. If the amendment is not approved, the Governor shall notify the General
5 Assembly of the amendment's failure and of the effecting of this section's
6 appropriations, and the General Assembly shall address the need for additional funding
7 for the East Carolina University School of Medicine Hospital Teaching Costs for the
8 1994-95 fiscal year in the 1993 General Assembly, Regular Session 1994.

9
10 Requested by: Senator Ward

11 **ALLIED HEALTH PERSONNEL STUDY/AHEC**

12 Sec. 70. The Director of the North Carolina Area Health Education Centers
13 program, in conjunction with staff of General Administration of The University of
14 North Carolina and the North Carolina Department of Community Colleges, shall make
15 recommendations to the General Assembly, utilizing data that is currently available, on
16 methods to increase the number of physical therapists, occupational therapists, speech
17 and language pathologists, and other related allied health paraprofessional personnel
18 graduating from the university and community college systems.

19 A report on these recommendations shall be presented to the Joint Education
20 Oversight Committee by May 1, 1994.

21
22 Requested by: Senators Daniel and Plyler

23 **UNC EDUCATIONAL CONSORTIA**

24 Sec. 71. Of the funds appropriated to the Board of Governors of The
25 University of North Carolina in this act, the sum of six hundred thousand dollars
26 (\$600,000) in each year of the 1993-95 fiscal biennium shall be allocated by the Board
27 to establish four new cooperative educational consortia at Appalachian State University,
28 East Carolina University, North Carolina Central University, and the University of
29 North Carolina at Charlotte.

30 These consortia shall link elementary and secondary education, higher education, and
31 leadership in the business sector to:

- 32 (1) Improve education practices and enhance economic development;
- 33 (2) Focus research capabilities on educational issues and economic
34 problems;
- 35 (3) Provide momentum for restructuring of public education to meet the
36 requirements of the modern era;
- 37 (4) Seek grants and other funds for model projects on promising
38 educational practices;
- 39 (5) Provide training, educational, and leadership development
40 opportunities; and
- 41 (6) Provide other initiatives leading to improvements in education and
42 economic development.

43
44 Requested by: Senators Daniel and Plyler

RURAL/PRIMARY CARE INITIATIVES

Sec. 72. Of the funds appropriated to the Board of Governors of The University of North Carolina, the sum of two million one hundred thousand dollars (\$2,100,000) for the 1993-94 fiscal year and the sum of two million one hundred thousand dollars (\$2,100,000) for the 1994-95 fiscal year shall be used, according to Area Health Education Center Program plans, to expand programs for training primary care medical students, residents, and other health professionals in community settings. These settings include private practices, health departments, and community health services. These funds may be used to develop new programs and to expand existing programs to assure well-supervised outreach training sites.

Requested by: Senators Daniel and Plyler

NEED-BASED CYTOTECHNOLOGY SCHOLARSHIPS

Sec. 73. (a) Article 7 of Chapter 130A of the General Statutes is amended by adding a new Part to read:

"PART 1A. NEED-BASED CYTOTECHNOLOGY SCHOLARSHIPS.**"§ 130A-216. Need-based cytotechnology scholarship fund.**

(a) As used in this Part, 'cytotechnology' is the scientific study of cells, their origin, structure, and functions.

(b) There is created a need-based scholarship loan fund for cytotechnology students. Need-based scholarship loans shall be available for study in cytotechnology programs offered by community colleges and The University of North Carolina, and by private colleges which offer cytotechnology programs. Part-time students and nontraditional students who have postsecondary degrees are eligible to receive need-based cytotechnology scholarship loans.

(c) Need-based cytotechnology scholarship loan funds shall be administered by the State Board of Community Colleges, the Board of Governors of The University of North Carolina, and the State Education Assistance Authority. The State Board of Community Colleges and the Board of Governors of The University of North Carolina shall allocate the scholarship loan funds among their respective constituent institutions that have programs of education leading to a certificate in cytotechnology. Distribution shall be in a manner determined by the appropriate governing body. The State Education Assistance Authority shall distribute scholarship loan funds to private nonprofit colleges that offer cytotechnology programs. Distribution shall be in a manner determined by the Board of the State Education Assistance Authority after consultation with the North Carolina Association of Independent Colleges and Universities.

(d) The State Education Assistance Authority shall carry out the following functions in implementing the need-based cytotechnology scholarship loan program:

- (1) Promulgate the rules and regulations necessary to implement the scholarship program;
- (2) Disburse, collect, and monitor scholarship loan funds;
- (3) Establish the terms and conditions of promissory notes executed by loan recipients;

- 1 (4) Approve service repayment agreements;
2 (5) Collect cash repayments required when service repayment is not
3 completed; and
4 (6) Adopt rules to allow for the forgiveness of scholarship loans if it
5 determines that it is impossible for the recipient to practice
6 cytotechnology in North Carolina for a sufficient time to repay the
7 loan because of the death or permanent disability of the recipient
8 within 10 years following graduation or termination of enrollment in a
9 cytotechnology education program.

10 (e) Each institution to which scholarship loan funds are allocated shall publicize
11 the availability of, shall disseminate, receive and review applications for, and shall
12 select the recipients of scholarship loans. Scholarship loans shall be made only to
13 prospective and enrolled cytotechnology students under the terms and conditions
14 established for the need-based cytotechnology scholarship loan program by the State
15 Education Assistance Authority."

16 (b) Of the funds appropriated to the Board of Governors of The University
17 of North Carolina, the sum of twenty-four thousand dollars (\$24,000) for the 1993-94
18 fiscal year and the sum of twenty-four thousand dollars (\$24,000) for the 1994-95 fiscal
19 year shall be used for funding need-based scholarship loans for cytotechnology students.
20 Of the funds appropriated to the Board of Governors, twelve thousand dollars (\$12,000)
21 shall be allocated for each fiscal year to the State Education Assistance Authority for
22 allocation to private colleges in North Carolina that have cytotechnology programs.

23 (c) Of the funds appropriated to the Department of Community Colleges, the
24 sum of six thousand dollars (\$6,000) for the 1993-94 fiscal year and the sum of six
25 thousand dollars (\$6,000) for the 1994-95 fiscal year shall be used for funding need-
26 based scholarship loans for cytotechnology students.

27 (d) Of the funds appropriated to the Board of Governors of The University of
28 North Carolina, the sum of five thousand dollars (\$5,000) for the 1993-94 fiscal year
29 and the sum of five thousand dollars (\$5,000) for the 1994-95 fiscal year shall be used
30 to enable the State Education Assistance Authority to provide staff and administrative
31 support in carrying out the provisions of this Article.

32 (e) The Office of State Personnel shall review State cytotechnologist pay
33 scales and report its findings to the Joint Legislative Commission on Governmental
34 Operations and to the Secretary of the Department of Environment, Health, and Natural
35 Resources by November 1, 1993.

36
37 Requested by: Senator Perdue

38 **PRINCIPAL FELLOWS PROGRAM**

39 Sec. 73.1. (a) Chapter 116 of the General Statutes is amended by adding a
40 new Article to read:

41 **"ARTICLE 5C.**

42 **"NORTH CAROLINA PRINCIPAL FELLOWS PROGRAM.**

43 **"§ 116-74.41. North Carolina Principal Fellows Commission established;**
44 **membership.**

1 (a) There is established the North Carolina Principal Fellows Commission. The
2 Commission shall exercise its powers and duties independently of the Board of
3 Governors of The University of North Carolina. The director of the Principal Fellows
4 Program shall staff the Commission. The State Education Assistance Authority (SEAA)
5 as created in G.S. 116-203 shall be responsible for implementing scholarship loan
6 agreements, monitoring, cancelling through service, collecting and otherwise enforcing
7 the agreements for the Principal Fellows Program scholarship loans established in
8 accordance with G.S. 116-74.42.

9 (b) The Commission shall consist of 12 members appointed as follows:

- 10 (1) One member of the Board of Governors of The University of North
11 Carolina appointed by the chair of that board, notwithstanding G.S.
12 116-7(b).
- 13 (2) One member of the State Board of Education appointed by the State
14 Board chair.
- 15 (3) Two deans of schools of education appointed by the President of The
16 University of North Carolina.
- 17 (4) One public school teacher appointed by the General Assembly upon
18 the recommendation of the President Pro Tempore of the Senate.
- 19 (5) One public school principal appointed by the General Assembly upon
20 the recommendation of the Speaker of the House of Representatives.
- 21 (6) A local superintendent chosen by the State Superintendent of Public
22 Instruction.
- 23 (7) One member to represent business and industry appointed by the
24 Governor.
- 25 (8) One local school board member appointed by the chair of the State
26 Board of Education.
- 27 (9) One parent of a public school child appointed by the State
28 Superintendent of Public Instruction.
- 29 (10) The chairperson of the Board of the State Education Assistance
30 Authority.
- 31 (11) The director of the Principal Fellows Program. The director shall chair
32 the Commission.

33 (c) Initial appointments shall be made no later than September 15, 1993. Initial
34 terms of those members appointed to fill the teacher, principal, parent, superintendent,
35 and the local school board member seats shall expire July 1, 1995. Initial terms of those
36 members appointed to fill the Board of Governors of The University of North Carolina,
37 State Board of Education, deans of schools of education, and the member of business
38 and industry seats shall expire July 1, 1997. Thereafter, all appointments for these seats
39 shall be for four-year terms.

40 (d) Except as otherwise provided, if a vacancy occurs in the membership, the
41 appointing authority shall appoint another person to serve for the balance of the
42 unexpired term. In the discretion of the appointing authority, a State Board of
43 Education member or a member of the Board of Governors of The University of North

1 Carolina may complete a term on the Commission after the member's appointment from
2 the appointing board has expired.

3 (e) Commission members shall receive per diem, subsistence, and travel
4 allowances in accordance with G.S. 138-5 or G.S. 138-6, as appropriate.

5 (f) The Commission shall meet regularly, at times and places deemed necessary
6 by the chair.

7 **"§ 116-74.42. Principal Fellows Program established; administration.**

8 (a) A Principal Fellows Program shall be administered by the North Carolina
9 Principal Fellows Commission in collaboration with the State Education Assistance
10 Authority. The Principal Fellows Program shall provide up to a two-year scholarship
11 loan to selected recipients and shall provide extracurricular enhancement activities for
12 recipients. The North Carolina Principal Fellows Commission shall determine selection
13 criteria, methods of selection, and shall select recipients to receive scholarship loans
14 made under the Principal Fellows Program.

15 (b) The Board of Governors of The University of North Carolina shall appoint a
16 director of the Principal Fellows Program. The director shall chair and staff the
17 Principal Fellows Commission, and shall administer the extracurricular enhancement
18 activities of the program. The Board of Governors shall provide office space and
19 clerical support staff for the program.

20 (c) The Principal Fellows Program shall provide a two-year scholarship loan in
21 the amount of twenty thousand dollars (\$20,000) per year, per recipient, to persons who
22 may be eligible to be selected as school administrators in the public schools of the State
23 by completing a full-time program in school administration in an approved program.
24 Approved programs are those chosen by the Commission from among school
25 administrator programs within the State. No more than 200 principal fellow scholarship
26 loan awards shall be made in each year. The final number of scholarship loan awards
27 per year shall be made in accordance with the Board of Governors' findings concerning
28 the supply and demand of administrators, the State's need for school administrator
29 candidates and within funds appropriated for the scholarship loans. Effective
30 September 1, 1995, and in accordance with school administrator training programs
31 established by the Board of Governors of The University of North Carolina, recipients
32 shall be required to complete an approved full-time academic program during the first
33 year of the scholarship loan program and a full-time internship during the second year
34 of the program. In order to attract fellows as interns, local school administrative units
35 may use all or part of the funds allotted for an assistant principal salary for each intern
36 accepted by the local school administrative unit; however, interns shall not serve as
37 assistant principals.

38 (d) The Commission shall adopt stringent standards, which may include
39 standardized test scores, undergraduate performance, job experience and performance,
40 leadership and management abilities, and other standards deemed appropriate by the
41 Commission, to ensure that only the best potential students receive scholarship loans
42 under the Principal Fellows Program. The Commission shall consider the qualifications
43 of all applicants fairly, regardless of gender or race, and shall consider the geographic
44 diversity of the State. Scholarship loans under the Principal Fellows Program shall be

1 awarded only to applicants who meet the standards set by the Commission, are
2 domiciled in North Carolina, and who agree to work as school administrators in a North
3 Carolina public school or at a school operated by the United States government in North
4 Carolina upon completion of the two-year school administrator program supported by
5 the loan.

6 (e) State employees or employees of local school administrative units chosen to
7 receive scholarship loans shall be eligible for coverage under the Teachers' and State
8 Employees' Comprehensive Major Medical Plan.

9 (f) The Commission shall develop and administer the Principal Fellows Program
10 in cooperation with school administrator programs at institutions approved by the
11 Commission. The Commission shall develop criteria and a process for the approval of
12 campus program sites. Extracurricular enhancement activities shall be coordinated with
13 each fellow's campus program and shall focus on the leadership development of
14 program fellows.

15 (g) The Commission may form regional review committees to assist it in
16 identifying the best applicants for the program. The Commission and the review
17 committees shall make an effort to identify and encourage women and minorities and
18 others who may not otherwise consider a career in school administration to apply for the
19 Principal Fellows Program.

20 (h) Upon the naming of recipients of the scholarship loans by the Principal
21 Fellows Commission, the Commission shall transfer to the State Education Assistance
22 Authority (SEAA) its decisions. The SEAA shall perform all of the administrative
23 functions necessary to implement this Article, which functions shall include: rule
24 making, dissemination of information, disbursement, receipt, liaison with participating
25 educational institutions, determination of the acceptability of service repayment
26 agreements, and all other functions necessary for the execution, payment, and
27 enforcement of promissory notes required under this Article.

28 **"§ 116-74.43. Terms of loans; receipt and disbursement of funds.**

29 (a) All scholarship loans shall be evidenced by notes made payable to the State
30 Education Assistance Authority that bear interest at the rate of ten percent (10%) per
31 year beginning 90 days after completion of the school administrator program, or 90 days
32 after termination of the scholarship loan, whichever is earlier. The scholarship loan
33 may be terminated upon the recipient's withdrawal from school or by the recipient's
34 failure to meet the standards set by the Commission.

35 (b) The State Education Assistance Authority shall forgive the loan if, within six
36 years after graduation from a school administrator program, the recipient serves for four
37 years as a school administrator at a North Carolina public school or at a school operated
38 by the United States government in North Carolina. The SEAA shall also forgive the
39 loan if it finds that it is impossible for the recipient to work for four years, within 10
40 years after completion of the two-year school administrator program supported by the
41 scholarship loan at a North Carolina public school, or at a school operated by the United
42 States government in North Carolina, because of the death or permanent disability of the
43 recipient. If the recipient repays the scholarship loan by cash payments, all

1 indebtedness shall be repaid within 10 years after completion of the two-year school
2 administrator program supported by the scholarship loan.

3 (c) All funds appropriated to, or otherwise received by, the Principal Fellows
4 Program for scholarships, all funds received as repayment of scholarship loans, and all
5 interest earned on these funds, shall be placed in a university trust fund. This university
6 trust fund may be used only for scholarship loans granted under the Principal Fellows
7 Program and administrative costs associated with the recovery of funds advanced under
8 the program."

9 (b) The Commission may grant up to 50 scholarship loans during the 1994-95
10 fiscal year to recipients enrolled in school administrator programs approved by the
11 Commission.

12 (c) Nothing contained in this act shall be construed as obligating the General
13 Assembly to appropriate funds. Sections of this act requiring State funding for
14 implementation shall not become effective until such funds are appropriated.

15 (d) Nothing in this act shall be construed as obligating the Board of Governors of
16 The University of North Carolina to allocate funds for the program established under
17 this act unless additional appropriations for the program are made by the General
18 Assembly.

19
20 Requested by: Senator Perdue

21 **SCHOOL LEADERSHIP ACADEMY**

22 Sec. 73.2. (a) The Board of Governors of The University of North Carolina and
23 the State Board of Education shall convene a Joint Committee to study how to establish
24 a School Leadership Academy to serve the needs of all school administrators throughout
25 the State. There shall be nine members of the Joint Committee. Members shall receive
26 per diem, subsistence, and travel allowances in accordance with G.S. 138-5, or G.S.
27 138-6, as appropriate. Appointments to the committee shall be made within 30 days of
28 ratification of this act. Except as otherwise provided, if a vacancy occurs in the
29 membership, the appointing authority shall appoint another person to serve for the
30 balance of the unexpired term. At the discretion of the appointing authority, Joint
31 Committee members may continue to serve on the Joint Committee after their
32 appointment to the Board of Governors or the State Board of Education has expired.
33 Appointments shall be made as follows:

- 34 (1) Three members of the Board of Governors appointed by the Chair of
35 the Board of Governors; one of the three shall be designated cochair of
36 the Joint Committee.
- 37 (2) Three members of the State Board of Education appointed by the Chair
38 of the State Board of Education; one of the three shall be designated
39 cochair of the Joint Committee.
- 40 (3) The Superintendent of Public Instruction, or a designee.
- 41 (4) One dean of a school of education appointed by the President of The
42 University of North Carolina.
- 43 (5) The President of the North Carolina Association of Independent
44 Colleges and Universities, or a designee.

1 (b) In its planning the Joint Committee shall consider:

- 2 (1) The recommendations of the report submitted to the 1993 General
3 Assembly by the Educational Leadership Task Force.
4 (2) How to incorporate all or part of the Principal's Executive Program
5 into the Educational Leadership Academy.
6 (3) A design for a governing board for the Educational Leadership
7 Academy composed of persons who have demonstrated a commitment
8 to improving educational leadership in the State including practicing
9 school administrators and professors of schools of education.
10 (4) A charge to the governing board that ensures coordination between the
11 Educational Leadership Academy and the initial preparation programs.
12 (5) How the State Board of Education shall ensure that all school
13 administrators be required to complete at least five of their 15
14 continuing education units for continued practice in the profession in
15 Educational Leadership Academy programs or in programs endorsed
16 by the Educational Leadership Academy's governing board.
17 (6) How to ensure that coordinated and geographically dispersed
18 professional development opportunities exist for school administrators.
19 (7) What facilities and staff are needed for the Academy; the Joint
20 Committee shall recommend whether a building is needed, and, if so,
21 whether there is an existing building that can be used to meet the needs
22 of the Academy, or if a new building is needed.
23 (8) The cost of its recommendations which shall be included in its report
24 to the Joint Legislative Education Oversight Committee.

25 (b) The General Administration of The University of North Carolina shall
26 provide meeting rooms, telephone, office space, equipment, and supplies to the Joint
27 Committee without charge.

28 (c) The General Administration of The University of North Carolina and the
29 Department of Public Instruction shall provide staff to the Joint Committee.

30 (d) Upon the request of the cochairs of the Joint Committee, all State
31 departments and agencies, all local governments and their subdivisions, and all
32 institutions approved to train public school administrators shall furnish the Committee
33 with any nonconfidential information in their possession or available to them.

34 (e) The Joint Committee shall report on its findings and the
35 recommendations concerning the establishment of the School Leadership Academy to
36 the Joint Legislative Education Oversight Committee no later than March 1, 1994. The
37 Joint Committee shall terminate on that date.

38 (f) Of the funds appropriated to the Board of Governors for the 1993-94 fiscal
39 year, up to the sum of fifteen thousand dollars (\$15,000) shall be used to conduct the
40 work of the Joint Committee. Of the funds appropriated to the Department of Public
41 Education for aid to local school administrative units for the 1993-94 fiscal year, up to
42 the sum of fifteen thousand dollars (\$15,000) shall be used to conduct the work of the
43 Joint Committee.

44

1 Requested by: Senators Warren and Martin of Pitt

2 **ECU SCHOOL OF MEDICINE/USE OF RECEIPTS**

3 Sec. 73.3. (a) The East Carolina University School of Medicine shall request, on
4 a regular basis consistent with the State's cash management plan, funds earned by the
5 school from Medicare reimbursements for education costs. Upon receipt, these funds
6 shall be allocated as follows:

7 (1) The portion of the Medicare reimbursement generated through the
8 effort and expense of the School of Medicine's Medical Faculty
9 Practice Plan shall be transferred to the appropriate Medical Faculty
10 Practice Plan account within the School of Medicine. The Medical
11 Faculty Practice Plan shall assume responsibility for any of these funds
12 that subsequently must be refunded due to final audit settlements.

13 (2) The funds from this source budgeted by the General Assembly as part
14 of the School of Medicine's General Fund budget code shall be
15 credited to that code as a receipt.

16 (3) The remainder of the funds shall be transferred to a special fund
17 account on deposit with the State Treasurer. This special fund account
18 shall be used for any necessary repayment of Medicare funds due to
19 final audit settlements for funds allocated under subdivision (2) of this
20 subsection. When the amount of these reimbursement funds has been
21 finalized by audit for each year, those funds remaining in the special
22 fund shall be available for appropriation by the General Assembly for
23 specific capital improvement projects for the East Carolina University
24 School of Medicine. Requests by East Carolina University for
25 appropriations of these funds shall be made to The University of North
26 Carolina Board of Governors.

27 Funds in this special fund account as of July 1, 1993, shall be
28 subject to this subsection.

29 (b) Receipts from the lease of the Magnetic Resonance Imaging building and
30 equipment may be retained by the East Carolina School of Medicine in an institutional
31 trust fund account for maintenance of the facility and for improvements in the facility.
32 The receipts, fund balances, and allocations shall be indicated annually on reports to the
33 Office of State Budget and Management, UNC General Administration, and the Fiscal
34 Research Division of the General Assembly.

35 (c) All revenue for the treatment of patients in the Radiation Therapy Facility
36 shall accrue to the East Carolina University School of Medicine's Medical Faculty
37 Practice Plan accounts. The Medical Faculty Practice Plan shall reimburse the General
38 Fund budget code quarterly for operating costs of the facility paid by the General Fund.
39 The reimbursement amount shall be limited to that portion of receipts actually collected
40 for the facility charges portion of billings.

41 (d) This section shall remain in effect until changed or repealed by the
42 General Assembly.

43

44 **PART 16. COMMUNITY COLLEGES**

1

2 Requested by: Senator Ward

3 **COURSE REPETITION POLICY**

4 Sec. 74. (a) No full-time equivalent students (FTE) shall be generated for
5 occupational extensions students after the first repetition of an occupational extension
6 class. Except as provided in subsection (b) of this section, if students take an
7 occupational extension class more than twice, they shall pay the full amount of the per
8 student cost for the class and the community college shall earn no budget FTE for these
9 students.

10 (b) Community colleges may permit a student to repeat a course more than
11 once if that student demonstrates that the course repetition is required by standards
12 governing the certificate or licensing program in which the student is enrolled. Colleges
13 permitting this course repetition shall earn budget FTE for the student and shall report
14 on a regular basis to the State Board on the students they have permitted this course
15 repetition and on the certification or licensure requirements that necessitated it.

16 (c) The State Board of Community Colleges shall conduct a review of all
17 occupational extension courses, including their content, length, definition, and common
18 course title. It shall ensure that these courses are classified appropriately as
19 occupational extension and are not actually community services courses.

20

21 Requested by: Senator Ward

22 **AUDIT POLICIES**

23 Sec. 75. (a) The State Board of Community Colleges shall require that the
24 program auditors shall use a minimum twenty-five percent (25%) sample size in their
25 audits of community colleges.

26 (b) The State Board of Community Colleges shall require colleges to repay
27 funds for all programs, not just full-time equivalent (FTE) student-producing programs,
28 that are not in compliance with rules adopted by the State Board or by State or federal
29 law.

30 (c) If a community college is in violation of a State or federal law or of a
31 State Board rule, the program auditors shall cite the college for an audit exception and
32 not a concern. The State Board shall clarify its rules in order to improve colleges'
33 compliance with this section.

34 (d) The State Board shall assess a twenty-five percent (25%) fiscal penalty in
35 addition to the audit exception on all audits of both dollars and student membership
36 hours excepted.

37 (e) Community colleges with FTE audit exceptions shall not benefit from the
38 two-year averaging provision for the FTE audit exception.

39

40 Requested by: Senator Ward

41 **COMMUNITY COLLEGE IN-PLANT TRAINING**

42 Sec. 76. (a) The State Board of Community Colleges shall operate in-plant
43 training programs in accordance with the rules adopted by the State Board on April 8,

1 1993, except that the State Board may increase the administrative overhead percentage
2 from fifteen percent (15%) to twenty-five percent (25%).

3 (b) The State Board of Community Colleges shall not approve funding for
4 any in-plant training programs authorized by G.S. 115D-5(d) without first making a
5 written finding that the public's interest in the program predominates over the private
6 interests of the company. The State Board shall adopt rules for determining when
7 private interests predominate over the public's interest.

8

9 Requested by: Senator Ward

10 **PRISON EDUCATION**

11 Sec. 77. (a) Correction education programs shall report full-time equivalent
12 (FTE) student hours on the basis of contact hours rather than student membership hours.

13 (b) The State Board of Community Colleges shall develop a plan for the
14 delivery of appropriate education in correctional facilities. This plan shall address the
15 length and type of course, taking into consideration the mobility of the prison
16 population. The State Board shall report its plan to the General Assembly by May 1,
17 1994.

18

19 Requested by: Senator Ward

20 **HUSKINS PROGRAM**

21 Sec. 78. (a) The State Board of Community Colleges shall ensure that all
22 courses offered to high school students under Huskins Bill programs are limited to
23 college level courses that are not available or could not be offered by the local high
24 schools.

25 (b) The State Board of Community Colleges shall use funds from its State
26 Board Reserve to study all courses offered through each community college's Huskins
27 Bill programs. This study shall compare the courses offered by the high schools in the
28 area of advance placement and vocational and technical programs. It shall also indicate
29 how each high school with Huskins Bill courses spends its State and federal vocational
30 education funds, including which courses were offered with these funds for the 1991-92
31 and 1992-93 fiscal years. The State Board shall assess the extent to which Huskins Bill
32 programs are duplicating or supplanting the course offerings of high schools. In
33 addition, the study shall review each Huskins Bill course to ensure that it is college level
34 work.

35 (c) The local education agencies (LEAs) and the State Board of Education
36 shall cooperate by providing the information necessary to complete this study.

37 (d) The State Board of Community Colleges shall report the findings of this
38 study to the General Assembly by May 1, 1994.

39

40 Requested by: Senator Ward

41 **COMMUNITY COLLEGE SHELTERED WORKSHOPS FUNDS TRANSFER**

42 Sec. 79. In order to achieve administrative efficiencies, it is the intent of the
43 General Assembly to provide funds for sheltered workshops through the Department of
44 Human Resources' Adult Developmental Activity Program (ADAP). Of the funds

1 appropriated to the Division of Mental Health, Developmental Disabilities, and
2 Substance Abuse Services, Department of Human Resources, in this act, the sum of five
3 hundred twelve thousand nine hundred twenty-five dollars (\$512,925) for each year of
4 the 1993-95 biennium shall be used for providing funds to the sheltered workshops that
5 received funds from local community colleges during the fall quarter of 1992. The
6 Department of Human Resources shall not use any of these funds for administration.
7 No State funds shall be used by community colleges to provide training in sheltered
8 workshops, except for compensatory education and literacy programs.

9
10 Requested by: Senator Ward

11 **REMEDIATION MEASURES**

12 Sec. 80. (a) The State Board of Community Colleges shall study the different
13 tests used by colleges to place students in developmental courses. This study shall
14 determine appropriate tests and proficiency levels to be used in selecting and placing
15 students in developmental courses.

16 (b) The State Board shall report its findings to the General Assembly by May
17 1, 1994.

18
19 Requested by: Senator Ward

20 **COMMUNITY COLLEGE ACCOUNTABILITY MEASURES**

21 Sec. 81. (a) The State Board of Community Colleges shall establish
22 standards for levels of institutional performance on those critical success factors that can
23 be appropriately measured to indicate how individual colleges are performing in
24 meeting the goals of the North Carolina Community College System. Each community
25 college shall report its performance on these measures to the State Board. Colleges that
26 fail to attain any of the the standards in any year shall report to the State Board the
27 reasons why performance fell below standards and the steps being taken to meet the
28 standards.

29 (b) The State Board of Community Colleges shall study models for
30 measuring institutional effectiveness, such as the Desktop Audit used by Coastal
31 Carolina Community College, and shall direct community colleges to utilize similar
32 models in providing accountability information to the State Board for the General
33 Assembly. Colleges shall provide information on graduate placement rates and
34 employer, graduate, and early leavers satisfaction with college programs to the State
35 Board. In addition, the State Board shall direct colleges to follow up on early leavers
36 from their programs to determine, to the extent possible, the reasons for their
37 withdrawal from college programs.

38 (c) The State Board of Community Colleges shall report on its
39 implementation of subsections (a) and (b) of this section to the General Assembly by
40 May 1, 1994.

41
42 Requested by: Senator Ward

43 **MAINTENANCE OF PLANT**

1 Sec. 82. Article 3 of Chapter 115D of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 115D-31.2. Maintenance of plant.**

4 Notwithstanding any provisions of law to the contrary, any community college that
5 has an out-of-county student head count served on the main campus of the college in
6 excess of fifty percent (50%) of the total student head count as defined by the State
7 Board of Community Colleges, shall be provided funds for the purpose of 'operations of
8 plant'. These funds shall not exceed eighty-five percent (85%) of the funds allocated to
9 these colleges during the 1990-91 fiscal year for this purpose."

10
11 Requested by: Senator Ward

12 **OPERATING APPROPRIATIONS/NOT USED FOR RECREATION**
13 **EXTENSION**

14 Sec. 83. Chapter 115D-5 is amended by adding a new subsection to read:

15 "(g) Funds appropriated to the Department of Community Colleges as operating
16 expenses for allocation to the institutions comprising the North Carolina Community
17 College System shall not be used to support recreation extension courses. The financing
18 of these courses by any institution shall be on a self-supporting basis, and membership
19 hours produced from these activities shall not be counted when computing full-time
20 equivalent students (FTE) for use in budget-funding formulas at the State level."

21
22 Requested by: Senator Ward

23 **FULL-TIME EQUIVALENT TEACHING POSITIONS/COMMUNITY**
24 **COLLEGES**

25 Sec. 84. For the purpose of determining the community college system-wide
26 number of full-time equivalent (FTE) student enrollment each year, the total curriculum
27 full-time equivalent student enrollment shall be divided by the appropriate number for
28 each year of the 1993-95 fiscal biennium pursuant to funds appropriated in this act for
29 this purpose. The occupational extension full-time equivalent student enrollment shall
30 be divided by 23 for the 1993-95 fiscal biennium.

31
32 Requested by: Senator Ward

33 **BOOKS AND EQUIPMENT APPROPRIATIONS/REVERT AFTER ONE YEAR**

34 Sec. 85. Appropriations to the Department of Community Colleges for
35 equipment and library books are made for each year of the fiscal biennium. All
36 unencumbered appropriations shall revert to the General Fund 12 months after the close
37 of each fiscal year for which they were appropriated. Encumbered balances outstanding
38 at the end of each period shall be handled in accordance with existing State budget
39 policies. The Department shall be able to identify to the Office of State Budget and
40 Management which appropriations will revert at the end of the 12 months after the close
41 of each fiscal year.

42
43 Requested by: Senator Ward

44 **ASSISTANCE TO HOSPITAL NURSING/FUND DISTRIBUTION**

1 Sec. 86. Funds appropriated in this act to the Department of Community
2 Colleges to provide financial assistance to hospital programs of nursing education
3 leading to diplomas in nursing that are fully accredited by the North Carolina Board of
4 Nursing and operated under the authority of a public or nonprofit hospital licensed by
5 the North Carolina Medical Care Commission shall be distributed, upon application for
6 financial assistance, for each full-time student duly enrolled in the program as of
7 December 1, 1992, and on condition that accreditation is maintained. The amount per
8 student shall not exceed eight hundred fifty dollars (\$850.00). The State Board of
9 Community Colleges shall adopt rules to ensure that this financial assistance is used
10 directly for faculty and instructional needs of diploma nursing programs.

11
12 Requested by: Senators Plyler and Daniel

13 **STUDENT CENSUS DATE**

14 Sec. 87. (a) The census date for reporting student membership hours for
15 curriculum and occupational extension classes shall be at the thirty percent (30%) point
16 of the class.

17 (b) Subsection (a) of this section does not apply to courses offered on a
18 contact-hour basis.

19
20 Requested by: Senators Ward and Conder

21 **"TECH PREP"IMPLEMENTATION**

22 Sec. 87.1. Of the funds available to State-aid to local school administrative
23 units for vocational education, fifty thousand dollars (\$50,000) for the 1993-94 fiscal
24 year and fifty thousand dollars (\$50,000) for the 1994-95 fiscal year, shall be allocated
25 to the North Carolina Tech Prep Leadership Development Center at Richmond
26 Community College for assistance to local education agencies and community colleges
27 in planning and implementing "Tech Prep" across the State. The Department of
28 Community Colleges shall allocate fifty thousand dollars (\$50,000) each fiscal year
29 from funds available to it for the 1993-94 fiscal year and for the 1994-95 fiscal year for
30 the North Carolina "Tech Prep" Leadership Development Center at Richmond
31 Community College.

32 33 **PART 17. PUBLIC SCHOOLS**

34
35 Requested by: Senator Perdue

36 **FRESHMAN PERFORMANCE REPORTS MADE AVAILABLE TO PARENTS** 37 **OF HIGH SCHOOL STUDENTS**

38 Sec. 88. G.S. 115C-12(18)c. reads as rewritten:

39 "c. The State Board of Education shall comply with the provisions
40 of G.S. 116-11(10a) to plan and implement an exchange of
41 information between the public schools and the institutions of
42 higher education in the State. The State Board of Education
43 shall require local boards of education to provide to the parents
44 of children at a school, all information except for confidential

1 information received about that school from institutions of
2 higher education pursuant to G.S. 116-11(10a) and to make that
3 information available to the general public."
4

5 Requested by: Senator Ward

6 **CAREER DEVELOPMENT FUNDS 1994-95 REDUCTION**

7 Sec. 89. The State Board of Education shall require the local school
8 administrative units receiving career development funds to modify their differentiated
9 pay plans for the 1994-95 fiscal year so that the cost of the differentiated pay plan
10 equals (i) five percent (5%) of teacher and administrator salaries and of the employer's
11 contributions for social security and retirement, for the prior fiscal year, and (ii) the
12 amount of local funds available for differentiated pay.

13 It is the intent of the General Assembly that this reduction in appropriations
14 not result in employees receiving less on a monthly basis in salary and State-funded
15 bonuses during the 1994-95 fiscal year than they received on a monthly basis during the
16 1993-94 fiscal year so long as the employees qualify for bonuses under the local
17 differentiated pay plan.
18

19 Requested by: Senator Ward

20 **TEACHER SALARY SCHEDULES**

21 Sec. 90. (a) The Director of the Budget may transfer from the Reserve for
22 Salary Increases for the 1993-94 fiscal year funds necessary to implement the teacher
23 salary schedule set out in subsection (b) of this section, including funds for the
24 employer's retirement and social security contributions and funds for annual longevity
25 payments at one percent (1%) of base salary for 10 to 14 years of State service, one and
26 one-half percent (1.5%) of base salary for 15 to 19 years of State service, two percent
27 (2%) of base salary for 20 to 24 years of State service, and two and one-half percent
28 (2.5%) of base salary for 25 years of State service, commencing July 1, 1993, for all
29 teachers whose salaries are supported from the State's General Fund. These funds shall
30 be allocated to individuals according to rules adopted by the State Board of Education
31 and the Superintendent of Public Instruction. The longevity payment shall be paid in a
32 lump sum once a year.

33 (b)(1) Beginning July 1, 1993, the following monthly salary schedule shall
34 apply to certified personnel of the public schools who are classified as
35 "A"teachers. The schedule contains 30 steps with each step
36 corresponding to one year of teaching experience.

<u>Years of</u>	<u>1993-94</u>
<u>Experience</u>	<u>Salary</u>

00	\$2,002
01	2,042
02	2,083
03	2,125
04	2,168

1	05	2,211
2	06	2,255
3	07	2,300
4	08	2,346
5	09	2,393
6	10	2,441
7	11	2,490
8	12	2,540
9	13	2,591
10	14	2,643
11	15	2,696
12	16	2,750
13	17	2,805
14	18	2,861
15	19	2,918
16	20	2,976
17	21	3,036
18	22	3,097
19	23	3,159
20	24	3,222
21	25	3,286
22	26	3,352
23	27	3,419
24	28	3,487
25	29+	3,557

(2) Beginning July 1, 1993, 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</u>	<u>1993-94</u>
	<u>Experience</u>	<u>Salary</u>
33	00	\$2,127
34	01	2,170
35	02	2,213
36	03	2,257
37	04	2,302
38	05	2,348
39	06	2,395
40	07	2,443
41	08	2,492
42	09	2,542
43	10	2,593
44	11	2,645

1	12	2,698
2	13	2,752
3	14	2,807
4	15	2,863
5	16	2,920
6	17	2,978
7	18	3,038
8	19	3,099
9	20	3,161
10	21	3,224
11	22	3,288
12	23	3,354
13	24	3,421
14	25	3,489
15	26	3,559
16	27	3,630
17	28	3,703
18	29+	3,777

19 (3) Beginning July 1, 1993, certified public school teachers with
20 certification based on academic preparation at the six-year degree level
21 shall receive a salary supplement of one hundred twenty-six dollars
22 (\$126.00) per month. This supplement is in lieu of the separate salary
23 schedule adopted by the General Assembly for these employees in
24 Section 72 of Chapter 900 of the 1991 Session Laws.

25 (4) Beginning July 1, 1993, certified public school teachers with
26 certification based on academic preparation at the doctoral degree level
27 shall receive a salary supplement of two hundred fifty-three dollars
28 (\$253.00) per month. This supplement is in lieu of the separate salary
29 schedule adopted by the General Assembly for these employees in
30 Section 72 of Chapter 900 of the 1991 Session Laws.

