

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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2

HOUSE BILL 230
Committee Substitute Favorable 6/29/95

Short Title: '95 Expansion/Cap. Approp.

(Public)

Sponsors:

Referred to:

February 21, 1995

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO PROVIDE EXPANSION EXPENDITURES
3 AND CAPITAL IMPROVEMENTS FOR STATE DEPARTMENTS,
4 INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.

5 The General Assembly of North Carolina enacts:

6
7 **PART 1. INTRODUCTION AND TITLE OF ACT**

8
9 Section 1. The appropriations made in this act are for maximum amounts
10 necessary to provide the services and accomplish the purposes described in the budget.
11 Savings shall be effected where the total amounts appropriated are not required to
12 perform these services and accomplish these purposes and, except as allowed by the
13 Executive Budget Act, or this act, the savings shall revert to the appropriate fund at the
14 end of each fiscal year.

15
16 Sec. 1.1. This act shall be known and cited as "The Expansion and Capital
17 Improvements Appropriations Act of 1995".

18
19 **PART 2. EXPANSION - RECURRING/GENERAL FUND**

1
2 Sec. 2. Appropriations of recurring funds from the General Fund of the State
3 for the expansion of the State departments, institutions, and agencies, and for other
4 purposes as enumerated are made for the biennium ending June 30, 1997, according to
5 the schedule that follows. Amounts set out in brackets are reductions from General Fund
6 appropriations for the 1995-96 and 1996-97 fiscal years.

	<u>1995-96</u>	<u>1996-97</u>
7		
8	<u>Expansion - Recurring - General Fund</u>	
9		
10		
11	\$ 303,592	\$ 303,850
12		
13	1,333,391	1,334,003
14		
15	Office of the Governor	
16	01. Office of the Governor	73,608 118,383
17	02. Office of State Budget	
18	and Management	450,000 450,000
19		
20	201,537	201,537
21		
22	(17,996,934)	10,665,341
23		
24	543,752	607,976
25		
26	348,704	348,704
27		
28	36,000	39,348
29		
30	985,000	485,000
31		
32	Department of Environment, Health,	
33	and Natural Resources	139,774 139,774
34		
35	101,396	101,396
36		
37	Department of Human Resources	
38	01. Division of Child Development	442,372 555,171
39	02. Division of Services for the	
40	Deaf and Hard of Hearing	500,000 1,500,000
41	03. Division of Social Services	937,988 746,437
42	04. Division of Services for the Blind	250,000 250,000
43	05. Division of Mental Health,	

1	Developmental Disabilities, and		
2	Substance Abuse Services	13,000,000	17,000,000
3	06. Division of Youth Services	<u>1,891,371</u>	<u>2,343,001</u>
4			
5	Total Department of Human Resources		17,021,731 22,394,619
6			
7	Department of Correction		9,777,348 34,604,704
8			
9	Department of Commerce		140,000 140,000
10			
11	Department of Revenue		3,265,811 3,040,615
12			
13	Department of Cultural Resources		638,173 784,757
14			
15	Department of Crime Control and		
16	Public Safety		140,042 139,372
17			
18	Office of State Controller		1,474,842 1,593,851
19			
20	State Board of Elections		1,000 1,000
21			
22	Debt Service		15,031,552 24,369,052
23			
24	Reserve for Compensation Increase		101,286,570 101,286,570
25			
26	Reserve for Data Processing		2,000,000 2,500,000
27			
28	Reserve for H168 Child Support Changes		170,000 170,000
29			
30	Department of Community Colleges		27,747,055 27,747,055
31			
32			
33	GRAND TOTAL CURRENT OPERATIONS		
34	GENERAL FUND RECURRING		165,213,944 233,566,907
35			

PART 3. EXPANSION - NONRECURRING/GENERAL FUND

EXPANSION - NONRECURRING/GENERAL FUND

Sec. 3. Appropriations of nonrecurring funds from the General Fund of the State for the expansion of the State departments, institutions, and agencies, and for other purposes as enumerated are made for the biennium ending June 30, 1997, according to the schedule that follows. Amounts set out in brackets are reductions from General Fund appropriations for the 1995-96 and 1996-97 fiscal years.

1		
2	<u>Expansion - Nonrecurring-</u>	
3	<u>- General Fund</u>	<u>1995-96 1996-97</u>
4		
5	General Assembly	\$ 289,300 -
6		
7	Judicial	2,083,824 480
8		
9	Office of the Governor	
10	01. Office of the Governor	359,571 -
11	02. Office of State Budget	
12	and Management	75,000 -
13		
14	Department of Secretary of State	10,700 -
15		
16	Department of Public Education	27,815,370 -
17		
18	Department of Justice	561,989 295,294
19		
20	Department of Administration	216,735 -
21		
22	Department of Insurance	15,000 -
23		
24	Department of Environment, Health,	
25	and Natural Resources	1,546,000 -
26		
27	Office of Administrative Hearings	8,600 -
28		
29	Department of Human Resources	
30	01. Division of Child Development	1,000,000 -
31	02. Division of Social Services	465,477 -
32	03. Division of Mental Health,	
33	Developmental Disabilities, and	
34	Substance Abuse Services	- 500,000
35		
36	Total Department of Human Resources	1,465,477 500,000
37		
38	Department of Correction	3,214,273 -
39		
40	Department of Commerce	
41	01. Department of Commerce	10,450,000 -
42	02. Microelectronics Center	(1,000,000) -
43		

1	Department of Revenue	8,040,412	116,600
2			
3	Department of Cultural Resources	6,371,326	–
4			
5	Department of Crime Control		
6	and Public Safety	307,432	–
7			
8	Office of State Controller	10,282,457	–
9			
10	State Board of Elections	70,000	3,500,000
11			
12	Reserve for Compensation Increase	3,521,609	–
13			
14	Department of Community Colleges	20,826,317	–
15			
16	Reserve for H5 Welfare Reform	335,000	60,000
17			
18	Reserve for H168 Child Support Changes	399,300	–
19			
20	GRAND TOTAL - CURRENT OPERATIONS –		
21	GENERAL FUND NONRECURRING	\$97,265,692	\$4,472,374
22			

PART 4. CAPITAL IMPROVEMENTS - GENERAL FUND

25 Sec. 4. The appropriations made by the 1995 General Assembly for capital
26 improvements are for constructing, repairing, or renovating State buildings, utilities, and
27 other capital facilities, for acquiring sites for them where necessary, and for acquiring
28 buildings and land for State government purposes.

30 Sec. 4.1. Appropriations from the General Fund for the 1995-96 fiscal year for
31 use by the State departments, institutions, and agencies to provide for capital
32 improvement projects according to the following schedule:

1995-96 1996-97

36	Board of Governors - North Carolina		
37	School of Arts		
38	01. Student Activity Center	\$ 2,566,000	–
39			
40	Board of Governors - UNC Charlotte		
41	02. Construction of Library Addition	10,571,500	10,000,000
42			
43	Board of Governors - Appalachian State		

1	University		
2	03. Convocation Center Construction	10,000,000	10,601,100
3			
4	Board of Governors - North Carolina		
5	State University		
6	04. Agricultural Program		
7	Reserve for 4-H Camp improvements	500,000	-
8	05. School of Agriculture	6,000,000	-
9			
10	Board of Governors - UNC Wilmington		
11	06. Construction of Marine Science		
12	Building	8,000,000	8,000,000
13			
14	Board of Governors		
15	07. Reserve for Land Acquisition	1,000,000	-
16			
17	Department of Administration		
18	01. Veterans Home Reserve	660,000	-
19			
20	Department of Correction		
21	01. Construct Segregation Unit in		
22	Greene County	2,720,500	-
23	02. Construction of New Beds	54,486,400	-
24	03. Construct Electronic Intrusion		
25	System - NCCIW	813,700	-
26			
27	Department of Human Resources -		
28	Deaf Services		
29	01. Eastern N.C. School for Deaf -		
30	a. Phase II of the Student		
31	Activity/Recreation complex		1,500,000 -
32			
33	Department of Human Resources - Youth Services		
34	02. Permanent Facility for Leonard		
35	Secure Unit	248,000	-
36	03. Detention Center in Gaston County	270,000	-
37	04. Detention Center in Northeastern NC	1,800,000	-
38			
39	Department of Justice -		
40	01. Western Justice Academy - Design, plan,		
41	and purchase real property		
42	(Henderson County)	1,470,000	-
43			

1	Department of Environment, Health,		
2	and Natural Resources		
3	01. Forestry Headquarters –		
4	Reserve for replacement of facilities at		
5	county and district headquarters sites	1,500,000	–
6	02. Parks Reserve - land acquisition,		
7	construction, and site development at		
8	State parks only	10,000,000	–
9	03. Water Resources Development Projects -		
10	State share of civil works projects for		
11	navigation, flood control, drainage,		
12	stream restoration, aquatic weed control,		
13	water-based recreation, beach protection,		
14	and small watershed grants	2,065,000	–
15			
16	Office of State Budget		
17	01. Reserve for cleanup of hazardous		
18	waste sites	4,000,000	–
19			
20	TOTAL CAPITAL IMPROVEMENTS –		
21	GENERAL FUND		\$ 120,171,100 \$ 28,601,100
22			
23			

PART 4A. EXPANSION/CAPITAL/HIGHWAY FUND

Sec. 4A. Appropriations of funds from the Highway Fund of the State for the expansion of the Department of Transportation are made for the biennium ending June 30, 1997, and for capital improvements for the 1995-96 fiscal year, according to the following schedule. Amounts set out in brackets are reductions from Highway Fund appropriations for the 1995-96 and 1996-97 fiscal years.

31		1995-96	1996-97
32	A. EXPANSION PROJECTS		
33			
34	1. Department of Transportation		
35	Administration	\$7,589,537	\$8,146,463
36	2. Division of Highways		
37	a. Administration and		
38	Operations	102,849	102,849
39	b. State Construction		
40	01. State Urban System	1,100,000	1,100,000
41	02. Spot Safety Improvements	900,000	900,000
42	c. State Maintenance		
43	01. Primary Maintenance	3,217,633	4,000,000

1	02. Urban System	5,420,000	5,420,000	
2	03. Contract Resurfacing	5,000,000	7,603,346	
3	3. Division of Motor Vehicles			2,874,206 2,332,504
4	4. State Aid for Public			
5	Transportation	5,800,000	5,800,000	
6	5. Reserve for Asphalt Plant			
7	Cleanup	1,000,000	1,000,000	
8	6. Reserve for Pay Increase			7,914,055 7,914,055
9	Appropriations to Other State			
10	Agencies			
11	a. Department of Revenue	312,374	312,374	
12	b. LUST Trust Fund	(312,374)	(312,374)	
13	c. General Assembly	200,000	-	
14				
15	Total	\$41,118,280	\$44,319,217	

B. CAPITAL IMPROVEMENTS PROJECTS

18	1. Roof Replacements Statewide			\$ 432,900
19	2. HVAC Replacements Statewide -			
20	DMV	123,800		
21	3. Safety Upgrades Statewide - DMV			123,800
22	4. Fire Alarm Renovations			
23	Materials and Test Lab,			
24	Raleigh, NC	72,800		
25	5. Parking Lot Repairs Statewide -			
26	DMV	133,700		
27	6. Roadside Environmental Warehouse			
28	Sylva, NC	463,000		
29	7. District Engineer's Office			
30	Marion, NC	590,000		
31	8. DMV/SHP Supplemental Funding			
32	Durham, NC	69,890		
33	9. DMV/SHP Supplemental Funding			
34	Salisbury, NC	110,000		
35	10. Equipment Shop			
36	Washington, NC	916,000		
37	11. Equipment Shop			
38	Wentworth, NC	911,000		
39	12. Equipment Shop			
40	Kinston, NC	916,000		
41	13. Equipment Shop			
42	Meadows, NC	913,000		
43	14. Materials and Test Lab			

1	Asheville, NC	389,000	
2	15. DMV/SHP Addition and Renovation		
3	Morganton, NC	272,700	
4	16. Exterior Renovation, Transportation		
5	Building, Raleigh, NC	169,900	
6	17. Building and Land Purchase		
7	Williamston, NC	368,000	
8	18. Electrical Upgrades Transportation		
9	Building, Raleigh, NC	<u>1,922,100</u>	
10			
11	Total		\$8,897,590
12			
13	Fuel Tank Replacement - State Highway Patrol		
14	Provides funds for replacement of fuel		
15	tanks at 15 sites @ \$32,000 per site and		
16	\$20,000 for testing equipment. \$ <u>500,000</u>		
17			
18	Total		\$ 500,000

PART 4B. BUDGET AVAILABILITY STATEMENT REVISED

Requested by: Representatives Holmes, Creech, Esposito
 Sec. 4B. Section 5 of Chapter 324 of the 1995 Session Laws reads as
 rewritten:
 " Sec. 5. The General Fund and availability used in developing the 1995-97 budget is as
 shown below:

(1)	Composition of the 1995-97 beginning availability:	
a.	Revenue collections in 1994-95 in (\$ Million)	
	excess of authorized estimates	\$192.00
b.	Unexpended appropriations	
	during 1994-95 (reversions)	162.40
c.	Balance brought forward	<u>33.40</u>
	Subtotal	387.80
d.	Transfer to Savings Reserve	96.90
e.	Transfer to Reserve	
	for Repair and	
	Renovations	<u>125.00</u>
	Ending Fund Balance	\$ 165.9

		(\$ Million)	(\$ Million)
		<u>1995-96</u>	<u>1996-97</u>
(2)	Beginning Unrestricted		

1	Fund Balance	\$ 165.9	\$ -		
2					
3	(3) Revenues Based on Existing Tax				
4	Structure	10,019.6	10,658.1		
5					
6	(4) 94-95 Reserve for Tax				
7	Reductions	28.1	-		
8	Changes:				
9					
10	1. Tax Reductions				
11	(a) Personal Income	-235.0	-244.1		
12	(b) Intangibles Repeal	-124.4	-124.5		
13	(c) <u>House Bills Passed Third Reading</u>				
14	(H396, H55, H759,				
15	<u>H223, H718)</u>	<u>-11.9</u>	<u>-38.0</u>		
16	(d) <u>Reserve for H954, if</u>				
17	<u>enacted</u>	<u>0</u>	<u>-20.0</u>		
18	2. Local Sales Tax -				
19	Local Government Commission	1.5	1.5		
20	3. Insurance Regulatory Charges			3.7	3.7
21		4.7	4.2		
22	4. Treasurer's Banking Fees			-7	-7
23	5. Disproportionate Share				
24	Receipts	106.9	117.7		
25	6. Investment Income Electronic				
26	Fund Transfers	2.0	2.0		
27	Availability			\$9,967.6	\$10,413.7
28		<u>\$9,957.7</u>		<u>\$10,354.7"</u>	

PART 5. BLOCK GRANT PROVISIONS

Requested by: Representatives Gardner, Hayes

DHR BLOCK GRANT PROVISIONS

Sec. 5. (a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1996, according to the following schedule:

COMMUNITY SERVICES BLOCK GRANT

- 01. Community Action Agencies \$ 9,198,794
- 02. Limited Purpose Agencies 511,044
- 03. Department of Human Resources
to administer and monitor
the activities of the

1	Community Services Block Grant	511,044	
2			
3	TOTAL COMMUNITY SERVICES BLOCK GRANT		\$ 10,220,882
4			
5	SOCIAL SERVICES BLOCK GRANT		
6			
7	01. County Departments of Social Services	\$ 36,864,132	
8			
9	02. Allocation for In-Home Services provided		
10	by County Departments of		
11	Social Services	2,101,113	
12			
13	03. Division of Mental Health, Developmental		
14	Disabilities, and Substance Abuse Services	5,524,186	
15			
16	04. Division of Services for the Blind	3,205,711	
17			
18	05. Division of Youth Services	1,052,674	
19			
20	06. Division of Facility Services	343,341	
21			
22	07. Division of Aging	336,157	
23			
24	08. Day Care Services	16,194,900	
25			
26	09. Office of Citizen Affairs	55,458	
27			
28	10. State Administration and State Level		
29	Contracts	3,473,524	
30			
31	11. Voluntary Sterilization Funds	98,710	
32			
33	12. Transfer to Maternal and Child		
34	Health Block Grant	1,585,833	
35			
36	13. Adult Day Care Services	599,551	
37			
38	14. County Departments of Social Services for		
39	Child Abuse/Prevention and		
40	Permanency Planning	394,841	
41			
42	15. Allocation to Division of Maternal and		
43	Child Health for Grants-in-Aid to Prevention		

1	Programs 439,261	
2		
3	16. Transfer to Preventive Health	
4	Block Grant for Emergency Medical Services	
5	and Basic Public Health Services	633,128
6		
7	17. Allocation to Preventive Health Block	
8	Grant for AIDS Education	81,001
9		
10	18. Allocation to Department of Administration	
11	for North Carolina Fund for Children	45,270
12		
13	19. Allocation to Home and Community Care	
14	Block Grant for Persons Age 60	
15	and Older	1,649,077
16		
17	20. Allocation to the Office of Economic	
18	Opportunity for Elderly and	
19	Handicapped Services	49,954
20		
21	21. Division of Services for the Deaf	
22	and the Hard of Hearing	31,611
23		
24	22. Division of Child Development for	
25	Head Start	147,467
26		
27	TOTAL SOCIAL SERVICES BLOCK GRANT	\$ 74,906,900
28		
29	LOW INCOME ENERGY BLOCK GRANT	
30		
31	01. Energy Assistance Programs	\$ 13,727,365
32		
33	02. Crisis Intervention	4,924,615
34		
35	03. Administration	1,834,677
36		
37	04. Weatherization Program	3,621,041
38		
39	05. Indian Affairs	33,022
40		
41	TOTAL LOW INCOME ENERGY BLOCK GRANT	\$ 24,140,270
42		
43	MENTAL HEALTH SERVICES BLOCK GRANT	

1			
2	01.	Provision of Community-Based	
3		Services in accordance with the	
4		Mental Health Study Commission's	
5		Adult Severe and Persistently	
6		Mentally Ill Plan	\$ 3,794,179
7			
8	02.	Provision of Community-Based	
9		Services in accordance with the	
10		Mental Health Study Commission's	
11		Child Mental Health Plan	1,802,819
12			
13	03.	Administration	572,897
14			
15	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT		\$ 6,169,895
16			
17	BLOCK GRANT FOR THE PREVENTION AND		
18	TREATMENT OF SUBSTANCE ABUSE		
19			
20	01.	Provision of Community-Based	
21		Alcohol and Drug Abuse Services,	
22		Tuberculosis Services, and Services	
23		provided by the Alcohol, Drug Abuse	
24		Treatment Centers	\$ 10,935,939
25			
26	02.	Continuation and Expansion of	
27		Services for Pregnant Women and	
28		Women with Dependent Children	5,057,281
29			
30	03.	Continuation and Expansion of	
31		Services to IV Drug Abusers and others	
32		at risk for HIV diseases	4,560,670
33			
34	04.	Provision of services in accordance with	
35		the Mental Health Study Commission's	
36		Child and Adolescent Alcohol and other	
37		Drug Abuse Plan	5,964,093
38			
39	05.	Administration	1,863,879
40			
41	TOTAL BLOCK GRANT FOR PREVENTION		
42	AND TREATMENT OF SUBSTANCE ABUSE		\$ 28,381,862
43			

CHILD CARE AND DEVELOPMENT BLOCK GRANT

01.	Child Day Care Services	\$ 16,900,635	
02.	Administrative Expenses and Quality and Availability Initiatives	1,877,848	
03.	Before and After School Child Care Programs and Early Childhood Development Programs		4,694,620
04.	Quality Improvement Activities	1,564,977	

TOTAL CHILD CARE AND DEVELOPMENT
BLOCK GRANT

\$ 25,037,977

(b) Decreases in Federal Fund Availability

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

(c) Increases in Federal Fund Availability

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

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

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

(e) Supplemental Head Start funds appropriated in this section to the Department of Human Resources shall continue to be allocated to those counties currently receiving these funds.