31 (c) The salary schedules set out in this section shall apply to all public school
32 teachers within the State and no teacher in any local school administrative unit shall be
33 entitled to a State salary or a State salary and bonus, except as provided in a local
34 differentiated pay plan, in excess of the amount set out in this section.

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

42
43 Requested by: Senator Ward

44 **OFFICE OF TEACHER RECRUITMENT STATUTES REPEALED**

1 Sec. 91. Part 1 of Article 24C of Chapter 115C is repealed.

2
3 Requested by: Senator Ward

4 **ALLOCATION OF FUNDS FOR MERGED CAREER LADDER PILOT**
5 **PROJECTS**

6 Sec. 92. (a) Any differentiated pay plan for a local school administrative unit in
7 a school unit that resulted from a merger of a school unit that was a career development
8 pilot project and a school unit that was not a career development pilot project shall
9 receive (i) the amount of funds that was previously allocated to the particular pilot
10 project by the State Board of Education and (ii) the amount of funds the unit is entitled
11 to receive to administer the School Accountability Act of 1989 pursuant to this act for
12 the portion of the merged unit that did not participate in the pilot project.

13 (b) The differentiated pay plan for a local school administrative unit that
14 resulted from a merger subsequent to July 1, 1993, of a school unit that was a career
15 development pilot project and a school unit that was not a career development pilot
16 project may be modified by the local school board, upon the recommendation of the
17 State Superintendent of Public Instruction and with the approval of the State Board of
18 Education.

19
20 Requested by: Senator Ward

21 **REORGANIZATION OF THE DEPARTMENT OF PUBLIC INSTRUCTION**

22 Sec. 93. Notwithstanding G.S. 143-23 or any other provision of law, the
23 Superintendent of Public Instruction shall reorganize the Department of Public
24 Instruction to implement a seven hundred sixty-three thousand three hundred sixty-six
25 dollar (\$763,366) base budget reduction for the 1993-94 fiscal year and a one million
26 seven hundred eighty one thousand seven hundred sixteen dollar (\$1,781,716) base
27 budget reduction for the 1994-95 fiscal year. As a result of the reorganization, 57
28 positions funded from the General Fund and 29 positions funded from other sources
29 shall be abolished during the 1993-95 fiscal biennium.

30
31 Requested by: Senator Ward

32 **SCHOOL COUNSELOR FUNDS**

33 Sec. 94. Funds in the amount of ten million two hundred sixty-eight thousand
34 six hundred fifty-seven dollars (\$10,268,657) for the 1993-94 fiscal year and ten million
35 two hundred sixty-eight thousand six hundred fifty-seven dollars (\$10,268,657) for the
36 1994-95 fiscal year are appropriated to lower the ratio of counselors to students toward
37 the 1 to 400 ratio set out in the Basic Education Program. If a local school
38 administrative unit has already achieved the 1 to 400 ratio set out in the Basic Education
39 Program, the unit may use the funds appropriated for school counselors for other
40 instructional support personnel.

41
42 Requested by: Senator Winner of Mecklenburg

43 **SCHOOL TECHNOLOGY COMMISSION CREATED**

1 Sec. 95. (a) There is created the Commission on School Technology. The
2 Commission shall be located administratively in the Department of Public Education
3 but shall exercise all its prescribed statutory powers independently of the State Board of
4 Education and the Department of Public Instruction.

5 (b) The Commission shall consist of the following 21 members:

6 (1) The Governor or a designee;

7 (2) One teacher, one school administrator, one member of a local board of
8 education, and one representative of business or industry, appointed by
9 the Governor;

10 (3) One teacher, one local board of education member, one representative
11 of business or industry, and three members of the Senate, appointed by
12 the President Pro Tempore of the Senate;

13 (4) One teacher, one school administrator, one parent of a child attending
14 a public school, and three members of the House of Representatives,
15 appointed by the Speaker of the House of Representatives;

16 (5) The State Superintendent of Public Instruction or a designee;

17 (6) One representative of The University of North Carolina, appointed by
18 the President of The University of North Carolina;

19 (7) One representative of the North Carolina Community College System,
20 appointed by the President of the North Carolina Community College
21 System; and

22 (8) The chair of the Information Resources Management Commission, or
23 a designee.

24 No producers or vendors of learning technologies shall serve on the Commission.

25 Vacancies in appointments shall be filled by the appointing officer. Persons
26 appointed to fill vacancies shall qualify in the same manner as persons appointed for full
27 terms.

28 The Governor or the Governor's designee shall serve as chair of the
29 Commission. The President Pro Tempore of the Senate shall designate one member of
30 the Senate serving on the Commission to serve as vice-chair. The Speaker of the House
31 of Representatives shall designate one member of the House serving on the Commission
32 to serve as vice-chair.

33 (c) The Commission shall prepare a requirements analysis and propose a plan to
34 the General Assembly for improving student performance in the public schools through
35 the use of learning technologies. In developing this plan, the Commission shall:

36 (1) Assess factors related to the current use of learning technologies in the
37 schools including what is currently being used, how the current use of
38 technology relates to the standard course of study, how the
39 effectiveness of learning technologies is being evaluated, how schools
40 are paying for learning technologies, and what training school
41 employees have received in the use of learning technology.

42 (2) Identify the instructional goals that can be met through the use of
43 learning technologies. The goals may include teaching the standard
44 course of study, reaching students with a broad range of abilities, and

1 ensuring that all students have access to a complete curriculum
2 regardless of the geographical location or the financial resources of the
3 school.

- 4 (3) Examine the types of learning technologies available to meet the
5 identified instructional goals including computers, audio-visual aids,
6 science laboratory equipment, vocational education equipment, and
7 distance learning networks. The Commission shall consider the
8 compatibility and accessibility of different types of learning
9 technologies and whether they may be easily communicated from one
10 site to another.
- 11 (4) Consider the types of staff development necessary to maximize the
12 benefits of learning technologies and determine the appropriate ways
13 to provide the necessary staff development.
- 14 (5) Consider staffing required to operate the learning technologies and
15 options for maintaining the equipment.
- 16 (6) Develop a funding plan that will pay for an initial investment in
17 learning technologies and ensure that funds are available for newly
18 developing technologies.

19 The Commission shall report the plan it develops to the General Assembly prior to May
20 1, 1994.

21 (d) Members of the Commission who are not State officers or employees shall
22 receive per diem and necessary travel and subsistence expenses in accordance with G.S.
23 138-5. Members who are State officers or employees shall be reimbursed for travel and
24 subsistence in accordance with G.S. 138-6.

25 (e) The Department of Public Instruction shall provide requested professional
26 and clerical staff to the Commission. The Commission may also employ professional
27 and clerical staff and may hire outside consultants to assist it in its work. The
28 Commission may use an outside consultant to perform a requirements analysis for
29 learning technologies on a statewide basis that is based on information gathered from
30 each local school administrative unit and that considers the needs of teachers, students,
31 and administrators.

32 (f) The Commission shall expire when it makes a final report to the General
33 Assembly.

34 (g) Of the funds appropriated to the Department of Public Instruction in this
35 act, the sum of three hundred thousand dollars (\$300,000) for the 1993-94 fiscal year
36 shall be used to implement the provisions of this section.

37
38 Requested by: Senator Perdue

39 **WEYERHAEUSER FINE TO CRAVEN COUNTY SCHOOLS**

40 Sec. 96. (a) The sum of nine hundred twenty-six thousand dollars (\$926,000)
41 that was paid by the Weyerhaeuser Corporation to the Department of Environment,
42 Health, and Natural Resources, Division of Environmental Management, on October 17,
43 1991, as a civil fine for violation of laws and regulations designed to protect the air
44 quality and prevent air pollution shall not be available for expenditure by the

1 Department of Environment, Health, and Natural Resources and shall not revert to the
2 General Fund. The funds are reallocated to the Craven County Board of Education for
3 the public schools in Craven County.

4 (b) This section becomes effective the earlier of (i) June 30, 1993, and (ii) the
5 date of ratification of this act.

6
7 Requested by: Senator Lee

8 **TEACHER ACADEMY PLAN**

9 Sec. 97. (a) There is created in the Department of Public Instruction the
10 Teacher Academy Task Force. The Task Force shall consist of 17 members appointed
11 as follows:

- 12 (1) The Superintendent of Public Instruction or the Superintendent's
13 designee, who shall serve as Chair;
- 14 (2) One member of the State Board of Education appointed by the Chair
15 of the State Board;
- 16 (3) One member of the Board of Governors of The University of North
17 Carolina appointed by the Chair of the Board of Governors;
- 18 (4) The Director of the North Carolina Center for the Advancement of
19 Teaching;
- 20 (5) One Dean of a School of Education appointed by the President of The
21 University of North Carolina;
- 22 (6) Four public school teachers appointed by the Speaker of the House of
23 Representatives, one of whom teaches in preschool through grade 2,
24 one of whom teaches in grades 3 through 5, one of whom teaches in
25 grades 6 through 8, and one of whom teaches in grades 9 through 12;
- 26 (7) Four public school teachers appointed by the President Pro Tempore of
27 the Senate, one of whom teaches in preschool through grade 2, one of
28 whom teaches in grades 3 through 5, one of whom teaches in grades 6
29 through 8, and one of whom teaches in grades 9 through 12;
- 30 (7a) Two public school teachers appointed by the Governor;
- 31 (8) One superintendent of a local school administrative unit appointed by
32 the Governor; and
- 33 (9) One public school principal appointed by the Governor.

34 (b) The Task Force shall develop for consideration by the General Assembly
35 a plan to establish a statewide network of high quality, integrated, comprehensive, and
36 sustained professional development for teachers in school committee leadership and the
37 core content areas. The plan shall integrate fully the resources of the State and local
38 units.

39 The plan shall address the following:

- 40 (1) Efficient and effective use of existing State, federal, and local
41 resources through an integrated delivery of professional development
42 to teachers.

- 1 (2) Short-range and long-range plans for school-based staff development
2 that address the professional development needs of teachers in site-
3 based decision making, core content areas, and instruction.
- 4 (3) Effective use of the North Carolina Center for Advancement of
5 Teaching facility and staff in the delivery of teacher professional
6 development.
- 7 (4) Training that minimizes the time teachers are away from classroom
8 instruction.
- 9 (5) Development of organizational arrangements and technologies that
10 encourage teacher networking and collaboration, and reduce
11 conditions of teacher isolation and autonomy.
- 12 (6) Use of teachers as trainers and identification of candidates for training.
- 13 (7) Effective use of the facilities and staff of The University of North
14 Carolina in the delivery of professional development. Geographical
15 access to program activities should be considered with regard to the
16 use of university facilities.
- 17 (8) Effective use of existing and planned telecommunications and long-
18 distance learning systems for teacher staff development to limit
19 expenditures for travel and associated costs.
- 20 (9) Professional development that meets the unique needs of individual
21 schools and that is sensitive to internal and external pressures,
22 including site-based decision making, revisions to the Standard Course
23 of Study, testing, technology, and other important State initiatives.
- 24 (10) A proposal for the ongoing coordination of the teacher professional
25 development activities and needs of local school administrative units,
26 the Department of Public Instruction, the General Administration of
27 The University of North Carolina, NCCAT, private colleges and
28 universities, and teachers.
- 29 (11) A comprehensive needs assessment based on local school-based
30 committee surveys.
- 31 (12) A proposal for training an initial cadre of teacher trainers and
32 implementation of first phase of training in the summer of 1994.

33 The Task Force shall consider existing professional development
34 organizations and networks in the development of the Plan. The Task Force shall also
35 work in conjunction with the Teacher Training Task Force in the development of the
36 Plan.

37 (c) The Department of Public Instruction shall provide professional and
38 clerical services to the Task Force. The Department of Public Instruction shall also
39 provide meeting rooms, telephones, office space, equipment, and supplies to the
40 Commission.

41 (d) Commission members shall receive per diem, subsistence, and travel
42 allowances in accordance with G.S. 138-5, 138-6, or 120-3.1, as appropriate.

43 (e) The Task Force shall report the Plan to the Joint Legislative Education
44 Oversight Committee no later than March 1, 1994.

1 (f) The Department of Public Instruction shall begin implementation of
2 Teacher Academies by developing training modules, training the initial cadre of teacher
3 trainers, contracting with trainers, and selecting universities as sites for Teacher
4 Academies for summer training in 1994. The Department of Public Instruction shall
5 conduct initial teacher training at multiple sites, starting in the summer of 1994. In
6 carrying out its responsibilities under this subsection, the Department of Public
7 Instruction shall consider the work of the Teacher Academy Task Force.

8 (g) The State Board of Education shall use up to three hundred thousand
9 dollars (\$300,000) of the funds received by the State Board of Education prior to June
10 30, 1993, from audit exceptions and refunds to Aid to Local School Administrative
11 Units to implement the provisions of this section. Of these funds, the sum of fifteen
12 thousand dollars (\$15,000) for the 1993-94 fiscal year shall be used to carry out the
13 work of the Teacher Academy Task Force and the sum of two hundred eighty-five
14 thousand dollars (\$285,000) for the 1993-94 fiscal year shall be used by the Department
15 of Public Instruction to begin implementation of Teacher Academies by developing
16 training modules, training the initial cadre of teacher trainers, contracting with trainers,
17 and selecting universities as sites for Teacher Academies for summer training in 1994.

18 (h) Subsection (g) of this section becomes effective June 30, 1993. Funds
19 allocated pursuant to subsection (g) of this section shall not revert on July 1, 1993.
20

21 Requested by: Senator Perdue

22 **ROLE OF THE DEPARTMENT OF PUBLIC INSTRUCTION IN STAFF** 23 **DEVELOPMENT**

24 Sec. 98. The Joint Legislative Education Oversight Committee may hire a
25 consultant to review the role and capabilities of the Department of Public Instruction
26 with respect to the implementation of site-based management and decision-making.
27 The consultant shall review the organization of the Department with respect to the
28 implementation of site-based management and decision making and provide
29 recommendations to the Committee.

30 The Committee shall receive the consultant's analysis and report on its results
31 to the General Assembly prior to May 1, 1994.

32 It is the intent of the General Assembly that any savings achieved as a result
33 of the consultant's work shall be used for retraining teachers and upgrading teachers'
34 skills.
35

36 Requested by: Senator Ward

37 **STAFF DEVELOPMENT FUND**

38 Sec. 99. (a) The State Board of Education shall use up to three million eight
39 hundred thousand dollars (\$3,800,000) of the funds received by the State Board of
40 Education prior to June 30, 1993, from audit exceptions and refunds to Aid to Local
41 School Administrative Units for staff development activities. These funds shall not be
42 used for staff development activities that require the hiring of substitute teachers for
43 teachers participating in the activities or substitute teachers for teachers participating in
44 staff development activities.

1 (b) The Department of Public Instruction shall report to the Joint Legislative
2 Oversight Committee prior to April 15, 1994, on the use of State, federal, and local
3 funds for substitute teachers from August 1, 1989, through January 1, 1994. The report
4 shall include the number of the days used and the purposes for which they were used.

5 (c) Subsection (a) of this section becomes effective June 30, 1993. Funds
6 allocated pursuant to subsection (a) of this section shall not revert on July 1, 1993.

7
8 Requested by: Senator Ward

9 **EXCEPTIONAL CHILDREN FUNDS**

10 Sec. 100. (a) The funds appropriated for exceptional children in this act shall
11 be allocated as follows:

12 (1) Each local school administrative unit shall receive for academically
13 gifted children the sum of \$643.65 per child for 3.9% of the 1992-93
14 actual average daily membership in the local school administrative
15 unit, regardless of the number of children identified as academically
16 gifted in the local school administrative unit. The total number of
17 children for which funds shall be allocated pursuant to this subdivision
18 is 43,114 for the 1993-94 school year.

19 (2) Each local school administrative unit shall receive for exceptional
20 children other than academically gifted children the sum of \$1,930.95
21 per child for the lesser of (i) all children who are identified as
22 exceptional children other than academically gifted children or (ii)
23 12.5% of the 1992-93 actual average daily membership in the local
24 school administrative unit. The maximum number of children for
25 which funds shall be allocated pursuant to this subdivision is 125,316
26 for the 1993-94 school year.

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

30 (b) The State Board of Education shall study the methods of identifying
31 exceptional children and formulas for allocating funds for exceptional children,
32 including a weighted pupil formula that approximates the actual costs of providing
33 services. The formula may weight components including the severity of exceptionality,
34 wealth of the local educational agency, and any other factor the State Board of
35 Education considers appropriate. The State Board of Education shall ensure that the
36 weights do not encourage local educational agencies as defined in G.S. 115C-110 to
37 categorize children as more severely impaired than they are or to serve children in more
38 restrictive settings than are needed. The State Board of Education shall determine the
39 impact on current funding levels by running simulations of any formula that it
40 considers, and shall recommend a five-year timeline beginning with the 1995-96 fiscal
41 year for implementation of the formula, which may include the elimination of caps in
42 allocating exceptional children's funds at the end of the five years.

43 The State Board of Education shall report its recommendations and findings
44 to the Commission on Children with Special Needs and to the chairs of the

1 appropriations committees and the appropriations subcommittees on education of the
2 Senate and the House of Representatives by March 15, 1994.

3
4 Requested by: Senator Ward

5 **EXTENDED SERVICES ALLOTMENT**

6 Sec. 101. (a) The allotments for summer school, remediation, dropout
7 prevention, community schools, duty-free period, and sports medicine are combined and
8 shall be allocated by the State Board of Education under an allotment for extended
9 services. For budgetary reporting and accounting purposes, local school administrative
10 units shall continue to provide expenditure data at such detailed levels as are required by
11 the State Board of Education.

12 At the close of the fiscal year, the unencumbered balances of funds allocated
13 to local school administrative units by the State Board of Education under the Extended
14 Services Allotment shall not revert and shall be carried forward to the next fiscal year.
15 Local school administrative units shall use these unencumbered balances in the
16 Extended Services Allotment only for one-time expenditures that do not impose
17 additional financial obligations on the State or the local school administrative unit and
18 that directly contribute to improved student performance.

19 (b) G.S. 115C-301.1 reads as rewritten:

20 **"§ 115C-301.1. Duty free period.**

21 ~~All~~ It is the intent of the General Assembly that all full-time assigned classroom
22 teachers shall be provided a daily duty free period during regular student contact hours.
23 ~~The duty free period shall be provided to the maximum extent that (i) the safety~~
24 ~~and proper supervision of children may allow during regular student contact hours and~~
25 ~~(ii) insofar as funds are provided for this purpose by the General Assembly. If the safety~~
26 ~~and supervision of children does not allow a daily duty free period during regular~~
27 ~~student contact hours for a given teacher, the funds provided by the General Assembly~~
28 ~~for the duty free period for that teacher shall revert to the general fund.~~ hours to the
29 extent that the safety and proper supervision of children may allow. Local boards of
30 education may use funds from the Extended Services Allotment to provide for a daily
31 duty free period."

32 (c) G.S. 115C-174.11(b) reads as rewritten:

33 "(b) Competency Testing Program.

34 (1) The State Board of Education shall adopt tests or other measurement
35 devices which may be used to assure that graduates of the public high
36 schools and graduates of nonpublic schools supervised by the State
37 Board of Education pursuant to the provisions of Part 1 of Article 39
38 of this Chapter possess the skills and knowledge necessary to function
39 independently and successfully in assuming the responsibilities of
40 citizenship.

41 (2) The tests shall be administered annually to all tenth grade students in
42 the public schools. Students who fail to attain the required minimum
43 standard for graduation in the tenth grade shall be given remedial
44 instruction and additional opportunities to take the test up to and

1 including the last month of the twelfth grade. Students who fail to pass
2 parts of the test shall be retested on only those parts they fail. Students
3 in the tenth grade who are enrolled in special education programs or
4 who have been officially designated as eligible for participation in
5 such programs may be excluded from the testing programs.

6 (3) The State Board of Education may develop and validate alternate
7 means and standards for demonstrating minimum competence. These
8 standards, which must be more difficult than the tests adopted pursuant
9 to subdivision (1) of this subsection, may be passed by students in lieu
10 of the testing requirement of subdivision (2) of this subsection.

11 (4) Funds appropriated for the purpose of remediation support for students
12 who fail the high school competency test shall be distributed ~~in~~
13 ~~accordance with rules promulgated by the State Board of Education, to~~
14 local school administrative units within the Extended Services
15 Allotment. The State Board of Education shall allocate remediation
16 funds to institutions administered by the Department of Human
17 Resources on the same basis as funds allocated to other local education
18 agencies."

19 (d) G.S. 115C-206 reads as rewritten:

20 **"§ 115C-206. State Board of Education; duties; responsibilities.**

21 The Superintendent of Public Instruction shall prepare and present to the State
22 Board of Education recommendations for general guidelines for encouraging increased
23 community involvement in the public schools and use of public school facilities. The
24 Superintendent of Public Instruction shall consult with the interagency council in
25 preparing the general guidelines. These recommendations shall include, but shall not be
26 limited to provisions for:

- 27 (1) The use of public school facilities by governmental, charitable or civic
28 organizations for activities within the community.
- 29 (2) The utilization of the talents and abilities of volunteers within the
30 community for the enhancement of public school programs including
31 tutoring, counseling and cultural programs and projects.
- 32 (3) Increased communications between the staff and faculty of the public
33 schools, other community institutions and agencies, and citizens in the
34 community.

35 Based on the recommendations of the Superintendent of Public Instruction, the State
36 Board of Education shall adopt appropriate policies and guidelines for encouraging
37 increased community involvement in the public schools and use of the public school
38 facilities.

39 The State Board of Education shall establish rules and regulations governing the
40 submission and approval of programs prepared by local boards of education for
41 encouraging increased community involvement in the public schools and use of the
42 public school facilities.

43 The State Board of Education is authorized to allocate funds to the local boards of
44 education for the employment of community schools coordinators and for other

1 appropriate expenses upon approval of a program submitted by a local board of
2 education and subject to the availability of funds. In the event that a local board of
3 education already has sufficient personnel employed performing functions similar to
4 those of a community schools coordinator, the State Board of Education may allocate
5 funds to that local board of education for other purposes consistent with this Article.
6 ~~Funds allocated to a local board of education shall not exceed three fourths of the total~~
7 ~~budget approved in the community schools program submitted by a local board of~~
8 ~~education."~~

9
10 Requested by: Senator Perdue

11 LOCAL SCHOOL IMPROVEMENT PLANS

12 Sec. 101.1. (a) G.S. 115C-238.1 reads as rewritten:

13 "§ 115C-238.1. Performance-based Accountability Program; development and 14 implementation by State Board.

15 The General Assembly believes that all children can learn. It is the intent of the
16 General Assembly that the mission of the public school community is to challenge with
17 high expectations each child to learn, to achieve, and to fulfill his or her potential. With
18 that mission as its guide, the State Board of Education shall develop and implement a
19 Performance-based Accountability Program. The primary goal of the Program shall be
20 to improve student performance. The State Board of Education shall adopt:

- 21 (1) Procedures and guidelines through which, beginning with the 1990-91
22 fiscal year, local school administrative units may participate in the
23 Program;
- 24 (2) Guidelines for developing local school improvement plans with three-
25 year student performance goals and annual milestones to measure
26 progress in meeting those goals; and
- 27 (3) A set of student performance indicators for measuring and assessing
28 student performance in the participating local school administrative
29 units. These indicators ~~may~~ shall include attendance rates, dropout
30 rates, test scores, parent involvement, and post-secondary outcomes.
- 31 (4) Guidelines for school performance indicators for measuring and
32 assessing school performance in the participating local school
33 administrative units. These indicators shall concern how to gauge
34 community involvement, professional development of teachers, and
35 the school climate with regard to the safety of students and employees
36 and the use of positive discipline. These indicators shall not rely
37 predominantly on test scores."

38 (b) G.S. 115C-238.3 reads as rewritten:

39 "§ 115C-238.3. Development of local plans; elements of local plans.

40 (a) Development of systemwide plan by the local board of education. – The
41 board of education of a local school administrative unit that elects to participate in the
42 Program shall develop and submit a local school improvement plan for the entire local
43 school administrative unit to the State Superintendent of Public Instruction before April
44 15 of the fiscal year preceding the fiscal year in which participation is sought.

1 A systemwide improvement plan shall remain in effect for no more than three years.

2 (b) Establishment of student performance goals by the local board of education
3 for the systemwide plan. – The local board of education shall establish student
4 performance goals for the local school administrative unit. The local board of education
5 shall actively involve an advisory panel composed of a substantial number of teachers,
6 school administrators, other school staff, and parents of children enrolled in the local
7 school administrative unit, in developing the student performance goals for the local
8 school improvement plan. Parents serving on advisory panels shall not be employees of
9 the school unit and shall reflect the racial and socioeconomic composition of the
10 students enrolled in the local school administrative unit. The advisory panel shall
11 ensure substantial parent participation. It is the intent of the General Assembly that
12 teachers have a major role in developing the student performance goals for the local
13 school improvement plan; therefore, at least half of the ~~staff~~ members participating in
14 this advisory panel shall be teachers. ~~The teachers~~ Every teacher in the local school
15 administrative unit shall ~~select the teachers who are involved in the advisory panel.~~ have
16 an opportunity to elect by secret ballot the teachers who are involved in the advisory
17 panel.

18 The performance goals for the local school administrative unit shall address specific,
19 measurable goals for all student and school performance indicators adopted by the State
20 Board. Factors that determine gains in achievement vary from school to school;
21 therefore, socioeconomic factors and previous student performance indicators shall be
22 used as the basis of the local school improvement plan.

23 (b1) Development by each school of strategies for attaining local student
24 performance goals. – The principal of each school, representatives of the building-level
25 staff, and parents of children enrolled in the school shall develop a building-level plan
26 to address student performance goals appropriate to that school from those established
27 by the local board of education. Parents serving on building level committees shall
28 reflect the racial and socioeconomic composition of the students enrolled in that school
29 and shall not be members of the building-level staff. Parental involvement is a critical
30 component of school success and positive student outcomes; therefore, it is the intent of
31 the General Assembly that parents, along with teachers, have a substantial role in
32 developing student performance goals at the building level. To this end, building-level
33 advisory board meetings shall be held at a convenient time to assure substantial parent
34 participation. ~~These~~ The strategies for attaining local school performance goals shall
35 include a plan for the use of staff development funds made available to the school to
36 implement the building-level plan. These strategies may also include requests for
37 waivers of State laws, regulations, or policies for that school. A request for a waiver
38 shall (i) identify the State laws, regulations, or policies that inhibit the local unit's ability
39 to reach its local accountability goals, (ii) set out with specificity the circumstances
40 under which the waiver may be used, and (iii) explain how a waiver of those laws,
41 regulations, or policies will permit the local unit to reach its local goals.

42 Support among affected staff members is essential to successful implementation of a
43 building-level plan to address student performance goals appropriate to a school;
44 therefore, the principal of the school shall present the proposed building-level plan to all

1 of the staff assigned to the school building for their review and vote. The vote shall be
2 by secret ballot. The principal may submit the building-level plan to the local board of
3 education for inclusion in the systemwide plan only if the proposed building-level plan
4 has the approval of a majority of the staff who voted on the plan.

5 The local board of education shall accept or reject the building-level plan. The local
6 board shall not make any substantive changes in any building-level plan that it accepts;
7 the local board shall set out any building-level plan that it accepts in the systemwide
8 plan. If the local board rejects a building-level plan, the local board shall state with
9 specificity its reasons for rejecting the plan; the principal of the school for which the
10 plan was rejected, representatives of the building-level staff, and parents of children
11 enrolled in the school may then prepare another plan, present it to the building-level
12 staff for a vote, and submit it to the local board for inclusion in the systemwide plan. If
13 no building-level plan is accepted for a school before March 15 of the fiscal year
14 preceding the fiscal year in which participation is sought, the local board may develop a
15 plan for the school for inclusion in the systemwide plan; the General Assembly urges
16 the local board to utilize the proposed building-level plan to the maximum extent
17 possible when developing such a plan.

18 (c) Development by each school of a differentiated pay plan for that school;
19 development by the local board of education of a differentiated pay plan for central
20 office personnel. –

21 (1) The local school administrative unit shall consider a plan for
22 differentiated pay. The local plan shall include a plan for differentiated
23 pay, in accordance with G.S. 115C-238.4, unless the local school
24 administrative unit elects not to participate in any differentiated pay
25 plan.

26 (2) The principal of each school, representatives of the building-level
27 staff, and parents of children enrolled in the school shall develop a
28 building-level differentiated pay plan for the school when they develop
29 their building-level plan to address student performance goals
30 appropriate to the school. By October 1 of each year, the principal
31 shall disclose to all affected personnel the total allocation of funds for
32 differentiated pay. At the end of the fiscal year, the principal shall
33 make available to all affected personnel a report of all disbursement
34 from the building-level differentiated pay plan.

35 Support among affected staff members is essential to successful
36 implementation of a building-level differentiated pay plan; therefore,
37 the principal of the school shall present the proposed building-level
38 plan to all of the staff eligible to receive differentiated pay, in
39 accordance with G.S. 115C-238.4(a), for their review and vote. The
40 vote shall be by secret ballot. The principal may submit the building-
41 level differentiated pay plan to the local board of education only if the
42 proposed building-level differentiated pay plan has the approval of a
43 majority of the staff who voted on the plan.

1 The local board of education shall accept or reject the building-
2 level differentiated pay plan. The local board shall not make any
3 substantive changes in any building-level plan that it accepts; the local
4 board shall set out any building-level plan that it accepts in the
5 systemwide differentiated pay plan. If the local board rejects a
6 building-level plan, the local board shall state with specificity its
7 reasons for rejecting the plan; the principal of the school for which the
8 plan was rejected, representatives of the building-level staff, and
9 parents of children enrolled in the school may then prepare another
10 plan, present it to all of the staff eligible to receive differentiated pay,
11 in accordance with G.S. 115C-238.4(a), for a vote, and submit it to the
12 local board for inclusion in the systemwide plan. If no building-level
13 plan is accepted for a school before March 15 of the fiscal year
14 preceding the fiscal year in which participation is sought, the local
15 board may develop a plan for the school building for inclusion in the
16 systemwide plan; the General Assembly urges the local board to utilize
17 the proposed building-level plan to the maximum extent possible when
18 developing such a plan.

19 (3) The local board of education shall develop a plan for differentiated pay
20 for all central office personnel eligible to receive differentiated pay, in
21 accordance with G.S. 115C-238.4(a), and shall include the plan in the
22 systemwide differentiated pay plan.

23 (4) A systemwide differentiated pay plan shall remain in effect for no
24 more than three years. At the end of three years, a plan to continue,
25 discontinue, or modify that differentiated pay plan shall be developed
26 in accordance with subdivisions (2) and (3) of this subsection.

27 (d) Repealed by Session Laws 1991 (Regular Session, 1992), c. 900, s. 75.1(b),
28 effective July 8, 1992."

29 (c) Part 4 of Article 16 of Chapter 115C of the General Statutes is amended by
30 adding a new section to read:

31 **"§ 115C-238.8. Distribution of staff development funds.**

32 The local board of education shall distribute at least seventy-five percent (75%) of
33 the funds appropriated by the State for staff development to implement the local school
34 improvement plan to individual school buildings on the basis of average daily
35 membership. These funds shall be used in accordance with the building-level plan set
36 out in the systemwide plan. The remainder of the funds appropriated by the State for
37 staff development to implement the local school improvement plan shall be used in
38 accordance with the systemwide plan developed and adopted by the local board of
39 education.

40 By October 1 of each year, the principal shall disclose to all affected personnel the
41 total allocation of all funds available to the school for staff development and the
42 superintendent shall disclose to all affected personnel the total allocation of all funds
43 available at the system level for staff development. At the end of the fiscal year, the
44 principal shall make available to all affected personnel a report of all disbursements

1 from the building-level staff development funds, and the superintendent shall make
2 available to all affected personnel a report of all disbursements at the system level of
3 staff development funds."

4 (d) G.S. 115C-238.7(a) reads as rewritten:

5 "(a) There is created the Task Force on Site-Based Management within the
6 Department of Public Instruction.

7 The Task Force shall be composed of ~~15~~20 members appointed as follows:

- 8 (1) The Superintendent of Public Instruction;
- 9 (2) One member of the State Board of Education appointed by the State
10 Board of Education;
- 11 (3) Two members of the Senate appointed by the President Pro Tempore
12 of the Senate;
- 13 (4) Two members of the House of Representatives appointed by the
14 Speaker of the House of Representatives;
- 15 (5) One member of a local board of education appointed by the President
16 Pro Tempore of the Senate after receiving recommendations from The
17 North Carolina State School Boards Association, Inc.;
- 18 (6) One member of a local board of education appointed by the Speaker of
19 the House of Representatives after receiving recommendations from
20 The North Carolina State School Boards Association, Inc.;
- 21 (7) One local school superintendent appointed by the President Pro
22 Tempore of the Senate after receiving recommendations from the
23 North Carolina Association of School Administrators;
- 24 (8) One local school superintendent appointed by the Speaker of the
25 House of Representatives after receiving recommendations from the
26 North Carolina Association of School Administrators;
- 27 (9) One school principal appointed by the President Pro Tempore of the
28 Senate after receiving recommendations from the Tar Heel Association
29 of Principals/Assistant Principals and the Division of Administrators
30 of the North Carolina Association of Educators;
- 31 (10) One school principal appointed by the Speaker of the House of
32 Representatives after receiving recommendations from the Tar Heel
33 Association of Principals/Assistant Principals and the Division of
34 Administrators of the North Carolina Association of Educators;
- 35 (11) One school teacher appointed by the President Pro Tempore of the
36 Senate after receiving recommendations from the North Carolina
37 Association of Educators, Inc., the North Carolina Federation of
38 Teachers, and the Professional Educators of North Carolina, Inc.;
- 39 (12) One school teacher appointed by the Speaker of the House of
40 Representatives after receiving recommendations from the North
41 Carolina Association of Educators, Inc., the North Carolina Federation
42 of Teachers, and the Professional Educators of North Carolina, Inc.;
- 43 ~~and~~

- 1 (13) The Director of the Task Force on Site-Based Management, appointed
 2 by the Superintendent of Public Instruction in accordance with
 3 subsection (d) of this ~~section~~-section;
- 4 (14) One parent of a public school child appointed by the Superintendent
 5 of Public Instruction;
- 6 (15) One at-large member appointed by the Superintendent of Public
 7 Instruction;
- 8 (16) One representative of business and industry appointed by the
 9 Governor;
- 10 (17) One representative of institutions of higher education appointed by the
 11 Board of Governors of The University of North Carolina; and
- 12 (18) One county commissioner appointed by the Superintendent of Public
 13 Instruction after receiving recommendations from the North Carolina
 14 Association of County Commissioners.

15 Members of the Task Force shall serve for two-year terms.

16 All members of the Task Force shall be voting members. Vacancies in the appointed
 17 membership shall be filled by the officer who made the initial appointment. The
 18 Director of the Task Force on Site-Based Management shall serve as chair of the Task
 19 Force.

20 Members of the Task Force shall receive travel and subsistence expenses in
 21 accordance with the provisions of G.S. 120-3.1, G.S. 138-5, and G.S. 138-6."

22 (e) G.S. 115C-21.1(b) reads as rewritten:

23 "(b) The Department of Public Instruction shall monitor and provide a report to
 24 the General Assembly by May 1, 1991, and annually thereafter showing the school units
 25 that have been granted class size waivers pursuant to G.S. ~~115C-238.3(d)~~115C-238.6(a),
 26 have reported class size exceptions, and have converted State-funded teacher positions
 27 to other positions, dollars, or other expenditures."

28 (f) Members appointed to the Site-Based Management Task Force in
 29 accordance with subsection (d) of this section shall serve until September 1, 1994, and
 30 shall be eligible for reappointment. Successive appointments shall be for two-year
 31 terms. The Task Force shall use funds available to it for the 1992-93 fiscal year for
 32 travel and subsistence expenses for members of the Task Force added pursuant to this
 33 section.

34 (g) The State Board of Education shall report to the Joint Legislative
 35 Education Oversight Committee on the guidelines for indicators of school performance
 36 adopted in accordance with subsection (a) of this section no later than February 1, 1994.
 37 School performance indicators shall be addressed in local school improvement plans
 38 modified or adopted after March 15, 1994.

39
 40 **PART 18. DEPARTMENT OF TRANSPORTATION**

41
 42 Requested by: Senator Albertson

43 **PERMANENT HOURLY WORKER STATUS**

1 Sec. 102. (a) The Department of Transportation shall begin converting all
2 existing permanent hourly Highway Maintenance Worker positions to permanent full-
3 time Highway Maintenance Worker status effective July 1, 1993. All current permanent
4 hourly employees shall be evaluated between July 1, 1993, and December 31, 1993, and
5 those receiving satisfactory ratings will be placed in a permanent Highway Maintenance
6 Worker position as they become available. The Department shall cease hiring
7 permanent hourly workers on July 1, 1993, and complete conversion of permanent
8 hourly workers to permanent status by January 1, 1994.

9 (b) G.S. 126-5(c4) is repealed. This subsection becomes effective January 1,
10 1994.

11
12 Requested by: Senator Lee

13 **REPEAL ADDITIONAL FUNDS TO DIVISION OF MOTOR VEHICLES**

14 Sec. 103. G.S. 20-97(c) is repealed.

15
16 Requested by: Senator Lee

17 **RENAME NORTH CAROLINA ELDERLY AND HANDICAPPED**
18 **TRANSPORTATION ASSISTANCE PROGRAM**

19 Sec. 104. G.S. 136-44.27 reads as rewritten:

20 **"§ 136-44.27. North Carolina Elderly and ~~Handicapped-Disabled~~ Transportation**
21 **Assistance Program.**

22 (a) There is established the Elderly and ~~Handicapped-Disabled~~ Transportation
23 Assistance Program that shall provide State financed elderly and ~~handicapped-disabled~~
24 transportation services for counties within the State. The Department of Transportation
25 is designated as the agency of the State responsible for administering State funds
26 appropriated to purchase elderly and ~~handicapped-disabled~~ transportation services for
27 counties within the State. The Department shall develop appropriate procedures
28 regarding the distribution and use of these funds and shall adopt rules to implement
29 these procedures. No funds appropriated pursuant to this act may be used to cover State
30 administration costs.