Requested by: Representatives Mitchell, Weatherly

NER BLOCK GRANT PROVISIONS

Sec. 5.1. (a) Appropriations from federal Community Development Block Grant funds for the 1995 program year are made for the fiscal year ending June 30, 1996, according to the following schedule:

1
2 COMMUNITY DEVELOPMENT BLOCK GRANT

3	01.	State Administration	\$ 1,037,740
4			
5	02.	Urgent Needs and Contingency	2,269,350
6			
7	03.	Community Empowerment	3,000,000
8			
9	04.	Economic Development	9,077,400
10			
11	05.	Community Revitalization	29,740,250
12			
13	06.	State Technical Assistance	462,260
14			
15	07.	Micro-Enterprise	1,000,000
16			
17	08.	Infrastructure Survey/Planning	300,000

18
19 TOTAL COMMUNITY DEVELOPMENT

20 BLOCK GRANT - 1995 Program Year \$ 46,887,000

21
22 (b) Appropriations from federal Community Development Block Grant funds
23 for the 1996 program year are made for the fiscal year ending June 30, 1996, according to
24 the following schedule:25
26 COMMUNITY DEVELOPMENT BLOCK GRANT

27	01.	State Administration	\$ 1,037,740
28			
29	02.	Urgent Needs and Contingency	2,269,350
30			
31	03.	Community Empowerment	3,000,000
32			
33	04.	Economic Development	9,077,400
34			
35	05.	Community Revitalization	29,740,250
36			
37	06.	State Technical Assistance	462,260
38			
39	07.	Micro-Enterprise	1,000,000
40			
41	08.	Infrastructure Survey/Planning	300,000

42
43 TOTAL COMMUNITY DEVELOPMENT

1	BLOCK GRANT - 1996 Program Year	\$ 46,887,000
2		
3	(c) Appropriations from federal block grant funds other than the Community	
4	Development Block Grant are made for the fiscal year ending June 30, 1996, according to	
5	the following schedule:	
6		
7	TOTAL JOB TRAINING PARTNERSHIP ACT	\$ 34,444,705
8		
9	MATERNAL AND CHILD HEALTH SERVICES	
10		
11	01. Healthy Mother/Healthy Children	
12	Block Grants to Local Health	
13	Departments	\$ 11,303,377
14		
15	02. High Risk Maternity Clinic Services,	
16	Perinatal Education and Training, SIDS,	
17	and Consultation/Technical Assistance	1,810,112
18		
19	03. Services to Children with Special Health	
20	Care Needs	5,065,331
21		
22	04. Nutrition Services	120,530
23		
24	TOTAL MATERNAL AND CHILD	
25	HEALTH SERVICES	\$ 18,299,350
26		
27	PREVENTIVE HEALTH BLOCK GRANT	
28		
29	01. Emergency Medical Services	\$ 452,375
30		
31	02. Basic Public Health Services	180,753
32		
33	03. Hypertension Programs	773,203
34		
35	04. Statewide Health Promotion Programs	2,689,553
36		
37	05. Dental Health for Fluoridation	
38	of Water Supplies	228,404
39		
40	06. Rape Prevention and Rape	
41	Crisis Programs	183,632
42		
43	07. AIDS/HIV Education, Counseling,	

1	and Testing	81,001	
2			
3	08. Office of Minority Health and		
4	Minority Health Council	190,000	
5			
6	09. Administrative & Indirect Cost	317,160	
7			
8	TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$ 5,096,081
9			

(d) Decreases in Federal Fund Availability

For JTPA and Community Development Block Grants: If federal funds are reduced below the amounts specified above after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

For the Maternal and Child Health Services and Preventive Health Services federal block grants: If federal funds are reduced less than ten percent (10%) below the amounts specified above after the effective date of this act, then every program in the Maternal and Child Health Services and in the Preventive Health Services block grants shall be reduced by the same percentage as the reduction in federal funds. If federal funds are reduced by ten percent (10%) or more below the amounts specified above after the effective date of this act, then for the Maternal and Child Health Services and the Preventive Health Services block grants the Department of Environment, Health, and Natural Resources shall allocate the decrease in funds after considering the effectiveness of the current level of services.

(e) Increases in Federal Fund Availability

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

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

(2) For the Maternal and Child Health Services Block Grant – if federal funds are increased by ten percent (10%) or more, then the Department shall allocate the increase in funds after considering the effectiveness of the current level of services and the effectiveness of services to be funded by the increase. If federal funds are increased by less than ten percent (10%), then thirty percent (30%) of these additional funds shall be allocated to services for children with special health care needs and seventy percent (70%) shall be allocated to local health departments to assist in the reduction of infant mortality.

(3) For the Preventive Health Block Grants – if federal funds are increased by ten percent (10%) or more, then the Department shall allocate the increase in funds after considering the effectiveness of the current level of services and the effectiveness of services to be funded by the

1 increase. If federal funds are increased by less than ten percent (10%),
2 then these additional funds may be budgeted by the appropriate
3 department, with the approval of the Office of State Budget and
4 Management, provided the resultant increases are in accordance with
5 federal block grant requirements and are within the scope of the block
6 grant plan approved by the General Assembly.

7 (f) Changes to budgeted allocations to the Maternal and Child Health Services
8 and the Preventive Health Services block grants due to increases or decreases in federal
9 funds shall be reported to the Joint Legislative Commission on Governmental Operations
10 and the Fiscal Research Division within 30 days of the allocation. All other increases
11 shall be reported to the Joint Legislative Commission on Governmental Operations and to
12 the Director of the Fiscal Research Division.

13 (g) Education Setaside of JTPA Funds

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

19 (h) Limitations on Community Development Block Grant Funds

20 Of the funds appropriated in this section for the Community Development
21 Block Grant, the following shall be allocated in each category for each program year: up
22 to one million thirty-seven thousand seven hundred forty dollars (\$1,037,740) may be
23 used for State administration; up to two million two hundred sixty-nine thousand three
24 hundred fifty dollars (\$2,269,350) may be used for Urgent Needs and Contingency; up to
25 three million dollars (\$3,000,000) may be used for Community Empowerment; up to nine
26 million seventy-seven thousand four hundred dollars (\$9,077,400) may be used for
27 Economic Development; not less than twenty-nine million seven hundred forty thousand
28 two hundred fifty dollars (\$29,740,250) shall be used for Community Revitalization; up
29 to four hundred sixty-two thousand two hundred sixty dollars (\$462,260) may be used for
30 State Technical Assistance; up to one million dollars (\$1,000,000) may be used for
31 Micro-Enterprise; and up to three hundred thousand dollars (\$300,000) may be used for
32 Infrastructure Survey/Planning. If federal block grant funds are reduced or increased by
33 the United States Congress after the effective date of this act, then these reductions or
34 increases shall be allocated in accordance with subsection (d) or (e) of this section, as
35 applicable.

36
37 **PART 6. GENERAL PROVISIONS**

38
39 Requested by: Representatives Holmes, Creech, Esposito

40 **BUDGETING OF PILOT PROGRAMS**

41 Sec. 6. (a) Any program designated by the General Assembly as experimental,
42 model, or pilot shall be shown as a separate budget item and shall be considered as an
43 expansion item until a succeeding General Assembly reapproves it.

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

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

6
 7 **PART 7. SALARIES AND BENEFITS**

8
 9 Requested by: Representatives Holmes, Creech, Esposito

10 **GOVERNOR/COUNCIL OF STATE/SALARY INCREASES**

11 Sec. 7.1. (a) G.S. 147-11(a) reads as rewritten:

12 "(a) The salary of the Governor shall be ~~ninety-seven thousand six hundred dollars~~
 13 ~~(\$97,600)~~ ninety-nine thousand five hundred fifty-two dollars (\$99,552) annually,
 14 payable monthly."

15 (b) The annual salaries for the members of the Council of State, payable monthly,
 16 for the 1995-96 and 1996-97 fiscal years are:

<u>Council</u>	of	<u>State</u>
<u>Annual Salary</u>		
Lieutenant		Governor
\$88,740		
Attorney		General
88,740		
Secretary	of	State
88,740		
State		Treasurer
88,740		
State		Auditor
88,740		
Superintendent	of	Public Instruction
88,740		
Agriculture		Commissioner
88,740		
Insurance		Commissioner
88,740		
Labor		Commissioner
88,740		

39
 40 Requested by: Representatives Holmes, Creech, Esposito

41 **NONELECTED DEPARTMENT HEAD/SALARY INCREASES**

1 Sec. 7.2. 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 1995-96 and 1996-97 fiscal years are:

<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
Secretary of Administration	\$86,700
Secretary of Correction	86,700
Secretary of Cultural Resources	86,700
Secretary of Commerce	86,700
Secretary of Environment, Health, and Natural Resources	86,700
Secretary of Human Resources	86,700
Secretary of Revenue	86,700
Secretary of Transportation	86,700

15
16 Requested by: Representatives Holmes, Creech, Esposito

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

18 Sec. 7.3. The annual salaries, payable monthly, for the 1995-96 and 1996-97
19 fiscal years for the following executive branch officials are:

<u>Executive Branch Officials</u>	<u>Annual Salary</u>
Chairman, Alcoholic Beverage Control Commission	\$ 78,912
State Controller	110,436
Commissioner of Motor Vehicles	78,912
Commissioner of Banks	78,912
Chairman, Employment Security Commission	78,912
State Personnel Director	86,700
Chairman, Parole Commission	72,056
Members of the Parole Commission	66,524
Chairman, Industrial Commission	70,900
Members of the Industrial Commission	69,173
Chairman of the Utilities Commission	83,009
Commissioner of the Utilities Commission	81,989
Executive Director, Agency for Public Telecommunications	66,524
General Manager, Ports Railway Commission	60,071
Director, Museum of Art	80,859
Executive Director, Wildlife Resources Commission	68,108
Executive Director, North Carolina Housing Finance Agency	97,661
Executive Director, North Carolina Agricultural Finance Authority	76,808
Director, Office of Administrative Hearings	78,030

42
43 Requested by: Representatives Holmes, Creech, Esposito

JUDICIAL BRANCH OFFICIALS/SALARY INCREASE

Sec. 7.4. (a) The annual salaries, payable monthly, for specified judicial branch officials for the 1995-96 and 1996-97 fiscal years are:

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
Chief Justice, Supreme Court	\$99,552
Associate Justice, Supreme Court	97,920
Chief Judge, Court of Appeals	95,472
Judge, Court of Appeals	93,840
Judge, Senior Regular Resident Superior Court	91,290
Judge, Superior Court	88,740
Chief Judge, District Court	80,580
Judge, District Court	78,030
District Attorney	82,212
Administrative Officer of the Courts	91,290
Assistant Administrative Officer of the Courts	76,663
Public Defender	82,212

(b) The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not exceed forty-nine thousand five hundred eighty dollars (\$49,580), and the minimum salary of any assistant district attorney or assistant public defender is at least twenty-five thousand three hundred twelve dollars (\$25,312) effective July 1, 1995.

(c) The salaries in effect for the 1994-95 fiscal year for permanent, full-time employees of the Judicial Department, except for those whose salaries are itemized in this Part, shall be increased by two percent (2%), commencing July 1, 1995.

(d) The salaries in effect for the 1994-95 fiscal year for all permanent, part-time employees of the Judicial Department shall be increased on and after July 1, 1995, by pro rata amounts of the two percent (2%).

Requested by: Representatives Holmes, Creech, Esposito

CLERK OF SUPERIOR COURT SALARY DETERMINATION/INCREASE

Sec. 7.5. G.S. 7A-101(a) reads as rewritten:

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

Population	Annual Salary
------------	---------------

1	Less than 100,000	\$57,670	\$58,823
2	100,000 to 149,999	64,780	<u>66,076</u>
3	150,000 to 249,999	71,890	<u>73,328</u>
4	250,000 and above	79,000-	<u>80,580.</u>

5
6 The salary schedule in this subsection is intended to represent the following
7 percentage of the salary of a chief district court judge:

8		
9	Less than 100,000	73%
10	100,000 to 149,999	82%
11	150,000 to 249,999	91%
12	250,000 and above	100%.

13
14 When a county changes from one population group to another, the salary of the clerk
15 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
16 salary appropriate for the new population group, except that the salary of an incumbent
17 clerk shall not be decreased by any change in population group during ~~his~~the clerk's
18 continuance in office."

19
20 Requested by: Representatives Holmes, Creech, Esposito

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

22 Sec. 7.6. (a) G.S. 7A-102(c1) reads as rewritten:

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

26			
27	Assistant Clerks and Head Bookkeeper		Annual Salary
28			
29	Minimum	\$21,126- <u>\$21,549</u>	
30	Maximum	37,406- <u>38,154</u>	

31			
32	Deputy Clerks		Annual Salary
33	Minimum	\$16,891 <u>\$17,229</u>	
34	Maximum	28,813- <u>29,389.</u>	

35 (b) G.S. 7A-102(c) reads as rewritten:

36 "(c) Notwithstanding the provisions of subsection (a), the Administrative Officer of
37 the Courts shall establish an incremental salary plan for assistant clerks and for deputy
38 clerks based on a series of salary steps corresponding to the steps contained in the Salary
39 Plan for State Employees adopted by the Office of State Personnel, subject to a minimum
40 and a maximum annual salary as set forth below. On and after July 1, 1985, each assistant
41 clerk and each deputy clerk shall be eligible for an annual step increase in his salary plan
42 based on satisfactory job performance as determined by each clerk. Notwithstanding the
43 foregoing, if an assistant or deputy clerk's years of service in the office of superior court

1 clerk would warrant an annual salary greater than the salary first established under this
 2 section, that assistant or deputy clerk shall be eligible on and after July 1, 1984, for an
 3 annual step increase in his salary plan. Furthermore, on and after July 1, 1985, that
 4 assistant or deputy clerk shall be eligible for an increase of two steps in his salary plan,
 5 and shall remain eligible for a two-step increase each year as recommended by each clerk
 6 until that assistant or deputy clerk's annual salary corresponds to his number of years of
 7 service. Any person covered by this subsection who would not receive a step increase in
 8 fiscal year ~~1994-95-1995-96~~ because that person is at the top of the salary range as it
 9 existed for fiscal year ~~1993-94-1994-95~~ shall receive a salary increase to the maximum
 10 annual salary provided by subsection (c1) of this section."

11
 12 Requested by: Representatives Holmes, Creech, Esposito

13 **MAGISTRATES' PAY PLAN**

14 Sec. 7.7. (a) G.S. 7A-171.1(a)(1) reads as rewritten:

15 "(1) A full-time magistrate shall be paid the annual salary indicated in the
 16 table set out in this subdivision. A full-time magistrate is a magistrate
 17 who is assigned to work an average of not less than 40 hours a week
 18 during the term of office. The Administrative Officer of the Courts shall
 19 designate whether a magistrate is full-time. Initial appointment shall be
 20 at the entry rate. A magistrate's salary shall increase to the next step
 21 every two years on the anniversary of the date the magistrate was
 22 originally appointed for increases to Steps 1 through 3, and every four
 23 years on the anniversary of the date the magistrate was originally
 24 appointed for increases to Steps 4 through 6.

25
 26 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

<u>Step Level</u>		Annual Salary
Entry Rate	\$22,958	<u>\$23,417</u>
Step 1	25,262	<u>25,767</u>
Step 2	27,770	<u>28,325</u>
Step 3	30,506	<u>31,116</u>
Step 4	33,503	<u>34,173</u>
Step 5	36,797	<u>37,533</u>
Step 6	40,420	<u>41,228</u> ."

36 (b) G.S. 7A-171.1(a1)(1) reads as rewritten:

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

40 Less than 1 year of service	\$ 18,095 <u>18,457</u>
41 1 or more but less than 3 years of service	19,025 <u>19,406</u>
42 3 or more but less than 5 years of service	20,896 <u>21,314</u> .

1 Upon completion of five years of service, those magistrates shall
2 receive the salary set as the Entry Rate in the table in subsection (a)."

3
4 Requested by: Representatives Holmes, Creech, Esposito

5 **GENERAL ASSEMBLY**

6 Sec. 7.8. G.S. 120-3(b) reads as rewritten:

7 "(b) Every other member of the General Assembly shall receive increases in annual
8 salary only to the extent of and in the amounts equal to the average increases received by
9 employees of the State, effective upon convening of the next Regular Session of the
10 General Assembly after enactment of these increased ~~amounts~~ amounts, except no such
11 increase is granted upon the convening of the 1997 Regular Session of the General
12 Assembly. Accordingly, upon convening of the ~~1995-1997~~ Regular Session of the
13 General Assembly, every other member of the General Assembly shall be paid an annual
14 salary of thirteen thousand nine hundred fifty-one dollars (\$13,951) payable monthly, and
15 an expense allowance of five hundred fifty-nine dollars (\$559.00) per month."

16
17 Requested by: Representatives Holmes, Creech, Esposito

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

19 Sec. 7.9. G.S. 120-37(c) reads as rewritten:

20 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
21 entitled to other benefits available to permanent legislative employees and shall be paid
22 an annual salary of ~~fifty-four thousand dollars (\$54,000)~~ fifty-five thousand eighty dollars
23 (\$55,080) payable monthly. The Legislative Services Commission shall review the
24 salary of the principal clerks prior to submission of the proposed operating budget of the
25 General Assembly to the Governor and Advisory Budget Commission and shall make
26 appropriate recommendations for changes in those salaries. Any changes enacted by the
27 General Assembly shall be by amendment to this paragraph."