31 (b) For the purposes of this section, an elderly person is defined as one who has
32 reached the age of 60 or more years, and a ~~handicapped-disabled~~ person is defined as
33 one who has a physical or mental impairment that substantially limits one or more major
34 life activities, an individual who has a record of such impairment, or an individual who
35 is regarded as having such an impairment. Certification of eligibility shall be the
36 responsibility of the county.

37 (c) All funds distributed by the Department under this section are intended to
38 purchase additional transportation services, not to replace funds now being used by
39 local governments for that purpose. These funds are not to be used towards the
40 purchase of transportation vehicles or equipment. To this end, only those counties
41 maintaining elderly and ~~handicapped-disabled~~ transportation services at a level
42 consistent with those in place on January 1, 1987, shall be eligible for additional
43 transportation assistance funds.

1 (d) The Public Transportation Division of the Department of Transportation shall
2 distribute these funds to the counties according to the following formula: fifty percent
3 (50%) divided equally among all counties; twenty-two and one-half percent (22 1/2%)
4 based upon the number of elderly residents per county as a percentage of the State's
5 elderly population; twenty-two and one-half percent (22 1/2%) based upon the number
6 of ~~handicapped~~-disabled residents per county as a percentage of the State's ~~handicapped~~
7 disabled population; and, the remaining five percent (5%) based upon a population
8 density factor that recognizes the higher transportation costs in sparsely populated
9 counties.

10 (e) Funds distributed by the Department under this section shall be used by
11 counties in a manner consistent with transportation development plans which have been
12 approved by the Department and the Board of County Commissioners. To receive
13 funds apportioned for a given fiscal year, a county shall have an approved transportation
14 development plan. Funds that are not obligated in a given fiscal year due to the lack of
15 such a plan will be distributed to the eligible counties based upon the distribution
16 formula prescribed by subsection (d) of this section."

17
18 Requested by: Senators Sands and Lee

19 **POWELL BILL ELIGIBILITY MODIFICATION**

20 Sec. 105. (a)(1) G.S. 136-41.2 is amended by adding a new subsection to
21 read:

22 "(e) Notwithstanding any other provision of law, a municipality that meets the
23 requirements of subsection (a) of this section but does not meet the requirements of
24 subsection (b) of this section shall be eligible to receive funds under G.S. 136-41.1."

25 (2) Notwithstanding the definition of the "State secondary system" in the
26 first paragraph of G.S. 136-44.2, the State secondary road system shall
27 include those portions of the State highway system within the
28 incorporated municipalities that would be eligible to receive funds
29 under G.S. 136-41.1 pursuant to subsection (a) of this section, but only
30 if the municipality chooses not to receive the available funds under
31 G.S. 136-41.1.

32 (b) A municipality that becomes eligible under subdivision (1) of subsection (a)
33 of this section to receive funds under G.S. 136-41.1 has until June 30, 1994, to elect to
34 be eligible to receive either funds under the Powell Bill allocations or funds that may be
35 available for maintenance of secondary roads from the Highway Fund or the Highway
36 Trust Fund. Once the election is made, it cannot be changed. A municipality
37 incorporated after the effective date of this section that could become eligible under
38 subdivision (1) of subsection (a) of this section shall make its eligibility election within
39 one year of the date of its incorporation.

40
41 Requested by: Senator Lee

42 **SMALL URBAN CONSTRUCTION PROGRAM FUNDS**

43 Sec. 106. Of the funds appropriated in this act to the Department of
44 Transportation, the sum of twenty million dollars (\$20,000,000) shall be allocated in

1 each fiscal year of the biennium for small urban construction projects. Fourteen million
2 dollars (\$14,000,000) of these funds shall be allocated equally in each fiscal year of the
3 biennium among the 14 Highway Divisions for the Small Urban Construction Program
4 for small urban construction projects that are located within the area covered by a one-
5 mile radius of the municipal corporate limits. The remaining six million dollars
6 (\$6,000,000) shall be used statewide for rural or small urban highway improvements as
7 approved by the Secretary of the Department of Transportation.

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

10 The Department of Transportation shall report to the members of the General
11 Assembly on projects funded pursuant to this section in each member's district prior to
12 the Board of Transportation's action. The Department shall make a quarterly
13 comprehensive report on the use of these funds to the Joint Legislative Highway
14 Oversight Committee and the Fiscal Research Division.

15
16 Requested by: Senator Lee

17 **AIR CARGO AIRPORT AUTHORITY MARKETING FUNDS TRANSFER**

18 Sec. 107. Of the funds appropriated in this act for the North Carolina Air
19 Cargo Airport Authority, the sum of five hundred thousand dollars (\$500,000) for the
20 1993-94 fiscal year shall be transferred by July 15, 1993, and the sum of five hundred
21 thousand dollars (\$500,000) for the 1994-95 fiscal year shall be transferred by July 15,
22 1994, to the Department of Commerce for marketing of the Global TransPark including
23 two positions, operating support, and advertising funds.

24
25 Requested by: Senator Lee

26 **NORTH CAROLINA BRIDGE AUTHORITY**

27 Sec. 108. (a) Chapter 136 is amended by adding a new Article to read:

28 **"ARTICLE 6F.**

29 **"NORTH CAROLINA BRIDGE AUTHORITY.**

30 **"§ 136-89.159. Bridge projects.**

31 (a) The creation of the North Carolina Bridge Authority is necessitated by:

32 (1) The high cost of constructing long bridges;

33 (2) The need for providing better access to areas of a peninsula of the
34 mainland where egress has been blocked by federal acquisition of
35 property; and

36 (3) The need for providing additional critically needed evacuation routes
37 from the outer banks during hurricanes and in the event of other
38 natural disasters.

39 (b) The North Carolina Bridge Authority shall construct, maintain, repair, and
40 operate a bridge of more than two miles in length going from the mainland to a
41 peninsula from which land egress is through property of the United States.

42 **"§ 136-89.160. Funding for projects.**

1 All expenses incurred in carrying out the provisions of this Article shall be payable
2 solely from funds, including federal funds, that are now or may become available to the
3 Authority in the future for projects.

4 **"§ 136-89.161. North Carolina Bridge Authority.**

5 (a) There is created a body politic and corporate to be known as the 'North
6 Carolina Bridge Authority'. The Authority is constituted a public agency, and the
7 exercise by the Authority of the powers conferred by this Article in the construction,
8 operation, and maintenance of the bridge project shall be deemed and held to be the
9 performance of an essential governmental function.

10 (b) The North Carolina Bridge Authority shall consist of six members:

11 (1) The Secretary of Transportation shall serve as the chairman of the
12 Authority.

13 (2) Three members shall be appointed by the Governor, one for a term
14 expiring on July 1, 1994, one for a term expiring on July 1, 1995, and
15 one for a term expiring on July 1, 1996.

16 (3) Two members shall be appointed by the General Assembly, one upon
17 the recommendation of the President Pro Tempore of the Senate and
18 one upon the recommendation of the Speaker of the House of
19 Representatives, in accordance with G.S. 120-121. The member
20 appointed by the General Assembly upon the recommendation of the
21 Speaker of the House of Representatives shall serve a term expiring on
22 July 1, 1994, and the member appointed by the General Assembly
23 upon the recommendation of the President Pro Tempore of the Senate
24 shall serve a term expiring on July 1, 1995. Thereafter all terms shall
25 be for four years.

26 (c) The successor of each of the appointed members shall be appointed for a term
27 of four years, but any person appointed to fill a vacancy shall be appointed to serve only
28 for the unexpired term, and a member of the Authority shall be eligible for
29 reappointment. Each appointed member of the Authority may be removed by the
30 appointing authority for misfeasance, malfeasance, or willful neglect of duty. Each
31 appointed member of the Authority before entering upon his duties shall take an oath to
32 administer the duties of his office faithfully and impartially, and a record of each oath
33 shall be filed in the office of the Secretary of State.

34 (d) The Authority shall elect one of the appointed members as vice-chairman,
35 and shall also elect a secretary who need not be a member of the Authority. The vice-
36 chairman and secretary shall serve as officers at the pleasure of the Authority. Four
37 members of the Authority shall constitute a quorum, and the affirmative vote of four
38 members shall be necessary for any action taken by the Authority. No vacancy in the
39 membership of the Authority shall impair the right of a quorum to exercise all the rights
40 and perform all the duties of the Authority.

41 (e) The appointed members of the Authority shall receive no salary for their
42 services but shall be entitled to receive per diem and allowances in accordance with the
43 provisions of G.S. 138-5.

1 (f) The Authority shall be located within the Department of Transportation for
2 administrative purposes but shall exercise all of its powers independently of the
3 Department of Transportation.

4 (g) The Authority shall adopt bylaws with respect to the calling of meetings,
5 quorums, voting procedures, the keeping of records, and other organizational and
6 administrative matters as the Authority may determine.

7 **"§ 136-89.162. Powers of the Authority.**

8 (a) The Authority shall have all of the powers necessary to execute the provisions
9 of this Article which shall include at least the following powers:

10 (1) The powers of a corporate body, including the power to sue and be
11 sued, to make contracts, to adopt and use a common seal, and to alter
12 the adopted seal as needed.

13 (2) To establish, purchase, construct, operate, and regulate bridges and to
14 own, lease, sell, or manage real or personal property.

15 (3) To charge and collect tolls and fees for the use of the bridges or for
16 services rendered in the operation of the bridges. A toll shall not
17 exceed ten dollars (\$10.00) and an annual fee for a single vehicle to
18 use the bridge during a year shall not exceed five hundred dollars
19 (\$500.00). The Authority shall report its schedule of tolls and fees to
20 the Joint Legislative Transportation Oversight Committee.

21 (4) To rent, lease, purchase, acquire, own, encumber, or dispose of real or
22 personal property.

23 (5) To establish, construct, purchase, maintain, equip, and operate any
24 structure or facilities associated with a bridge.

25 (6) To pay all necessary costs and expenses in the formation, organization,
26 administration, and operation of the Authority.

27 (7) To apply for, accept, and administer loans and grants of money from
28 any federal agency, from the State or its political subdivisions, or from
29 any other public or private sources available.

30 (8) To adopt, alter, or repeal its own bylaws or rules implementing the
31 provisions of this Article.

32 (9) To employ consulting engineers, architects, attorneys, real estate
33 counselors, appraisers, and other consultants and employees as may be
34 required in the judgment of the Board and to fix and pay their
35 compensation from funds available to the Authority.

36 (10) To procure and maintain adequate insurance or otherwise provide for
37 adequate protection to indemnify the Authority and its officers,
38 directors, agents, employees, adjoining property owners, or the general
39 public against loss or liability resulting from any act or omission by or
40 on behalf of the Authority.

41 (11) To receive and use appropriations from the State, including an
42 appropriation from the proceeds of State general obligation bonds or
43 notes.

1 (b) To execute the powers provided in subsection (a) of this section, the
2 Authority shall determine its policies by majority vote of the members of the Authority
3 present and voting, a quorum having been established.

4 **"§ 136-89.163. Taxation of property of Authority.**

5 Property owned by the Authority is exempt from taxation in accordance with Article
6 V, § 2 of the North Carolina Constitution.

7 **"§ 136-89.164. Acquisition, disposition, or exchange of real property.**

8 The Authority may acquire real property by purchase, negotiation, gift, or devise.
9 When the Authority acquires real property owned by the State, the Secretary of the
10 Department of Administration shall execute and deliver to the Authority a deed
11 transferring fee simple title to the property to the Authority.

12 **"§ 136-89.165. Cooperation by other State agencies.**

13 All State officers and agencies shall render the services to the Authority within their
14 respective functions as may be requested by the Authority.

15 **"§ 136-89-166. Annual and quarterly reports.**

16 The Authority shall, promptly following the close of each fiscal year, submit an
17 annual report of its activities for the preceding year to the Governor, the General
18 Assembly, and the Department of Transportation. Each report shall be accompanied by
19 an audit of its books and accounts. The costs of all audits, whether conducted by the
20 State Auditor's staff or contracted with a private auditing firm, shall be paid from funds
21 of the Authority.

22 The Authority shall submit quarterly reports to the Joint Legislative Transportation
23 Oversight Committee. The reports shall summarize the Authority's activities during the
24 quarter and contain any information about the Authority's activities that is requested by
25 the Committee.

26 **"§ 136-89.167. Dissolution.**

27 Whenever the Authority, by resolution, determines that the purposes for which the
28 Authority was formed have been substantially fulfilled, the Authority may declare itself
29 dissolved. On the effective date of the resolution, the title to all property owned by the
30 Authority at the time of the dissolution shall vest in the State and possession of the
31 property shall be delivered to the State."

32 (b) The Joint Legislative Transportation Oversight Committee shall study the
33 best method for funding the North Carolina Bridge Authority and the construction and
34 maintenance of a bridge in Currituck County from the mainland to the Outer Banks near
35 Corolla, and report its findings to the General Assembly on or before the first day of the
36 1994 Session.

37
38 Requested by: Senator Lee

39 **JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE**

40 Sec. 108.1. (a) G.S. 120-70.50 reads as rewritten:

41 **"§ 120-70.50. Creation and membership of Joint Legislative Highway**
42 **Transportation Oversight Committee.**

43 The Joint Legislative Highway-Transportation Oversight Committee is established.
44 The Committee consists of 16 members as follows:

- 1 (1) Eight members of the Senate appointed by the President Pro Tempore
2 of the Senate, at least two of whom are members of the minority party;
3 and
4 (2) Eight members of the House of Representatives appointed by the
5 Speaker of the House of Representatives, at least three of whom are
6 members of the minority party.

7 Terms on the Committee are for two years and begin on January 15 of each odd-
8 numbered year, except the terms of the initial members, which begin on appointment.
9 Members may complete a term of service on the Committee even if they do not seek
10 reelection or are not reelected to the General Assembly, but resignation or removal from
11 service in the General Assembly constitutes resignation or removal from service on the
12 Committee.

13 A member continues to serve until his successor is appointed. A vacancy shall be
14 filled within 30 days by the officer who made the original appointment."

15 (b) G.S. 120-70.51(a) reads as rewritten:

16 "(a) The Joint Legislative ~~Highway-Transportation Oversight Committee shall:~~
17 may:

- 18 (1) Review reports prepared by the Department of Transportation ~~under~~
19 G.S. 136-184. or any other agency of State government related, in any
20 manner, to transportation, when those reports are required by any law.
21 (2) Monitor the funds deposited in and expenditures from the North
22 Carolina Highway Trust ~~Fund and Fund,~~ the Highway Fund, the
23 General Fund, or any other fund when those expenditures are related,
24 in any manner, to transportation.
25 (3) Determine whether funds ~~in the Trust Fund are spent in accordance~~
26 with G.S. 136-17.2A and Article 14 of Chapter 136. related, in any
27 manner, to transportation are being spent in accordance with law.
28 (4) Determine whether any revisions are needed in the funding for a
29 program for which funds in the Trust ~~Fund-Fund,~~ the Highway Fund,
30 the General Fund, or any other fund when those expenditures are
31 related, in any manner, to transportation may be used, including
32 revisions needed to meet any statutory timetable for the or program.
33 (5) Report to the General Assembly at the beginning of each regular
34 session concerning its determinations of needed changes in the funding
35 ~~for or operation of programs funded from the Trust Fund. related,~~ in
36 any manner, to transportation.

37 These powers, which are enumerated by way of illustration, shall be liberally
38 construed to provide for the maximum oversight by the Committee of all transportation
39 matters in this State."

40 (c) G.S. 120-70.52(a) reads as rewritten:

41 "(a) The President Pro Tempore of the Senate and the Speaker of the House of
42 Representatives shall each designate a cochair of the Joint Legislative ~~Highway~~
43 Transportation Oversight Committee. The Committee shall meet at least once a quarter
44 and may meet at other times upon the joint call of the cochairs."

1 (d) G.S. 136-12(b) reads as rewritten:

2 "(b) At least 30 days before it approves a Transportation Improvement Program in
3 accordance with G.S. 143B-350(f)(4) or approves interim changes to a Transportation
4 Improvement Program, the Department shall submit the proposed Transportation
5 Improvement Program or proposed interim changes to a Transportation Improvement
6 Program to the following members and staff of the General Assembly:

7 (1) The Speaker and the Speaker Pro Tempore of the House of
8 Representatives;

9 (2) The Lieutenant Governor and the President Pro Tempore of the
10 Senate;

11 (3) The Chairs of the House and Senate Appropriations Committees;

12 (4) Each member of the Joint Legislative ~~Highway~~Transportation
13 Oversight Committee; and

14 (5) The Fiscal Research Division of the Legislative Services
15 Commission."

16 (e) G.S. 136-184 reads as rewritten:

17 **"§ 136-184. Reports by Department of Transportation.**

18 (a) The Department of Transportation shall develop, and update annually, a
19 report containing a completion schedule for all projects to be funded from the Trust
20 Fund. The report shall include a separate schedule for the Intrastate System projects,
21 the urban loop projects, and the paving of unpaved State-maintained secondary roads
22 that have a traffic vehicular equivalent of at least 50 vehicles a day. The annual update
23 shall indicate the projects, or portions thereof, that were completed during the preceding
24 fiscal year, any changes in the original completion schedules, and the reasons for the
25 changes. The Department shall submit the report and the annual updates to the Joint
26 Legislative ~~Highway~~Transportation Oversight Committee.

27 (b) The Department of Transportation shall make quarterly reports to the Joint
28 Legislative ~~Highway~~Transportation Oversight Committee containing any information
29 requested by the Committee. The Department shall provide the Committee with all
30 information needed to determine if funds available under the Trust Fund and the
31 Transportation Improvement Program are being spent in accordance with G.S. 136-
32 17.2A."

33 (f) G.S. 143-318.14A(a) reads as rewritten:

34 "(a) Except as provided in subsection (e) below, all official meetings of
35 commissions, committees, and standing subcommittees of the General Assembly
36 (including, without limitation, joint committees and study committees), shall be held in
37 open session. For the purpose of this section, the following also shall be considered to
38 be 'commissions, committees, and standing subcommittees of the General Assembly':

39 (1) The Legislative Research Commission;

40 (2) The Legislative Services Commission;

41 (3) The Advisory Budget Commission;

42 (4) The Joint Legislative Utility Review Committee;

43 (5) The Joint Legislative Commission on Governmental Operations;

44 (6) The Joint Legislative Commission on Municipal Incorporations;

- 1 (7) The Commission on the Family;
2 (8) The Joint Select Committee on Low-Level Radioactive Waste;
3 (9) The Environmental Review Commission;
4 (10) The Joint Legislative ~~Highway~~ Transportation Oversight Committee;
5 (11) The Joint Legislative Education Oversight Committee;
6 (12) The Joint Legislative Commission on Future Strategies for North
7 Carolina;
8 (13) The Commission on Children with Special Needs;
9 (14) The Legislative Committee on New Licensing Boards;
10 (15) The Agriculture and Forestry Awareness Study Commission;
11 (16) The North Carolina Study Commission on Aging; and
12 (17) The standing Committees on Pensions and Retirement."
13 (g) Any law that contains "Joint Legislative Highway Oversight Committee"
14 shall be deemed to refer to the "Joint Legislative Transportation Oversight Committee."
15

16 Requested by: Senator Lee

17 **TRANSFER THE RAIL SAFETY SECTION FROM THE UTILITIES**
18 **COMMISSION TO THE DEPARTMENT OF TRANSPORTATION**

19 Sec. 109. (a) The statutory authority, powers, duties, and functions, records,
20 personnel, and property, including the functions of budgeting and purchasing, of the
21 Rail Safety Section of the Transportation Division of the North Carolina Utilities
22 Commission, is transferred to the Department of Transportation.

23 (b) G.S. 62-41 reads as rewritten:

24 **"§ 62-41. To investigate accidents involving public utilities; to promote general**
25 **safety program.**

26 The Commission may conduct a program of accident prevention and public safety
27 covering all public utilities with special emphasis on highway safety and transport
28 safety and may investigate the causes of any accident on a ~~railroad or~~ highway
29 involving a ~~public utility, or any accident in connection with any other~~ public utility.
30 Any information obtained upon such investigation shall be reduced to writing and a
31 report thereof filed in the office of the Commission, which shall be subject to public
32 inspection but such report shall not be admissible in evidence in any civil or criminal
33 proceeding arising from such accident. The Commission may adopt reasonable rules
34 and regulations for the safety of the public as affected by public utilities and the safety
35 of public utility employees. The Commission shall cooperate with and coordinate its
36 activities for public utilities with similar programs of the Division of Motor Vehicles,
37 the Insurance Department, the Industrial Commission and other organizations engaged
38 in the promotion of highway safety and employee safety."

39 (c) G.S. 62-235 is repealed.

40 (d) G.S. 136-18 is amended by adding two new subdivisions to read:

41 "(30) The Department of Transportation is empowered and directed, from
42 time to time, to carefully examine and inspect the condition of each
43 railroad, its equipment and facilities, in regard to the safety and
44 convenience of the public and the railroad employees. If the

1 Department finds any equipment or facilities to be unsafe, it shall at
2 once notify the railroad company and require the company to repair the
3 equipment or facilities.

4 (31) The Department of Transportation may conduct a program of accident
5 prevention and public safety covering all railroads and may investigate
6 the cause of any railroad accident. In order to facilitate this program,
7 any railroad involved in an accident that must be reported to the
8 Federal Railroad Administration shall also notify the Department of
9 Transportation of the occurrence of the accident."

10 (e) G.S. 62-236 is recodified as G.S. 136-20.1 and reads as rewritten:

11 **"§ 136-20.1. To require installation and maintenance of block system and safety**
12 **devices; automatic signals at railroad intersections.**

13 (a) ~~The Commission is empowered and directed to~~ Department of Transportation
14 shall, to the extent not prohibited by federal law, require any railroad company to install
15 and put in operation and maintain upon the whole or any part of its road an appropriate
16 system of railroad signals and controls, a block signal system system of telegraphy or
17 any other reasonable safety device, but no railroad company shall be required to install a
18 block system upon any part of its road unless at least eight trains each way per day are
19 operated on that part.

20 (b) ~~The Commission is empowered and directed to~~ Department of Transportation
21 shall, to the extent not prohibited by federal law, require, when public safety demands,
22 where two or more railroads cross each other at a common grade, or any railroad crosses
23 any stream or harbor by means of a bridge, to install and maintain such a system of
24 interlocking or automatic interlocking, block, automatic, or automatic block signals as
25 will render it safe for engines and trains to pass over such crossings or bridge without
26 stopping, and to apportion the cost of installation and maintenance between said
27 railroads as may be just and proper."

28 (f) The Department of Transportation shall implement the provisions of this
29 section within funds available.

30
31 Requested by: Senator Lee

32 **IMPLEMENTING SELECTED GPAC RECOMMENDATIONS**

33 Sec. 110. (a) The Department of Transportation shall centralize the monitoring
34 and reporting of data related to small and minority business development firms and civil
35 rights-related matters, and reorganize the Department so that functions related to these
36 activities will be integrated into and institutionalized under the Division of Highways.
37 The Department will comply with this section by July 1, 1993. The Department shall
38 report to the Joint Legislative Highway Oversight Committee by October 1, 1993, on
39 the reorganization of civil rights-related functions within the Department.

40 (b) The Secretary of the Department of Transportation shall submit to the
41 General Assembly and the Joint Legislative Highway Oversight Committee, on or
42 before September 1, 1993, a plan to consolidate part-time driver licensing offices across
43 the State to increase productivity. The plan shall consider the number of applications
44 processed per day by examiners, the number of full-time and part-time offices located in

1 each county, the proximity of offices in each county to one another, population served,
2 costs to support part-time offices, and any other criteria the Secretary deems warranted.
3 The plan shall also document cost savings by office and the estimated increase in
4 productivity due to consolidations. The Secretary of the Department of Transportation
5 shall further notify the Joint Legislative Highway Oversight Committee on or before
6 April 1, 1994, of the amount of funds by which the Division of Motor Vehicles' 1994-95
7 appropriation can be reduced due to consolidation of driver licensing offices.

8 (c) The Secretary of the Department of Transportation shall submit a plan to the
9 Joint Legislative Highway Oversight Committee not later than November 1, 1993,
10 outlining steps the Department plans to take to enhance efficiency of the Vehicle
11 Registration Process.

12 (d)(1) The General Assembly finds that the Department of Transportation is
13 currently seeking funding for 298 more staff positions in its
14 preconstruction units during the next 15 years to handle the work load
15 from the Highway Trust Fund. The majority of these positions are to
16 be filled during the next four years in the Highway Design and
17 Planning Branch and the Environmental Branches.

18 The use of private engineering firms to handle peak work load requirements
19 is a well-founded strategy for avoiding the public-sector problems of
20 staffing up and down for varying work loads.

21 The Department of Transportation is currently contracting out
22 twenty percent (20%) to twenty-five percent (25%) of preconstruction
23 work to private engineering firms. If outside contract forces were used
24 to address the preconstruction work load associated with the additional
25 298 positions, then the level of preconstruction work contracted out
26 would rise to about thirty-two percent (32%) to thirty-six percent
27 (36%).

28 This increase in contracting out work load, from twenty percent
29 (20%) to twenty-five percent (25%), to thirty-two percent (32%) to
30 thirty-six percent (36%) would be a reasonable level of increase
31 because the Highway Trust Fund represents a seventy-eight percent
32 (78%) increase in the pre-1989 preconstruction work load of the
33 Department.

34 (2) The Secretary of Transportation shall submit a plan to the Joint
35 Legislative Highway Oversight Committee, by September 1, 1993, to
36 implement the recommendation in subdivision (1) of this subsection to
37 freeze preconstruction positions and contract out the balance of its
38 preconstruction work to private engineering firms.

39 (e)(1) The General Assembly finds that the Department of Transportation's
40 ongoing strategy to increasingly rely on the use of private engineering
41 firms to perform surveys, process control, and construction
42 engineering and inspection functions should be continued.

43 With the Highway Trust Fund program entering a phase of expanded
44 construction activity, having completed a number of project plans, the

- 1 Department will need to further leverage its in-house construction staff
2 to meet the requirements of the program.
- 3 (2) The increased use of outside contract forces to perform quality control
4 and quality assurance functions will require continued Department of
5 Transportation construction staff involvement in project oversight and
6 verification, careful selection of vendors, and rigorous contract
7 administration of these projects. The level of this outside contracting
8 should be based on the following considerations:
- 9 a. Focus outside contract activity on the peak load requirements of
10 the Highway Trust Fund construction program;
- 11 b. Retain sufficient in-house capability to address the base load
12 requirements of the Highway Trust Fund construction program
13 and properly administer the outside construction engineering
14 and inspection-related contracts; and
- 15 c. Select contractors with significant experience in performing
16 construction engineering and inspection for major road and
17 bridge projects and familiarity with Department of
18 Transportation engineering standards and construction
19 specifications.
- 20 (3) By using private engineering firms to handle more of the Highway
21 Trust Fund program construction work load, the Department of
22 Transportation can reduce the number of new in-house staff required
23 to support the construction portion of the program.
- 24 (4) The Secretary of Transportation shall report to the Joint Legislative
25 Highway Oversight Committee, no later than September 1, 1993, a
26 plan meeting the construction needs of the Highway Trust Fund
27 program with a minimum of new construction staff in the Department
28 of Transportation and increasing the use of outside contract forces
29 while meeting the criteria in subdivisions (1) through (3) of this
30 subsection.
- 31 (f)(1) The General Assembly finds that the Equipment Sections of the 14
32 highway divisions perform maintenance and repair functions for all
33 Department of Transportation equipment, except for sedans which are
34 maintained through the Department of Administration. Each division
35 has between five and 10 garages, including one major division garage.
36 In some cases, two-person garages continue to operate in certain rural
37 areas of the State, where the distance between garages is fairly large
38 (40 to 50 miles). In addition, there are local county garages collocated
39 near the division garages. These latter garages represent a potential
40 opportunity for consolidation, to reduce the overall number of garage
41 facilities maintained by the Department of Transportation.
- 42 (2) The Department of Transportation shall develop a plan to consolidate
43 the equipment section resources associated with the 14 division
44 garages and those 14 Department county garages located nearby for

1 submission to the Joint Legislative Highway Oversight Committee by
2 February 1, 1994.

3 (g)(1) The General Assembly finds that Division Traffic Services units are
4 variously organized, with some units having all field forces reporting
5 to the Division Traffic Services Supervisor and others having signal-
6 related forces assigned to the Assistant Division Traffic Engineer in a
7 Traffic Control Technical Services unit. The latter arrangement
8 provides a better balance of technical and nontechnical traffic services
9 personnel among the middle management positions within this unit,
10 resulting in a more equitable span of control among these supervisory
11 personnel. This alignment recognizes the increasingly technical
12 aspects of traffic signal planning and implementation, while also
13 providing for a more balanced distribution of Traffic Services staff
14 among the Traffic Services supervisors.

15 (2) The Secretary of Transportation shall realign the Traffic Services
16 sections of the 14 Traffic Divisions so that the signal/traffic control
17 personnel report to the Assistant Traffic Engineer and pavement
18 markings/signs personnel report to the Traffic Services Supervisor.

19 (h)(1) The General Assembly finds that the overall level of staffing for the
20 Department of Transportation should be based on:

- 21 a. The determination of resources needed to provide an acceptable
22 level of service, accomplish the annual maintenance program
23 efficiently, and erase the existing maintenance backlog; and
- 24 b. The determination of the most appropriate mix of contract and
25 in-house resources.

26 As the maintenance work load has increased, the Department of
27 Transportation has been able to handle a portion of the increased work
28 through contracting. The Department of Transportation can make
29 additional use of private contractors.

30 (2) The Department of Transportation shall report to the Joint Legislative
31 Highway Oversight Committee, on or before November 1, 1993, a
32 plan on maintenance staffing and on ways to increase efficiency within
33 the maintenance work force. The plan may include:

- 34 a. The continued contracting out of construction activities, as well
35 as those maintenance functions, such as mowing, roadside rest
36 area maintenance, building maintenance, signal installation, and
37 signal maintenance, that it currently contracts;
- 38 b. The contracting out of all of the Secondary Road Construction
39 program and free up the in-house maintenance staff now
40 performing this function to concentrate on backlogged and
41 expanding maintenance needs; and
- 42 c. Expanding the Department's efforts to contract out maintenance
43 functions, by increasing the proportion of contracted work in

1 such areas as: ditch cleaning, landscaping, and bituminous
2 surface treatment resurfacing.

3
4 Requested by: Senator Lee

5 **EQUIPMENT FUND TRANSFER**

6 Sec. 111. The Department of Transportation's Equipment Fund shall pay to
7 the Highway Fund the sum of ten million dollars (\$10,000,000) for the 1993-94 fiscal
8 year.

9
10 Requested by: Senator Lee

11 **VISITOR AND WELCOME CENTER FUNDS**

12 Sec. 112. (a) G.S. 20-79.7(c) reads as rewritten:

13 "(c) Use of Funds in Special Registration Plate Account. –

14 (1) The Division shall deduct the costs of special registration plates,
15 including the costs of issuing, handling, and advertising the availability
16 of the special plates, from the Special Registration Plate Account.

17 (2) From the funds remaining in the Special Registration Plate Account
18 after the deductions in accordance with subdivision (1) of this
19 subsection, there is annually appropriated from the Special
20 Registration Plate Account the sum of two hundred twenty-five
21 thousand dollars (\$225,000) for the 1993-94 fiscal year and the sum of
22 two hundred seventy-five thousand dollars (\$275,000) for the 1994-95
23 fiscal year to provide operating assistance for the Visitor and Welcome
24 Centers:

25 a. On U.S. Highway 17 in Camden County, \$75,000;

26 b. On U.S. Highway 17 in Brunswick County, \$75,000;

27 c. On U.S. Highway 441 in Macon County, \$25,000;

28 d. In the Town of Boone, Watauga County, \$25,000; and

29 e. On U.S. Highway 29 in Caswell County, \$25,000 for the 1993-
30 94 fiscal year and \$75,000 for the 1994-95 fiscal year.

31 (3) The Division shall transfer the remaining revenue in the Account
32 quarterly as follows:

33 ~~(1)~~ a. Thirty-three percent (33%) to the account of the Department of
34 Commerce to aid in financing out-of-state print and other media
35 advertising under the program for the promotion of travel and
36 industrial development in this State.

37 ~~(2)~~ b. Fifty percent (50%) to the Department of Transportation to be used
38 solely for the purpose of beautification of highways other than those
39 designated as interstate. These funds shall be administered by the
40 Department of Transportation for beautification purposes not
41 inconsistent with good landscaping and engineering principles.

42 ~~(3)~~ c. Seventeen percent (17%) to the account of the Department of
43 Human Resources to promote travel accessibility for disabled persons
44 in this State. These funds shall be used to collect and update site

1 information on travel attractions designated by the Department of
2 Commerce in its publications, to provide technical assistance to travel
3 attractions concerning accommodation of disabled tourists, and to
4 develop, print, and promote the publication ACCESS NORTH
5 CAROLINA as provided in G.S. 168-2. Any funds allocated for these
6 purposes that are neither spent nor obligated at the end of the fiscal
7 year shall be transferred to the Department of Administration for
8 removal of man-made barriers to disabled travelers at State-funded
9 travel attractions. Guidelines for the removal of man-made barriers
10 shall be developed in consultation with the Department of Human
11 Resources."

12 (b) The Secretary of Transportation shall review the State's role in funding the
13 operations of the visitor centers receiving funding pursuant to subsection (a) of this
14 section and report the Secretary's findings to the Joint Legislative Highway Oversight
15 Committee by March 1, 1994.

16
17 Requested by: Senator Plyler

18 **FARM EQUIPMENT DEALER PLATE USAGE**

19 Sec. 113. G.S. 20-79(d) reads as rewritten:

20 "(d) Dealer's license plates may be used on motor vehicles owned by, or assigned
21 to, duly licensed motor vehicle dealers of this State when operated on the highways of
22 this State by the dealer, corporate officers of the dealership, salespersons or full-time
23 employees of the dealership, and any designated part-time employees of the dealership;
24 provided, the vehicle is subject to the proof of financial responsibility requirements of
25 Article 9A of this Chapter. A dealer who sells, trades, or services farm tractors may use
26 a dealer license plate on a vehicle that is owned by the dealer and is used to haul farm
27 tractors or any other farm-related equipment sold, traded, or serviced by the dealer. A
28 dealership owner who desires to use dealer's license plates as herein provided shall
29 make application on a form provided by the Division of Motor Vehicles and pay the
30 annual amount set in G.S. 20-87(7)."

31
32 Requested by: Senator Lee

33 **CAP ON DRIVERS EDUCATION COSTS**

34 Sec. 114. Notwithstanding G.S. 20-88.1(c), the amount paid out of the
35 Highway Fund under that subsection for fiscal year 1993-94 and fiscal year 1994-95
36 shall not exceed the sum of twenty-three million one hundred eighty-eight thousand
37 eight hundred twenty-six dollars (\$23,188,826) each year.

38
39 Requested by: Senator Lee

40 **DEPARTMENT OF TRANSPORTATION TO REPORT ON BILLBOARD FEES**

41 Sec. 115. The Department of Transportation shall report to the Joint
42 Legislative Highway Oversight Committee on or before October 1, 1993, concerning
43 billboard fees. The Department shall report on the fees currently collected and the

1 amounts of fees that would be needed to fund the administration of the billboard
2 program.

3
4 Requested by: Senator Lee

5 **DIVISION OF MOTOR VEHICLES TO REPORT ON PERSONNEL EFFECTS**
6 **OF NEW COMPUTER SYSTEM**

7 Sec. 116. The Secretary of Transportation shall report to the Joint Legislative
8 Highway Oversight Committee, on or before October 1, 1993, on the plans for reducing
9 staffing and costs during the 1994-95 fiscal year as a result of the implementation of the
10 new computer systems for Drivers Licensing and Vehicle Registration. The report shall
11 also contain an update on the status of completion of the implementation of the new
12 computer systems as of the date of the report.

13
14 Requested by: Senator Daniel

15 **SOME TEMPORARY FERRY DIVISION POSITIONS CONVERTED TO**
16 **PERMANENT FULL-TIME POSITIONS.**

17 Sec. 116.1. Any temporary positions in the Ferry Division that are filled by
18 personnel who have worked for twenty-four (24) or more months as of the effective date
19 of this act, shall be converted to permanent full-time positions, subject to the approval
20 of the Secretary of Transportation.

21
22 Requested by: Senator Lee

23 **MODIFY AVIATION APPROPRIATION**

24 Sec. 117. (a) G.S. 136-16.4 reads as rewritten:

25 **"§ 136-16.4. Continuing aviation appropriations.**

26 There is ~~annually appropriated, beginning with the 1987-88 fiscal year, appropriated~~
27 ~~from the General Fund to the Department of Transportation for aviation purposes, a sum~~
28 ~~equal to the estimated revenue derived from the State's sales and use taxes (exclusive of~~
29 ~~refunds, penalties, and interest) collected and received on sales made on and after the~~
30 ~~first day of the fiscal year representing sales and use taxes on aircraft, aircraft parts,~~
31 ~~accessories, lubricants and aviation fuel. the sum of eight million four hundred thousand~~
32 dollars (\$8,400,000) for fiscal year 1993-94 and the sum of eight million nine hundred
33 thousand dollars (\$8,900,000) for fiscal year 1994-95. Each subsequent fiscal year,
34 there is appropriated from the General Fund to the Department of Transportation the
35 amount appropriated by this section to the Department of Transportation for the
36 preceding fiscal year, plus or minus the percentage of the amount by which the
37 collection of State sales and use taxes increased or decreased during the preceding fiscal
38 year. The Department of Transportation may use funds appropriated under this section
39 only for aviation purposes."

40 (b) This section becomes effective July 1, 1993.

41
42 Requested by: Senator Lee

43 **DEPARTMENT OF TRANSPORTATION TO REPORT ON THE USE OF**
44 **INMATE LABOR**

1 Sec. 118. The Department of Transportation shall report to the Joint
2 Legislative Highway Oversight Committee, on or before October 1, 1993, on the use of
3 minimum and medium custody inmates. The report shall detail:

- 4 (1) The requirements placed on the Department by G.S. 148-26, the State
5 policy on the employment of prisoners.
- 6 (2) Whether the use of inmate labor is cost-effective.
- 7 (3) Whether the cost-sharing arrangement with the Department of
8 Correction is equitable with respect to the contributions from the
9 Department of Transportation and the Highway Fund.
- 10 (4) A cost-effective analysis comparing the cost and productivity of using
11 inmate labor versus using temporary highway maintenance workers.

12
13 Requested by: Senator Lee

14 **BRANCH AGENT TRANSACTION RATE**

15 Sec. 119. The Division of Motor Vehicles of the Department of
16 Transportation shall compensate a contractor with whom it has a contract under G.S.
17 20-63(h) at the rate of ninety-two cents (92¢) for each transaction performed in
18 accordance with the requirements set by the Division. A transaction is any of the
19 following activities:

- 20 (1) Issuance of a registration plate, a registration card, a registration
21 renewal sticker, or a certificate of title.
- 22 (2) Issuance of a handicapped placard or handicapped identification card.
- 23 (3) Acceptance of an application for a personalized registration plate.
- 24 (4) Acceptance of a surrendered registration plate, registration card, or
25 registration renewal sticker, or acceptance of an affidavit stating why a
26 person cannot surrender a registration plate, registration card, or
27 registration renewal sticker.
- 28 (5) Cancellation of a title because the vehicle has been junked.
- 29 (6) Acceptance of an application for, or issuance of, a refund for a fee or a
30 tax, other than the highway use tax.
- 31 (7) Receipt of the civil penalty imposed by G.S. 20-309 for a lapse in
32 financial responsibility or receipt of the restoration fee imposed by that
33 statute.
- 34 (8) Acceptance of a notice of failure to maintain financial responsibility
35 for a motor vehicle.
- 36 (9) Collection of the highway use tax.

37 Performance at the same time of any combination of the items that are listed
38 within each subdivision or are listed within subdivisions (1) through (8) of this section
39 is a single transaction. Performance of the item listed in subdivision (9) of this section
40 in combination with any other items listed in this section is a separate transaction.

41
42 Requested by: Senator Lee

43 **HIGHWAY FUND ALLOCATIONS BY CONTROLLER**

1 Sec. 120. The Controller of the Department of Transportation shall allocate
2 at the beginning of each fiscal year from the various appropriations made to the
3 Department of Transportation in this act, Titles:

4 State Construction

5 State Funds to Match Federal Highway Aid

6 State Maintenance

7 Ferry Operations,

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

10
11 Requested by: Senator Lee

12 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
13 **APPROPRIATIONS**

14 Sec. 121. (a) The General Assembly authorizes and certifies anticipated
15 revenues of the Highway Fund as follows:

16 For Fiscal Year 1995-96 \$969,300,000

17 For Fiscal Year 1996-97 \$979,400,000.

18 (b) The General Assembly authorizes and certifies anticipated revenues of the
19 Highway Trust Fund as follows:

20 For Fiscal Year 1995-96 \$578,200,000

21 For Fiscal Year 1996-97 \$590,200,000.

22
23 Requested by: Senator Lee

24 **HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES**

25 Sec. 122. (a) Overexpenditures from Section 4 of this act may be made by
26 authorization of the Director of the Budget, Titles:

27 State Construction Primary Construction

28 State Construction Urban Construction

29 State Construction Access and Public Service Roads

30 State Funds to Match Federal Highway Aid

31 State Maintenance

32 Ferry Operations,

33 provided that there are corresponding underexpenditures from these same Titles.
34 Overexpenditures or underexpenditures in any Titles may not vary by more than ten
35 percent (10%) without prior consultation with the Advisory Budget Commission.
36 Written reports covering overexpenditures or underexpenditures of more than ten
37 percent (10%) shall be made to the Joint Legislative Highway Oversight Committee.
38 The reports shall be delivered to the Director of the Fiscal Research Division not less
39 than 96 hours prior to the beginning of the Committee's full meeting.

40 (b) Overexpenditures from Section 4 of this act, Titles:

41 State Construction Primary Construction

42 State Construction Urban Construction

43 State Construction Access and Public Service Roads

44 State Funds to Match Federal Highway Aid

1 State Maintenance
2 Ferry Operations,
3 for the purpose of providing additional positions shall be approved by the Director of
4 the Budget and shall be reported on a quarterly basis to the Joint Legislative Highway
5 Oversight Committee and to the Fiscal Research Division.
6

7 Requested by: Senator Lee

8 **RESURFACED ROADS MAY BE WIDENED**

9 Sec. 123. Of the contract maintenance resurfacing program funds
10 appropriated in this act to the Department of Transportation, an amount not to exceed
11 fifteen percent (15%) of the Board of Transportation's allocation of these funds may be
12 used for widening existing narrow pavements that are scheduled for resurfacing. The
13 Department of Transportation shall report on the use of these funds to the Joint
14 Legislative Highway Oversight Committee and the Fiscal Research Division by May
15 15, 1994.
16

17 Requested by: Senator Lee

18 **HIGHWAY FUND ADJUSTMENTS TO REFLECT ACTUAL REVENUE**

19 Sec. 124. Any unreserved credit balance in the Highway Fund on June 30 of
20 each of the fiscal years of this biennium shall support appropriations in the succeeding
21 fiscal year. If all of the balance is not needed for these appropriations, the Director of
22 the Budget may use the remaining excess to establish a reserve for access and public
23 roads, a reserve for unforeseen happening of a state of affairs requiring prompt action as
24 provided by G.S. 136-44.1, and other required reserves. Actual revenue in excess of
25 estimated revenue shall be placed in the reserve for highway maintenance. If all of the
26 remaining excess is not used to establish these reserves, the remainder shall be allocated
27 to the State-funded maintenance appropriations in the manner approved by the Board of
28 Transportation. The Board of Transportation shall report monthly to the Joint
29 Legislative Highway Oversight Committee and the Fiscal Research Division about the
30 use of the reserve for highway maintenance.
31

32 Requested by: Senator Lee

33 **DEPARTMENT OF TRANSPORTATION TO PAY COMPENSATION OF**
34 **ATTORNEYS ASSIGNED TO MOTOR VEHICLES DIVISION BY THE**
35 **ATTORNEY GENERAL**

36 Sec. 125. The Department of Transportation shall pay the compensation,
37 including salaries and benefits, of the attorneys assigned to the Division of Motor
38 Vehicles by the Attorney General. The funds to pay the compensation for those legal
39 positions shall be taken from the Highway Fund.
40

41 Requested by: Senator Lee

42 **DEPARTMENT OF TRANSPORTATION EXEMPTION FROM GENERAL**
43 **STATUTES FOR EXPERIMENTAL PROJECT-CONGESTION**
44 **MANAGEMENT**

1 Sec. 126. The Department of Transportation may enter into a design-build-
2 warrant contract to develop, with Federal Highway Administration participation under
3 The 1991 Intermodal Surface Transportation Efficiency Act, Title VI, Part B, Sections
4 6051-6059, a "Congestion Avoidance and Reduction for Autos and Trucks (CARAT)"
5 system of traffic management for the greater Charlotte-Mecklenburg urban areas.
6 Notwithstanding any other provision of law, contractors, contractors' employees, and
7 Department of Transportation employees involved in this project only do not have to be
8 licensed by occupational licensing boards as "license" and "occupational licensing
9 board" are defined in G.S. 93B-1 and for the purpose of entering into contracts, the
10 Department of Transportation is exempted from the provisions of the following General
11 Statutes: G.S. 136-28.1, 143-52, 143-53, 143-58, 143-128, and 143-129. These
12 statutory exemptions are limited and available only to the extent necessary to comply
13 with federal rules, regulations, and policies for completion of this project.

14 The Department of Transportation shall report quarterly to the Joint
15 Legislative Highway Oversight Committee on its efforts to enter into a design-build-
16 warrant contract and to award and construct the project. The report shall include, but
17 not be limited to, the number of types of firms bidding on the project, special
18 qualifications of the firms bidding, and the effect statutory exemptions might have had
19 on the award and construction of the project and the receipt of federal discretionary
20 funding for the project.

21
22 Requested by: Senator Lee

23 **BRIDGE FORMULA EXCEPTIONS**

24 Sec. 126.1. G.S. 20-118(i)(6) reads as rewritten:

25 "(6) Vehicles described in G.S. 20-118(i)(2) shall be permitted to operate
26 on all streets and highways of North Carolina, except Interstate
27 highways until October 1, ~~1993~~, 1998, subject to light-traffic road
28 limitation, and subject to the penalties for axle weight, tandem-axle
29 weight and gross vehicle weight for exceeding weights permitted by
30 this subsection at the same rate as is provided for by G.S. 20-118(e)."

31 32 **PART 19. DEPARTMENT OF CORRECTION**

33
34 Requested by: Senator Odom

35 **USE OF INMATES FOR PRISON CONSTRUCTION**

36 Sec. 127. (a) The State may require contractors awarded bids for construction of
37 facilities funded by the remaining eighty-seven million five hundred thousand dollars
38 (\$87,500,000) of the two hundred million dollars (\$200,000,000) in bond proceeds
39 authorized by Chapter 935 of the 1989 Session Laws to use a work force that includes
40 inmates provided to the contractors by the Department of Correction; the requirement
41 may provide that such inmates shall compose at least twenty percent (20%) of the
42 contractor's work force. The Office of State Construction and the Department of
43 Correction shall report quarterly to the Joint Legislative Commission on Governmental
44 Operations, the Chairs of the House and Senate Appropriations Subcommittees on

1 Justice and Public Safety, and the Fiscal Research Division on the use of inmates by
2 private contractors.

3 (b) The Department of Correction shall report quarterly to the Joint Legislative
4 Commission on Governmental Operations, the Chairs of the House and Senate
5 Appropriations Subcommittees on Justice and Public Safety, and the Fiscal Research
6 Division on the inmate construction program used to construct the East Work Facility
7 and the West Work Facility.

8

9 Requested by: Senator Odom

10 **CURRENT OPERATING EXPENSES**

11 Sec. 128. From the funds appropriated to the Department of Correction in the
12 certified budget for the 1993-94 fiscal year, the Department may transfer within its
13 budget up to five million dollars (\$5,000,000) for repair and renovation of its facilities.
14 The use of these funds shall be subject to the prior approval of the Office of State
15 Budget and Management. The Department of Correction shall have a verifiable ten
16 percent (10%) goal for participation by minority and women contractors in these
17 projects. If necessary, the Department may transfer within its budget up to six hundred
18 fifty thousand dollars (\$650,000) in each fiscal year to match federal grant funds
19 received by the Department.

20 The Department of Correction shall submit a schedule of repairs and
21 renovations funded pursuant to this section and shall provide information on the use of
22 minority and women contractors for those projects in a quarterly report to the Joint
23 Legislative Commission on Governmental Operations and to the Chairs of the Senate
24 and House Appropriations Subcommittees on Justice and Public Safety.

25

26 Requested by: Senator Odom

27 **LIMIT USE OF OPERATIONAL FUNDS**

28 Sec. 129. Funds appropriated in this act to the Department of Correction for
29 operational costs for additional facilities shall be used for personnel and operating
30 expenses set forth in the budget approved by the General Assembly in this act. These
31 funds may not be expended for any other purpose, and may not be expended for
32 additional prison personnel positions until the new facilities are within 90 days of
33 completion, except for certain management and support positions necessary to prepare
34 the facility for opening, as authorized in the budget approved by the General Assembly.

35

36 Requested by: Senator Odom

37 **PRIVATE CONFINEMENT FACILITIES**

38 Sec. 130. Section 67 of Chapter 689 of the 1991 Session Laws reads as
39 rewritten:

40 "Sec. 67. No for-profit, privately owned or operated confinement facilities may be
41 added to the State prison system unless approved by the General Assembly.
42 Notwithstanding the provisions of this section or any other provision of law, the
43 Secretary of Correction may issue a request for proposal or employ other appropriate
44 bidding process or procedure to determine contract terms or conditions under which

1 private for-profit or nonprofit firms would offer to provide and operate treatment centers
2 totalling 500 beds for prisoners committed to the custody of the Department of
3 Correction who are diagnosed as needing treatment for alcohol or drug abuse. The State
4 may contract with private, nonprofit firms to provide or operate work and study release
5 centers for women and for youth."
6

7 Requested by: Senator Odom

8 **NCCIW/MATCH PROGRAM FUNDS**

9 Sec. 131. Funds from the one hundred twelve million five hundred thousand
10 dollars (\$112,500,000) in bond proceeds appropriated and allocated for repairs and
11 renovations at the North Carolina Correctional Institution for Women in Section 239 of
12 Chapter 689 of the 1991 Session Laws, as amended by Section 41(a) of Chapter 1044 of
13 the 1991 Session Laws, shall be used to provide a gatehouse and a visiting/operations
14 center that will include designated space for the Mothers and Their Children (MATCH)
15 program. The MATCH program will be a specialized treatment program that will
16 provide supervised visitation between inmates and their children and hold classes in
17 parenting and related subjects.
18

19 Requested by: Senator Odom

20 **SUMMIT HOUSE**

21 Sec. 132. (a) Of the funds appropriated to the Department of Correction, the
22 sum of four hundred thousand dollars (\$400,000) for the 1993-94 fiscal year, and the
23 sum of four hundred thousand dollars (\$400,000) for the 1994-95 fiscal year, shall be
24 used to support the program at Summit House, a community-based residential
25 alternative to incarceration for mothers and pregnant women convicted of nonviolent
26 crimes, including expansion of nonresidential day center services.

27 (b) Of the funds appropriated to the Department of Correction for the 1993-94
28 fiscal year, the sum of one hundred fifty thousand dollars (\$150,000) shall be used for
29 planning and site selection of satellite Summit House programs in Mecklenburg and
30 Wake Counties. Any funds appropriated by this section for planning and site selection
31 which are available after completion of the planning and site selection process may be
32 used by Mecklenburg and Wake Counties to supplement local resources allocated for
33 site acquisition.

34 (c) Of the funds appropriated to the Department of Correction for the 1994-95
35 fiscal year, the sum of five hundred thousand dollars (\$500,000) shall be used for the
36 sharing of operating costs of satellite Summit House programs in Mecklenburg and
37 Wake Counties. The funds appropriated for operating costs of the satellite programs in
38 Mecklenburg and Wake Counties shall be matched by each county and each county
39 shall provide a site or facility for the satellite program in that county.

40 (d) Each fiscal year, Summit House shall report quarterly to the Joint Legislative
41 Commission on Governmental Operations on the expenditure of State appropriations
42 and on the effectiveness of the program, including information on the number of clients
43 served, the number of clients who have their probation revoked, and the number of
44 clients who successfully complete the program while housed at Summit House. For the

1 1993-94 fiscal year, Summit House shall report to the Joint Legislative Commission on
2 Governmental Operations on the progress of the planning and site selection process for
3 the satellite programs funded by this section. For the 1994-95 fiscal year, Summit
4 House shall report to the Joint Legislative Commission on Governmental Operations on
5 the expansion of its program into Mecklenburg and Wake Counties.

6
7 Requested by: Senator Odom

8 **HARRIET HOUSE**

9 Sec. 133. Of the funds appropriated to the Department of Correction, the sum
10 of two hundred thousand dollars (\$200,000) for the 1993-94 fiscal year, and the sum of
11 two hundred thousand dollars (\$200,000) for the 1994-95 fiscal year, shall be used to
12 support the programs of Harriet House, a transitional home for female ex-offenders and
13 their children. Harriet House shall report quarterly to the Joint Legislative Commission
14 on Governmental Operations on the expenditure of State appropriations and on the
15 effectiveness of the program including information on the number of clients served and
16 the number of clients who successfully complete the Harriet House program.

17
18 Requested by: Senator Plyler

19 **SENTENCING COMMISSION EXTENDED**

20 Sec. 133.1. (a) Section 8 of Chapter 1076 of the 1989 Session Laws, as
21 amended by Chapters 812 and 816 of the 1991 Session Laws, reads as rewritten:

22 "Sec. 8. This act is effective upon ratification, and shall expire July 8, ~~1993~~, 1,
23 1994."

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, ~~1992~~, 1993. New members
27 shall be appointed or the existing members reappointed by the appointing authorities to
28 serve until July 1, ~~1993~~, 1994, unless they resign or are removed. Members serving by
29 virtue of elective or appointive office or as designees of such officeholders may serve
30 only so long as the officeholders hold those respective offices. Members appointed by
31 the Speaker of the House and the President Pro Tempore of the Senate may be removed
32 by the appointing authority without cause. Vacancies occurring before the expiration of
33 a 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
43 Requested by: Senator Odom

44 **INMATE INCENTIVE PAY**

1 Sec. 133.2. G.S. 148-18(a) reads as rewritten:

2 "(a) Prisoners employed in prison enterprises shall be compensated at hourly rates
3 fixed by the Department of Correction's rules and regulations, or on the basis of
4 production quotas established by prison enterprises, for work performed; provided, that
5 no prisoner working for prison enterprises shall be paid more than ~~one dollar (\$1.00)~~
6 three dollars (\$3.00) per day from funds made available by the Prison Enterprises Fund.

7 Prisoners employed other than by prison enterprises and those involved in the
8 maintenance and housekeeping of the prison system, shall be compensated at rates fixed
9 by the Department of Correction's rules and regulations; provided, that no prisoner so
10 paid shall receive more than one dollar (\$1.00) per day. The source of wages and
11 allowances provided inmates who are not employed by prison enterprises shall be funds
12 provided by the Department of Transportation to the Department of Correction for this
13 purpose. The provisions of this subsection shall not apply to wages paid by private
14 prison enterprises conducted pursuant to G.S. 148-70."

15

16 **PART 20. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

17

18 Requested by: Senator Odom

19 **REPORT ON COMMUNITY SERVICE WORKERS**

20 Sec. 134. The Department of Crime Control and Public Safety shall report
21 quarterly in the 1993-94 fiscal year and the 1994-95 fiscal year to the Joint Legislative
22 Commission on Governmental Operations and the Fiscal Research Division on the
23 number of community service workers who were available during each month of the
24 time period preceding that report to perform repairs and maintenance of the parks and
25 when and where they were available.

26

27 Requested by: Senator Odom

28 **RAPE VICTIMS ASSISTANCE PROGRAM**

29 Sec. 135. (a) Notwithstanding G.S. 143-12 or any other provision of law, the
30 Department of Crime Control and Public Safety may utilize up to one hundred fifty
31 thousand dollars (\$150,000) of funds received, but not used, from the contingency and
32 emergency fund in order to liquidate unpaid invoices for hospital emergency room
33 services provided to rape victims and to provide rape evidence collection kits to hospital
34 emergency rooms.

35 (b) This section becomes effective June 30, 1993.

36

37 Requested by: Senator Odom

38 **NATIONAL GUARD DISASTER TRAINING**

39 Sec. 136. (a) G.S. 166A-6 is amended by adding a new subsection to read:

40 "(d) In preparation for a state of disaster, with the concurrence of the Council of
41 State, the Governor may use contingency and emergency funds as necessary and
42 appropriate for National Guard training in preparation for disasters."

43 (b) This section is effective upon ratification.

44

1 Requested by: Senators Lee and Odom

2 **REPORT BY HIGHWAY PATROL DIVISION**

3 Sec. 137. The Department of Crime Control and Public Safety, Highway
4 Patrol Division, shall prepare a written report to the Senate and House Appropriations
5 Committees on Justice and Public Safety and to the Joint Appropriations Committee on
6 Transportation on the following:

- 7 (1) Development of a long-range staffing plan, including optimum patrol
8 strength;
- 9 (2) Assignment of troopers to counties, including a plan for the revision of
10 county assignments that reflects overall staffing levels;
- 11 (3) Development of a plan for reciprocity with local law enforcement
12 agencies that specifies the number of local law enforcement officers
13 eligible to participate in training offered by the Division;
- 14 (4) Justification of the use of troopers on special assignment to provide
15 security services at special and public events, including sporting
16 events, and the development of a rate of reimbursement for services
17 provided at special and public events; and
- 18 (5) Justification of the annual automatic pay increase currently provided to
19 sworn Division personnel.

20 By April 30, 1994, the Department of Crime Control and Public Safety, Highway Patrol
21 Division, shall provide copies of the report to the Senate and House Appropriations
22 Committees on Justice and Public Safety and to the Joint Appropriations Committee on
23 Transportation, and to the Fiscal Research Division of the Legislative Services Office.
24 The Division shall be available to present the report to the Senate and House
25 Appropriations Committees on Justice and Public Safety and to the Joint Appropriations
26 Committee on Transportation within five days of the convening of the Joint
27 Appropriations Committee. The Senate and House Appropriations Committees on
28 Justice and Public Safety and the Joint Appropriations Committee on Transportation
29 shall meet within five days of the convening of the Joint Appropriations Committee to
30 receive the report required by this section.

31

32 **PART 21. JUDICIAL DEPARTMENT**

33

34 Requested by: Senator Odom

35 **AOC NETWORK TRANSFER STUDY**

36 Sec. 138. The Information Resource Management Commission and the
37 Administrative Office of the Courts jointly shall prepare a written evaluation of the
38 costs, benefits, and feasibility of transferring ownership of the Administrative Office of
39 the Courts' network back to the ownership and management of the State
40 Telecommunications System. The evaluation shall include an independent study to
41 determine whether the incremental operating costs (including incremental overhead
42 costs) are lower under the State Telecommunications System and whether a service
43 level agreement between the State Telecommunications System and the Administrative
44 Office of the Courts that meets the Administrative Office of the Courts' requirements for

1 network service can be developed. The Information Resource Management
2 Commission and the Administrative Office of the Courts jointly shall present the written
3 evaluation to the Joint Legislative Commission on Governmental Operations not later
4 than December 31, 1993.

5
6 Requested by: Senator Odom

7 **INDIGENT PERSONS' ATTORNEY FEE FUND**

8 Sec. 139. (a) Effective July 1, 1993, the Administrative Office of the Courts
9 shall each year of the 1993-95 biennium place the sum of three million eight hundred
10 thousand dollars (\$3,800,000) from the Indigent Persons' Attorney Fee Fund in a
11 reserve for capital cases and for transcripts, professional examinations, and expert
12 witness fees. The Administrative Office of the Courts shall allot these funds as needed
13 for these purposes and for unanticipated demands on the fund.

14 (b) Effective July 1, 1993, the Administrative Office of the Courts shall, for each
15 year of the biennium, allot the sum of eleven million five hundred thousand dollars
16 (\$11,500,000) from the Indigent Persons' Attorney Fee Fund for adult, juvenile, and
17 guardian **ad litem** cases for the 1993-94 and 1994-95 fiscal years to each judicial
18 district in which the superior and district court districts are coterminous, and otherwise
19 by county, according to the caseload of indigent persons who were not represented by
20 the public defender in the districts or counties during 1992-93 and 1993-94,
21 respectively.

22 The Administrative Office of the Courts shall notify all senior resident
23 superior court judges, all chief district court judges, and the clerk of superior court
24 within the district or county immediately after the allotment is made and shall regularly
25 notify them how much remains for the district or county.

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

34 (c) If the funds allotted pursuant to subsection (b) of this section are depleted in a
35 district or county prior to the end of the fiscal year, the Administrative Office of the
36 Courts shall allot the remaining funds from the Indigent Persons' Attorney Fee Fund in
37 the same manner as provided in subsection (b) of this section. However, if necessary
38 and appropriate due to unusual and unanticipated circumstances occurring in the current
39 year, the Administrative Office of the Courts may allocate funds to a district or county
40 in a manner calculated to result in the reasonably fair distribution of remaining funds.
41 Such funds shall be subject to the limitations and directions set out in subsection (b) of
42 this section.

43 (d) If the funds allotted pursuant to subsection (c) of this section are depleted in a
44 district or county prior to the end of the fiscal year, the Administrative Office of the

1 Courts is authorized to resume payments in such districts or counties only if and when it
2 is reasonably determined that the total projected expenditures will be less than the total
3 approved budget for the Indigent Persons' Attorney Fee Fund for the fiscal year.

4
5 Requested by: Senator Odom

6 **SPECIAL CAPITAL CASE REHEARING FUND**

7 Sec. 140. (a) There is continued in the Judicial Department the nonreverting
8 special fund known as "The Special Capital Case Rehearing Fund". The funds shall be
9 used to provide for resentencing hearings, related appeals, and postconviction hearings
10 required by the decisions of the United States Supreme Court in McKoy v. North
11 Carolina, decided March 5, 1990, and of the Supreme Court of North Carolina upon
12 remand of that case, including the payment of attorneys' fees and related expenses for
13 representation of indigent persons as specified in Subchapter IX of Chapter 7A of the
14 General Statutes. The Special Capital Case Rehearing Fund shall terminate, and all
15 funds remaining in it shall be transferred to the Indigent Persons' Attorney Fee Fund,
16 when the Director of the Administrative Office of the Courts certifies to the State
17 Controller that all reasonably foreseeable resentencing hearings, related appeals, and
18 postconviction hearings have been substantially completed.

19 (b) Of the funds appropriated from the General Fund to the Judicial Department
20 for the 1993-95 biennium, the sum of one million forty-eight thousand four hundred
21 twenty-four dollars (\$1,048,424) for the 1993-94 fiscal year and the sum of one million
22 forty-eight thousand four hundred twenty-four dollars (\$1,048,424) for the 1994-95
23 fiscal year may be used for the purposes indicated in this section.

24
25 Requested by: Senator Odom

26 **COMMUNITY PENALTIES PROGRAMS**

27 Sec. 141. (a) Of the funds appropriated from the General Fund to the Judicial
28 Department for the 1993-95 biennium to conduct the community penalties programs,
29 the sum of one million nine hundred eighteen thousand nine hundred twelve dollars
30 (\$1,918,912) for the 1993-94 fiscal year and the sum of one million nine hundred
31 eighteen thousand nine hundred twelve dollars (\$1,918,912) for the 1994-95 fiscal year
32 may be allocated by the Judicial Department in any amount among existing community
33 penalties programs or may be used to establish new community penalties programs.

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

37
38 Requested by: Senator Odom

39 **RAPE VICTIM WITNESS COUNSELOR PROGRAM**

40 Sec. 142. From funds appropriated to the Judicial Department in the certified
41 budget for the 1993-95 biennium, the Administrative Office of the Courts may transfer
42 within its budget up to twenty-five thousand dollars (\$25,000) for the 1993-94 fiscal
43 year and up to twenty-five thousand dollars (\$25,000) for the 1994-95 fiscal year to
44 support the existing Rape Victim Witness Counselor Program.

1

2 Requested by: Senator Odom

3 **GRANT MATCHING FUNDS**

4 Sec. 143. From the funds appropriated to the Judicial Department in the
5 certified budget for the 1993-95 biennium, the Administrative Office of the Courts may
6 transfer within its budget for each fiscal year up to two hundred thousand dollars
7 (\$200,000) to match any grants awarded to the Judicial Department from non-State
8 funds.

9

10 Requested by: Senator Odom

11 **EXTEND INDIGENT PERSONS' ATTORNEY REPRESENTATION**
12 **CONTRACT PROGRAM**

13 Sec. 144. G.S. 7A-344 reads as rewritten:

14 **"§ 7A-344. Special duties of Director concerning representation of indigent**
15 **persons.**

16 In addition to the duties prescribed in G.S. 7A-343, the Director shall also:

- 17 (1) Supervise and coordinate the operation of the laws and regulations
18 concerning the assignment of legal counsel for indigent persons under
19 Subchapter IX of this Chapter to the end that all indigent persons are
20 adequately represented;
- 21 (2) Advise and cooperate with the offices of the public defenders as
22 needed to achieve maximum effectiveness in the discharge of the
23 defender's responsibilities;
- 24 (3) Collect data on the operation of the assigned counsel and the public
25 defender systems, and make such recommendations to the General
26 Assembly for improvement in the operation of these systems as appear
27 to him to be appropriate; and
- 28 (4) Accept and utilize federal or private funds, as available, to improve
29 defense services for the indigent, including indigent juveniles alleged
30 to be delinquent or undisciplined. To facilitate processing of juvenile
31 and other indigent cases, the administrative officer is further
32 authorized, in any ~~district court district, district or set of districts as~~
33 defined in G.S. 7A-41.1(a), with the approval of the chief district court
34 judge, judge for cases in the district court division and the approval of
35 the senior resident superior court judge for cases in the superior court
36 division, to engage the services of a particular attorney or attorneys to
37 provide specialized representation on a full-time or part-time basis."

38

39 Requested by: Senator Odom

40 **TRANSFER OF EQUIPMENT AND SUPPLY FUNDS**

41 Sec. 145. Funds appropriated to the Judicial Department in the 1993-95
42 biennium for equipment and supplies shall be certified in a reserve account. The
43 Administrative Office of the Courts shall have the authority to transfer these funds to
44 the appropriate programs and between programs as the equipment priorities and supply

1 consumptions occur during the operating year. These funds may not be expended for
2 any other purpose. The Administrative Office of the Courts shall make quarterly reports
3 on transfers made pursuant to this section to the Joint Legislative Commission on
4 Governmental Operations and the Chairs of the Senate and House Appropriations
5 Subcommittees on Justice and Public Safety.

6
7 Requested by: Senator Odom

8 **ADDITIONAL PUBLIC AND APPELLATE DEFENDER PERSONNEL**

9 Sec. 146. From funds appropriated to the Indigent Persons' Attorney Fee
10 Fund in the Judicial Department for the 1993-95 biennium, the Administrative Office of
11 the Courts may use up to four hundred sixty-six thousand two hundred thirty dollars
12 (\$466,230) in the 1993-94 fiscal year and up to four hundred seventy-one thousand nine
13 hundred eighty-nine dollars (\$471,989) in the 1994-95 fiscal year for salaries, benefits,
14 and related expenses to be allocated as follows:

- 15 (1) \$217,060 in the 1993-94 fiscal year and \$234,478 in the 1994-95 fiscal
16 year to establish up to four new assistant public defenders;
- 17 (2) \$140,640 in the 1993-94 fiscal year and \$119,555 in the 1994-95 fiscal
18 year to establish up to five new public defender secretaries; and
- 19 (3) \$108,530 in the 1993-94 fiscal year and \$117,478 in the 1994-95 fiscal
20 year to establish up to two new assistant appellate defenders.

21
22 Requested by: Senator Odom

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

25 Sec. 147. Notwithstanding the provisions of Section 78 of Chapter 689 of the
26 1991 Session Laws, the Judicial Department may transfer up to the sum of one million
27 one hundred thousand dollars (\$1,100,000) from the Special Capital Case Rehearing
28 Fund, established in Section 2 of Chapter 742 of the 1991 Session Laws, to the Indigent
29 Persons' Attorney Fee Fund during the 1993-94 fiscal year to pay the obligations
30 incurred by the Indigent Persons' Attorney Fee Fund.

31
32 Requested by: Senator Odom

33 **REGIONAL MEDIATION CENTER IN PITT COUNTY TO PROVIDE**
34 **MEDIATION SERVICES TO EASTERN NORTH CAROLINA**

35 Sec. 147.1. Of the funds appropriated to the Judicial Department from the
36 General Fund for the 1993-94 fiscal year, the sum of forty thousand dollars (\$40,000)
37 may be used for The Mediation Center of Pitt County, Inc., a dispute settlement center
38 in Pitt County, to establish a regional mediation and dispute settlement center to serve
39 eastern North Carolina.

40
41 Requested by: Senator Odom

42 **EMERGENCY JUDGES' PER DIEM INCREASE**

43 Sec. 148. (a) G.S. 7A-52(b) reads as rewritten:

"(b) In addition to the compensation or retirement allowance ~~he~~the judge would otherwise be entitled to receive by law, each emergency judge of the district or superior court who is assigned to temporary active service by the Chief Justice shall be paid by the State ~~his~~the judge's actual expenses, plus ~~one hundred fifty dollars (\$150.00)~~two hundred dollars (\$200.00) for each day of active service rendered upon recall. No recalled retired trial judge shall receive from the State total annual compensation for judicial services in excess of that received by an active judge of the bench to which the judge is recalled."

(b) Of the funds appropriated in this act to the Judicial Department, up to seventy-seven thousand seven hundred twenty-two dollars (\$77,722) for the 1993-94 fiscal year and up to eighty-one thousand five hundred ninety-eight dollars (\$81,598) for the 1994-95 fiscal year may be used to increase the per diem allowance for emergency judges of the district and superior court to two hundred dollars (\$200.00) for each day of active service rendered upon recall.

Requested by: Senator Odom

ADD ADDITIONAL SUPERIOR COURT JUDGES/TRANSFER CASWELL AND PERSON COUNTIES TO NEWLY CREATED SUPERIOR COURT DISTRICT 9A

Sec. 149. (a) Effective July 1, 1993, G.S. 7A-41(a) reads as rewritten:

"(a) The counties of the State are organized into judicial divisions and superior court districts, and each superior court district has the counties, and the number of regular resident superior court judges set forth in the following table, and for districts of less than a whole county, as set out in subsection (b) of this section:

Judicial Division	Superior Court District	Counties	No. of Resident Judges
First	1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	2
	2	Beaufort, Hyde, Martin, Tyrrell, Washington	1 <u>2</u>
	3A	Pitt	2
	3B	Carteret, Craven, Pamlico	1 <u>2</u>
	4A	Duplin, Jones, Sampson	1
	4B	Onslow	1
	5	New Hanover, Pender	3

1		6A	Halifax	1
2		6B	Bertie, Hertford,	1
3			Northampton	
4		7A	Nash	1
5		7B	(part of Wilson,	1
6			part of Edgecombe,	
7			see subsection (b))	
8		7C	(part of Wilson,	1
9			part of Edgecombe,	
10			see subsection (b))	
11		8A	Lenoir and Greene	1
12		8B	Wayne	1
13	Second	9	Franklin, Granville,	2
14			Person,	
15			Vance, Warren	
16		<u>9A</u>	<u>Person, Caswell</u>	<u>1</u>
17		10A	(part of Wake,	1
18			see subsection (b))	
19		10B	(part of Wake,	2
20			see subsection (b))	
21		10C	(part of Wake,	1
22			see subsection (b))	
23		10D	(part of Wake,	1
24			see subsection (b))	
25		11	Harnett, Johnston,	2
26			Lee	
27		12A	(part of Cumberland,	1
28			see subsection (b))	
29		12B	(part of Cumberland,	1
30			see subsection (b))	
31		12C	(part of Cumberland,	2
32			see subsection (b))	
33		13	Bladen, Brunswick,	2
34			Columbus	
35		14A	(part of Durham,	1
36			see subsection (b))	
37		14B	(part of Durham,	3
38			see subsection (b))	
39		15A	Alamance	1 <u>2</u>
40		15B	Orange, Chatham	1
41		16A	Scotland, Hoke	1
42		16B	Robeson	2
43	Third	17A	Caswell, Rockingham	2
44		17B	Stokes, Surry	1 <u>2</u>

1	18A	(part of Guilford,	1
2		see subsection (b))	
3	18B	(part of Guilford,	1
4		see subsection (b))	
5	18C	(part of Guilford,	1
6		see subsection (b))	
7	18D	(part of Guilford,	1
8		see subsection (b))	
9	18E	(part of Guilford,	1
10		see subsection (b))	
11	19A	Cabarrus	1
12	19B	Montgomery,	1
13		Randolph	
14	19C	Rowan	1
15	20A	Anson, Moore,	2
16		Richmond	
17	20B	Stanly, Union	1 <u>2</u>
18	21A	(part of Forsyth,	1
19		see subsection (b))	
20	21B	(part of Forsyth,	1
21		see subsection (b))	
22	21C	(part of Forsyth,	1
23		see subsection (b))	
24	21D	(part of Forsyth,	1
25		see subsection (b))	
26	22	Alexander, Davidson,	2
27		Davie, Iredell	
28	23	Alleghany, Ashe,	1
29		Wilkes, Yadkin	
30	Fourth 24	Avery, Madison,	1
31		Mitchell,	
32		Watauga, Yancey	
33	25A	Burke, Caldwell	2
34	25B	Catawba	1 <u>2</u>
35	26A	(part of Mecklenburg,	2
36		see subsection (b))	
37	26B	(part of Mecklenburg,	2
38		see subsection (b))	
39	26C	(part of Mecklenburg,	2
40		see subsection (b))	
41	27A	Gaston	2
42	27B	Cleveland, Lincoln	1 <u>2</u>
43	28	Buncombe	2
44	29	Henderson,	2

1 McDowell, Polk,
 2 Rutherford,
 3 Transylvania
 4 30A Cherokee, Clay, 1
 5 Graham, Macon,
 6 Swain
 7 30B Haywood, Jackson 1".

8 (b) One superior court reporter position shall be transferred from current
 9 District 17A to newly created District 9A.

10 (c) The Governor shall appoint, effective July 1, 1993, superior court judges
 11 for the additional judgeships in superior court districts 2, 3B, 9A, 15A, 17B, 20B, 25B,
 12 and 27B. For superior court districts 2, 3B, 9A, 15A, 17B, and 27B, successors shall be
 13 elected in the 1994 general election for eight-year terms. For superior court districts
 14 20B and 25B, successors shall be elected in the 1994 general election to serve the
 15 remainder of the unexpired terms expiring December 31, 1998. This is to provide
 16 unstaggered terms for multiple judgeships in the same district.