28
29 Requested by: Representatives Holmes, Creech, Esposito

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

31 Sec. 7.10. G.S. 120-37(b) reads as rewritten:

32 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary
33 of ~~two hundred thirty-two dollars (\$232.00)~~ two hundred thirty-seven dollars (\$237.00)
34 per week, plus subsistence at the same daily rate provided for members of the General
35 Assembly, plus mileage at the rate provided for members of the General Assembly for
36 one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall
37 serve during sessions of the General Assembly and at such time prior to the convening of,
38 and subsequent to adjournment or recess of, sessions as may be authorized by the
39 Legislative Services Commission. The reading clerks shall serve during sessions only."

40
41 Requested by: Representatives Holmes, Creech, Esposito

42 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

1 Sec. 7.11. The Legislative Administrative Officer shall increase the salaries of
2 nonelected employees of the General Assembly in effect for fiscal year 1994-95 by two
3 percent (2%). Nothing in this act limits any of the provisions of G.S. 120-32.
4

5 Requested by: Representatives Holmes, Creech, Esposito

6 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

7 Sec. 7.12. The Director of the Budget shall transfer from the Reserve for
8 Salary Increases created in this act for fiscal year 1995-96 funds to the Department of
9 Community Colleges necessary to provide an average annual salary increase of two
10 percent (2%), including funds for the employer's retirement and social security
11 contributions, commencing July 1, 1995, for all permanent full-time community college
12 institutional personnel supported by State funds. The State Board of Community
13 Colleges shall establish guidelines for providing their salary increases to community
14 college institutional personnel. Salary funds shall be used to provide an average annual
15 salary increase of two percent (2%) to all full-time employees and part-time employees
16 on a pro rata basis.
17

18 Requested by: Representatives Holmes, Creech, Esposito

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

20 Sec. 7.13. The Director of the Budget shall transfer to the Board of Governors
21 of The University of North Carolina sufficient funds from the Reserve for Salary
22 Increases created in this act for fiscal year 1995-96 to provide an annual average salary
23 increase of two percent (2%), including funds for the employer's retirement and social
24 security contributions, commencing July 1, 1995, for all employees of The University of
25 North Carolina, as well as employees other than teachers of the North Carolina School of
26 Science and Mathematics, supported by State funds and whose salaries are exempt from
27 the State Personnel Act (EPA). These funds shall be allocated to individuals according to
28 the rules adopted by the Board of Governors, or the Board of Trustees of the North
29 Carolina School of Science and Mathematics, as appropriate, and may not be used for any
30 purpose other than for salary increases and necessary employer contributions provided by
31 this section.
32

33 Requested by: Representatives Holmes, Creech, Esposito

34 **MOST STATE EMPLOYEES/SALARY INCREASES/1995-96**

35 Sec. 7.14. (a) The salaries in effect June 30, 1995, of all permanent full-time State
36 employees whose salaries are set in accordance with the State Personnel Act, and who are
37 paid from the General Fund or the Highway Fund shall be increased, on or after July 1,
38 1995, unless otherwise provided by this act, by two percent (2%).

39 (b) Except as otherwise provided in this act, salaries in effect June 30, 1995, for
40 permanent full-time State officials and persons in exempt positions that are recommended
41 by the Governor or the Governor and the Advisory Budget Commission and set by the
42 General Assembly shall be increased by two percent (2%), commencing July 1, 1995.

1 (c) The salaries in effect June 30, 1995, for all permanent part-time State
2 employees shall be increased on and after July 1, 1995, by pro rata amounts of the salary
3 increases provided for permanent full-time employees covered under subsection (a) of
4 this section.

5 (d) The Director of the Budget may allocate out of special operating funds or from
6 other sources of the employing agency, except tax revenues, sufficient funds to allow a
7 salary increase on and after July 1, 1995, in accordance with subsections (a), (b), or (c) of
8 this section, including funds for the employer's retirement and social security
9 contributions, of the permanent full-time and part-time employees of the agency.

10 (e) Within regular Executive Budget Act procedures as limited by this act, all
11 State agencies and departments may increase on an equitable basis the rate of pay of
12 temporary and permanent hourly State employees, subject to availability of funds in the
13 particular agency or department, by pro rata amounts salary increase provided for
14 permanent full-time employees covered by the provisions of subsection (a) of this
15 section, commencing July 1, 1995.

16 (f) No person may receive a salary increase under G.S. 126-7 during the 1995-
17 96 fiscal year, and no State employee or officer shall receive a merit increment during the
18 1995-96 and 1996-97 fiscal years except as otherwise provided by this act.

19 (g) The provisions of this section do not apply to employees whose salaries are
20 determined in accordance with G.S. 7A-102(c) or G.S. 20-187.3(a), except for those
21 employees who would not receive a salary increment in the 1995-96 fiscal year under
22 G.S. 7A-102(c) or G.S. 20-187.3(a) because they are at the top of their salary range.

23
24 Requested by: Representatives Holmes, Creech, Esposito

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

26 Sec. 7.15. (a) Salaries and related benefits for positions that are funded partially
27 from the General Fund or Highway Fund and partially from sources other than the
28 General Fund or Highway Fund shall be increased from the General Fund or Highway
29 Fund appropriation only to the extent of the proportionate part of the salaries paid from
30 the General Fund or Highway Fund.

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

34 (c) The salary increases provided in this Part are to be effective July 1, 1995, do
35 not apply to persons separated from State service due to resignation, dismissal, reduction
36 in force, death, or retirement, whose last workday is prior to July 1, 1995, or to
37 employees involved in final written disciplinary procedures. The employee shall receive
38 the increase on a current basis when the final written disciplinary procedure is resolved.

39 Payroll checks issued to employees after July 1, 1995, which represent
40 payment of services provided prior to July 1, 1995, shall not be eligible for salary
41 increases provided for in this act. This subsection shall apply to all employees, subject to
42 or exempt from the State Personnel Act, paid from State funds, including public schools,
43 community colleges, and The University of North Carolina.

1 (d) The Director of the Budget shall transfer from the Reserve for Salary Increases
2 in this act for fiscal year 1995-96 all funds necessary for the salary increases provided by
3 this act, including funds for the employer's retirement and social security contributions.

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

6
7 Requested by: Representatives Holmes, Creech, Esposito

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

9 Sec. 7.16. (a) Superintendents, Assistant Superintendents, Associate
10 Superintendents, Supervisors, Directors/Coordinators, and Finance Officers. – The
11 Director of the Budget may transfer from the Reserve for Salary Increases created in this
12 act for fiscal year 1995-96 funds necessary to provide a salary increase of two percent
13 (2%), including funds for the employer's retirement and social security contributions,
14 commencing July 1, 1995, for all superintendents, assistant superintendents, associate
15 superintendents, supervisors, directors, coordinators, evaluators, and program
16 administrators whose salaries are supported from the State's General Fund. These funds
17 may not be used for any purpose other than for the salary increase and necessary
18 employer contributions provided by this subsection.

19 (b) Noncertified Employees. – The Director of the Budget may transfer from the
20 Reserve for Salary Increases created in this act for fiscal year 1995-96 funds necessary to
21 provide a salary increase of two percent (2%), including funds for the employer's
22 retirement and social security contributions, commencing July 1, 1995, for all
23 noncertified public school employees, except school bus drivers, whose salaries are
24 supported from the State's General Fund. These funds may not be used for any purpose
25 other than for the salary increases and necessary employer contributions provided by this
26 subsection.

27 (c) The fiscal year 1994-95 pay rates adopted by local boards of education for
28 school bus drivers shall be increased by at least two percent (2%) on and after July 1,
29 1995, to the extent that such rates of pay are supported by the allocation of State funds
30 from the State Board of Education. Local boards of education shall increase the rates of
31 pay for all school bus drivers who were employed during fiscal year 1994-95 and who
32 continue their employment for fiscal year 1995-96 by at least two percent (2%) on and
33 after July 1, 1995. The Director of the Budget may transfer from the salary increase
34 reserve fund created in this act for fiscal year 1995-96 funds necessary to provide the
35 salary increases for school bus drivers whose salaries are supported from the State's
36 General Fund in accordance with the provisions of this subsection.

37
38 Requested by: Representatives Preston, Grady

39 **SCHOOL CENTRAL OFFICE SALARIES**

40 Sec. 7.17. (a) The following monthly salary ranges apply to public school
41 superintendents, assistant superintendents, associate superintendents,
42 directors/coordinators, supervisors, and finance officers for the 1995-96 fiscal year:

43 (1) School Administrator I: \$2,697 - \$4,338

1	(2)	School Administrator II:	\$2,862 - \$4,604
2	(3)	School Administrator III:	\$3,037 - \$4,886
3	(4)	School Administrator IV:	\$3,160 - \$5,084
4	(5)	School Administrator V:	\$3,287 - \$5,290
5	(6)	School Administrator VI:	\$3,488 - \$5,614
6	(7)	School Administrator VII:	\$3,629 - \$5,841

7 The local board of education shall determine the appropriate category and placement for
8 each assistant superintendent, associate superintendent, director/coordinator, supervisor,
9 or finance officer, within the salary ranges and within funds appropriated by the General
10 Assembly for central office administrators and superintendents. The category in which
11 an employee is placed shall be included in the contract of any employee hired on or after
12 July 1, 1995.

13 (b) The following monthly salary ranges apply to public school superintendents
14 for the 1995-96 fiscal year:(1) Superintendent I (Up to 2,500 ADM): \$3,852 -
15 \$6,199

16 (2) Superintendent II (2,501 - 5,000 ADM): \$4,088 - \$6,578

17 (3) Superintendent III (5,001 - 10,000 ADM): \$4,338 - \$6,981

18 (4) Superintendent IV (10,001 - 25,000 ADM): \$4,604 - \$7,408

19 (5) Superintendent V (Over 25,000 ADM): \$4,886 - \$7,861
20 The local board of education shall determine the appropriate category and placement for the superintendent
21 based on the average daily membership of the local school administrative unit and within
22 funds appropriated by the General Assembly for central office administrators and
23 superintendents.