17
 18 Requested by: Senator Odom

19 **ADD ADDITIONAL DISTRICT COURT JUDGES AND**
 20 **MAGISTRATES/TRANSFER CASWELL AND PERSON COUNTIES TO**
 21 **NEWLY CREATED DISTRICT COURT DISTRICT 9A**

22 Sec. 150. (a) Effective July 1, 1993, G.S. 7A-133 reads as rewritten:

23 **"§ 7A-133. Numbers of judges by districts; numbers of magistrates and additional**
 24 **seats of court, by counties.**

25 Each district court district shall have the numbers of judges and each county within
 26 the district shall have the numbers of magistrates and additional seats of court, as set
 27 forth in the following table:

Additional				Magistrates		Seats of
District	Judges	County	Min.	Max.	Court	
1	34	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		

1	3A	34 Pitt	10	12	Farmville			
2								Ayden
3	3B	4 Craven		7	10 Havelock			
4					Pamlico	2	3	
5					Carteret	5	8	
6	4	6 Sampson		6	8			
7					Duplin	9	11	
8					Jones	2	3	
9					Onslow	8	14	
10	5	6 New Hanover		6	11			
11					Pender	4	6	
12	6A	2 Halifax		9	14 Roanoke			
13								Rapids,
14								Scotland Neck
15	6B	23 Northampton		5	6			
16					Bertie	4	5	
17					Hertford	5	6	
18	7	6 Nash	7	10	Rocky Mount			
19					Edgecombe	4	6	Rocky Mount
20					Wilson	4	6	
21	8	56 Wayne		5	11 Mount Olive			
22					Greene	2	4	
23					Lenoir	4	10	La Grange
24	9	54 Person		3	4			
25					Granville	3	7	
26					Vance	3	5	
27					Warren	3	4	
28					Franklin	3	6	
29	<u>9A</u>	<u>2</u> <u>Person</u>	<u>3</u>	<u>4</u>				
30					<u>Caswell</u>	<u>2</u>	<u>5</u>	
31	10	11 <u>12</u>	Wake	12	20 Apex,			
32								Wendell,
33								Fuquay-
34								Varina,
35								Wake Forest
36	11	6 Harnett		7	11 Dunn			
37					Johnston	10	12	Benson,
38								Clayton
39								and Selma
40					Lee	4	6	
41	12	67 Cumberland		10	17			
42	13	4 Bladen		4	6			
43					Brunswick	4	7	
44					Columbus	6	8	Tabor City

1	14	5	Durham	8	12			
2	15A	3	Alamance	7	10	Burlington		
3	15B	3	Orange	4	11	Chapel Hill		
4						Chatham	3	8
5	16A	2	Scotland	3	5			Siler City
6						Hoke	4	5
7	16B	5	Robeson	8	16	Fairmont,		
8								Maxton,
9								Pembroke,
10								Red Springs,
11								Rowland,
12								St. Pauls
13	17A	3 <u>2</u>	Caswell	2	5			
14						Rockingham	4	9
15								Reidsville,
16								Eden,
17	17B	3	Stokes 2	5				Madison
18						Surry	5	8
19	18	10 <u>11</u>	Guilford	20	26	High Point		
20	19A	2 <u>3</u>	Cabarrus	5	9	Kannapolis		
21	19B	3 <u>4</u>	Montgomery	2	4			
22						Randolph	5	8
23	19C	2 <u>3</u>	Rowan	5	10			Liberty
24	20	6 <u>7</u>	Stanly	5	6			
25						Union	4	6
26						Anson	4	5
27						Richmond	5	6
28						Moore	5	8
29								Hamlet
30	21	7	Forsyth	3	15	Kernersville		
31	22	6 <u>7</u>	Alexander	2	3			
32						Davidson	7	10
33						Davie	2	3
34						Iredell	4	8
35	23	3	Alleghany	1	2			Mooresville
36						Ashe	3	4
37						Wilkes	4	6
38						Yadkin	3	5
39	24	3	Avery	3	4			
40						Madison	4	5
41						Mitchell	3	4
42						Watauga	4	6
43						Yancey	2	4
44	25	7	Burke	4	7			

1				Caldwell		4	7	
2				Catawba		6	9	Hickory
3	26	13 14		Mecklenburg	15	26		
4	27A	5		Gaston	11	20		
5	27B	4		Cleveland	5	8		
6				Lincoln		4	6	
7	28	5		Buncombe	6	15		
8	29	4 5		Henderson	4	6		
9				McDowell		3	4	
10				Polk		3	4	
11				Rutherford		6	8	
12				Transylvania		2	4	
13	30	3 4		Cherokee	3	4		
14				Clay		1	2	
15				Graham		2	3	
16				Haywood		5	7	Canton
17				Jackson		3	4	
18				Macon		3	4	
19				Swain		2	3."	

20 (b) The two district court judgeships created by subsection (a) of this section for
 21 district court district 9A shall be filled by the district court judge from current District 9
 22 who resides in Person County and by the district court judge from current District 17A
 23 who resides in Caswell County. The term of the judge residing in Caswell County
 24 expires the first Monday in December of 1994. This judge's successor shall be elected
 25 in the 1994 general election. The term of the judge residing in Person County expires
 26 the first Monday in December of 1994. This judge's successor shall be elected in the
 27 1996 general election.

28 (c) Secretarial services for the chief district court judge in newly created
 29 District 9A shall be provided by the secretary of the superior court judge in newly
 30 created Superior Court District 9A, created by subsection (a) of this section.

31 (d) The magistrates' positions created by subsection (a) of this section for
 32 Person County in newly created District 9A shall be filled by the magistrates currently
 33 serving Person County in District 9. The magistrates' positions created by subsection
 34 (a) of this section for Caswell County in newly created District 9A shall be filled by the
 35 magistrates currently serving Caswell County in District 17A.

36 (e) Juvenile intake, probation, and aftercare services for newly created
 37 District 9A shall be provided by the chief court counselor's office in District 17A. One
 38 such position serving the chief court counselor's office in current District 9 shall be
 39 transferred to District 17A to facilitate the provision of juvenile intake, probation, and
 40 aftercare services to newly created District 9A.

41 (f) Notwithstanding G.S. 7A-198, district court reporting services for newly
 42 created District 9A shall be provided by electronic recording equipment, freelance court
 43 reporters, or reports assigned from outside the District. The chief district court judge
 44 shall not appoint a court reporter to serve the District.

(g) Effective July 1, 1993, the Governor shall appoint additional district court judges for district court districts 1, 3A, 6B, 8, 10, 12, 18, 19A, 19B, 19C, 20, 22, 26, 29, and 30, as authorized by this section. Their successors shall be elected in the 1994 general election for four-year terms commencing the first Monday in December 1994.

Requested by: Senator Odom

ADD ADDITIONAL ASSISTANT DISTRICT ATTORNEYS/TRANSFER CASWELL AND PERSON COUNTIES TO NEWLY CREATED PROSECUTORIAL DISTRICT 9A/CHANGE PROSECUTORIAL DISTRICT 19A AND CREATE PROSECUTORIAL DISTRICT 19C/ADD INVESTIGATORIAL ASSISTANTS IN THE FIRST AND EIGHTH PROSECUTORIAL DISTRICTS

Sec. 151. (a) Effective July 1, 1993, G.S. 7A-60(a1) reads as rewritten:

"(a1) The counties of the State are organized into prosecutorial districts, and each district has the counties and the number of full-time assistant district attorneys set forth in the following table:

Prosecutorial			No. of Full-Time Asst. District
District	Counties	Attorneys	
1	Camden, Chowan, Currituck,	6 <u>7</u>	
	Dare, Gates, Pasquotank,		
	Perquimans		
2	Beaufort, Hyde, Martin,	4	
	Tyrrell, Washington		
3A	Pitt	6	
3B	Carteret, Craven, Pamlico	6	
4	Duplin, Jones, Onslow,	10	
	Sampson		
5	New Hanover, Pender	9	
6A	Halifax	3	
6B	Bertie, Hertford,	3	
	Northampton		
7	Edgecombe, Nash, Wilson		10
8	Greene, Lenoir, Wayne	8	
9	Franklin, Granville,	8 <u>7</u>	
	Person , Vance, Warren		
<u>9A</u>	<u>Person, Caswell</u>	<u>2</u>	
10	Wake		18 <u>19</u>
11	Harnett, Johnston, Lee	8 <u>9</u>	
12	Cumberland	12	
13	Bladen, Brunswick, Columbus	6	
14	Durham	9	
15A	Alamance	6	
15B	Orange, Chatham	4 <u>5</u>	

1	16A	Scotland, Hoke	3
2	16B	Robeson	7
3	17A	Caswell, 5-4	
4		Rockingham	
5	17B	Stokes, Surry	4
6	18	Guilford	16-17
7	19A	Cabarrus, Rowan	8
8	19B	Montgomery, Randolph	4-5
9	20	Anson, Moore, Richmond,	10-11
10		Stanly, Union	
11	21	Forsyth	12
12	22	Alexander, Davidson, Davie,	10-11
13		Iredell	
14	23	Alleghany, Ashe, Wilkes,	4-5
15		Yadkin	
16	24	Avery, Madison, Mitchell,	3-4
17		Watauga, Yancey	
18	25	Burke, Caldwell, Catawba	10-11
19	26	Mecklenburg	22-23
20	27A	Gaston	8
21	27B	Cleveland,	5
22		Lincoln	
23	28	Buncombe	7-8
24	29	Henderson, McDowell, Polk,	8
25		Rutherford, Transylvania	
26	30	Cherokee, Clay, Graham,	6
27		Haywood, Jackson, Macon,	
28		Swain."	

29 (b) The district attorney position created by subsection (a) of this section for
 30 prosecutorial district 9A shall be filled by appointment by the Governor. This district
 31 attorney's term expires on December 31, 1994. The successor shall be elected in the
 32 1994 general election.

33 (c) The two assistant district attorney positions for newly created
 34 prosecutorial district 9A shall be filled by an assistant district attorney currently serving
 35 Person County in District 9 and by an assistant district attorney currently serving
 36 Caswell County in District 17A.

37 (d) Effective January 1, 1995, G.S. 7A-60(a1), as rewritten by subsection (a) of
 38 this section, reads as rewritten:

39 "(a1) The counties of the State are organized into prosecutorial districts, and each
 40 district has the counties and the number of full-time assistant district attorneys set forth
 41 in the following table:

42			No. of Full-Time
43	Prosecutorial		Asst. District
44	District	Counties	Attorneys

1	1	Camden, Chowan, Currituck, 7	
2		Dare, Gates, Pasquotank,	
3		Perquimans	
4	2	Beaufort, Hyde, Martin,4	
5		Tyrrell, Washington	
6	3A	Pitt 6	
7	3B	Carteret, Craven, Pamlico 6	
8	4	Duplin, Jones, Onslow, 10	
9		Sampson	
10	5	New Hanover, Pender 9	
11	6A	Halifax 3	
12	6B	Bertie, Hertford, 3	
13		Northampton	
14	7	Edgecombe, Nash, Wilson	10
15	8	Greene, Lenoir, Wayne 8	
16	9	Franklin, Granville, 7	
17		Vance, Warren	
18	9A	Person, Caswell 2	
19	10	Wake	19
20	11	Harnett, Johnston, Lee 9	
21	12	Cumberland 12	
22	13	Bladen, Brunswick, Columbus 6	
23	14	Durham 9	
24	15A	Alamance6	
25	15B	Orange, Chatham 5	
26	16A	Scotland, Hoke 3	
27	16B	Robeson 7	
28	17A	Rockingham 4	
29	17B	Stokes, Surry 4	
30	18	Guilford 17	
31	19A	Cabarrus, Rowan Cabarrus 8-4	
32	19B	Montgomery, Randolph 5	
33	19C	Rowan 4	
34	20	Anson, Moore, Richmond, 11	
35		Stanly, Union	
36	21	Forsyth 12	
37	22	Alexander, Davidson, Davie, 11	
38		Iredell	
39	23	Alleghany, Ashe, Wilkes, 5	
40		Yadkin	
41	24	Avery, Madison, Mitchell, 4	
42		Watauga, Yancey	
43	25	Burke, Caldwell, Catawba 11	
44	26	Mecklenburg 23	

1	27A	Gaston	8
2	27B	Cleveland,	5
3		Lincoln	
4	28	Buncombe	8
5	29	Henderson, McDowell, Polk,	8
6		Rutherford, Transylvania	
7	30	Cherokee, Clay, Graham,	6
8		Haywood, Jackson, Macon,	
9		Swain."	

10 (e) The district attorney for newly created Prosecutorial District 19C shall be
11 elected in the general election of 1994 for a four-year term beginning January 1, 1995.

12 (f) The district attorney for Prosecutorial District 19A shall be elected in the
13 general election of 1994 for a four-year term beginning January 1, 1995. The eight
14 assistant district attorney positions currently serving Prosecutorial District 19A shall be
15 allotted as follows: four assistant district attorney positions to newly created
16 Prosecutorial District 19C, and four assistant district attorney positions to Prosecutorial
17 District 19A.

18 (g) Effective July 1, 1993, G.S. 7A-69 reads as rewritten:

19 "**§ 7A-69. Investigatorial assistants.**

20 The district attorney in the first, third-B, fourth, seventh, eighth, tenth, eleventh,
21 twelfth, fourteenth, fifteenth-A, sixteenth, eighteenth, twentieth, twenty-first, twenty-
22 fifth, twenty-sixth, twenty-seventh, twenty-eighth, twenty-ninth and thirtieth ~~judicial~~
23 prosecutorial districts is entitled to one investigatorial assistant to be appointed by the
24 district attorney and to serve at his pleasure. It shall be the duty of the investigatorial
25 assistant to investigate cases preparatory to trial and to perform such other duties as may
26 be assigned by the district attorney. The investigatorial assistant is entitled to
27 reimbursement for his subsistence and travel expenses to the same extent as State
28 employees generally."
29

30 **PART 22. DEPARTMENT OF JUSTICE**

31
32 Requested by: Senator Odom

33 **SBI FUNDS/SPENDING PRIORITIES**

34 Sec. 152. Of the funds appropriated in this act to the Department of Justice,
35 State Bureau of Investigation, for the 1993-94 fiscal year and the 1994-95 fiscal year for
36 overtime payments, the first priority for use of the funds by the Department shall be:

- 37 (1) To make overtime payments to SBI agents in the Field Investigations
38 Division; and
39 (2) To make overtime payments to supervisory personnel receiving
40 overtime payments as of June 30, 1993, up to a maximum of five
41 thousand two hundred dollars (\$5,200) annually per individual.
42

43 Requested by: Senator Odom

44 **SBI USE OF COURT-ORDERED RESTITUTION FUNDS**

1 Sec. 153. The State Bureau of Investigation (SBI) may use funds available
2 from court-ordered restitution in undercover drug operations.

3
4 Requested by: Senator Odom

5 **PRIVATE PROTECTIVE SERVICES AND ALARM SYSTEMS LICENSING**
6 **BOARDS PAY FOR USE OF STATE FACILITIES AND SERVICES**

7 Sec. 154. The Private Protective Services and Alarm Systems Licensing
8 Boards shall pay the appropriate State agency for the use of physical facilities and
9 services provided to those boards by the State.

10
11 Requested by: Senator Odom

12 **TRANSFER LEGAL COUNSEL FROM BANKING COMMISSION TO**
13 **DEPARTMENT OF JUSTICE**

14 Sec. 155. The legal counsel and support staff of the Banking Commission are
15 transferred to the Department of Justice from the Banking Commission. The funds,
16 equipment, supplies, records, and other property to support the positions transferred by
17 this section are also transferred from the Banking Commission to the Department of
18 Justice. The Banking Commission shall continue to provide adequate office space for
19 legal and support staff assigned to that department by the Attorney General. Any
20 disputes arising out of this transfer shall be resolved by the Director of the Budget.

21
22 Requested by: Senator Odom

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

25 Sec. 156. (a) Assets transferred to the Department of Justice during the 1993-95
26 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that
27 Department and shall result in an increase of law enforcement resources for the
28 Department. Assets transferred to the Department of Crime Control and Public Safety
29 during the 1993-95 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the
30 budget of that Department and shall result in an increase of law enforcement resources
31 for the Department. The Departments shall report to the Joint Legislative Commission
32 on Governmental Operations upon the receipt of these assets and, before using these
33 assets, shall report the intended use of these assets and the departmental priorities on
34 which the assets may be expended.

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

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

PART 23. DEPARTMENT OF HUMAN RESOURCES

Requested by: Senator Richardson

WILLIE M.

Sec. 157. (a) Legislative Findings. – The General Assembly finds:

- (1) That there is a need in North Carolina to provide appropriate treatment and education programs to children under the age of 18 who suffer from emotional, mental, or neurological handicaps accompanied by violent or assaultive behavior;
- (2) That children meeting these criteria have been identified as a class in the case of Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et al.; and
- (3) That these children have a need for a variety of services, in addition to those normally provided, that may include, but are not limited to, residential treatment services, educational services, and independent living arrangements.

(b) Funds appropriated by the General Assembly to the Department of Human Resources for serving members of the Willie M. Class shall be expended only for programs serving members of the Willie M. Class identified in Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et al., including evaluations of potential class members. The Department shall reallocate these funds among services to Willie M. Class members during the year as it deems advisable in order to use the funds efficiently in providing appropriate services to Willie M. Class children.

(c) Funds for Department of Public Education. – Funds appropriated to the Department of Public Education in this act for members of the Willie M. Class are to establish a supplemental reserve fund to serve only members of the class identified in Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et al. These funds shall be allocated by the State Board of Education to the local education agencies to serve those class members who were not included in the regular average daily membership and the census of children with special needs, and to provide the additional program costs which exceed the per pupil allocation from the State Public School Fund and other State and federal funds for children with special needs.

(d) The Department of Human Resources shall continue to implement its prospective unit cost reimbursement system and shall ensure that unit cost rates reflect reasonable costs by conducting cost center service type rate comparisons and cost center line item budget reviews as may be necessary, and based upon these reviews and comparisons, the Department shall reduce and/or cap rates to programs which are significantly higher than those rates paid to other programs for the same service.

Any exception to this requirement shall be approved by the Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, and shall be reported in the Department's annual joint report to the Governor and the General Assembly and in any periodic report the Department may make to the Joint Legislative Commission on Governmental Operations.

1 (d1) The Department of Human Resources shall implement a process to
2 review those cases for whom treatment has been recommended whose annual cost is
3 anticipated to be in excess of one hundred fifty percent (150%) of the average annual
4 per client expenditure of the previous fiscal year and shall take actions to reduce these
5 treatment costs where appropriate.

6 (e) Reporting Requirements. – The Department of Human Resources and the
7 Department of Public Education shall submit, by May 1 of each fiscal year, a joint
8 report to the Governor and the General Assembly on the progress achieved in serving
9 members of the Willie M. Class. The report shall include the following unduplicated
10 data for each county: (i) the number of children nominated for the Willie M. Class; (ii)
11 the number of children actually identified as members of the Class in each county; (iii)
12 the number of children served as members of the Class in each county; (iv) the number
13 of children who remain unserved or for whom additional services are needed in order to
14 be determined to be appropriately served; (v) the types and locations of treatment and
15 education services provided to Class members; (vi) the cost of services, by type, to
16 members of the Class and the maximum and minimum rates paid to providers for each
17 service; (vii) the number of cases whose treatment costs were in excess of one hundred
18 fifty percent (150%) of the average annual per client expenditure; (viii) information on
19 the impact of treatment and education services on members of the Class; (ix) an
20 explanation of, and justification for, any waiver of departmental rules that affect the
21 Willie M. program; and (x) the total State funds expended, by program, on Willie M.
22 Class members, other than those funds specifically appropriated for the Willie M.
23 programs and services.

24 (e1) From existing funds available to it, the Department of Human Resources
25 shall begin a process to document and assess individual class members' progress
26 through the continuum of services. Standardized measures of functioning shall be
27 administered periodically to each member of the Class, and the information generated
28 from these measures shall be used to assess client progress and program effectiveness.

29 (f) The Departments of Human Resources and Public Education shall
30 provide periodic reports of expenditures and program effectiveness on behalf of the
31 Willie M. Class and to the Fiscal Research Division. As part of these reports, the
32 Departments shall explain measures they have taken to control and reduce program
33 expenditures.

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

- 36 (1) That the General Assembly has evaluated the known needs of the
37 State and has endeavored to satisfy those needs in comparison to their
38 social and economic priorities; and
- 39 (2) That the funds appropriated will enable the development and
40 implementation of placement and services for the Class members in
41 Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et
42 al., within a reasonable period of time considered within the context of
43 the needs of the class members, the other needs of the State and the
44 resources available to the State.

1 (h) The General Assembly supports the efforts of the responsible officials
2 and agencies of the State to meet the requirements of the court order in Willie M., et al.
3 v. Hunt, et al., formerly Willie M., et al. v. Martin, et al. To ensure that Willie M. Class
4 members are appropriately served, no State funds shall be expended on placement and
5 services for Willie M. Class members except:

- 6 (1) Funds specifically appropriated by the General Assembly for the
7 placement and services of Willie M. Class members; and
- 8 (2) Funds for placement and services for which Willie M. Class members
9 are otherwise eligible.

10 This limitation shall not preclude the use of unexpended Willie M. funds from prior
11 fiscal years to cover current or future needs of the Willie M. program subject to
12 approval by the Director of the Budget. These Willie M. expenditures shall not be
13 subject to the requirements of G.S. 143-18.

14 (i) Notwithstanding any other provision of law, if the Department of Human
15 Resources determines that a local program is not providing appropriate services to
16 members of the Class identified in Willie M., et al. v. Hunt, et al., formerly Willie M., et
17 al. v. Martin, et al., the Department may ensure the provision of these services through
18 contracts with public or private agencies or by direct operation by the Department of
19 such programs.

20
21 Requested by: Senator Richardson

22 **THOMAS S.**

23 Sec. 158. (a) Funds appropriated to the Department of Human Resources in this
24 act for the 1993-94 fiscal year and the 1994-95 fiscal year for members of the Thomas
25 S. Class as identified in Thomas S., et al. v. Britt, formerly Thomas S., et al. v. Flaherty
26 shall be expended only for programs serving Thomas S. Class members or for services
27 for those clients who are:

- 28 (1) Adults with mental retardation, or who have been treated as if they had
29 mental retardation, who were admitted to a State psychiatric hospital
30 on or after March 22, 1984, and who are included on the Division of
31 Mental Health, Developmental Disabilities, and Substance Abuse
32 Services' official list of prospective Class members;
- 33 (2) Adults with mental retardation who have a documented history of
34 State Psychiatric hospital admissions regardless of admission date and
35 who, without funding support, have a good probability of being
36 readmitted to a State psychiatric hospital; or
- 37 (3) Adults with mental retardation who have never been admitted to a
38 State psychiatric hospital but who have a documented history of
39 behavior determined to be of danger to self or others that results in
40 referrals for inpatient psychiatric treatment and who, without funding
41 support, have a good probability of being admitted to a State
42 psychiatric hospital.

43 No more than five percent (5%) of the funds appropriated in this act for the Thomas S.
44 program shall be used for clients meeting subdivisions (2) or (3) of this subsection.

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

- 4 (1) Funds specifically appropriated by the General Assembly for the
5 placement and services of Thomas S. Class members; and
- 6 (2) Funds for placement and services for which Thomas S. Class members
7 are otherwise eligible.

8 (c) Reporting requirements. The Department of Human Resources shall submit
9 by April 1 of each fiscal year a report to the General Assembly on the progress achieved
10 in serving members and prospective members of the Thomas S. Class. The report shall
11 include the following:

- 12 (1) The number of Thomas S. clients confirmed as Class members;
- 13 (2) The number of prospective Class members evaluated;
- 14 (3) The number of prospective Class members awaiting evaluation;
- 15 (4) The number of Class members or prospective class members added in
16 the preceding 12 months due to their admission to a State psychiatric
17 hospital;
- 18 (5) A description of the types of treatment services provided to Class
19 members; and
- 20 (6) An analysis of the use of funds appropriated for the Class.

21 (d) Notwithstanding any other provision of law, if the Department of Human
22 Resources determines that a local program is not providing minimally adequate services
23 to members of the Class identified in Thomas S., et al. v. Britt, formerly Thomas S., et
24 al. v. Flaherty, the Department may ensure the provision of these services through
25 contracts with public or private agencies or by direct operation by the Department of
26 these programs.

27
28 Requested by: Senator Richardson

29 **TRANSFERS OF CERTAIN FUNDS AUTHORIZED**

30 Sec. 159. In order to assure maximum utilization of funds in county
31 departments of social services, county or district health agencies, and area mental
32 health, developmental disabilities, and substance abuse authorities, the Director of the
33 Budget may transfer excess funds appropriated to a specific service, program, or fund,
34 whether specified in a block grant plan or General Fund appropriation, into another
35 service, program, or fund for local services within the budget of the respective State
36 agency.

37 The Office of State Budget and Management shall report quarterly to the
38 Fiscal Research Division on each transfer authorized by this section.

39
40 Requested by: Senator Richardson

41 **MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS**

42 Sec. 160. Funds received by the Department of Human Resources from the
43 tax levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the
44 Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall

1 be matched by local funds in accordance with the State/local ratio established by the
2 current area mental health matching formula. These funds shall be allocated to the area
3 mental health programs for substance abuse services on a per capita basis as determined
4 by the Office of State Budget and Management's most recent estimates of county
5 populations.

6
7 Requested by: Senator Richardson

8 **SPECIALIZED RESIDENTIAL CENTERS' BED CONVERSION**

9 Sec. 161. Funds made available as a result of the conversion of State-
10 supported beds in specialized residential centers to ICF/MR beds shall be used to
11 increase the State subsidy provided to centers. Funds made available to centers by this
12 section shall be used, as they become available, to increase the subsidy rate to sixty-five
13 percent (65%) of the statewide average cost of providing this service based on the most
14 recent Specialized Community Residential Cost Study.

15 Funds made available in addition to those needed to increase the subsidy rate
16 may be transferred to the Department of Human Resources, Division of Medical
17 Assistance, as needed, to be used as a State match for the converted ICF/MR beds.

18
19 Requested by: Senator Richardson

20 **PHYSICIAN SERVICES**

21 Sec. 162. With the approval of the Office of State Budget and Management,
22 the Department of Human Resources may use funds appropriated in this act for across-
23 the-board salary increases and performance pay to offset similar increases in the costs of
24 contracting with private and independent universities for the provision of physician
25 services to clients in facilities operated by the Division of Mental Health,
26 Developmental Disabilities, and Substance Abuse Services. This offsetting shall be
27 done in the same manner as is currently done with constituent institutions of The
28 University of North Carolina.

29
30 Requested by: Senator Richardson

31 **LIABILITY INSURANCE**

32 Sec. 163. The Secretary of the Department of Human Resources, the
33 Secretary of the Department of Environment, Health, and Natural Resources, and the
34 Secretary of the Department of Correction may provide medical liability coverage not to
35 exceed one million dollars (\$1,000,000) on behalf of employees of the Departments
36 licensed to practice medicine or dentistry, and on behalf of medical residents from The
37 University of North Carolina who are in training at institutions operated by the
38 Department of Human Resources. This coverage may include commercial insurance or
39 self-insurance and shall cover these individuals for their acts or omissions only while
40 they are engaged in providing medical and dental services pursuant to their State
41 employment or training.

42 The coverage provided under this section shall not cover any individual for
43 any act or omission that the individual knows or reasonably should know constitutes a
44 violation of the applicable criminal laws of any state or the United States, or that arises

1 out of any sexual, fraudulent, criminal, or malicious act, or out of any act amounting to
2 willful or wanton negligence.

3 The coverage provided pursuant to this section shall not require any
4 additional appropriations and shall not apply to any individual providing contractual
5 service to the Department of Human Resources, the Department of Environment,
6 Health, and Natural Resources, or the Department of Correction, with the exception that
7 coverage may include medical residents from The University of North Carolina who are
8 in training at institutions operated by the Department of Human Resources.

9

10 Requested by: Senator Richardson

11 **NON-MEDICAID REIMBURSEMENT**

12 Sec. 164. Providers of medical services under the various State programs,
13 other than Medicaid, offering medical care to citizens of the State shall be reimbursed at
14 rates no more than those under the North Carolina Medical Assistance Program.

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

21 Notwithstanding the provisions of paragraph one of this section, the
22 Department of Human Resources may negotiate with providers of medical services
23 under the various Department of Human Resources' programs, other than Medicaid, for
24 rates as close as possible to Medicaid rates for the following purposes: contracts or
25 agreements for medical services and purchases of medical equipment and other medical
26 supplies. These negotiated rates are allowable only to meet the medical needs of its
27 non-Medicaid eligible patients, residents, and clients who require these services that
28 cannot be provided when limited to the Medicaid rate.

29 Maximum net family annual income eligibility standards for services in these
30 programs shall be as follows:

31

32	Family		Medical Eye		All	
33	<u>Size</u>		<u>Care Adults</u>		<u>Rehabilitation</u>	<u>Other</u>
34	1	\$4,860	\$ 8,364	\$4,200		
35	2	5,940	10,944	5,300		
36	3	6,204	13,500	6,400		
37	4	7,284	16,092	7,500		
38	5	7,824	18,648	7,900		
39	6	8,220	21,228	8,300		
40	7	8,772	21,708	8,800		
41	8	9,312	22,220	9,300		

42

43 The eligibility level for children in the Medical Eye Care Program in the
44 Division of Services for the Blind and for adults in the Clozaril program in the Division

1 of Mental Health, Developmental Disabilities, and Substance Abuse Services shall be
2 one hundred percent (100%) of the federal poverty guidelines, as revised annually by
3 the United States Department of Health and Human Services and in effect on July 1 of
4 each fiscal year.

5 The Department of Human Resources shall contract at, or as close as possible
6 to, Medicaid rates for medical services provided to residents of State facilities of the
7 Department.

8

9 Requested by: Senator Richardson

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

11 Sec. 165. Of the funds appropriated in this act to the Department of Human
12 Resources, Division of Mental Health, Developmental Disabilities, and Substance
13 Abuse Services, the sum of two million three hundred one thousand two hundred forty-
14 eight dollars (\$2,301,248) for the 1993-94 fiscal year and the sum of two million three
15 hundred one thousand two hundred forty-eight dollars (\$2,301,248) for the 1994-95
16 fiscal year are transferred to the Department of Public Instruction for handicapped
17 children aged 3 through 4 years who have been identified through Division of Mental
18 Health, Developmental Disabilities, and Substance Abuse Services statewide services
19 and who are served in developmental day centers. These funds shall be used to contract
20 with area mental health, developmental disabilities, and substance abuse authorities or
21 with public or private nonprofit developmental day centers to continue to serve
22 handicapped children aged 3 through 4 years who are identified as needing
23 developmental day services.

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

27

28 Requested by: Senator Richardson

29 **CHANGE IN THE SHORT-TERM LOAN FUND FOR ICF/MR FACILITIES**

30 Sec. 166. The short-term loan fund established pursuant to Section 133 of
31 Chapter 689 of the 1991 Session Laws is continued and, effective July 1, 1994, shall be
32 used to assist area mental health programs in the establishment of community, non-
33 Medicaid-funded housing alternatives.

34

35 Requested by: Senator Richardson

36 **PLANNING AND PILOT IMPLEMENTATION OF AN INTEGRATED** 37 **FUNDING APPROACH FOR MENTAL HEALTH/SUBSTANCE ABUSE** 38 **INSTITUTIONAL SERVICES**

39 Sec. 167. The Department of Human Resources shall develop and implement
40 a plan during the 1993-95 fiscal biennium to pilot-test an integrated funding system for
41 mental health/substance abuse institutional services, involving one regional psychiatric
42 hospital, one regional alcohol and drug abuse treatment center, and the area mental
43 health, developmental disabilities, and substance abuse programs using these facilities.
44 The Department may use funds that become available to it through gifts, federal or

1 private grants, receipts from federal programs, or any other source to support the
2 planning and implementation of this pilot program.

3 The Department shall present a written report to the House and Senate
4 Human Resources Appropriations Subcommittees by May 1, 1994, describing the
5 results of its planning activities, the proposed schedule and cost for implementation of
6 the integrated funding system and any proposed legislation needed to implement the
7 plan. The Department shall submit a written report to these Subcommittees by May 1,
8 1995, describing the results of the implementation of the integrated funding system.

9

10 Requested by: Senator Richardson

11 **CHILD SUPPORT FUNDS**

12 Sec. 168. (a) The consent judgment in the case of Cassell, et al. v. Britt, et
13 al., C-C-90-0010-M, United States District Court for the Western District of North
14 Carolina, Charlotte Division, is subject to G.S. 114-2.2.

15 (b) Funds appropriated to enable the Child Support Enforcement Section,
16 Division of Social Services, Department of Human Resources, to distribute child
17 support collections based upon the date the payment is withheld from an obligor's
18 disposable income may be used to implement that consent judgment. Implementation
19 costs may include:

- 20 (1) Quarterly notices to clients;
- 21 (2) Toll-free telephone number;
- 22 (3) Four Account Technician II positions;
- 23 (4) System enhancements; and
- 24 (5) Court-ordered costs.

25 (c) The Office of State Budget and Management and the Department of
26 Human Resources shall report annually on expenditures and progress in achieving
27 necessary improvements in the distribution of child support collection. Reports shall be
28 submitted to the Governor, the General Assembly, and the Fiscal Research Division not
29 later than May 1 of each year.

30 (d) Funds appropriated to the Department of Human Resources in this act for
31 covering expenses incurred as a result of the Cassell, et al. v. Britt, et al. lawsuit shall be
32 deposited in a nonreverting fund account in the Department of Human Resources,
33 Division of Social Services, that the Department shall establish for this purpose. Any
34 unexpended and unencumbered funds remaining in the nonreverting account on July 1,
35 1995, shall revert to the General Fund on that date.

36

37 Requested by: Senators Walker, Richardson, and Forrester

38 **"PIONEER" MENTAL HEALTH PLAN**

39 Sec. 169. (a) G.S. 122C-3 is amended by inserting the following new
40 subdivision to read:

41 "(20a) 'Local funds' means fees from services, including client payments,
42 Medicare and the local and federal share of Medicaid receipts, fees
43 from agencies under contract, gifts and donations, and county and

1 municipal funds, and any other funds not administered by the
2 Division."

3 (b) G.S. 122C-3 is further amended by inserting a new subdivision to read:

4 "(26a) 'Other recipient' means an individual who is not admitted to a facility
5 but who receives a service other than care, treatment, or rehabilitation
6 services. The services that the 'other recipient' may receive include
7 consultative, preventative, educational, and assessment services."

8 (c) G.S. 122C-3 is further amended by inserting another new subdivision to read:

9 "(35a) 'State resources' means State and federal funds and other receipts
10 administered by the Division."

11 (d) G.S. 122C-143 is repealed.

12 (e) Part 4 of Article 4 of Chapter 122C of the General Statutes is amended by
13 adding the following new sections to read:

14 **"§ 122C-143.1. Policy guidance.**

15 (a) The General Assembly shall, as it considers necessary, endorse as policy
16 guidance long-range plans for the broad age/disability categories of persons to be served
17 and the services to be provided by area authorities.

18 (b) The Secretary shall develop a payment policy that designates, within broad
19 age/disability categories, the priority populations, based on their disability level and the
20 types of service to be supported by State resources. The Secretary shall review the
21 Department's payment policy annually to assure that payments are made consistent with
22 the State's long-range plans.

23 (c) The Secretary shall ensure that the payment policy provides incentives
24 designated to target resources consistent with legislative policy and with the State's
25 long-range plans and to promote equal accessibility to services for individuals
26 regardless of their catchment area.

27 (d) Upon request of the Secretary, each area authority shall develop, revise, or
28 amend its local long-range plans to be consistent with the policy guidance set forth in
29 the State's long-range plans. Local service implementation plans shall be subject to the
30 approval of the Secretary.

31 (e) The Secretary shall ensure that the Department's requests for expansion funds
32 for area authorities are consistent with the State's long-range plans and include
33 consideration of needs identified by the area authorities and their local plans.

34 **"§ 122C-143.2. Annual Memorandum of Agreement.**

35 (a) In accordance with procedures specified by the Secretary, the area authority
36 shall complete cost finding, rate setting, and annual age/disability service planning as
37 preparation for a Memorandum of Agreement between the area authority and the
38 Department.

39 (b) In a format established by the Secretary, the Memorandum of Agreement
40 shall include age/disability service plans that delineate the services that are to be
41 purchased by the State. Payment for services purchased shall be made at reimbursement
42 rates established in G.S. 122C-147.2.

43 (c) The Memorandum of Agreement shall include the area authority activities
44 that will be supported by grants allocated in accordance with G.S. 147.1(c)(2).

1 (d) The Memorandum of Agreement shall provide flexibility for the area
2 authority to earn State resources within the payment policy for each age/disability fund
3 established by G.S. 122C-143.1(b).

4 (e) The Memorandum of Agreement may delineate other special conditions or
5 expectations."

6 (f) G.S. 122C-144 is repealed.

7 (g) Chapter 122C of the General Statutes is amended by inserting a new
8 section to read:

9 **"§ 122C-144.1. Budget format and reports.**

10 (a) The area authority shall maintain its budget in accordance with the
11 requirements of Article 3 of Subchapter III of Chapter 159 of the General Statutes, the
12 Local Government Budget and Fiscal Control Act.

13 (b) The Secretary may require periodic reports of receipts and expenditures for
14 all area authority services provided directly or under contract according to a format
15 prescribed by the Secretary.

16 (c) In accordance with G.S. 159-34, the area authority shall have an audit
17 completed and submit it to the Local Government Commission.

18 (d) The Secretary may require reports of client characteristics, staffing patterns,
19 agency policies or activities, services, or specific financial data of the area authority, but
20 the reports shall not identify individual clients of the area authority unless specifically
21 required by State statute or federal statute or regulation, or unless valid consent for the
22 release has been given by the client or legally responsible person."

23 (h) The catch line of G.S. 122C-147 reads as rewritten:

24 **"§ 122C-147. Allocation of funds to area authorities. ~~Financing and title of area~~**
25 **authority property."**

26 (i) G.S. 122C-147(a) is repealed.

27 (j) Part 4 of Article 4 of Chapter 122C of the General Statutes is amended by
28 inserting the following new sections to read:

29 **"§ 122C-147.1. Appropriations and allocations.**

30 (a) Except as provided in subsection (b) of this section, funds shall be
31 appropriated by the General Assembly in broad age/disability categories. The Secretary
32 shall allocate and account for funds in broad age/disability categories so that the area
33 authority may, with flexibility, earn funds in response to local needs that are identified
34 within the payment policy developed in accordance with G.S. 122C-143.1(b).