24 Notwithstanding the provisions of this subsection, a local board of education
25 may pay an amount in excess of the applicable range to a superintendent who is entitled
26 to receive the higher amount under Section 7.19(f) of this act.

27 (c) Longevity pay for superintendents, assistant superintendents, associate
28 superintendents, directors/coordinators, supervisors, and finance officers shall be as
29 provided for State employees.

30 (d) Superintendents, assistant superintendents, associate superintendents,
31 directors/coordinators, supervisors, and finance officers with certification based on
32 academic preparation at the six-year degree level shall receive a salary supplement of one
33 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
34 for pursuant to this section. Superintendents, assistant superintendents, associate
35 superintendents, directors/coordinators, supervisors, and finance officers with
36 certification based on academic preparation at the doctoral degree level shall receive a
37 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
38 the compensation provided for under this section.

39 (e) The State Board shall not permit local school administrative units to
40 transfer State funds from other funding categories for salaries for public school central
41 office administrators.

42

43 Requested by: Representatives Holmes, Creech, Esposito, Grady, Preston

TEACHER SALARY SCHEDULES

Sec. 7.18. (a) The Director of the Budget may transfer from the Reserve for Salary Increases for the 1995-96 fiscal year funds necessary to implement the teacher salary schedule set out in subsection (b) of this section, including funds for the employer's retirement and social security contributions and funds for annual longevity payments at one percent (1%) of base salary for 10 to 14 years of State service, one and one-half percent (1.5%) of base salary for 15 to 19 years of State service, two percent (2%) of base salary for 20 to 24 years of State service, and two and one-half percent (2.5%) of base salary for 25 or more years of State service, commencing July 1, 1995, for all teachers whose salaries are supported from the State's General Fund. These funds shall be allocated to individuals according to rules adopted by the State Board of Education and the Superintendent of Public Instruction. The longevity payment shall be paid in a lump sum once a year.

(b)(1) Beginning July 1, 1995, the following monthly salary schedule shall apply to certified personnel of the public schools who are classified as "A"teachers. The schedule contains 30 steps with each step corresponding to one year of teaching experience.

<u>Years of</u> <u>Experience</u>	<u>1995-96</u> <u>Salary</u>
00	\$2,062
01	2,103
02	2,145
03	2,231
04	2,276
05	2,322
06	2,368
07	2,415
08	2,463
09	2,512
10	2,562
11	2,613
12	2,665
13	2,718
14	2,772
15	2,827
16	2,884
17	2,942
18	3,001
19	3,061
20	3,122
21	3,184
22	3,248
23	3,313

1	24	3,379
2	25	3,447
3	26	3,516
4	27	3,586
5	28	3,658
6	29	3,731
7	30+	3,731

(2) Beginning July 1, 1995, 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>Experience</u>	<u>1995-96</u> <u>Salary</u>
14	00	\$2,191
15	01	2,235
16	02	2,280
17	03	2,371
18	04	2,418
19	05	2,466
20	06	2,515
21	07	2,565
22	08	2,616
23	09	2,668
24	10	2,721
25	11	2,775
26	12	2,831
27	13	2,888
28	14	2,946
29	15	3,005
30	16	3,065
31	17	3,126
32	18	3,189
33	19	3,253
34	20	3,318
35	21	3,384
36	22	3,452
37	23	3,521
38	24	3,591
39	25	3,663
40	26	3,736
41	27	3,811
42	28	3,887
43	29	3,965

1 30+ 3,965

2 (3) Certified public school teachers with certification based on academic
3 preparation at the six-year degree level shall receive a salary supplement
4 of one hundred twenty-six dollars (\$126.00) per month in addition to the
5 compensation provided for certified personnel of the public schools who
6 are classified as "G"teachers. Certified public school teachers with
7 certification based on academic preparation at the doctoral degree level
8 shall receive a salary supplement of two hundred fifty-three dollars
9 (\$253.00) per month in addition to the compensation provided for
10 certified personnel of the public schools who are classified as
11 "G"teachers.

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

18 Certified psychologists with certification based on academic preparation at the
19 six-year degree level shall receive a salary supplement of one hundred twenty-six dollars
20 (\$126.00) per month in addition to the compensation provided for certified psychologists.
21 Certified psychologists with certification based on academic preparation at the doctoral
22 degree level shall receive a salary supplement of two hundred fifty-three dollars
23 (\$253.00) per month in addition to the compensation provided for certified psychologists.

24 (d) Certified personnel of the public schools who are: (i) classified as
25 "A"teachers; (ii) at the maximum of their pay range on June 30, 1995; and (iii) employed
26 as teachers for the first three pay periods of the school year shall receive a one-time
27 bonus of seven hundred forty-six dollars (\$746.00), payable at the third payroll period of
28 the 1995-96 school year. Certified personnel of the public schools who are: (i) classified
29 as "G"teachers; (ii) at the maximum of their pay range on June 30, 1995; and (iii)
30 employed as teachers for the first three pay periods of the school year, shall receive a
31 one-time bonus of seven hundred ninety-three dollars (\$793.00), payable at the third
32 payroll period of the 1995-96 school year.

33 (e) Certified personnel of the public schools who are: (i) classified as
34 psychologists with advanced degrees; (ii) at the maximum of their pay range on June 30,
35 1995; and (iii) employed as school psychologists for the first three pay periods of the
36 school year, shall receive a one-time bonus of nine hundred one dollars (\$901.00),
37 payable at the third payroll period of the 1995-96 school year. Certified personnel of the
38 public schools who are: (i) classified as psychologists with doctoral degrees; (ii) at the
39 maximum of their pay range on June 30, 1995; and (iii) employed as school
40 psychologists for the first three pay periods of the school year, shall receive a one-time
41 bonus of nine hundred twenty-six dollars (\$926.00), payable at the third payroll period of
42 the 1995-96 school year.

43

1 Requested by: Representatives Holmes, Creech, Esposito, Grady, Preston

2 **SCHOOL-BASED ADMINISTRATOR SALARIES**

3 Sec. 7.19. (a) Funds appropriated to the Reserve for Salary Increases shall be used
 4 to complete the implementation of a new salary schedule for school-based administrators
 5 as provided in this act. These funds shall be used for State-paid employees only.

6 (b) The salary schedule for school-based administrators shall apply only to
 7 principals and assistant principals. The salary schedule for the 1995-96 fiscal year is as
 8 follows:

11		Asst.							
12	Step	Prin.	Prin.I	Prin.II	Prin.III	Prin.IV		Prin.V	Prin.VI Prin. VII
13	0	—	—	—	—	—	—	—	—
14	1	—	—	—	—	—	—	—	—
15	2	—	—	—	—	—	—	—	—
16	3	—	—	—	—	—	—	—	—
17	4	\$2,491	—	—	—	—	—	—	—
18	5	2,541	—	—	—	—	—	—	—
19	6	2,592	—	—	—	—	—	—	—
20	7	2,644	—	—	—	—	—	—	—
21	8	2,697	\$2,697	—	—	—	—	—	—
22	9	2,751	2,751	—	—	—	—	—	—
23	10	2,806	2,806	\$2,862	—	—	—	—	—
24	11	2,862	2,862	2,919	—	—	—	—	—
25	12	2,919	2,919	2,977	\$3,037	—	—	—	—
26	13	2,977	2,977	3,037	3,098	\$3,160	—	—	—
27	14	3,037	3,037	3,098	3,160	3,223	\$3,287	—	—
28	15	3,098	3,098	3,160	3,223	3,287	3,353	—	—
29	16	3,160	3,160	3,223	3,287	3,353	3,420	\$3,488	—
30	17	3,223	3,223	3,287	3,353	3,420	3,488	3,558	\$3,629
31	18	3,287	3,287	3,353	3,420	3,488	3,558	3,629	3,702
32	19	3,353	3,353	3,420	3,488	3,558	3,629	3,702	3,776
33	20	3,420	3,420	3,488	3,558	3,629	3,702	3,776	3,852
34	21	3,488	3,488	3,558	3,629	3,702	3,776	3,852	3,929
35	22	3,558	3,558	3,629	3,702	3,776	3,852	3,929	4,008
36	23	3,629	3,629	3,702	3,776	3,852	3,929	4,008	4,088
37	24	3,702	3,702	3,776	3,852	3,929	4,008	4,088	4,170
38	25	3,776	3,776	3,852	3,929	4,008	4,088	4,170	4,253
39	26	3,852	3,852	3,929	4,008	4,088	4,170	4,253	4,338
40	27	3,929	3,929	4,008	4,088	4,170	4,253	4,338	4,425
41	28	4,008	4,008	4,088	4,170	4,253	4,338	4,425	4,514

1	29	4,088	4,088	4,170	4,253	4,338	4,425	4,514	4,604
2	30	4,170	4,170	4,253	4,338	4,425	4,514	4,604	4,696
3	31	4,253	4,253	4,338	4,425	4,514	4,604	4,696	4,790
4	32	—	4,338	4,425	4,514	4,604	4,696	4,790	4,886
5	33	—	—	4,514	4,604	4,696	4,790	4,886	4,984
6	34	—	—	4,604	4,696	4,790	4,886	4,984	5,084
7	35	—	—	—	4,790	4,886	4,984	5,084	5,186
8	36	—	—	—	4,886	4,984	5,084	5,186	5,290
9	37	—	—	—	—	5,084	5,186	5,290	5,396
10	38	—	—	—	—	—	5,290	5,396	5,504
11	39	—	—	—	—	—	—	5,504	5,614
12	40	—	—	—	—	—	—	5,614	5,726
13	41	—	—	—	—	—	—	—	5,841.

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

17	Classification	Number of Teachers Supervised
18	Assistant Principal	
19	Principal I	Less than 11 Teachers
20	Principal II	11-21 Teachers
21	Principal III	22-32 Teachers
22	Principal IV	33-43 Teachers
23	Principal V	44-54 Teachers
24	Principal VI	55-65 Teachers
25	Principal VII	More than 65 Teachers
26		
27		

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

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

34 (e) Principals and assistant principals with certification based on academic
 35 preparation at the six-year degree level shall be paid a salary supplement of one hundred
 36 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a
 37 salary supplement of two hundred fifty-three dollars (\$253.00) per month.

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

1 superintendent is employed by that local school administrative unit so long as the
 2 superintendent is entitled to at least that amount of additional State-paid salary under the
 3 rules in effect for the 1992-93 fiscal year.

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

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

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

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

23 (i) Except as provided in subsection (h) of this section, the salary of a principal
 24 or assistant principal shall not be less for the 1995-96 fiscal year than it was for the 1993-
 25 94 fiscal year solely as a result of placement on the salary schedule established in this
 26 section.

27 (j) Certified personnel of the public schools who are school administrators and
 28 who are at the maximum of their pay range on June 30, 1995, shall receive a one-time
 29 bonus as set out in the table below payable at the third payroll period of the 1995-96
 30 school year:

<u>Classification</u>	<u>Bonus Amount</u>
Asst. Principal	\$851
Asst. Principal Advanced	876
Asst. Principal Doctorate	901
Principal I	1,041
Principal I Advanced	1,071
Principal I Doctorate	1,102
Principal II	1,105
Principal II Advanced	1,135
Principal II Doctorate	1,166
Principal III	1,173
Principal III Advanced	1,203
Principal III Doctorate	1,233

1	Principal IV	1,220
2	Principal IV Advanced	1,250
3	Principal IV Doctorate	1,281
4	Principal V	1,270
5	Principal V Advanced	1,300
6	Principal V Doctorate	1,330
7	Principal VI	1,347
8	Principal VI Advanced	1,378
9	Principal VI Doctorate	1,408
10	Principal VII	1,402
11	Principal VII Advanced	1,432
12	Principal VII Doctorate	1,463.

13
14 Requested by: Representatives Holmes, Esposito, Creech, Cocklereece

15 **STATE EMPLOYEE RIF RIGHTS/OPTIONS**

16 Sec. 7.20. (a) G.S. 126-7.1 reads as rewritten:

17 **"§ 126-7.1. Posting requirement; State employees receive priority consideration.**
18 **consideration; reduction-in-force rights.**

19 (a) All vacancies for which any State agency, department, or institution openly
20 recruit shall be posted within at least the following:

- 21 (1) The personnel office of the agency, department, or institution having the
22 vacancy; and
23 (2) The particular work unit of the agency, department, or institution having
24 the vacancy

25 in a location readily accessible to employees. If the decision is made, initially or at any
26 time while the vacancy remains open, to receive applicants from outside the recruiting
27 agency, department, or institution, the vacancy shall be listed with the Office of State
28 Personnel for the purpose of informing current State employees of such vacancy. The
29 State agency, department, or institution may not receive approval from the Office of State
30 Personnel to fill a job vacancy if the agency, department, or institution cannot prove to
31 the satisfaction of the Office of State Personnel that it complied with these posting
32 requirements. The agency, department, or institution which hires any person in violation
33 of these posting requirements shall pay such person when employment is discontinued as
34 a result of such violation for the work performed during the period of time between his
35 initial employment and separation.

36 (a1) State employees to be affected by a reduction in force shall be notified of the
37 reduction in force as soon as practicable, and in any event, no less than 30 days prior to
38 the effective date of the reduction in force.

39 (a2) The State Personnel Commission shall adopt rules to provide that priority
40 consideration for State employees separated from State employment as the result of
41 reductions in force is to enable a State employee's return to career service at a salary
42 grade and salary rate equal to that held in the most recent position. The State Personnel
43 Commission shall provide that a State employee who:

1 (1) Accepts a position at the same salary grade shall be paid at the same
2 salary rate as the employee's previous position.

3 (2) Accepts a position at a lower salary grade than the employee's previous
4 position shall be paid at the same rate as the previous position unless the
5 salary rate exceeds the maximum of the new salary grade. When the
6 salary rate exceeds the maximum of the salary grade, the employee's
7 new salary rate shall be reduced to the maximum of the new salary
8 grade.

9 (b) Subsection (a) of this section does not apply to vacancies which must be filled
10 immediately to prevent work stoppage or the protection of the public health, safety, or
11 security.

12 (c) If a State employee subject to this section:

13 (1) Applies for another position of State employment that would constitute
14 a promotion and;

15 (2) Has substantially equal qualifications as an applicant who is not a State
16 employee

17 then the State employee shall receive priority consideration over the applicant who is not
18 a State employee. This priority consideration shall not apply when the only applicants
19 considered for the vacancy are current State employees.

20 (c1) If a State employee who has been separated due to reduction in force or who
21 has been given notice of imminent separation due to reduction in force:

22 (1) Applies for another position of State employment equal to or lower in
23 salary grade than the position held by the employee at the time of
24 notification or separation; and

25 (2) Is determined qualified for that position

26 then within ~~the separating agency, all State agencies,~~ the State employee shall receive
27 priority consideration over all other applicants including those who are current State
28 employees not affected by the reduction in force. Within all other agencies, the State
29 employee shall receive priority consideration over other applicants from outside State
30 government, but shall receive equal consideration with other applicants who are current
31 State employees not affected by the reduction in force. This priority shall remain in
32 effect for a period of 12 months from the date the employee receives notification of
33 separation by reduction in force. State employees separated due to reduction in force
34 shall receive higher priority than other applicants with employment or reemployment
35 priorities, except that the reemployment priority created by G.S. 126-5(e)(1) shall be
36 considered as equal. ~~The reduction in force~~ reduction-in-force priority created by this
37 subsection shall be administered in accordance with rules promulgated by the State
38 Personnel Commission.

39 (c2) If the applicants for reemployment for a position include current State
40 employees, a State employee with more than 10 years of service shall receive priority
41 consideration over a State employee having less than 10 years of service in the same or
42 related position classification. This reemployment priority shall be given by all State
43 departments, agencies, and institutions with regard to positions subject to this Chapter.

1 (d) 'Qualifications' within the meaning of subsection (c) of this section shall
2 consist of:

- 3 (1) Training or education;
4 (2) Years of experience; and
5 (3) Other skills, knowledge, and abilities that bear a reasonable functional
6 relationship to the abilities and skills required in the job vacancy applied
7 for."

8 (b) This section becomes effective July 1, 1995.
9

10 Requested by: Representatives Sherrill, Pate, Thompson

11 **ADDITIONAL STATE EMPLOYEE RIF RIGHTS/OPTIONS**

12 Sec. 7.21. (a) G.S. 135-40.2(a) is amended by adding a new subdivision to read:

13 "(6) employees formerly covered by the provisions of this section, other than
14 retired employees, who have been employed for 12 or more months by an employing unit
15 and whose jobs are eliminated because of a reduction, in total or in part, in the funds used
16 to support the job or its responsibilities, provided the employees were covered by the
17 Plan at the time of separation from service resulting from a job elimination. Employees
18 covered by this subsection shall be covered for a period of up to 12 months following a
19 separation from service because of a job elimination."

20 (b) G.S. 135-40.2(b)(5) reads as rewritten:

21 "(5) The spouses and eligible dependent children of enrolled employees,
22 retirees, former employees covered by the provisions of G.S. 135-
23 40.2(a)(6), and members of the General Assembly."

24 (c) G.S. 135-40.2(b) is amended by adding a new subdivision to read:

25 "(12) Notwithstanding the provisions of G.S. 135-40.11, former employees
26 covered by the provisions of G.S. 135-40.2(a)(6), and their spouses and
27 eligible dependent children who were covered by the Plan at the time of
28 the former employees' separation from service pursuant to G.S. 135-
29 40.2(a)(6), following expiration of the former employees' coverage
30 provided by G.S. 135-40.2(a)(6)."

31 (d) This section becomes effective June 30, 1995.
32

33 Requested by: Representatives Holmes, Creech, Esposito, McCombs

34 **1995 RETIREMENT BENEFITS ACT**

35 Sec. 7.22. (a) G.S. 135-5 is amended by adding a new subsection to read:

36 "(zz) From and after July 1, 1995, the retirement allowance to or on account of
37 beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased
38 by two percent (2%) of the allowance payable on July 1, 1994, in accordance with G.S.
39 135-5(o). Furthermore, from and after July 1, 1995, the retirement allowance to or on
40 account of beneficiaries whose retirement commenced after July 1, 1994, but before June
41 30, 1995, shall be increased by a prorated amount of two percent (2%) of the allowance
42 payable as determined by the Board of Trustees based upon the number of months that a
43 retirement allowance was paid between July 1, 1994, and June 30, 1995."