35 (b) When the General Assembly determines that it is necessary to appropriate
36 funds for a more specific purpose than the broad age/disability category, the Secretary
37 shall determine whether expenditure accounting, special reporting within earning from a
38 broad fund, the Memorandum of Agreement, or some other mechanism allows the best
39 accounting for the funds.

40 (c) Funds that have been appropriated by the General Assembly for a more
41 specific purpose than specified in subsection (a) of this section shall be converted to a
42 broad age/disability category at the beginning of the second biennium following the
43 appropriation, unless otherwise acted upon by the General Assembly.

44 (d) The Secretary shall allocate funds to area programs:

- 1 (1) To be earned in a purchase of service basis, at negotiated
 2 reimbursement rates, for services that are included in the payment
 3 policy and delivered to mentally ill, developmentally disabled, and
 4 substance abuse clients and for services that are included in the
 5 payment policy to other recipients; or
 6 (2) To be paid under a grant on the basis of agreed-upon expenditures,
 7 when the Secretary determines that it would be impractical to pay on a
 8 purchase of service basis.
 9 (e) After the close of a fiscal year, final payments of funds shall be made:
 10 (1) Under the purchase of service basis, on the earnings of the area
 11 authority for the delivery to individuals within each age/disability
 12 group, of any services that are consistent with the payment policy
 13 established in G.S. 122C-143.1(b), up to the final allocation amount;
 14 or
 15 (2) When awarded on an expenditure basis, on allowable actual
 16 expenditures, up to the final allocation amount.

17 Under rules adopted by the Secretary, final payments shall be adjusted on the basis
 18 of the audit required in G.S. 122C-144.1(d).

19 **"§ 122C-147.2. Purchase of services and reimbursement rates.**

20 When funds are used to purchase services, the following provisions apply:

- 21 (1) Reimbursement rates for specific types of service shall be negotiated
 22 between the Secretary and the area authority. The negotiation shall
 23 begin with the rate determined by the standardized cost-finding and
 24 rate-setting procedure that is required by G.S. 122C-143.2(a) or by
 25 another method approved by the Secretary.
 26 (2) The reimbursement rate used for the payment of services shall
 27 incorporate operating and administrative costs, including costs for
 28 property in accordance with G.S. 122C-147."

29 (k) G.S. 122C-148, 122C-149, and 122C-150 are repealed.

30 (l) G.S. 122C-151 reads as rewritten:

31 **"§ 122C-151. Responsibilities of those receiving appropriations.**

32 (a) All resources allocated to and received by any area authority and used for
 33 programs of mental health, developmental disabilities, substance abuse or other related
 34 fields-services are subject to the conditions specified in this Article and to the rules of
 35 the Commission and the Secretary- Secretary and to the conditions of the Memorandum
 36 of Agreement specified in G.S. 122C-143.2.

37 (b) If an area authority fails to complete actions necessary for the development of
 38 a Memorandum of Agreement, fails to file required reports within the time limit set by
 39 the Secretary, or fails to comply with any other requirements specified in this Article,
 40 the Secretary may:

41 (1) Delay payments; and

42 (2) With written notification of cause and subject to an appeal as provided
 43 by G.S. 122C-151.2, reduce or deny payment of funds. Restoration of
 44 funds upon compliance is within the discretion of the Secretary."

1 (m) G.S. 122C-145 is renumbered as G.S. 122C-151.2.

2 (n) Effective July 1, 1994, G.S. 122C-151.1 is repealed.

3 (o) Effective January 1, 1994, Part 4 of Article 4 of Chapter 122C of the
4 General Statutes is amended by adding the following new sections to read:

5 **"§ 122C-151.3. Dispute with area authorities.**

6 An area authority shall establish written procedures for resolving disputes over
7 decisions of an area authority that may be appealed to the Area Authority Appeals Panel
8 under G.S. 122C-151.4. The procedures shall be informal and shall provide an
9 opportunity for those who dispute the decision to present their position.

10 **"§ 122C-151.4. Appeal to Area Authority Appeals Panel.**

11 (a) Definitions. – The following definitions apply in this section:

12 (1) 'Contract' means a contract with an area authority to provide services,
13 other than personal services, to clients and other recipients of services.

14 (2) 'Contractor' means a person who has a contract or who had a contract
15 during the current fiscal year.

16 (3) 'Former contractor' means a person who had a contract during the
17 previous fiscal year.

18 (b) Appeals Panel. – The Area Authority Appeals Panel is established. The Panel
19 shall consist of three members appointed by the Secretary. The Secretary shall
20 determine the qualifications of the Panel members. Panel members serve at the pleasure
21 of the Secretary.

22 (c) Who Can Appeal. – The following persons may appeal to the Area Authority
23 Appeals Panel after having exhausted the appeals process at the appropriate area
24 authority:

25 (1) A contractor or a former contractor who claims that an area authority
26 is not acting or has not acted within applicable State law or rules in
27 imposing a particular requirement on the contractor on fulfillment of
28 the contract;

29 (2) A contractor or a former contractor who claims that a requirement of
30 the contract substantially compromises the ability of the contractor to
31 fulfill the contract;

32 (3) A contractor or former contractor who claims that an area authority has
33 acted arbitrarily and capriciously in reducing funding for the type of
34 services provided or formerly provided by the contractor or former
35 contractor;

36 (4) A client or a person who was a client in the previous fiscal year, who
37 claims that an area authority has acted arbitrarily and capriciously in
38 reducing funding for the type of services provided or formerly
39 provided to the client directly by the area authority; and

40 (5) A person who claims that an area authority did not comply with a State
41 law or a rule adopted by the Secretary or the Commission in
42 developing the plans and budgets of the area authority and that the area
43 authority's failure to comply has adversely affected the ability of the
44 person to participate in the development of the plans and budgets.

1 (d) Hearing. – All members of the Area Authority Appeals Panel shall hear an
2 appeal to the Panel. An appeal shall be filed with the Panel within the time required by
3 the Secretary and shall be heard by the Panel within the time required by the Secretary.
4 A hearing shall be conducted at the place determined in accordance with the rules
5 adopted by the Secretary. A hearing before the Panel shall be informal; no sworn
6 testimony shall be taken and the rules of evidence do not apply. The person who
7 appeals to the Panel has the burden of proof. The Panel shall not stay a decision of an
8 area authority during an appeal to the Panel.

9 (e) Decision. – The Area Authority Appeals Panel shall make a written decision
10 on each appeal to the Panel within the time set by the Secretary. A decision may direct
11 a contractor or an area authority to take an action or to refrain from taking an action, but
12 it shall not require a party to appeal to pay any amount except payment due under the
13 contract. In making a decision, the Panel shall determine the course of action that best
14 protects or benefits the clients of the area authority. If a party to an appeal fails to
15 comply with a decision of the Panel and the Secretary determines that the failure
16 deprives clients of the area authority of a type of needed service, the Secretary may use
17 funds previously allocated to the area authority to provide the service.

18 (f) 150B Appeal. – A person who is dissatisfied with a decision of the Panel may
19 commence a contested case under Article 3 of Chapter 150B of the General Statutes.
20 Notwithstanding G.S. 150B-2(1), an area authority is considered an agency for purposes
21 of the limited appeal authorized by this section. The Secretary shall make a final
22 decision in the contested case."

23 (p) G.S. 122C-112(a) reads as rewritten:

24 (a) The Secretary shall:

- 25 (1) Enforce the provisions of this Chapter and the rules of the Commission
26 and the Secretary;
- 27 (2) Assist counties and area authorities in the establishment and operation
28 of community-based programs within catchment areas specified in
29 rules adopted by the Commission;
- 30 (3) Operate State facilities and adopt rules pertaining to their operation;
- 31 (4) Promote a unified system of services for the citizens of this State by
32 coordinating services provided in State facilities and area facilities;
- 33 (5) Approve the plans and budgets of an area authority and adopt rules
34 pertaining to the content and format of these plans and budgets;
- 35 (6) Adopt rules governing the expenditure of all area authority funds;
- 36 (6a) Adopt rules to implement the appeal procedure authorized by G.S.
37 122C-151.2;
- 38 (7) Adopt rules for the establishment of single portal designation and
39 approve an area as a single portal area;
- 40 (8) Except as provided in G.S. 122C-26(4), adopt rules establishing
41 procedures for waiver of rules adopted by the Secretary under this
42 Chapter;
- 43 (9) Notify the clerks of superior court of changes in the designation of
44 State facility regions and of facilities designated under G.S. 122C-252;

- 1 (10) Promote public awareness and understanding of mental health, mental
2 illness, developmental disabilities, and substance abuse;
3 (11) Administer and enforce rules that are conditions of participation in
4 federal or State financial aid;
5 (12) Carry out G.S. 122C-361; and
6 (13) Coordinate and facilitate the development and administration of the
7 early intervention system for eligible infants and toddlers and shall
8 assign among the cooperating agencies the responsibility, including
9 financial responsibility, for services. The Secretary shall be advised
10 by the Interagency Coordinating Council for Handicapped Children
11 from Birth to Five Years of Age, established by G.S. 143B-179.5, and
12 may enter into formal interagency agreements to establish the
13 collaborative relationships with the Department of Environment,
14 Health, and Natural Resources, the Department of Public Instruction,
15 other appropriate agencies, and other public and private service
16 providers necessary to administer the system and deliver the services.

17 The Secretary shall adopt rules to implement the early intervention
18 system, in cooperation with all other appropriate agencies."

- 19 (q) Subsection (n) of this section becomes effective July 1, 1994. Subsection
20 (o) of this section becomes effective January 1, 1994. All other subsections of this
21 section become effective July 1, 1993.

22
23 Requested by: Senator Richardson

24 **MEDICAID**

25 Sec. 170. (a) Funds appropriated in this act for services provided in accordance
26 with Title XIX of the Social Security Act (Medicaid) are for both the categorically
27 needy and the medically needy. Funds appropriated for these services shall be
28 expended in accordance with the following schedule of services and payment bases. All
29 services and payments are subject to the language at the end of this subsection.

30 Services and payment bases:

- 31 (1) Hospital-Inpatient. – Payment for hospital inpatient services will be
32 prescribed in the State Plan as established by the Department of
33 Human Resources. Administrative days for any period of
34 hospitalization shall be limited to a maximum of three days.
35 (2) Hospital-Outpatient. – Eighty percent (80%) of allowable costs or a
36 prospective reimbursement plan as established by the Department of
37 Human Resources.
38 (3) Nursing Facilities. – Payment for nursing facility services will be
39 prescribed in the State Plan as established by the Department of
40 Human Resources. Nursing facilities providing services to Medicaid
41 recipients who also qualify for Medicare shall be enrolled in the
42 Medicare program as a condition of participation in the Medicaid
43 program. State facilities are not subject to the requirement to enroll in
44 the Medicare Program.

- 1 (4) Intermediate Care Facilities for the Mentally Retarded. – As prescribed
2 in the State Plan, as established by the Department of Human
3 Resources.
- 4 (5) Drugs. – Drug costs as allowed by federal regulations plus a
5 professional services fee per month excluding refills for the same drug
6 or generic equivalent during the same month. Reimbursement shall be
7 available for up to six prescriptions per recipient, per month, including
8 refills. Payments for drugs are subject to the provisions of subsection
9 (f) of this section and to the provisions at the end of subsection (a) of
10 this section, or in accordance with the State Plan adopted by the
11 Department of Human Resources consistent with federal
12 reimbursement regulations. Payment of the professional services fee
13 shall be made in accordance with the plan adopted by the Department
14 of Human Resources, consistent with federal reimbursement
15 regulations. Adjustments to the professional services fee shall be
16 established by the General Assembly.
- 17 (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified
18 Nurse Midwife Services. – Fee schedules as developed by the
19 Department of Human Resources. Payments for dental services are
20 subject to the provisions of subsection (e) of this section.
- 21 (7) Community Alternative Program, EPSDT Screens. – Payment to be
22 made in accordance with rate schedule developed by the Department
23 of Human Resources.
- 24 (8) Home Health and Related Services, Private Duty Nursing, Clinic
25 Services, Prepaid Health Plans, Durable Medical Equipment. –
26 Payment to be made according to reimbursement plans developed by
27 the Department of Human Resources.
- 28 (9) Medicare Buy-In. – Social Security Administration premium.
- 29 (10) Ambulance Services. – Uniform fee schedules as developed by the
30 Department of Human Resources.
- 31 (11) Hearing Aids. – Actual cost plus a dispensing fee.
- 32 (12) Rural Health Clinic Services. – Provider based - reasonable cost;
33 nonprovider based - single cost reimbursement rate per clinic visit.
- 34 (13) Family Planning. – Negotiated rate for local health departments. For
35 other providers, see specific services for instance, hospitals,
36 physicians.
- 37 (14) Independent Laboratory and X-Ray services. – Uniform fee schedules
38 as developed by the Department of Human Resources.
- 39 (15) Optical Supplies. – One hundred percent (100%) of reasonable
40 wholesale cost of materials.
- 41 (16) Ambulatory Surgical Centers. – Payment as prescribed in the
42 reimbursement plan established by the Department of Human
43 Resources.

- 1 (17) Medicare Crossover Claims. – An amount up to the actual coinsurance
2 or deductible or both, in accordance with the plan, as approved by the
3 Department of Human Resources.
- 4 (18) Physical Therapy and Speech Therapy. – Services limited to EPSDT-
5 eligible children. Payments are to be made only to the Children's
6 Special Health Services program at rates negotiated by the Department
7 of Human Resources.
- 8 (19) Personal Care Services. – Payment in accordance with plan approved
9 by the Department of Human Resources.
- 10 (20) Case Management Services. – Reimbursement in accordance with the
11 availability of funds, to be transferred within the Department of
12 Human Resources.
- 13 (21) Hospice. – Services may be provided in accordance with plan
14 developed by the Department of Human Resources.
- 15 (22) Other Mental Health Services. – Unless otherwise covered by this
16 section, coverage is limited to agencies meeting the requirements of
17 the rules established by the Commission for Mental Health,
18 Developmental Disabilities, and Substance Abuse Services, and
19 reimbursement is made in accordance with a plan developed by the
20 Department of Human Resources not to exceed the upper limits
21 established in federal regulations.
- 22 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
23 Children. – Reimbursement in accordance with plan approved by the
24 Department of Human Resources.
- 25 (24) Health Insurance Premiums. – Payments to be made in accordance
26 with the plan adopted by the Department of Human Resources
27 consistent with federal regulations.
- 28 (25) Medical Care/Other Remedial Care. – Services not covered elsewhere
29 in this section include related services in schools; health professional
30 services provided outside the clinic setting to meet maternal and infant
31 health goals; and services to meet federal EPSDT mandates. Services
32 addressed by this subdivision are limited to those prescribed in the
33 State Plan, as established by the Department of Human Resources.
34 Providers of these services shall be certified as meeting program
35 standards of the Department of Environment, Health, and Natural
36 Resources.

37 Services and payment bases may be changed with the approval of the
38 Director of the Budget.

39 Reimbursement is available for up to 24 visits per recipient per year to any
40 one or combination of the following: physicians, clinics, hospital outpatients,
41 optometrists, chiropractors, and podiatrists. Prenatal services, all EPDST children, and
42 emergency rooms are exempt from the visit limitations contained in this paragraph.
43 Exceptions may be authorized by the Department of Human Resources where the life of
44 the patient would be threatened without such additional care. Any person who is

determined by the Department to be exempt from the 24-visit limitation may also be exempt from the six-prescription limitation.

(b) Allocation of Nonfederal Cost of Medicaid. – The State shall pay eight-five percent (85%) and the county shall pay fifteen percent (15%) of the nonfederal costs of all applicable services listed in this section.

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

(d) Medicaid and Aid to Families with Dependent Children Income Eligibility Standards. – Effective January 1, 1990, the maximum net family annual income eligibility standards for Medicaid and Aid to Families with Dependent Children, and the Standard of Need for Aid to Families with Dependent Children shall be as follows:

Family Size	<u>Categorically Needy</u>		<u>Medically Needy</u>
	Standard AFDC Payment		<u>AA,AB,AD*</u>
	<u>Of Need Level*</u>		
1		\$ 4,344 \$ 2,172	\$ 2,900
2	5,664 2,832	3,800	
3	6,528 3,264	4,400	
4	7,128 3,564	4,800	
5	7,776 3,888	5,200	
6	8,376 4,188	5,600	
7	8,952 4,476	6,000	
8	9,256 4,680	6,300	

*Aid to Families with Dependent Children (AFDC); Aid to the Aged (AA); Aid to the Blind (AB); and Aid to the Disabled (AD).

The payment level for Aid to Families with Dependent Children shall be fifty percent (50%) of the standard of need.

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

(e) Dental Coverage Limits. – Dental services shall be provided on a restricted basis in accordance with rules adopted by the Department to implement this subsection.

(f) Dispensing of Generic Drugs. – Notwithstanding G.S. 90-85.27 through G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security Act) a prescription order for a drug designated by a trade or brand name shall be considered to be an order for the drug by its established or generic name, except when the prescriber personally indicates, either orally or in his own handwriting on the prescription order, "dispense as written" or words of similar meaning. Generic drugs, when available in the pharmacy, shall be dispensed at a lower cost to the Medical Assistance Program rather than trade or brand name drugs, subject to the prescriber's "dispense as written" order as noted above.

1 As used in this subsection "brand name" means the proprietary name the
2 manufacturer places upon a drug product or on its container, label, or wrapping at the
3 time of packaging; and "established name" has the same meaning as in section 502(e)(3)
4 of the Federal Food, Drug and Cosmetic Act as amended, 21 U.S.C. § 352(e)(3).

5 (g) Exceptions to Service Limitations, Eligibility Requirements, and
6 Payments. – Service limitations, eligibility requirements, payments, and payments bases
7 in this section may be waived by the Department of Human Resources, with the
8 approval of the Director of the Budget, to allow the Department to carry out pilot
9 programs for prepaid health plans, managed care plans, or community-based services
10 programs in accordance with plans approved by the United States Department of Health
11 and Human Services, or when the Department determines that such a waiver will result
12 in a reduction in the total Medicaid costs for the recipient.

13 (h) Volume Purchase Plans and Single Source Procurement. – The
14 Department of Human Resources, Division of Medical Assistance, may, subject to the
15 approval of a change in the State Medicaid Plan, contract for services, medical
16 equipment, supplies, and appliances by implementation of volume purchase plans,
17 single source procurement, or other similar processes in order to improve cost
18 containment.

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

23 (j) For all Medicaid eligibility classifications for which the federal poverty
24 level is used as an income limit for eligibility determination, the income limits will be
25 updated each April 1 immediately following publication of federal poverty guidelines.

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

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

- 31 (1) Pregnant women with incomes equal to or less than one hundred
32 eighty-five percent (85%) of the federal poverty guidelines, as
33 revised each April 1 shall be covered for Medicaid benefits;
- 34 (2) Infants under the age of 1 with family incomes equal to or less than
35 one hundred eighty-five percent (85%) of the federal poverty
36 guidelines as revised each April 1, shall be covered for Medicaid
37 benefits;
- 38 (3) Children aged 1 through 5 with family incomes equal to or less than
39 one hundred thirty-three percent (133%) of the federal poverty
40 guidelines as revised each April 1 shall be covered for Medicaid
41 benefits; and
- 42 (4) Children aged 6 through 18 who were born after September 30, 1983,
43 with family incomes equal to the federal poverty guidelines, as revised
44 each April 1, shall be covered for Medicaid benefits.

1 Services to pregnant women eligible under this section continue throughout the
2 pregnancy but include only those related to pregnancy and to those other conditions
3 determined by the Department as conditions that may complicate pregnancy. In order to
4 reduce county administrative costs and to expedite the provision of medical services to
5 pregnant women, to infants, and to children eligible under this section, no resources test
6 shall be applied.

7 (m) The Department of Human Resources may use Medicaid funds budgeted
8 from program services to support the cost of administrative activities to the extent that
9 these administrative activities produce a net savings in services requirements.
10 Administrative initiatives funded by this section shall be first approved by the Office of
11 State Budget and Management.

12
13 Requested by: Senator Richardson

14 **REDUCE INFANT MORTALITY**

15 Sec. 171. The Department of Human Resources, Division of Medical
16 Assistance, shall provide medical coverage for nutritional counseling, psycho-social
17 counseling, and predelivery and post-partum home visits by maternity care coordinators
18 and public health nurses for Medicaid-eligible pregnant women.

19
20 Requested by: Senator Richardson

21 **PURCHASE TRANSPORTATION SERVICES FOR PREGNANT WOMEN 22 AND CHILDREN ON MEDICAID**

23 Sec. 172. (a) Of the funds appropriated from the General Fund to the
24 Department of Human Resources in this act, three hundred thousand dollars (\$300,000)
25 for the 1993-94 fiscal year and three hundred thousand dollars (\$300,000) for the 1994-
26 95 fiscal year shall be transferred to the Department of Transportation, Public
27 Transportation Division, to purchase transportation services for pregnant women and for
28 children on Medicaid. All funds distributed by the Department, under this section, to
29 counties are intended to purchase additional transportation services and not to supplant
30 funds now being used by local governments for that purpose. These funds shall not be
31 used towards the purchase of transportation vehicles or equipment, and shall not be used
32 to cover State administrative costs. Only those counties maintaining Medicaid
33 transportation services to pregnant women and to children at a level that is not reduced
34 from the level of services in place during the 1989-90 fiscal year are be eligible for
35 additional transportation assistance funds.

36 (b) The Public Transportation Division of the Department of Transportation shall
37 distribute these funds to the counties according to the following formula:

- 38 (1) Fifty percent (50%) divided equally among all eligible counties;
- 39 (2) Forty-five percent (45%) on the basis of the number of pregnant
40 women and of children receiving Medicaid in the county as a
41 percentage of the total number of pregnant women and of children
42 receiving Medicaid statewide; and

1 (3) Five percent (5%) based upon a population density factor that
 2 recognizes the higher transportation costs in sparsely populated
 3 counties.

4 The Department of Transportation shall develop appropriate procedures for the
 5 distribution and use of these funds and shall adopt rules to implement these procedures.

6 (c) Funds distributed by the Department of Transportation under this section
 7 shall be used by counties in a manner consistent with implemented transportation
 8 development plans that have been approved by the Department of Transportation and
 9 the board of county commissioners. To receive funds apportioned for a given fiscal
 10 year, a county shall have an approved transportation plan. Funds that are not obligated
 11 in a given fiscal year due to the lack of an approved transportation plan shall be
 12 distributed to the eligible counties based on the distribution formula in subsection (b) of
 13 this section.

14
 15 Requested by: Senator Richardson

16 **PHARMACY DISPENSING FEE**

17 Sec. 173. The professional limits fee for dispensing drugs shall be five
 18 dollars and sixty cents (\$5.60) per prescription, adjusted in accordance with subdivision
 19 (5) of Section 170 of this act.

20
 21 Requested by: Senator Richardson

22 **ICF AND ICF/MR WORK INCENTIVE ALLOWANCES**

23 Sec. 174. The Department of Human Resources may provide an incentive
 24 allowance to Medicaid-eligible recipients of ICF and ICF/MR facilities who are
 25 regularly engaged in work activities as part of their developmental plan and for whom
 26 retention of additional income contributes to their achievement of independence. The
 27 State funds required to match the federal funds that are required by these allowances
 28 shall be provided from savings within the Medicaid budget or from other unbudgeted
 29 funds available to the Department. The incentive allowances may be as follows:

30

<u>Monthly Net Wages</u>	<u>Monthly Incentive Allowance</u>
\$1.00 to \$100.99	up to \$50.00
\$101.00 to \$200.99	\$80.00
\$201.00 to \$300.99	\$130.00
\$301.00 and greater	\$212.00.

36
 37 Requested by: Senator Richardson

38 **MEDICAID INPATIENT HOSPITAL REIMBURSEMENT**

39 Sec. 175. Effective July 1, 1994, the Department of Human Resources,
 40 Division of Medical Assistance, shall implement a budget-neutral Diagnosis-Related
 41 Group reimbursement methodology for inpatient hospital services. In addition, the
 42 Department shall study the feasibility of implementing selective contracts for hospital
 43 inpatient services and shall report its recommendations to the General Assembly by
 44 March 15, 1994.

1

2 Requested by: Senator Richardson

3 **FAMILY SUPPORT ACT**

4 Sec. 176. (a) The General Assembly finds that it is in the best interest of the
5 State and of all its citizens to encourage recipients of Aid to Families with Dependent
6 Children to obtain jobs and become self-sufficient. It further finds that, by continuing
7 medical assistance and providing limited wage assistance to those recipients who are
8 working, the State will make it possible to help many recipients to be able to keep their
9 jobs, support their families, and become self-sufficient.

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

18

19 Requested by: Senator Richardson

20 **RETROSPECTIVE ACCOUNTING ADJUSTMENT**

21 Sec. 177. The Department of Human Resources shall use funds appropriated
22 to it by this act to provide a State supplementary payment to Aid to Families of
23 Dependent Children households adversely affected by the retrospective accounting
24 procedure as allowed under section 403(a) of the Social Security Act (42 U.S.C.
25 §603(a)), as amended by section 157(a) of the Tax Equity and Fiscal Responsibility Act
26 of 1982. The amount of the State supplement shall not exceed the maximum payment
27 standard for the Aid to Families with Dependent Children Program.

28

29 Requested by: Senator Richardson

30 **AFDC/WOMEN IN THIRD TRIMESTER OF PREGNANCY ADJUSTMENT**

31 Sec. 178. The Division of Social Services, Department of Human Resources,
32 shall provide Aid to Families with Dependent Children to women in their third trimester
33 of pregnancy, regardless of whether these women have children, if they otherwise
34 qualify for these payments.

35

36 Requested by: Senator Richardson

37 **FOSTER CARE**

38 Sec. 179. Funds appropriated to the Department of Human Resources in this
39 act for foster care assistance rates shall be used to set the rates at two hundred sixty-five
40 dollars (\$265.00) per child per month. Of this sum, fifteen dollars (\$15.00) is a special
41 needs allowance for the child.

42

43 Requested by: Senator Richardson

44 **EMERGENCY ASSISTANCE**

1 Sec. 180. The Division of Social Services, Department of Human Resources,
2 shall not expend more State funds than are appropriated for Emergency Assistance by
3 this act. Within this limit, Emergency Assistance benefits shall not exceed three
4 hundred dollars (\$300.00) per year per family, payable over a 30-day period. After this
5 30-day period, Emergency Assistance benefits are not available to that family until 12
6 months have elapsed from the initial authorization date. The family may have no more
7 than a total of three hundred dollars (\$300.00) in liquid assets in order to qualify for any
8 Emergency Assistance pursuant to this section.

9 It is the intent of the General Assembly that these Emergency Assistance
10 funds shall only be used to provide assistance to persons to alleviate an emergency. In
11 evaluating whether an emergency exists, the county departments of social services shall
12 apply prudent judgment to evaluate each emergency on its own merits. Prudent
13 judgment will permit departments of social services to consider whether the client
14 created the emergency and whether the assistance will resolve the emergency.

15
16 Requested by: Senator Richardson

17 **FOOD STAMP OUTREACH**

18 Sec. 181. The Department of Human Resources shall continue a Food Stamp
19 Outreach Program. Under the Program, the Department shall inform public and private
20 agencies, community groups, potentially eligible persons, and the general public
21 regarding the eligibility requirements of the Food Stamp Program. The Department
22 shall maintain a referral list of public and private agencies, community groups, and
23 interested persons and organizations who serve low-income persons. The Department
24 shall inform these agencies and persons regarding the Food Stamp Program and changes
25 in the law that affect client eligibility or the extent of benefits. The Department shall
26 develop and distribute informational materials, such as public service announcements,
27 brochures, pamphlets, posters, and correspondence.

28
29 Requested by: Senator Richardson

30 **CHILD PROTECTIVE SERVICES**

31 Sec. 182. (a) Funds appropriated to the Department of Human Resources,
32 Division of Social Services, for Child Protective Services in this act, shall be allocated
33 to the county departments of social services as follows:

- 34 (1) Each of the 100 county departments shall receive an allocation of
35 thirty thousand dollars (\$30,000) for the 1993-94 fiscal year and
36 (\$30,000) for the 1994-95 fiscal year; and
- 37 (2) The balance of available funds shall be allocated to each county
38 department based upon the percentage that the total number of abuse
39 and neglect reports within that county represents to the statewide total
40 number of abuse and neglect reports. These percentages shall be
41 computed from the reports received by the Central Registry of Abuse
42 and Neglect cases for the last two fiscal years.

43 (b) Funds allocated to county departments of social services pursuant to this
44 section shall be used for staff carrying out investigations of reports of child abuse or

1 neglect or providing protective or preventive services in cases in which the department
2 confirms neglect, abuse, or dependency. If a county department demonstrates that it has
3 adequate protective services staff, these funds may be used to purchase or provide
4 treatment and other support services to children and their families in confirmed cases.
5 All expenditures shall be directly in support of the department's program of protective
6 services for children. These funds shall not be used to supplant any Social Services
7 Block Grant funds or county appropriations previously budgeted for protective services
8 for children.

9 (c) The Department of Human Resources, Division of Social Services, shall
10 establish criteria and guidelines to assure that the allocations to county departments of
11 social services are used in accordance with the intent and purposes of this section.

12
13 Requested by: Senator Richardson

14 **ADOPTION SUBSIDY**

15 Sec. 183. The adoption subsidy paid monthly by the Division of Social
16 Services, Department of Human Resources, to eligible families who adopt hard-to-place
17 children shall be established at two hundred dollars (\$200.00) per child per month.

18
19 Requested by: Senator Richardson

20 **SOCIAL SERVICES PLAN/FAMILY PRESERVATION SERVICES**

21 Sec. 184. (a) Of the funds appropriated to the Department of Human
22 Resources, Division of Social Services, in this act the sum of four hundred ten thousand
23 dollars (\$410,000) for the 1993-94 fiscal year and the sum of four hundred ten thousand
24 dollars (\$410,000) for the 1994-95 fiscal year shall be used to enable the Department to
25 develop further the Social Services Plan, in consultation and cooperation with other
26 appropriate agencies and organizations, and consistent with the policies as provided by
27 Chapter 448 of the 1989 Session Laws.

28 As part of the further development of the Social Services Plan, the
29 Department of Human Resources shall pilot in three to five counties the core services as
30 described in its report on the Social Services Plan to the General Assembly. The
31 piloting shall include the establishment of minimum standards for the provision of the
32 core services, including the staffing standards, caseload standards, training standards,
33 and facilities standards.

34 In implementing Family Centered Services as a core service, the Secretary of
35 the Department of Human Resources shall consider the advice and recommendations of
36 the Advisory Committee on Family Centered Services.

37 These funds may be used as a match for federal funds that may be available
38 in order to maximize support for the pilot. Funds appropriated by the General
39 Assembly to be allocated to counties for child protective services shall be used by the
40 pilot counties to strengthen investigations and treatment in Child Protective Services as
41 a core service. Any funds allocated to counties pursuant to this subsection shall be
42 matched by the counties at the rate of one county dollar for every three State dollars.

43 (b) Of the funds appropriated to the Department of Human Resources, Division
44 of Social Services, in this act, the sum of fifty thousand dollars (\$50,000) for the 1993-

1 94 fiscal year and the sum of fifty thousand dollars (\$50,000) for the 1994-95 fiscal year
2 shall be used to make grants to public or private agencies to develop and implement
3 model programs of locally based Family Preservation Services as provided in Part 4A of
4 Article 3 of Chapter 143B of the General Statutes, the Family Preservation Act. These
5 funds shall be used in conjunction with funds identified within the Department to
6 implement the Family Preservation Services Program as provided in this section. The
7 Secretary of the Department of Human Resources shall ensure that the development of
8 these Family Preservation Models and the piloting of the core social services described
9 in subsection (a) of this section are coordinated at State and local levels to achieve the
10 most effective service delivery for families and use of available funding sources.

11
12 Requested by: Senator Richardson

13 **LIMITATION ON TRANSFER OF ABORTION FUNDS**

14 Sec. 185. No funds in excess of one million dollars (\$1,000,000) each fiscal
15 year, whether from tax revenue, gift, bequest, grant, or any other sources, shall be
16 expended for the purpose of the State Abortion Fund during the 1993-95 fiscal
17 biennium.

18
19 Requested by: Senators Richardson and Walker

20 **COUNTY MATCHING REQUIREMENTS FOR CHILD PROTECTIVE** 21 **SERVICES**

22 Sec. 186. State Assistance to counties for child protective services shall be
23 matched by counties at the rate of twenty-five percent (25%) effective July 1, 1993.
24 Counties may use federal funds or county funds to meet matching requirements.

25
26 Requested by: Senator Richardson

27 **DOMICILIARY CARE REIMBURSEMENT RATE INCREASE**

28 Sec. 187. Effective July 1, 1993, the maximum monthly rate for residents in
29 domiciliary care facilities shall be nine hundred thirty-eight dollars (\$938.00) for
30 ambulatory residents and nine hundred seventy-nine fifty-two dollars (\$979.00) for
31 semiambulatory residents.

32 Effective July 1, 1994, the maximum monthly rate for residents in
33 domiciliary care facilities shall be nine hundred forty-one dollars (\$941.00) for
34 ambulatory residents and nine hundred eighty-two dollars (\$982.00) for semiambulatory
35 residents.

36
37 Requested by: Senator Richardson

38 **CAREGIVER SUPPORT SHARING**

39 Sec. 188. (a) Of the funds appropriated to the Division of Aging, Department of
40 Human Resources, by this act for the 1993-95 fiscal biennium, the sum of one million
41 eight thousand dollars (\$1,008,000) for the 1993-94 fiscal year and the sum of one
42 million eight thousand dollars (\$1,008,000) for the 1994-95 fiscal year shall be used for
43 services that support family caregivers of elderly persons with functional disabilities,
44 whether physical or mental, who want to stay in their homes rather than be

1 institutionalized, but who need assistance with the activities of daily living in order to
2 remain at home. The services that may be purchased from funds received under this
3 section include:

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

11 (b) The Division of Aging shall expend funds for these services according to
12 the population of persons 70 years of age or older in each region. The Division of
13 Aging shall use a minimum of ninety-five percent (95%) of the funds it receives under
14 this section for the services described in subdivisions (1) through (4) of subsection (a) of
15 this section and may only use a maximum of five percent (5%) for technical assistance
16 as described in subsection (c) of this section. The Division of Aging shall choose
17 providers in accordance with procedures under the Older Americans Act. Funds
18 allocated by the Division pursuant to this section shall be allocated by October 1 of each
19 fiscal year.

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

24
25 Requested by: Senator Richardson

26 **SENIOR CENTER OUTREACH**

27 Sec. 189. (a) Of the funds appropriated to the Department of Human
28 Resources, Division of Aging, by this act for the 1993-95 fiscal biennium, four hundred
29 three thousand eight hundred dollars (\$403,800) for the 1993-94 fiscal year and four
30 hundred three thousand eight hundred dollars (\$403,800) for the 1994-95 fiscal year
31 shall be used by the Division of Aging to enhance senior center programs as follows:

- 32 (1) To test "satellite" services provided by existing senior centers to
33 unserved or underserved areas; or
- 34 (2) To provide start-up funds for new senior centers.

35 All of these funds shall be allocated by October 1 of each fiscal year.

36 (b) Prior to funds being allocated pursuant to this section for start-up funds
37 for a new senior center, the county commissioners of the county in which the new center
38 will be located shall:

- 39 (1) Formally endorse the need for such a center;
- 40 (2) Formally agree on the sponsoring agency for the center; and
- 41 (3) Make a formal commitment to use local funds to support the ongoing
42 operation of the center.

43 (c) State funding shall not exceed ninety percent (90%) of reimbursable costs.

44

1 Requested by: Senator Richardson

2 **DAY CARE FUNDS MATCHING REQUIREMENT**

3 Sec. 190. No local matching funds may be required by the Department of
4 Human Resources as a condition of any locality's receiving any State day care funds
5 appropriated by this act unless federal law requires such a match.
6

7 Requested by: Senator Richardson

8 **DAY CARE**

9 Sec. 191. Except for the allocation of support costs from federal grants by the
10 General Assembly or the reallocation of federal grant funds by the Office of State
11 Budget and Management, the Department of Human Resources shall distribute the
12 funds appropriated and otherwise available to it for the purchase of slots in day care for
13 minor children of needy families so as to serve the greatest number of children possible.
14

15 Requested by: Senator Richardson

16 **DAY CARE RATES**

17 Sec. 192. (a) Rules for the monthly schedule of payments for the purchase of day
18 care services for low-income children shall be established by the Social Services
19 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following
20 requirements:

- 21 (1) For day care facilities, as defined in G.S. 110-86(3), in which fewer
22 than fifty percent (50%) of the enrollees are subsidized by State or
23 federal funds, the State shall continue to pay the same fee paid by
24 private paying parents for a child in the same age group in the same
25 facility.
- 26 (2) Facilities in which fifty percent (50%) or more of the enrollees are
27 subsidized by State or federal funds may choose annually one of the
28 following payment options:
 - 29 a. The facility's payment rate for fiscal year 1985-86; or
 - 30 b. The market rate, as calculated annually by the Division of
31 Facility Services' Child Day Care Section in the Department of
32 Human Resources.
- 33 (3) A market rate shall be calculated for each county and for each age
34 group or age category of enrollees and shall be representative of fees
35 charged to unsubsidized private paying parents for each age group of
36 enrollees within the county. The county market rates shall be
37 calculated from facility fee schedules collected by the Child Day Care
38 Section on a routine basis. The Section shall also calculate a statewide
39 market rate for each age category. The Social Services Commission
40 shall adopt rules to establish minimum county rates that use the
41 statewide market rates as a reference point.
- 42 (4) Child day care homes as defined in G.S. 110-86(4) and other home-
43 based day care arrangements that are not required to be regulated by
44 the State licensing agency may be paid the market rate for day care

1 homes, which shall be calculated at least biennially by the Child Day
2 Care Section according to the method described in subdivision (3) of
3 subsection (a) of this section.

4 (b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General
5 Statutes may participate in the program that provides for the purchase of care in day
6 care facilities for minor children of needy families. No separate licensing requirements
7 shall be used to select facilities to participate. In addition, day care facilities shall be
8 required to meet any additional applicable requirements of federal law or regulations.

9 Day care homes as defined in G.S. 110-86(4) from which the State purchases
10 day care services shall meet the standards established by the Child Day Care
11 Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional
12 requirements of State law or federal law or regulations. Child care arrangements
13 exempt from State regulation pursuant to Article 7 of Chapter 110 of the General
14 Statutes shall meet the requirements established by other State law and by the Social
15 Services Commission.

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

20
21 Requested by: Senator Richardson

22 DAY CARE ALLOCATION FORMULA

23 Sec. 193. (a) To simplify current day care allocation methodology and more
24 equitably distribute State day care funds, the Department of Human Resources shall
25 apply the following allocation formula to all noncategorical federal and State day care
26 funds used to pay the costs of necessary day care for minor children of needy families:

- 27 (1) One-third of budgeted funds shall be distributed according to the
28 county's population in relation to the total population of the State;
- 29 (2) One-third of the budgeted funds shall be distributed according to the
30 number of children under 6 years of age in a county who are living in
31 families whose income is below the State poverty level in relation to
32 the total number of children under 6 years of age in the State in
33 families whose income is below the poverty level; and
- 34 (3) One-third of budgeted funds shall be distributed according to the
35 number of working mothers with children under 6 years of age in a
36 county in relation to the total number of working mothers with
37 children under 6 years of age in the State.

38 (b) A county's initial allocation shall not be less than that county's initial
39 allocation was in fiscal year 1990-91 under the formula prescribed by Section 102 of
40 Chapter 500 of the 1989 Session Laws. However, if the total amount available to
41 allocate is less than the amount allocated by formula in the 1990-91 fiscal year, a
42 county's allocation may be less than the county's initial allocation was in that fiscal year.

43
44 Requested by: Senator Richardson

1 DHR EMPLOYEES/IN-KIND MATCH

2 Sec. 194. Notwithstanding the limitations of G.S. 143B-139.4, the Secretary
3 of the Department of Human Resources may assign employees of the Office of Rural
4 Health and Resource Development to serve as in-kind match to nonprofit corporations
5 working to establish health care programs that will improve health care access while
6 controlling costs.

7
8 Requested by: Senator Richardson

9 COMMUNITY-BASED ALTERNATIVES PARTICIPATION

10 Sec. 195. County governments participating in the Community-Based
11 Alternatives Program shall certify annually to the Division of Youth Services,
12 Department of Human Resources, that Community-Based Alternatives Aid to Counties
13 shall not be used to duplicate or supplant other programs within the county.

14
15 Requested by: Senators Walker and Richardson

16 SUPPLEMENTAL HEAD START FUNDS

17 Sec. 196. Supplemental Head Start funds appropriated in this act to the
18 Department of Human Resources, Division of Economic Opportunity, shall continue to
19 be allocated to those counties currently receiving these funds.

20
21 Requested by: Senator Richardson

22 COUNTY DAY CARE ENCOURAGEMENT

23 Sec. 197. (a) The General Assembly encourages all counties to use all their
24 initial child care allocations by actively and aggressively pursuing all existing child care
25 resources currently available. The Department of Human Resources, Division of Child
26 Development, Day Care Section, shall reevaluate its allocation/reversion/reallocation
27 timetable to balance equitably the needs of those counties that have had difficulty using
28 their initial allocations in a timely fashion with the needs of those counties who have
29 used the reverted allocations to excellent purpose.

30 (b) The General Assembly encourages counties to use creative and innovative
31 methods of enriching their existing day care, such as by using volunteers from senior
32 citizen centers in day care, and to identify any State law or policy bars that may
33 currently exist to these methods.

34 (c) The General Assembly encourages counties that now provide certain child
35 care payments directly to parents rather than directly to the provider to reevaluate this
36 practice in order to ensure that the method of payment properly reflects both the needs
37 of the individual families and the day care community.

38 (d) The Department of Human Resources shall report quarterly to the Joint
39 Legislative Commission on Governmental Operations and to the Fiscal Research
40 Division of the Legislative Services Office on the implementation of this section.

41
42 Requested by: Senator Richardson

43 EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES

1 Sec. 198. Counties participating in the Early Childhood Education and
2 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the
3 General Statutes, if enacted by the 1993 General Assembly by the effective date of this
4 act, may use the county's allocation of State and federal child care funds to subsidize
5 child care according to the county's Early Childhood Education and Development
6 Initiatives Plan as approved by the Department of Human Resources. The use of federal
7 funds shall be consistent with the appropriate federal regulations. Day care providers
8 shall, at a minimum, comply with the applicable requirements for State licensure or
9 registration pursuant to Article 7 of Chapter 110 of the General Statutes, with other
10 applicable requirements of State law or rule, including rules adopted for nonregistered
11 day care by the Social Services Commission, and with applicable federal regulations.

12
13 Requested by: Senator Richardson

14 **CHILD DAY CARE REVOLVING LOAN FUND**

15 Sec. 199. Notwithstanding any law to the contrary, funds budgeted for the
16 Child Day Care Revolving Loan Fund may be transferred to and invested by the
17 financial institution contracted to operate the Fund. The principal and any income to the
18 Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral
19 for borrowers, pay the contractor's cost of operating the Fund, or to pay the
20 Department's cost of administering the program.

21
22 Requested by: Senator Daniel

23 **RURAL/PRIMARY CARE INITIATIVES**

24 Sec. 200. G.S. 131E-76 is amended by adding two new subdivisions to read:

25 "(6) 'Primary care hospital' means a hospital which has been designated as
26 a primary care hospital by the Department of Human Resources,
27 Office of Rural Health and Resource Development. To be designated
28 as a primary care hospital under this subdivision, the hospital must be
29 located in a rural community, provide primary care inpatient services
30 which do not include inpatient surgery, and provide outpatient services
31 which may include outpatient surgery. A primary care hospital shall
32 have a maximum annual average daily census of 15 patients and may
33 have psychiatric and long-term care distinct part units. A primary care
34 hospital must be part of a rural hospital network.

35 (7) 'Rural hospital network' means an alliance of members which must
36 include at least one primary care hospital and one other hospital. To
37 qualify as a rural hospital network, the members must submit a
38 comprehensive, written memorandum of understanding to the
39 Department of Human Resources for the Department's approval. The
40 memorandum of understanding must include provisions for patient
41 referral and transfer, a plan for network-wide emergency services, and
42 a plan for sharing patient information and services between hospital
43 members, including medical staff credentialing, risk management,
44 quality assurance, and peer review."

1

2 Requested by: Senators Daniel and Plyler

3 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**
4 **QUALITY ASSURANCE/ACCOUNTABILITY**

5 Sec. 201. (a) The General Assembly finds, in consultation with the Governor,
6 that it is essential to begin to develop comprehensive programs that provide high quality
7 early childhood education and development services locally for children and their
8 families. The General Assembly also finds that it is equally essential that these
9 programs be developed in a manner that will provide both quality assurance and
10 performance-based accountability to the children, their families, their communities, and
11 the State.

12 (b) The Department of Human Resources shall develop and implement a
13 performance-based evaluation system to evaluate the Early Childhood Education and
14 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the
15 General Statutes, if enacted. The Department shall design this system:

- 16 (1) To incorporate the elements of a formative evaluation, including
17 process and efficiency studies, and of a summative evaluation,
18 including outcome and effectiveness studies, in order to:
- 19 a. Provide information to the Department and to the General
20 Assembly on how to improve and refine the Programs;
 - 21 b. Enable the Department and the General Assembly to assess the
22 overall quality and impact of the existing Programs and any
23 future ones; and
 - 24 c. Enable the Department and the General Assembly to determine
25 whether to make the Early Childhood Education and
26 Development Initiatives statewide;
- 27 (2) To focus the Programs, as they develop and continue, on quality
28 assurance, by making quality a central and on-going priority and to
29 ensure that quality improvement efforts address outcomes, such as
30 functions and processes, rather than persons, specific details, or
31 paperwork;
- 32 (3) To use reliable statistical methods to measure performance of
33 processes, functions, efforts, and outcomes, which methods shall allow
34 adequate tracking of children and families through the program and
35 into the school system, in order to provide a real, objective measure of
36 the outcome of the Programs; and
- 37 (4) To provide a detailed fiscal analysis of the use to which State funds for
38 these Programs are put.

39 (b) The Department shall report to the General Assembly by October 1, 1993,
40 on the system it has developed, prior to the beginning of the system's implementation.
41 It shall report every three months after that date on the implementation of the system
42 and on the cumulative results of the evaluations as they occur. The Department shall
43 present a final cumulative report to the General Assembly by February 1, 1995.

44

1 **PART 24. DEPARTMENT OF AGRICULTURE**

2
3 Requested by: Senator Martin of Pitt

4 **WAREHOUSE ACT FUNDS**

5 Sec. 202. (a) G.S. 106-435 reads as rewritten:

6 **"§ 106-435. Fund for support of system; collection and investment.**

7 In order to provide a sufficient indemnifying or guarantee fund to cover any loss not
8 covered by the bonds hereinbefore mentioned, in order to provide the financial backing
9 which is essential to make the warehouse receipt universally acceptable as collateral,
10 and in order to provide that a State warehouse system intended to benefit all cotton
11 growers in North Carolina shall be supported by the class it is designed to benefit, it is
12 hereby declared: that on each bale of cotton ginned in North Carolina during the period
13 from the ratification of this bill until June 30, 1922, twenty-five cents (25¢) shall be
14 collected through the ginner of the bale and paid into the State treasury, to be held there
15 as a special guarantee or indemnifying fund to safeguard the State warehouse system
16 against any loss not otherwise covered. The State Tax Commission shall provide and
17 enforce the machinery for the collection of this tax, which shall be held in the State
18 treasury to the credit of the State warehouse system. Not less than ten per centum (10%)
19 of the entire amount collected from the per bale tax shall be invested in United States
20 government or farm loan bonds or North Carolina bonds, and the remainder may be
21 invested in amply secured first mortgage notes or bonds to aid and encourage the
22 establishment of warehouses operating under this system, and to aid and encourage the
23 establishment of farm markets designed to serve the marketing, packaging, and grading
24 needs for the sale and distribution of unprocessed farm commodities when adequate
25 markets are not otherwise provided. Such investments shall be made by the Board of
26 Agriculture, with the approval of the Governor and Attorney General: Provided, such
27 first mortgages shall be for not more than one-half the actual value of the warehouse
28 property covered by such mortgages, and run not more than 10 years: Provided further,
29 that the interest received from all investments shall be available for appropriation for
30 capital projects and nonrecurring expenditures as provided in the act making the
31 appropriation, and for the administrative expense of carrying into effect the provisions
32 of this law, including the employment of such persons and such means as the State
33 Board of Agriculture in its discretion may deem necessary: Provided further, that the
34 guarantee fund, raised under the provisions of sections 4907 to 4925 of the Consolidated
35 Statutes of 1919, shall become to all intents and purposes a part of guarantee fund to be
36 raised under this law and subject to all the provisions hereof."

37 (b) There is appropriated from the North Carolina Warehouse Act Fund to the
38 General Fund for fiscal year 1993-94 the sum of five hundred thousand dollars
39 (\$500,000) in accumulated interest, to be used to support expenditures for capital
40 projects or nonrecurring expenditures as provided in this act.

41
42 Requested by: Senator Kaplan

43 **CAPITAL BILL CONTENTS**

44 Sec. 203. G.S. 146-30 reads as rewritten:

1 "§ 146-30. Application of net proceeds.

2 (a) The net proceeds of any disposition made in accordance with this Subchapter
3 shall be handled in accordance with the following priority: First, in accordance with the
4 provisions of any trust or other instrument of title whereby title to such real property
5 was heretofore acquired or is hereafter acquired; second, as provided by any other act of
6 the General Assembly; third, the net proceeds shall be deposited with the State
7 Treasurer. Provided, however, nothing herein shall be construed as prohibiting the
8 disposition of any State lands by exchange for other lands, but if the appraised value in
9 fee simple of any property involved in the exchange is at least twenty-five thousand
10 dollars (\$25,000), then such exchange may not be made without consultation with the
11 Joint Legislative Commission on Governmental Operations.

12 (b) For the purposes of this Subchapter, the term 'net proceeds' means the gross
13 amount received from the sale, lease, rental, or other disposition of any State lands, less

14 (1) Such expenses incurred incident to that sale, lease, rental, or other
15 disposition as may be allowed under rules and regulations adopted by
16 the Governor and approved by the Council of State;

17 (2) Amounts paid pursuant to G.S. 105-296.1, if any; and

18 (3) A service charge to be paid into the State Land Fund.

19 (c) The amount or rate of such service charge shall be fixed by rules and
20 regulations adopted by the Governor and approved by the Council of State, but as to any
21 particular sale, lease, rental, or other disposition, it shall not exceed ten percent (10%) of
22 the gross amount received from such sale, lease, rental, or other disposition.
23 Notwithstanding any other provision of this Subchapter, the net proceeds derived from
24 the sale of land or products of land owned by or under the supervision and control of the
25 Wildlife Resources Commission, or acquired or purchased with funds of that
26 Commission, shall be paid into the Wildlife Resources Fund. Provided, however, the net
27 proceeds derived from the sale of land or timber from land owned by or under the
28 supervision and control of the Department of Agriculture shall be deposited with the
29 State Treasurer in a capital improvement account to the credit of the Department of
30 Agriculture, to be used for such specific capital improvement projects or other purposes
31 as are provided by transfer of funds from those accounts in the ~~Current Operations~~
32 Capital Improvement Appropriations Act. Provided further, the net proceeds derived
33 from the sale of park land owned by or under the supervision and control of the
34 Department of Environment, Health, and Natural Resources shall be deposited with the
35 State Treasurer in a capital improvement account to the credit of the Department of
36 Administration to be used for the purpose of park land acquisition as provided by
37 transfer of funds from those accounts in the ~~Current Operations~~ Capital Improvement
38 Appropriations Act. In the ~~Current Operations~~ Capital Improvement Appropriations
39 Act, line items for purchase of park and agricultural lands will be established for use by
40 the Departments of Administration and Agriculture. The use of such funds for any
41 specific capital improvement project or land acquisition is subject to approval by the
42 Director of the Budget. No other use may be made of funds in these line items without
43 approval by the General Assembly except for incidental expenses related to the project
44 or land acquisition. Additionally with the approval of the Director of the Budget, either

1 Department may request funds from the Contingency and Emergency Fund when the
2 necessity of prompt purchase of available land can be demonstrated and funds in the
3 capital improvement accounts are insufficient. Provided further, the net proceeds
4 derived from the sale of any portion of the land in or around the unincorporated area
5 known as Butner on or after July 1, 1980, shall be deposited with the State Treasurer in
6 a capital improvement account to the credit of the Hospital to provide water and sewers
7 and to bring those streets in the unincorporated area known as Butner not on the State
8 highway system up to standards adequate for acceptance on the system, according to a
9 plan adopted by the Department of Administration, and the Office of State Budget and
10 Management, with the approval of the Board of County Commissioners of Granville
11 County, to build industrial access roads to industries on the Butner lands, to construct
12 new city streets on the Butner lands, extend water and sewer service on the Butner
13 lands, and repair storm drains on the Butner lands."

14
15 Requested by: Senator Martin of Pitt

16 **TIMBER SALES FUNDS FOR MAINTENANCE OF STATE FARMS FOREST**
17 **LANDS**

18 Sec. 204. From funds from the sale of timber deposited with the State
19 Treasurer under G.S. 146-30 to the credit of the Department of Agriculture in a capital
20 improvement account, the sum of twenty thousand dollars (\$20,000) is transferred to the
21 Reserve for Forest Management for expenditure in fiscal year 1993-94, and the sum of
22 twenty thousand dollars (\$20,000) is transferred to the Reserve for Forest Management
23 for expenditure in fiscal year 1994-95. These sums are in addition to any funds already
24 in that Reserve.

25
26 **PART 25. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL**
27 **RESOURCES**

28
29 Requested by: Senator Martin of Pitt

30 **FUNDS FOR VOLUNTARY REMEDIAL ACTIONS**

31 Sec. 205. (a) During the 1993-94 fiscal year, the Secretary of the Department of
32 Environment, Health, and Natural Resources may contribute from the Inactive
33 Hazardous Sites Cleanup Fund up to ten percent (10%) of the cost, not to exceed fifty
34 thousand dollars (\$50,000) per site, of implementing a voluntary remedial action
35 program at up to three high priority sites that substantially endanger public health or the
36 environment.

37 (b) No later than April 1, 1994, the Department of Environment, Health, and
38 Natural Resources shall report to the General Assembly. This report shall contain the
39 location of the sites for which a voluntary remedial action program was implemented
40 under subsection (a) of this section, the rationale for the State contributing to the cost of
41 that remedial action, and the amount of the contribution made from the Inactive
42 Hazardous Sites Cleanup Fund.

43
44 Requested by: Senator Martin of Pitt

HAZARDOUS WASTE INSPECTORS

Sec. 206. As industry is permitted that is subject to G.S. 130A-295.02 requiring the establishment of resident inspectors, the Department of Environment, Health, and Natural Resources may request through the Office of State Budget and Management the authorization to establish new positions and support costs necessary to comply with G.S. 130A-295.02. The Department shall report these positions as a continuation item in its next biennial budget request.

Requested by: Senator Ballance

HAZARDOUS WASTE REDUCTION AND MANAGEMENT PLAN

Sec. 207. The Department of Environment, Health, and Natural Resources shall not approve any permit for a commercial hazardous waste incinerator or a commercial hazardous waste treatment facility until the Department has developed and adopted a hazardous waste reduction and management plan and has determined that additional commercial hazardous waste treatment capacity is needed.

Requested by: Senator Martin of Pitt

SUPERFUND PROGRAM FUNDS

Sec. 208. (a) The Department of Environment, Health, and Natural Resources may use available funds, with the approval of the Office of State Budget and Management, in order to provide the ten percent (10%) cost share required for Superfund cleanups on the National Priority List sites. These funds may be in addition to those appropriated for this purpose.

(b) The Department of Environment, Health, and Natural Resources and the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations the amount and the source of the funds used pursuant to subsection (a) of this section within 30 days of the expenditure of these funds.

Requested by: Senator Martin of Pitt

TECHNICAL REVIEW COMMITTEE APPOINTMENTS

Sec. 209. G.S. 143-215.74B reads as rewritten:

"§ 143-215.74B. Committee established.

Detailed plans for implementing the program shall be reviewed and suggested changes and reasons therefor shall be given by a committee consisting of the Master of the North Carolina State Grange, President of the North Carolina Farm Bureau Federation, the North Carolina Commissioner of Agriculture, the Dean of the School of Agriculture and Life Sciences at North Carolina State University, the Dean of the School of Agriculture at North Carolina Agricultural and Technical State University, the Chairman of the State Soil and Water Conservation Commission, the President of the North Carolina Association of Soil and Water Conservation Districts, the Executive Director of the Wildlife Resources ~~Commission~~, Commission or a designee, and the Director of the Division of Marine ~~Fisheries~~, Fisheries or a designee. The committee shall review the program prior to expenditure of any funds for the program.

1 Certification documenting the committee's review of the program shall be made in
2 writing to the Speaker of the House of Representatives, the President of the Senate, the
3 Chairmen of the Appropriations Committees of the Senate and the House of
4 Representatives, the Director of the Fiscal Research Division of the Legislative Services
5 Office, and the Legislative Library."

6
7 Requested by: Senator Martin of Pitt

8 **DENTAL HEALTH PROGRAM**

9 Sec. 210. G.S. 130A-366 reads as rewritten:

10 **"§ 130A-366. Department to establish dental health program.**

11 (a) The Department shall establish and administer a dental health program for the
12 delivery of preventive, educational and dental care services to preschool children,
13 school-age children, and adults. The program shall include, but not be limited to,
14 providing teacher training, adult and child education, consultation, screening and
15 referral, technical assistance, community coordination, field research and direct patient
16 care. The primary emphasis of the program shall be the delivery of preventive,
17 educational, and dental care services to preschool children and school-age children.

18 (b) The Commission shall adopt rules necessary to implement the program."
19

20 Requested by: Senator Martin of Pitt

21 **PHARMACEUTICAL FUNDS/SEXUALLY TRANSMITTED DISEASE** 22 **CONTROL PROGRAM**

23 Sec. 211. Of the funds appropriated in this act to the Department of
24 Environment, Health, and Natural Resources, Division of Epidemiology, ninety
25 thousand dollars (\$90,000) in each fiscal year of the biennium shall be transferred from
26 the pharmaceuticals line item in the Tuberculosis Control Program to the
27 pharmaceuticals line item in the Sexually Transmitted Disease Control Program.
28

29 Requested by: Senator Martin of Pitt

30 **COMMUNICABLE DISEASE CONTROL AID TO COUNTIES FLEXIBILITY**

31 Sec. 212. (a) For the 1993-94 and 1994-95 fiscal years, the Department of
32 Environment, Health, and Natural Resources may combine and allocate funds
33 appropriated for Aid to Counties in the Acute Communicable Disease Control Fund, the
34 Tuberculosis Control Fund, and the Sexually Transmitted Disease Control Fund into
35 one Acute Communicable Disease Control Aid to Counties Grant. Communicable
36 disease Aid to Counties funding to local health departments and other authorized
37 recipients will be based on a general communicable disease formula to be developed by
38 the Department of Environment, Health, and Natural Resources.

39 (b) The Department of Environment, Health, and Natural Resources, in
40 conjunction with local health departments, will maintain a system to monitor and
41 identify Aid to Counties communicable disease expenditures by each communicable
42 disease group. The Department shall report to the Joint Legislative Commission on
43 Governmental Operations not later than October 1, 1994, on Aid to Counties
44 expenditures by county for each communicable disease group and the purpose of the

1 expenditures for 1993-94 fiscal year. The report shall also include an evaluation of the
2 effectiveness of combining Aid to Counties funding into one grant fund and the
3 effectiveness of the formula used to allocate funds.

4
5 Requested by: Senator Martin of Pitt

6 **ELIGIBILITY STANDARDS FOR PARTICIPATION IN DEPARTMENT**
7 **REIMBURSEMENT PROGRAMS ESTABLISHED**

8 Sec. 213. G.S. 130A-29(c) is amended by adding a new subdivision to read:

9 "(5a) Establishing eligibility standards for participation in Department
10 reimbursement programs;".

11
12 Requested by: Senators Martin of Pitt and Hoyle

13 **LIABILITY INSURANCE PREMIUMS**

14 Sec. 214. (a) The Department of Environment, Health, and Natural
15 Resources may use funds available from lapsed salaries to pay premiums for liability
16 coverage for medical personnel as authorized in this act.

17 (b) The Office of State Budget and Management shall prepare a report on
18 professional liability insurance for State medical personnel. The report shall include:

- 19 (1) Identification of all State agencies, including the university system,
20 which provide professional liability insurance for their medical
21 personnel;
- 22 (2) Whether the insurance identified in subdivision (1) of this section is
23 provided through self-insurance by the State agency, through payment
24 of insurance premiums, or by other means;
- 25 (3) The annual cost of the insurance provided by the State agency, and the
26 source of the funding used to pay this cost;
- 27 (4) Whether personnel for whom each State agency provides the liability
28 coverage are administrators or active medical practitioners; and
- 29 (5) Types of medical personnel covered by the liability insurance provided
30 by the State agency.

31 The Office of State Budget and Management shall submit the report required under this
32 subsection to the Joint Legislative Commission on Governmental Operations not later
33 than January 7, 1994.

34
35 Requested by: Senator Martin of Pitt

36 **DWI TEST CHANGES**

37 Sec. 215. (a) Amounts collected under G.S. 20-16.5(j) for fiscal years 1993-
38 94 and 1994-95 and designated for the alcohol testing program of the Injury Control
39 Section of the Department of Environment, Health, and Natural Resources shall not
40 revert to the General Fund unless the amounts exceed the amounts appropriated in
41 subsection (b) of this section.

42 Beginning with the 1995-96 fiscal year, any funds collected under G.S. 20-
43 16.5(j) that are designated for the alcohol testing program of the Injury Control Section
44 of the Department of Environment, Health, and Natural Resources and are not needed

1 for that program shall be transferred quarterly to the Governor's Highway Safety
2 Program for grants to local law enforcement agencies for training concerning
3 enforcement of the laws on driving while impaired. Except for amounts transferred
4 during the fourth quarter of a fiscal year, the Governor's Highway Safety Program shall
5 expend funds transferred to it under this section in the fiscal year in which they are
6 received. Amounts received by the Governor's Highway Safety Program during the
7 fourth quarter of a fiscal year shall not revert and shall be expended by the following
8 September 30.

9 (b) There is appropriated from the General Fund to the Department of
10 Environment, Health, and Natural Resources the sum of one million ninety-six thousand
11 eight hundred ninety-seven dollars (\$1,096,897) for the 1993-94 fiscal year and the sum
12 of one million ninety-one thousand nine hundred seven dollars (\$1,091,907) for the
13 1994-95 fiscal year to fund the statewide chemical alcohol testing program administered
14 by the Injury Control Section of the Department. If the revenues raised pursuant to
15 subsection (a) of this section are less than one million ninety-six thousand eight hundred
16 ninety-seven dollars (\$1,096,897) for the 1993-94 fiscal year or one million ninety-one
17 thousand nine hundred seven dollars (\$1,091,907) for the 1994-95 fiscal year, the
18 appropriations made in this subsection are reduced accordingly.

19
20 Requested by: Senator Martin of Pitt

21 **ASBESTOS HAZARD MANAGEMENT FUNDS**

22 Sec. 216. The fees established and collected pursuant to Article 19 of
23 Chapter 130A of the General Statutes are appropriated to the Department of
24 Environment, Health, and Natural Resources to support the Asbestos Hazard
25 Management Program.

26
27 Requested by: Senator Martin of Pitt

28 **RURAL OBSTETRICAL CARE INCENTIVE**

29 Sec. 217. Of the eight hundred thousand dollars (\$800,000) appropriated in
30 this act for the 1993-95 fiscal biennium to the Division of Maternal and Child Health,
31 Department of Environment, Health, and Natural Resources, for the Rural Obstetrical
32 Care Incentive Program, the Division may, each fiscal year, use four hundred thousand
33 dollars (\$400,000) as follows:

- 34 (1) To increase the maximum amount per provider per year to no more
35 than seven thousand five hundred dollars (\$7,500);
- 36 (2) To increase the number of counties served; and
- 37 (3) To increase the maximum any county may receive each year.

38 General surgeons who provide cesarean section backup to family physicians
39 in counties where there are no obstetricians or where there are no obstetricians willing
40 or able to provide such backup are also eligible for the program. Physicians and
41 certified nurse midwives covered under the Rural Obstetrical Care Incentive Program
42 shall participate in an obstetrical care coverage plan developed by their local health
43 department or community, migrant, or rural health center, and shall agree to provide
44 services to pregnant women regardless of their ability to pay for the services.

1

2 Requested by: Senators Martin of Pitt and Walker

3 **INFANT MORTALITY PREVENTION FUNDS**

4 Sec. 218. Of the funds appropriated in this act to the Department of
5 Environment, Health, and Natural Resources, Division of Maternal and Child Health,
6 the sum of four hundred seventy-five thousand dollars (\$475,000) for the 1993-94 fiscal
7 year and the sum of one million four hundred forty-five thousand dollars (\$1,445,000)
8 for the 1994-95 fiscal year shall be used to expand the existing Comprehensive
9 Adolescent Health Projects Program. Up to 10 additional grants will be available to be
10 awarded each year of the biennium. To receive funding, each project must arrange for
11 or provide preventive and primary medical care and mental health services, including,
12 but not limited to: preventive services to delay early sexual involvement, treatment of
13 minor problems and injuries, referrals and follow-up treatments for serious illnesses and
14 injuries, referrals for alcohol and other drug abuse, sexually transmitted diseases, and
15 immunizations. The Comprehensive Adolescent Health Care Projects shall be
16 developed with the participation of the public schools, local health departments, area
17 mental health programs, community migrant and rural health centers, private
18 physicians, and other appropriate community programs.

19

20 Requested by: Senator Martin of Pitt

21 **WIC PROGRAM FUNDS**

22 Sec. 219. Of the funds appropriated in this act to the Department of
23 Environment, Health, and Natural Resources for the Women, Infants, and Children
24 Program (WIC), the sum of five hundred thousand dollars (\$500,000) in the 1993-94
25 fiscal year and the sum of one million two hundred thousand dollars (\$1,200,000) for
26 the 1994-95 fiscal year shall, if sufficient federal food funds are available, be used for
27 the WIC program as follows:

28 (1) Not more than \$290,000 or not less than \$160,000 in the 1993-94
29 fiscal year, and not more than \$700,000 or not less than \$400,000 in
30 the 1994-95 fiscal year to establish new WIC Programs in Head Start
31 or other private or public nonprofit agencies to serve additional
32 mothers, infants, and children. The Department shall utilize these
33 funds for local program operations including staff to provide eligibility
34 determination, nutrition education, and health care referrals. In
35 selecting the new WIC programs, the Department shall consider
36 accessibility to the target population including location and hours of
37 operation.

38 (2) Not more than \$210,000 or not less than \$80,000 in the 1993-94 fiscal
39 year, and not more than \$500,000 or not less than \$200,000 in the
40 1994-95 fiscal year to renovate facilities of existing programs where
41 space constraints limit program expansion, and to fund rental costs in
42 areas where accessible donated space is not available. In selecting the
43 facilities, the Department shall consider accessibility to the target
44 population including location and extended hours of operation. In

determining whether to fund rental of space, the Department shall ensure that options for using donated accessible space have been considered. Not more than \$65,000 of the funds allocated under this subdivision in the 1993-94 fiscal year, and not more than \$150,000 in the 1994-95 fiscal year shall be used for the rental of space.

(3) Not more than \$105,000 or not less than \$40,000 in the 1993-94 fiscal year, and not more than \$250,000 or not less than \$100,000 in the 1994-95 fiscal year to purchase physician-prescribed special formulas and nutritional supplements for infants, children, and pregnant women.

(4) Not more than \$60,000 or not less than \$20,000 in each fiscal year of the 1993-95 biennium to provide the required State match to the WIC farmers' market project.

If sufficient federal food funds are not available, then funds appropriated in this act for the WIC program shall be used to supplement federal food funds and any balance in funds remaining after such supplemental use shall be used in accordance with subdivisions (1) through (4) of this section to the extent that funds are available to meet the funding requirements of each subdivision.

Requested by: Senator Martin of Pitt

LEAD POISONING PREVENTION FUNDS

Sec. 220. Of the funds appropriated in this act to the Department of Environment, Health, and Natural Resources for the Women, Infants, and Children Program (WIC), the sum of three hundred thirty-one thousand ninety-five dollars (\$331,095) for the 1993-94 fiscal year and the sum of one million thirty-one thousand ninety-five dollars (\$1,031,095) for the 1994-95 fiscal year shall be allocated to the Lead Poisoning Prevention Program for early identification (blood screening for lead), medical management, and environment investigation and abatement. The funds allocated pursuant to this section for the 1993-94 fiscal year shall be used for positions and operating expenses. Funds allocated pursuant to this section for the 1994-95 fiscal year shall be used for positions, operating expenses, and Aid-to-Counties.

Requested by: Senator Martin of Pitt

MATERNAL AND CHILD HEALTH PROGRAM FUNDS DO NOT REVERT

Sec. 221. G.S. 130A-124 reads as rewritten:

"§ 130A-124. Department to establish maternal and child health program.

(a) The Department shall establish and administer a maternal and child health program for the delivery of preventive, diagnostic, therapeutic and habilitative health services to women of childbearing years, children and other persons who require these services. The program may include, but shall not be limited to, providing professional education and consultation, community coordination and direct care and counseling.

(b) The Commission shall adopt rules necessary to implement the program.

(c) Prior year refunds received by the Children's Special Health Services Program that are not encumbered or spent during a fiscal year shall not revert to the General Fund but shall remain in the Department for purchase of care and contracts in

1 the Program. Funds appropriated for the purchase of care and contracts in the Program
2 that are encumbered and not spent during a fiscal year shall not revert to the General
3 Fund but shall remain in the Department for the purchase of care and contracts in the
4 Program."

5
6 Requested by: Senator Martin of Pitt

7 **ADOLESCENT PREGNANCY PREVENTION PROJECTS**

8 Sec. 222. Article 5 of Chapter 130A of the General Statutes is amended by
9 adding the following new Part to read:

10 **"PART 6. ADOLESCENT PREGNANCY PREVENTION PROJECTS.**

11 **"§ 130A-131.15. Department to establish program.**

12 (a) The Department shall establish and administer a program to distribute funds
13 appropriated for adolescent pregnancy prevention projects.

14 (b) The Commission shall adopt rules necessary to implement the program.

15 (c) The Department shall evaluate all of the adolescent pregnancy projects
16 funded as a result of this program at least yearly and shall report its findings to the
17 Commission for Health Services, the Joint Legislative Commission on Governmental
18 Operations, and the Chairmen of the House Appropriations Subcommittee on Natural
19 and Economic Resources, and the Senate Appropriations Committee on Natural and
20 Economic Resources by April 1 of each year. The evaluation shall be conducted by a
21 firm or individual external to the Department. Any evaluation of these projects shall
22 include a study of the effectiveness of the project in reducing the pregnancy rate within
23 the target population.

24 (d) The Commission shall be responsible for monitoring the Department's
25 administration of the Adolescent Pregnancy Prevention Program. The Department shall
26 manage and fund the Adolescent Pregnancy Prevention Program projects as follows:

27 (1) Applications. Any local agency or organization or combination of
28 agencies and organizations may apply to the Department for an
29 allocation of money to operate a project aimed at preventing
30 adolescent pregnancy. The application shall contain an analysis of the
31 adolescent pregnancy and related problems in the locality the project
32 would serve, and a description of how the project would attempt, over
33 a period of at least five years, to prevent the problems. The application
34 shall state how much money is needed to operate the project and how
35 the money shall be spent. The Department shall conduct annually a
36 proposal-writing session that shall be attended by a representative of
37 any project that wishes to apply for funding; that session shall define
38 the criteria for accountability and evaluation that the Department
39 requires of projects. That session shall also provide information about
40 additional funding sources to which projects might turn to satisfy the
41 matching requirements of subdivision (5) of this subsection.

42 (2) Proposal Requirements. The Department shall apply the following
43 minimum standards to projects applying for first-year funding:

- 1 a. Each project shall have a plan of action that extends for at least
2 five years for prevention of adolescent pregnancy.
- 3 b. Each project shall have realistic, specific, and measurable goals
4 and objectives for the prevention of adolescent pregnancy.
- 5 c. Each project, before submitting its proposal, shall send a
6 representative to the proposal-writing session held by the
7 Department.
- 8 (3) Operating Standards. The Department shall apply the following
9 minimum operating standards:
- 10 a. Each project shall have a Board of Advisors composed of
11 members from outside the sponsoring agency of the project.
12 The Board of Advisors shall include representatives from at
13 least four of the following: media, government, charitable
14 organizations, private business, and medical institutions. The
15 Boards of Advisors shall meet at least quarterly and advise
16 project staff on project policies and operations.
- 17 b. Each project shall comply with reporting, contracting, and
18 evaluation requirements of the Department.
- 19 c. Each project shall define and maintain cooperative ties with
20 other community institutions.
- 21 d. Each project shall demonstrate its ability to attract financial
22 support from sources other than the State, including sources in
23 the local community.
- 24 (4) Criteria for Project Selection. For first-year funding, the Department
25 shall choose from among the applicants that meet the minimum
26 standards in subdivision (2) of this subsection the best selection of
27 projects according to the following criteria:
- 28 a. Adequacy of proposed staff to meet project objectives;
- 29 b. Appropriateness of project strategies to reduce adolescent
30 pregnancy;
- 31 c. Level of community support, including endorsement from the
32 appropriate local government entity and documentation from
33 the appropriate local government entity and from community
34 organizations that opportunity has been given for citizen input
35 into the proposed program, and that there is community support
36 for the proposal. Documentation may include letters or
37 statements of support from citizens or community
38 organizations, or statements that community support was
39 expressed at public hearings. A public hearing is not required
40 by this paragraph;
- 41 d. Degree of need of the locality, including that the county has a
42 significant adolescent pregnancy problem as evidenced by its
43 attributable risk score developed by the State Center for Health
44 and Environmental Statistics; and

1 e. Other appropriate criteria.

2 The Department shall make its recommendations for funding to the
3 Commission. The Commission shall make the final determination of
4 which projects are to be funded. The Commission shall consider the
5 recommendations of the Department but shall not be bound by them.
6 The Commission shall notify the projects that are to be funded by June
7 1 of each year.

8 (5) Schedule of Funding. If the Commission, upon consultation with the
9 Department, finds that a project it has chosen for first-year funding
10 continues to meet the operating standards of subdivisions (2) and (3) of
11 this subsection, funding for that project shall continue, to the extent of
12 available money, for an additional four years. The level of funding
13 provided by the Department to approved projects shall be set
14 according to the following schedule:

15 a. First year, eighty percent (80%) of the project's annual budget
16 not to exceed the maximum award established by the
17 Commission for Health Services;

18 b. Second year, ninety percent (90%) of the State appropriations
19 or federal block grant funds awarded in the first year;

20 c. Third year, seventy-five percent (75%) of the State
21 appropriations or federal block grant funds awarded in the first
22 year;

23 d. Fourth year, sixty-five percent (65%) of the State appropriations
24 or federal block grant funds awarded in the first year; and

25 e. Fifth year, fifty percent (50%) of the State appropriations or
26 federal block grant funds awarded in the first year.

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

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

38 (7) Maximum Level of Funding. The Commission for Health Services
39 shall by rule determine the maximum annual amount that may be made
40 to any one project.

41 (8) As adolescent pregnancy prevention project grant funds decrease, a
42 project shall maintain its original budget level, less the amount
43 expended for start-up costs. The Department shall develop guidelines
44 for determining start-up costs, which guidelines shall be uniform for

1 all projects. Local match percentage may come from any in-kind
2 source or newly generated funds, public or private, available to the
3 project."
4

5 Requested by: Senator Martin of Pitt

6 **IMMUNIZATION RECEIPTS**

7 Sec. 223. Any unexpended or unencumbered funds that were received as
8 immunization receipts in the 1992-93 fiscal year or the 1993-94 fiscal year by the
9 Department of Environment, Health, and Natural Resources for the Immunization
10 Program for reimbursement for vaccines provided to Medicaid recipients or from
11 federal excise tax refunds may be used in the 1993-94 fiscal year and the 1994-95 fiscal
12 year:

- 13 (1) To push forward the schedule for providing measles, mumps, and
14 rubella (MMR) vaccines to children aged 8 to 18;
- 15 (2) To pay for the cost of purchasing approved vaccines when that cost
16 exceeds prices charged in the 1992-93 fiscal year.

17 Any of these funds remaining on June 30, 1995, shall revert to the General
18 Fund.

19
20 Requested by: Senator Martin of Pitt

21 **COMMISSION FOR HEALTH SERVICES VACCINATION RULES**

22 Sec. 224. (a) The Commission for Health Services shall, pursuant to G.S.
23 130A-152 and G.S. 130A-433, adopt rules establishing reasonable fees for the
24 administration of vaccines and rules limiting the requirements that can be placed on
25 children, their parents, guardians, or custodians as a condition for receiving vaccines
26 provided by the State. These rules shall become effective January 1, 1994.

27 (b) Effective January 1, 1994, G.S. 130A-433 reads as rewritten:

28 **"§ 130A-433. Contracts for purchase of vaccines; distribution; fee; rules.**

29 (a) Notwithstanding any law to the contrary, the Secretary may enter into
30 contracts with the manufacturers and suppliers of covered vaccines and with other
31 public entities either within or without the State for the purchase of covered vaccines
32 and may provide for the distribution or sale of the covered vaccines to health care
33 providers. Local health departments shall distribute the covered vaccines at the request
34 of the Department. ~~The Secretary may charge a fee for providing a covered vaccine to a~~
35 ~~health care provider. The fee shall be set at an amount that covers the cost of the vaccine~~
36 ~~to the Department, plus the cost to the Department of storing and distributing the~~
37 ~~vaccine.—The Secretary shall adopt rules to implement this Article.—Article except for~~
38 subsection (b) of this section.

39 (b) A health care provider who receives vaccine from the State may charge no
40 more than the cost of the vaccine and a reasonable fee for the administration of the
41 vaccine. ~~than a reasonable fee established by the Commission for Health Services for~~
42 the administration of the vaccine. Vaccines provided by the State to local health
43 departments for administration shall be administered at no cost to the patient."
44

1 Requested by: Senator Martin of Pitt

2 **PARKS RECEIPTS**

3 Sec. 225. The Department of Environment, Health, and Natural Resources
4 shall use any overrealized receipts from the Division of Parks and Recreation's sale of
5 pine straw, timber, or any other forest products for the maintenance of State parks and
6 State reservoirs.

7

8 Requested by: Senator Martin of Pitt

9 **COASTAL BOATING GUIDE**

10 Sec. 226. The Wildlife Resources Commission shall use funds available to it
11 for the 1993-94 fiscal year to publish and distribute the North Carolina Coastal Boating
12 Guide.

13

14 Requested by: Senator Martin of Pitt

15 **SOIL AND WATER CONSERVATION DISTRICT SUPERVISORS' EXPENSES**

16 Sec. 227. Of the funds appropriated in this act to the Division of Soil and
17 Water Conservation, Department of Environment, Health, and Natural Resources, two
18 hundred eighty-nine thousand five hundred ninety-four dollars (\$289,594) for the 1993-
19 94 fiscal year and two hundred eighty-nine thousand five hundred ninety-four dollars
20 (\$289,594) for the 1994-95 fiscal year shall be used for the per diem and travel expenses
21 of the Soil and Water Conservation District Supervisors.

22

23 Requested by: Senator Martin of Pitt

24 **SALES TAX TRANSFER TO WILDLIFE RESOURCES FUND**

25 Sec. 228. (a) G.S. 105-164.44B reads as rewritten:

26 "**§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**
27 **fishing supplies and equipment.**

28 Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter
29 from the State sales and use tax net collections received by the Department of Revenue
30 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the
31 Wildlife Resources Fund, one fourth of ~~two million eight hundred thirty four thousand~~
32 ~~six hundred seventy five dollars (\$2,834,675)~~ three million seven hundred thirty-one
33 thousand one hundred sixteen dollars (\$3,731,116) plus or minus the percentage of that
34 amount by which the total collection of State sales and use taxes increased or decreased
35 during the preceding fiscal ~~year-year~~ plus the cost of any legislative salary increase for
36 employees of the Wildlife Resources Commission."

37 (b) G.S. 105-164.44B, as amended by subsection (a) of this section, reads as
38 rewritten:

39 "**§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**
40 **fishing supplies and equipment.**

41 Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter
42 from the State sales and use tax net collections received by the Department of Revenue
43 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the
44 Wildlife Resources Fund, one fourth of ~~three million seven hundred thirty one thousand~~

1 ~~one hundred sixteen dollars (\$3,731,116) the amount transferred the preceding fiscal~~
2 ~~year plus or minus the percentage of that amount by which the total collection of State~~
3 ~~sales and use taxes increased or decreased during the preceding fiscal year plus the cost~~
4 ~~of any legislative salary increase for employees of the Wildlife Resources Commission.~~
5 ~~year."~~

6 (c) Subsection (a) of this section expires June 30, 1994.

7 (d) Subsection (b) of this section becomes effective July 1, 1994.

8

9 Requested by: Senator Martin of Pitt

10 **DISMAL SWAMP STATE PARK**

11 Sec. 229. (a) During the 1994-95 fiscal year, the Division of Parks and
12 Recreation, Department of Environment, Health, and Natural Resources shall update the
13 master plan for the Dismal Swamp State Park. This update shall be conducted with
14 public participation, including a public hearing.

15 (b) The Division of Parks and Recreation shall ensure that the fire lines in the
16 Dismal Swamp State Park are adequately maintained for fire suppression purposes.

17

18 Requested by: Senator Martin of Pitt

19 **B.R.I.D.G.E. YOUTHFUL OFFENDERS/PARK MAINTENANCE**

20 Sec. 230. Of the funds appropriated in this act to the Department of
21 Environment, Health, and Natural Resources, Division of Parks and Recreation, for the
22 pilot program to supervise county jail inmates working in State parks, one hundred
23 thousand dollars (\$100,000) for the 1993-94 fiscal year and one hundred thousand
24 dollars (\$100,000) for the 1994-95 fiscal year shall be allocated to the Division of
25 Forest Resources to establish and support two positions for the B.R.I.D.G.E. Youthful
26 Offenders Program (the Building, Rehabilitating, Instructing, Developing, Growing, and
27 Employing Youthful Offenders Program) and for Program operating expenses. The
28 Division of Forest Resources shall enter into an agreement with the Division of Parks
29 and Recreation whereby the Division of Forest Resources shall use B.R.I.D.G.E.
30 youthful offenders to perform maintenance and repairs in State parks.

31

32 **PART 26. DEPARTMENT OF COMMERCE**

33

34 Requested by: Senator Martin of Pitt

35 **INDUSTRIAL DEVELOPMENT FUND/LOCAL MATCH**

36 Sec. 231. Local governments requesting financial assistance from the
37 Industrial Development Fund shall demonstrate to the satisfaction of the Department of
38 Commerce that it would be an economic hardship for the local government to match
39 State assistance from the Fund with local funds.

40

41 Requested by: Senator Martin of Pitt

42 **NC MANUFACTURING DIRECTORY PROCEEDS**

43 Sec. 232. (a) The Department of Commerce may expend for industrial
44 promotional advertising any amount collected from the sales of the North Carolina

1 Manufacturing Directory above the sum of one hundred fifty-five thousand dollars
2 (\$155,000) already budgeted for the 1993-94 and 1994-95 fiscal years.

3 (b) The Department shall submit quarterly reports to the Joint Legislative
4 Commission on Governmental Operations and the Fiscal Research Division. These
5 reports shall include the amount of proceeds collected from the sales of the Directory
6 and the amount spent on advertising pursuant to the provisions of this section.

7
8 Requested by: Senator Martin of Pitt

9 **HOME PROGRAM MATCHING FUNDS**

10 Sec. 233. (a) Funds appropriated in this act to the Department of Commerce
11 for the federal HOME Program shall be transferred to the Housing Finance Agency in
12 the Office of the Governor and shall be used by the Agency to match federal funds
13 appropriated for the HOME Program. In allocating State funds appropriated to match
14 federal HOME Program funds, the Agency shall give priority to HOME Program
15 projects, as follows:

- 16 (1) First priority to projects that are located in counties designated as
17 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-
18 151.17(c); and
19 (2) Second priority to projects that benefit persons and families whose
20 incomes are fifty percent (50%) or less of the median family income
21 for the local area, with adjustments for family size, according to the
22 latest figures available from the U.S. Department of Housing and
23 Urban Development.

24 The Housing Finance Agency shall report to the General Assembly by April 1
25 of each year concerning the status of the HOME Programs and shall include in the
26 report information on priorities met, types of activities funded, and types of activities
27 not funded.

28 (b) If the United States Congress changes the HOME Program such that
29 matching funds are not required for a given program year, then the Agency may not
30 spend the matching funds appropriated under this act for that program year.

31 (c) Funds appropriated in this act to match federal HOME Program funds
32 shall not revert to the General Fund on June 30, 1994, and on June 30, 1995.

33
34 Requested by: Senator Martin of Pitt

35 **HOUSING PROGRAMS TRANSFER**

36 Sec. 234. (a) The statutory authority, powers, duties, and functions, records,
37 personnel, property, and unexpended balances of appropriations, allocations, or other
38 funds of the Housing Coordination and Policy Council, the HOME Program, the
39 Permanent Housing for the Handicapped Homeless Program, and the Comprehensive
40 Housing Affordability Strategy, are transferred from the Division of Community
41 Assistance, Department of Commerce, to the Housing Finance Agency.

42 (b) G.S. 122A-5 is amended by adding the following new subdivisions to
43 read:

1 "(24) To advise the Governor regarding the coordination of public and
2 private low- and moderate-income housing programs;

3 (25) To participate in and administer federal housing programs, including
4 housing rehabilitation, construction of new housing, assistance to the
5 homeless, and home ownership assistance;".

6 (c) Part 1A of Article 10 of Chapter 143B of the General Statutes is repealed.

7 (d) Chapter 122A of the General Statutes is amended by adding the following
8 sections to read:

9 "**§ 122A-5.10. Housing Coordination and Policy Council; creation; duties.**

10 (a) There is created the Housing Coordination and Policy Council in the Office
11 of the Governor. The Housing Coordination and Policy Council shall have the following
12 functions and duties:

13 (1) To advise the Governor regarding the coordination of various public
14 and private low- and moderate-income housing programs;

15 (2) To advise the Governor in the preparation of an overall,
16 comprehensive State housing plan with specific recommendations to
17 address identified areas of need, which report shall be presented to the
18 General Assembly;

19 (3) To advise the Governor with respect to the best use of housing
20 resources; and

21 (4) To advise the Governor regarding any other matter relating to housing
22 the Governor may refer to it.

23 (b) Nothing herein shall abrogate the existing statutory responsibility of any other
24 agency to develop housing plans and policies relating to specific housing programs.

25 "**§ 122A-5.11. Council membership; compensation; procedures.**

26 (a) The Housing Coordination and Policy Council shall consist of 15
27 representatives, as follows:

28 (1) Two members of the N.C. Housing Partnership who are experienced
29 with housing programs for low-income persons, as designated by the
30 chairman.

31 (2) Two members of the Community Development Council who are
32 experienced with federal, State, and local housing programs, as
33 designated by the chairman.

34 (3) Two members of the N.C. Housing Finance Agency Board of
35 Directors who are experienced with real estate finance and
36 development, as designated by the chairman.

37 (4) One member of the Weatherization Policy Advisory Council who is
38 experienced with community weatherization programs, as designated
39 by the chairman.

40 (5) One member of the Governor's Advocacy Council for Persons with
41 Disabilities who is familiar with the housing needs of the disabled.

42 (6) The executive director of the Commission of Indian Affairs, or a
43 designee familiar with Indian housing programs.

- 1 (7) The Deputy Secretary or Assistant Secretary of Community
2 Development and Housing, or a designee familiar with housing
3 programs related to community development and housing functions.
4 (8) The assistant secretary of the Division of Aging, or a designee familiar
5 with the housing programs of the Division.
6 (9) The executive director of the N.C. Housing Finance Agency, or a
7 designee familiar with the housing programs of the Agency.
8 (10) The director of the Division of Mental Health or a designee familiar
9 with housing for those with mental disabilities.
10 (11) The executive director of the N.C. Human Relations Commission or a
11 designee familiar with federal and State fair housing laws.
12 (12) A chairman designated by the Governor.
13 (b) All members except those serving ex officio shall be appointed by the
14 Governor. The Governor shall designate one member of the Council to serve as Chair.
15 (c) The initial members of the Council other than those serving ex officio shall
16 be appointed to serve for terms of four years and until their successors are appointed
17 and qualified. Any appointment to fill a vacancy created by resignation, dismissal,
18 death, or disability of a member shall be for the balance of the term.
19 (d) Members of the Council may receive per diem and necessary travel and
20 subsistence expenses in accordance with the provisions of G.S. 138-5.
21 (e) A majority of the Council shall constitute a quorum for the transaction of
22 business.
23 (f) All clerical and other services required by the Council shall be supplied by
24 the Housing Finance Agency.
25 "**§ 122A-5.12. Council meetings; report.**
26 (a) The Housing Coordination and Policy Council shall meet at least quarterly
27 and may hold special meetings at any time and place within the State at the call of the
28 Chair or upon written request of a majority of the members.
29 (b) The Council shall assist in the preparation and filing of an annual written
30 report which contains a review of work completed, a review of ongoing activities, and
31 housing policy recommendations. This report shall be filed with the General Assembly
32 and the Governor by May 1."
33

34 Requested by: Senator Martin of Pitt

35 **COMMUNITY DEVELOPMENT BLOCK GRANT REPORTS**

36 Sec. 235. The Department of Commerce shall report on a quarterly basis to
37 the House Appropriations Subcommittee on Natural and Economic Resources and the
38 Senate Appropriations Committee on Natural and Economic Resources on the
39 Community Development Block Grant. Each report shall include a listing and
40 description of the most recent grant awards, the status of the administration of each
41 component of the block grant, the current status of next year's program design, and a
42 description of any proposed or necessary changes to the program design.
43

44 Requested by: Senator Martin of Pitt

TOURISM PROMOTION FUNDS

Sec. 236. Funds appropriated in this act to the Department of Commerce for tourism promotion grants shall be allocated according to per capita income, unemployment, and population growth in an effort to direct funds to counties most in need in terms of lowest per capita income, highest unemployment, and slowest population growth, in the following manner:

- (1) Counties 1 through 20 are each eligible to receive a maximum grant of \$7,500 for each fiscal year, provided these funds are matched on the basis of one non-State dollar for every four State dollars.
- (2) Counties 21 through 50 are each eligible to receive a maximum grant of \$3,500 for two of the next three fiscal years, provided these funds are matched on the basis of one non-State dollar for every three State dollars.
- (3) Counties 51 through 100 are each eligible to receive a maximum grant of \$3,500 for alternating fiscal years, beginning with the 1991-92 fiscal year, provided these funds are matched on the basis of four non-State dollars for every State dollar.

Requested by: Senator Martin of Pitt

CENTER FOR COMMUNITY SELF-HELP FUNDS

Sec. 237. (a) Of the funds appropriated in this act to the Department of Commerce, the sum of one million dollars (\$1,000,000) for the 1993-94 fiscal year shall be allocated to the Center for Community Self-Help to further a statewide program of lending to small businesses and other economic development projects in rural and other depressed or disadvantaged communities throughout North Carolina, provided these funds are matched on the basis of one dollar (\$1.00) of funds from the Center for Community Self-Help or its affiliates for every one dollar (\$1.00) of State funds. The appropriation shall be equally allocated among the eastern, central, and western regions of North Carolina. Loans or loan guarantees made under the program shall be conditioned on the unavailability of loans for the same purposes from private lenders upon reasonably equivalent terms and conditions. Payments of principal shall be available for further loans.

(b) The Center for Community Self-Help shall submit, within 180 days after the close of its fiscal year, audited financial statements to the State Auditor. All records pertaining to the use of State funds shall be made available to the State Auditor upon request. The Center for Community Self-Help shall make quarterly reports on the use of State funds to the State Auditor, in form and format prescribed by the State Auditor or his designee. The Center for Community Self-Help shall make a written report by May 1 of each year for the next three years to the General Assembly on the use of the funds allocated under this section.

(c) The Center for Community Self-Help shall report to the Joint Legislative Commission on Governmental Operations, the House Appropriations Subcommittee on Natural and Economic Resources, the Senate Appropriations Committee on Natural and

1 Economic Resources, and the Department of Commerce on a quarterly basis for the next
2 three years.

3 (d) The Office of the State Auditor may conduct an annual end-of-year audit
4 of the revolving fund for economic development lending created by this appropriation
5 for each year of the life of the revolving fund.

6 (e) If the Center for Community Self-Help dissolves, the corporation shall
7 transfer the remaining assets of the revolving fund to the State and shall refrain from
8 disposing of the revolving fund assets without approval of the State Treasurer.

9 (f) The Department of Commerce shall disburse this appropriation within 15
10 working days of the receipt of a request for the funds from the Center for Community
11 Self-Help. The request shall include a commitment of the matching funds by the Center
12 for Community Self-Help or its affiliates.

13

14 Requested by: Senator Martin of Pitt

15 **ECONOMIC DEVELOPMENT FUNDS**

16 Sec. 238. (a) Of the funds appropriated in this act to the Department of
17 Commerce, three hundred thousand dollars (\$300,000) for the 1993-94 fiscal year shall
18 be allocated for the Land Loss Prevention Project, Inc., to provide free legal
19 representation to low-income financially distressed small farmers. The Land Loss
20 Prevention Project, Inc., shall not use these funds to represent farmers who have income
21 and assets that would make them financially ineligible for legal services pursuant to
22 Title 45, Part 1611 of the Code of Federal Regulations. The Land Loss Prevention
23 Project, Inc., shall report quarterly to the Joint Legislative Commission on
24 Governmental Operations on the use of these funds.

25 (b) Of the funds appropriated in this act to the Department of Commerce, two
26 hundred fifty thousand dollars (\$250,000) for the 1993-94 fiscal year shall be allocated
27 for the North Carolina Coalition of Farm and Rural Families, Inc., for its Small Farm
28 Economic Development Project. These funds shall be used to foster economic
29 development within the State's rural farm communities by offering financial, marketing,
30 and technical assistance to small and limited resource farmers. The North Carolina
31 Coalition of Farm and Rural Families, Inc., shall report quarterly to the Joint Legislative
32 Commission on Governmental Operations on the use of these funds.

33 (c) Of the funds appropriated in this act to the Department of Commerce, two
34 hundred thousand dollars (\$200,000) for the 1993-94 fiscal year shall be allocated to the
35 North Carolina Institute for Minority Economic Development, Inc., to foster minority
36 economic development within the State through policy analysis, information and
37 technical assistance, and resource expansion. The North Carolina Institute for Minority
38 Economic Development, Inc., shall research and identify key issues affecting the
39 economic well-being of the State's ethnic minority community and issue annual reports
40 with appropriate recommendations; provide information and technical assistance to
41 organizations with minority economic development-based projects in common areas of
42 need and interests; develop a resource bank of data and information; facilitate training
43 in appropriate areas of need; and provide technical assistance to minority construction
44 contractors. The North Carolina Institute for Minority Economic Development, Inc.,

1 shall report quarterly to the Joint Legislative Commission on Governmental Operations
2 on the use of these funds.

3
4 Requested by: Senator Martin of Pitt

5 **RURAL ECONOMIC DEVELOPMENT CENTER**

6 Sec. 239. (a) Of the funds appropriated in this act to the Rural Economic
7 Development Center the sum of one million four hundred seventy thousand dollars
8 (\$1,470,000) for the 1993-94 fiscal year and the sum of one million four hundred
9 seventy thousand dollars (\$1,470,000) for the 1994-95 fiscal year shall be used for the
10 administrative costs of the Center and for its pilot projects and research. No more than
11 four hundred thousand dollars (\$400,000) of the funds appropriated for each fiscal year
12 may be used for the administrative costs of the Rural Economic Development Center,
13 Inc.

14 (b) The Rural Economic Development Center, Inc., shall provide quarterly
15 reports on the Center's programs to the Joint Legislative Commission on Governmental
16 Operations. The initial report shall include information on the activities and
17 accomplishments during the past fiscal year, itemized expenditures during the past fiscal
18 year with sources of funding, planned activities, and accomplishments for at least the
19 next 12 months, and itemized anticipated expenditures with sources of funding for the
20 next 12 months. Subsequent reports shall include quarterly updates of the information
21 in the initial report.

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

26 (d) Not more than fifty percent (50%) of the interest earned on State funds
27 appropriated to the Rural Economic Development Center, Inc., may be used by the
28 Rural Economic Development Center, Inc., for administrative purposes, including
29 salaries and fringe benefits.

30
31 Requested by: Senator Martin of Pitt

32 **BIOTECHNOLOGY CENTER**

33 Sec. 240. (a) The North Carolina Biotechnology Center shall recapture funds
34 spent in support of successful research efforts in the nonacademic private sector.

35 (b) The North Carolina Biotechnology Center shall provide funding for
36 biotechnology and related bioscience applications under its Economic and Corporate
37 Development Program.

38 (c) The North Carolina Biotechnology Center shall provide quarterly reports
39 on all of the Center's programs to the Joint Legislative Commission on Governmental
40 Operations. The initial report shall include information on the activities, and
41 accomplishments during the past fiscal year, itemized expenditures during the past fiscal
42 year with sources of funding, planned activities and accomplishments for at least the
43 next 12 months, and itemized anticipated expenditures with sources of funding for the
44 next 12 months. Subsequent reports shall include quarterly updates of the initial report.

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

Requested by: Senator Martin of Pitt
MCNC

Sec. 241. (a) MCNC shall provide quarterly reports on all of its programs to the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division. These reports shall include information on the activities and accomplishments during the past fiscal year, itemized expenditures during the past fiscal year with sources of funding, planned activities, and accomplishments for at least the next 12 months, and itemized anticipated expenditures with sources of funding for the next 12 months. The quarterly report on the activities of the Supercomputer program shall identify the users of the Supercomputer, the major projects conducted by the users, and the potential benefits of the projects.

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

(c) The funds appropriated in this act to MCNC shall be used as follows:

	<u>FY 1993-94</u>	<u>FY 1994-95</u>
Microelectronics Program	\$4,768,966	
\$4,768,966		
Grants Program	-0-	-
0-		
Administration & Support	2,000,000	
2,000,000		
Supercomputer	5,224,705	
5,224,705		
Telecommunications	4,006,329	
4,006,329		

(d) Of the funds appropriated to MCNC for the Microelectronics Program, four million seven hundred sixty-eight thousand nine hundred sixty-six dollars (\$4,768,966) in each fiscal year is contingent upon a dollar-for-dollar match in non-State funds.

(e) MCNC shall reduce the amounts appropriated to it by three hundred twenty thousand dollars (\$320,000) in each fiscal year. The reductions may be taken in any of the programs listed in subsection (c) of this section.

1 (f) If MCNC finds it necessary to make changes in the program allocations
2 specified in subsection (a) of this section, MCNC shall report such changes to the Joint
3 Legislative Commission on Governmental Operations 30 days before the reallocation.

4
5 Requested by: Senator Martin of Pitt

6 **WORKER TRAINING TRUST FUND**

7 Sec. 242. (a) There is appropriated from the Worker Training Trust Fund to the
8 Employment Security Commission of North Carolina the sum of five million five
9 hundred thirty-nine thousand nine hundred sixty-four dollars (\$5,539,964) for the 1993-
10 94 fiscal year and the sum of five million five hundred thirty-nine thousand nine
11 hundred sixty-four dollars (\$5,539,964) for the 1994-95 fiscal year for the operation of
12 local offices.

13 (b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special
14 Employment Security Administration Fund to the Employment Security Commission of
15 North Carolina, the sum of two million dollars (\$2,000,000) for the 1993-94 fiscal year
16 and the sum of two million dollars (\$2,000,000) for the 1994-95 fiscal year for
17 administration of the Veterans Employment Program, Employment Services Program,
18 and Unemployment Insurance Program.

19 (c) Supplemental federal funds or other additional funds received by the
20 Employment Security Commission for similar purposes shall be expended prior to the
21 expenditure of funds appropriated by this section.

22 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
23 Worker Training Trust Fund to the following agencies the following sums for the 1993-
24 94 and the 1994-95 fiscal years for the following purposes:

- 25 (1) \$2,400,000 for the 1993-94 fiscal year and \$2,400,000 for the 1994-95
26 fiscal year to the Department of Economic and Community
27 Development, Division of Employment and Training, for the
28 Employment and Training Grant Program;
- 29 (2) \$1,000,000 for the 1993-94 fiscal year and \$1,000,000 for the 1994-95
30 fiscal year to the North Carolina Department of Labor for customized
31 training of the unemployed and the working poor for specific jobs
32 needed by employers through the Department's Pre-Apprenticeship
33 Division;
- 34 (3) \$2,826,658 for the 1993-94 fiscal year and \$1,528,067 for the 1994-95
35 fiscal year to the North Carolina Department of Human Resources to
36 assist welfare recipients in gaining employment through the federally
37 funded Job Opportunities and Basic Skills Program in such a way as to
38 gain the maximum match of federal funds for the State dollars
39 appropriated;
- 40 (4) \$1,746,000 for the 1993-94 fiscal year and \$1,746,000 for the 1994-95
41 fiscal year to the North Carolina Department of Community Colleges
42 to continue the Focused Industrial Training Program;
- 43 (5) \$225,000 for the 1993-94 fiscal year to the Employment Security
44 Commission for the North Carolina Occupational Information

1 Coordinating Committee to develop and operate an interagency system
2 to track former participants in State education and training programs;
3 and

- 4 (6) \$300,000 for the 1993-94 fiscal year and \$300,000 for the 1994-95
5 fiscal year to the Department of Community Colleges for a training
6 program in entrepreneurial skills to be operated by North Carolina
7 REAL Enterprises.
8

9 Requested by: Senator Perdue

10 **STUDY STATE PORTS STATUS AS SEPARATE AGENCY**

11 Sec. 243. The Economic Development Board of the Department of
12 Commerce shall study the North Carolina State Ports Authority's status as a State
13 agency. The study shall include the appropriateness of the Authority's current status
14 and recommendations on the future status of the Authority. The Board shall report the
15 results of its study to the Joint Legislative Commission on Governmental Operations not
16 later than April 1, 1994.
17

18 Requested by: Senator Perdue

19 **STUDY CONTINUED NECESSITY FOR PORTS RAILWAY COMMISSION**

20 Sec. 244. The Economic Development Board of the Department of
21 Commerce shall study whether the North Carolina Ports Railway Commission provides
22 a necessary service to the State and thus should be continued or abolished. The Board
23 shall report the results of its study to the Joint Legislative Commission on
24 Governmental Operations not later than April 1, 1994.
25

26 Requested by: Senator Martin of Pitt

27 **PETROLEUM OVERCHARGE FUNDS ALLOCATION**

28 Sec. 245. (a) The funds and interest thereon received from the case of United
29 States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds. There
30 is appropriated from the Special Reserve to the Department of Commerce the sum of
31 one million seven hundred thousand dollars (\$1,700,000) for the 1993-94 fiscal year and
32 the sum of one million seven hundred thousand dollars (\$1,700,000) for the 1994-95
33 fiscal year to be used for projects under the State Energy Conservation Plan.

34 (b) There is appropriated from funds and interest thereon received from the
35 United States Department of Energy's Stripper Well Litigation (MDL378) which remain
36 in the Special Reserve for Oil Overcharge Funds to the Department of Commerce the
37 sum of three million seven hundred thousand dollars (\$3,700,000) for the 1993-94 fiscal
38 year and three million dollars (\$3,000,000) for the 1994-95 fiscal year to be allocated as
39 follows:

- 40 (1) \$3,200,000 for the 1993-94 fiscal year and \$3,000,000 for the 1994-95
41 fiscal year for the Low Income Weatherization Program; and
42 (2) \$500,000 for the 1993-94 fiscal year for the Transportation
43 Information Management System (TIMS) in the Department of Public
44 Instruction.

1 (c) Any funds remaining in the Special Reserve for Oil Overcharge Funds after
2 the allocations made pursuant to subsections (a) and (b) of this section may be expended
3 only as authorized by the General Assembly. All interest or income accruing from all
4 deposits or investments of cash balances shall be credited to the Special Reserve for Oil
5 Overcharge Funds.

6 (d) The funds and interest thereon received from the Diamond Shamrock
7 Settlement which remain in a reserve in the Office of State Budget and Management for
8 the Division of Energy to administer the petroleum overcharge funds pursuant to
9 Section 112 of Chapter 830 of the 1987 Session Laws shall continue to be available to
10 the Division of Energy in the Department of Commerce on an as-needed basis.

11 (e) The Department of Commerce shall submit comprehensive annual reports to
12 the Office of State Budget and Management and the General Assembly by May 15,
13 1994, and January 31, 1995, which detail the use of all petroleum overcharge funds.
14 Any State department or agency that has received petroleum overcharge funds shall
15 provide all information requested by the Department of Commerce for the purpose of
16 preparing these reports.

17
18 Requested by: Senator Martin of Pitt

19 **PETROLEUM OVERCHARGE ATTORNEYS' FEES**

20 Sec. 246. (a) Unless prohibited by federal law, rule, or regulation or preexisting
21 settlement agreement, no later than October 1, 1989, the North Carolina Attorney
22 General shall direct the withdrawal of all funds received in the cases of United States v.
23 Exxon and Stripper Well that are held in accounts or reserves located out-of-State for
24 payment of attorneys' fees and reasonable expenses incurred in connection with oil
25 overcharge litigation authorized by the Attorney General. The Attorney General shall
26 deposit these funds, and all funds to be received from petroleum overcharge funds in the
27 future for attorneys' fees and reasonable expenses, into the Special Reserve for Oil
28 Overcharge Funds.

29 (b) All attorneys' fees and reasonable expenses incurred in connection with oil
30 overcharge litigation shall be paid by the State Treasurer from petroleum overcharge
31 funds that have been received by this State and deposited into the Special Reserve for
32 Oil Overcharge Funds.

33 (c) Notwithstanding any other provision of law, the Attorney General may
34 authorize the payment of attorney fees and reasonable expenses from the Special
35 Reserve for Oil Overcharge Funds without further action of the General Assembly and
36 funds are hereby appropriated from the Special Reserve for Oil Overcharge Funds for
37 the 1993-94 fiscal year and for the 1994-95 fiscal year for that purpose.

39 **PART 27. DEPARTMENT OF LABOR**

40
41 Requested by: Senator Martin of Pitt

42 **INCREASE AMUSEMENT DEVICE INSPECTION FEES**

43 Sec. 247. G.S. 95-106 reads as rewritten:

44 "**§ 95-106. Amusement, aerial tramway, and inclined railroad inspection fees.**

(a) The Department of Labor shall assess and collect the following inspection service fees for annual inspections for each location within the State of amusement devices, aerial passenger tramways, and inclined railroads:

	Unit	Fee
Type Inspection		
Amusement Devices	\$15	
Gondolas, Chairlifts, and Inclined Railroads	137	
J- or T-Bars	62	
Rope Tows	31	

(b) In the event that an amusement device owner or operator notifies the Department of Labor pursuant to G.S. 95-111.8 that he intends to operate one or more amusement devices for the public at a particular location and requests an inspection at a particular time:

- (1) When the inspector arrives and no amusement devices are present, the Department shall assess a fee against the owner or operator at an amount sufficient to cover the cost of travel to and from the location at ~~a rate not to exceed twenty-three cents (23¢) per mile~~ the rate set forth in G.S. 138-6 plus the time expended by the inspector in travelling to and from the location at a rate not to exceed ~~fifteen dollars (\$15.00)~~ sixty dollars (\$60.00) per hour per inspector.
- (2) When the inspector arrives and amusement devices are present but are not ready for inspection, the Department shall assess a fee in an amount sufficient to cover the time the inspector must wait before he can make the inspection at a rate not to exceed ~~fifteen dollars (\$15.00)~~ sixty dollars (\$60.00) per hour per inspector.
- (3) If the inspector must make an additional trip to the location because the devices were not ready for inspection at the appropriate time, the Department shall add to the fees authorized under this subdivision the cost of the additional travel required at ~~a rate not to exceed twenty-three cents (23¢) per mile~~ the rate set forth in G.S. 138-6 plus the cost of the travel time expended by the inspector at a rate not to exceed ~~fifteen dollars (\$15.00)~~ sixty dollars (\$60.00) per hour per inspector.
- (4) No fee shall be assessed pursuant to this subsection if the owner or operator has notified the Department of Labor at least 24 hours in advance that the amusement devices will not be present or that the devices will not be ready for inspection until a later specified time.

(c) The Commissioner of Labor may adopt, modify, or revoke such rules as are necessary for the purpose of carrying out the provisions of this section. The rules adopted pursuant to this authority shall conform to the Amusement Device Safety Act of North Carolina and shall promote the effective utilization of the staff of the Commissioner."

Requested by: Senator Martin of Pitt
INCREASE ELEVATOR FEES

1 Sec. 248. (a) G.S. 95-105 reads as rewritten:

2 **"§ 95-105. Elevator, escalator, dumbwaiter, and special equipment inspection fees.**

3 The Department of Labor shall assess and collect the following inspection service
4 fees for the installation and alteration of elevators, escalators, dumbwaiters that are not
5 installed or altered in restaurants, and special equipment based on the cost of installation
6 or alteration:

7	Cost of Installation or Alteration		Unit Fee
8	\$0	- \$ 10,000	\$ 100
9	10,001	- 30,000	150
10	30,001	- 50,000	200
11	50,001	- 80,000	250
12	80,001	- 100,000	300
13	Over 100,000		350

14 An additional fee of one hundred dollars (\$100.00) shall be assessed for each follow-up
15 inspection of a new installation required subsequent to the original inspection.

16 The Department of Labor shall assess and collect a fee of ten dollars (\$10.00) for the
17 periodic inspection of special equipment and shall assess and collect the following fees
18 for the periodic inspection of elevators, escalators, and dumbwaiters:

19	Number of Building Floors	
20	1-5 Floors	\$20 <u>30</u>
21	6-10 Floors	30 <u>40</u>
22	11-15 Floors	40 <u>50</u>
23	16-20 Floors	50 <u>60</u>
24	21 Floors and over	60 <u>70"</u>

25 (b) Fees increased pursuant to this section apply to inspections conducted on
26 or after July 1, 1993.

27
28 Requested by: Senator Martin of Pitt

29 **OSHA POSITIONS**

30 Sec. 249. (a) The Department of Labor may use funds appropriated to the
31 Department of Labor for the Occupational Safety and Health Act of North Carolina
32 (OSHANC) program to fully fund enforcement personnel in the Compliance Bureau of
33 the OSHANC program, provided the Department of Labor certifies to the Office of
34 State Budget and Management that no federal match is available for the 1993-94 fiscal
35 year and for the 1994-95 fiscal year.

36 (b) If federal Occupational Safety and Health Administration funds are
37 granted to match all or part of the funds for enforcement positions and support that are
38 one hundred percent (100%) State-funded, then State funds equivalent to the federal
39 match shall revert to the General Fund at the end of the fiscal year for which the federal
40 match was received.

41 42 **PART 28. MISCELLANEOUS PROVISIONS**

43
44 Requested by: Senators Daniel and Plyler

1 **EFFECT OF HEADINGS**

2 Sec. 250. The headings to the Parts and sections of this act are a convenience
3 to the reader and are for reference only. The headings do not expand, limit, or define
4 the text of this act.

5
6 Requested by: Senators Daniel and Plyler

7 **EXECUTIVE BUDGET ACT REFERENCE**

8 Sec. 251. The provisions of the Executive Budget Act, Chapter 143, Article 1
9 of the General Statutes, are reenacted and shall remain in full force and effect and are
10 incorporated in this act by reference.

11
12 Requested by: Senators Daniel and Plyler

13 **COMMITTEE REPORT**

14 Sec. 252. The Senate Appropriations Committee Report on Base Budget
15 Reductions and Expansion Budget dated May 11, 1993, which was distributed in the
16 Senate and used to explain this act, shall indicate action by the General Assembly on
17 this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the
18 Executive Budget Act, and for these purposes shall be considered a part of this act.

19
20 Requested by: Senators Daniel and Plyler

21 **MOST TEXT APPLIES ONLY TO 1993-95**

22 Sec. 253. Except for statutory changes or other provisions that clearly
23 indicate an intention to have effects beyond the 1993-95 biennium, the textual
24 provisions of this act shall apply only to funds appropriated for and activities occurring
25 during the 1993-95 biennium.

26
27 Requested by: Senators Daniel and Plyler

28 **SEVERABILITY CLAUSE**

29 Sec. 254. If any section or provision of this act is declared unconstitutional or
30 invalid by the courts, it does not affect the validity of the act as a whole or any part
31 other than the part so declared to be unconstitutional or invalid.

32
33 Requested by: Senators Daniel and Plyler

34 **CONTINGENT EFFECTIVENESS**

35 Sec. 254.1. This act is effective only if Senate Bill 1139 is ratified.

36
37 Requested by: Senators Daniel and Plyler

38 **EFFECTIVE DATE**

39 Sec. 255. Except as otherwise provided, this act becomes effective July 1,
40 1993.