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

2 "(p) From and after July 1, 1995, the retirement allowance to or on account of
3 beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased
4 by two percent (2%) of the allowance payable on July 1, 1994. Furthermore, from and
5 after July 1, 1995, the retirement allowance to or on account of beneficiaries whose
6 retirement commenced after July 1, 1994, but before June 30, 1995, shall be increased by
7 a prorated amount of two percent (2%) of the allowance payable as determined by the
8 Board of Trustees based upon the number of months that a retirement allowance was paid
9 between July 1, 1994, and June 30, 1995."

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

11 "(j) In accordance with subsection (a) of this section, from and after July 1, 1995,
12 the retirement allowance to or on account of beneficiaries whose retirement commenced
13 on or before January 1, 1995, shall be increased by two percent (2%) of the allowance
14 payable on January 1, 1995. Furthermore, from and after July 1, 1995, the retirement
15 allowance to or on account of beneficiaries whose retirement commenced after January 1,
16 1995, but before June 30, 1995, shall be increased by a prorated amount of two percent
17 (2%) of the allowance payable as determined by the Board of Trustees based upon the
18 number of months that a retirement allowance was paid between January 1, 1995, and
19 June 30, 1995."

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

21 "(5) The provisions of this subdivision (5) shall apply to any member whose
22 membership is terminated on or after July 1, 1965, and who becomes
23 entitled to benefits hereunder in accordance with the provisions hereof.

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

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

b. In lieu of the benefits provided in paragraph a of this subdivision, any member who separates from service prior to the attainment of the age of 60 years, for any reason other than death or retirement for disability as provided in G.S. 128-27(c), after completing 20 or more years of creditable service, and who leaves his total accumulated contributions in said System may elect to retire on an early retirement allowance upon attaining the age of 50 years or at any time thereafter; provided that such member may so retire only upon written application to the Board of Trustees setting forth at what time, not less than one day nor more than 90 days subsequent to the execution and filing thereof, he desires to be retired. Such early retirement allowance so elected shall be equal to the deferred retirement allowance otherwise payable at the attainment of the age of 60 years reduced by the percentage thereof indicated below. Age at

Percentage Retirement	Reduction
59	7
58	14
57	20
56	25
55	30
54	35
53	39
52	43
51	46
50	50b1.

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

1 b2. In lieu of the benefits provided in paragraphs a and b of this
2 subdivision, any member who is a law enforcement officer at the
3 time of separation from service prior to the attainment of the age
4 of 55 years, for any reason other than death or disability as
5 provided in this Article, after completing five or more years of
6 creditable service in this capacity immediately prior to separation
7 from service, and who leaves his total accumulated contributions
8 in this System may elect to retire on a deferred service retirement
9 allowance upon attaining the age of 55 years or at any time
10 thereafter; provided, that the member may commence retirement
11 only upon written application to the Board of Trustees setting
12 forth at what time, as of the first day of a calendar month not less
13 than one day nor more than 90 days subsequent to the execution
14 and filing thereof, he desires to commence retirement. The
15 deferred service retirement allowance shall be computed in
16 accordance with the service retirement provisions of this Article
17 pertaining to law enforcement officers.

18 b3. Deferred retirement allowance of members retiring on or after
19 July 1, 1995. – In lieu of the benefits provided in paragraphs a.
20 and b. of this subdivision, any member who separates from
21 service prior to attainment of age 60 years, after completing 20 or
22 more years of creditable service, and who leaves his total
23 accumulated contributions in said System, may elect to retire on
24 a deferred retirement allowance upon attaining the age of 50
25 years or any time thereafter; provided that such member may so
26 retire only upon written application to the Board of Trustees
27 setting forth at what time, not less than one day nor more than 90
28 days subsequent to the execution and filing thereof, he desires to
29 be retired. Such deferred retirement allowance shall be
30 computed in accordance with the service retirement provisions of
31 this Article pertaining to a member who is not a law enforcement
32 officer or an eligible former law enforcement officer.

33 c. Should a beneficiary who retired on an early or service
34 retirement allowance be reemployed, or otherwise engaged to
35 perform services, by an employer participating in the Retirement
36 System on a part-time, temporary, interim, or on fee-for-service
37 basis, whether contractual or otherwise, and if such beneficiary
38 earns an amount in any calendar year which exceeds fifty percent
39 (50%) of the reported compensation, excluding terminal
40 payments, during the 12 months of service preceding the
41 effective date of retirement, or twenty thousand dollars
42 (\$20,000), whichever is greater, as hereinafter indexed, then the
43 retirement allowance shall be suspended as of the first day of the

1 month following the month in which the reemployment earnings
2 exceed the amount above, for the balance of the calendar year.
3 The retirement allowance of the beneficiary shall be reinstated as
4 of January 1 of each year following suspension. The amount that
5 may be earned before suspension shall be increased on January 1
6 of each year by the ratio of the Consumer Price Index to the
7 Index one year earlier, calculated to the nearest tenth of a percent
8 (1/10 of 1%).

- 9 d. Should a beneficiary who retired on an early or service
10 retirement allowance be restored to service as an employee, then
11 the retirement allowance shall cease as of the first day of the
12 month following the month in which the beneficiary is restored
13 to service and the beneficiary shall become a member of the
14 Retirement System and shall contribute thereafter as allowed by
15 law at the uniform contribution payable by all members.

16 Upon his subsequent retirement, he shall be paid a retirement
17 allowance determined as follows:

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

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

2 (oo) From and after July 1, 1995, the retirement allowance to or on account of
3 beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased
4 by two percent (2%) of the allowance payable on July 1, 1994, in accordance with G.S.
5 128-27(k). Furthermore, from and after July 1, 1995, the retirement allowance to or on
6 account of beneficiaries whose retirement commenced after July 1, 1994, but before June
7 30, 1995, shall be increased by a prorated amount of two percent (2%) of the allowance
8 payable as determined by the Board of Trustees based upon the number of months that a
9 retirement allowance was paid between July 1, 1994, and June 30, 1995."

10 (f) G.S 128-27(m) reads as rewritten:

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

17 ~~(1) The member had attained such age and/or creditable service to be~~
18 ~~eligible to commence retirement with an early or service retirement~~
19 ~~allowance or had attained 20 years of creditable service.~~

20 (1) a. The member had attained such age and/or creditable service to be
21 eligible to commence retirement with an early or service retirement
22 allowance, or

23 b. The member had obtained 20 years of creditable service in which
24 case the retirement allowance shall be computed in accordance
25 with G.S. 128-27(b15)(1)b. or G.S. 128-27(b15)(2)c.,
26 notwithstanding the requirement of obtaining age 50.

27 (2) The member had designated as the principal beneficiary to receive a
28 return of his accumulated contributions one and only one person who is
29 living at the time of his death.

30 (3) The member had not instructed the Board of Trustees in writing that he
31 did not wish the provisions of this subsection apply.

32 For the purpose of this benefit, a member is considered to be in service at the date of
33 his death if his death occurs within 180 days from the last day of his actual service. The
34 last day of actual service shall be determined as provided in subsection (l) of this
35 section. Upon the death of a member in service, the surviving spouse may make all
36 purchases for creditable service as provided for under this Chapter for which the member
37 had made application in writing prior to the date of death, provided that the date of death
38 occurred prior to or within 60 days after notification of the cost to make the purchase."

39 (g) This section becomes effective July 1, 1995.

40
41 Requested by: Representatives Pate, Russell, Sherrill, Easterling

42 **FURTHER 1995 RETIREMENT BENEFITS**

43 Sec. 7.23. (a) G.S. 135-5(b15) reads as rewritten:

1 "(b15) Service Retirement Allowance of Members Retiring on or after July 1,
2 ~~1994~~1994, but before July 1, 1995. – Upon retirement from service in accordance with
3 subsection (a) or (a1) above, on or after July 1, 1994, but before July 1, 1995, a member
4 shall receive the following service retirement allowance:

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

8 a. If the member's service retirement date occurs on or after his
9 55th birthday, and completion of five years of creditable service
10 as a law enforcement officer, or after the completion of 30 years
11 of creditable service, the allowance shall be equal to one and
12 seventy-three hundredths percent (1.73%) of his average final
13 compensation, multiplied by the number of years of his
14 creditable service.

15 b. If the member's service retirement date occurs on or after his
16 50th birthday and before his 55th birthday with 15 or more years
17 of creditable service as a law enforcement officer and prior to the
18 completion of 30 years of creditable service, his retirement
19 allowance shall be equal to the greater of:

20 1. The service retirement allowance payable under G.S. 135-
21 5(b15)(1)a. reduced by one-third of one percent ($1/3$ of
22 1%) thereof for each month by which his retirement date
23 precedes the first day of the month coincident with or next
24 following the month the member would have attained his
25 55th birthday; or

26 2. The service retirement allowance as computed under G.S.
27 135-5(b15)(1)a. reduced by five percent (5%) times the
28 difference between 30 years and his creditable service at
29 retirement.

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

33 a. If the member's service retirement date occurs on or after his
34 65th birthday upon the completion of five years of creditable
35 service or after the completion of 30 years of creditable service
36 or on or after his 60th birthday upon the completion of 25 years
37 of creditable service, the allowance shall be equal to one and
38 seventy-three hundredths percent (1.73%) of his average final
39 compensation, multiplied by the number of years of creditable
40 service.

41 b. If the member's service retirement date occurs after his 60th and
42 before his 65th birthday and prior to his completion of 25 years
43 or more of creditable service, his retirement allowance shall be

1 computed as in G.S. 135-5(b15)(2)a. but shall be reduced by one-
2 quarter of one percent (1/4 of 1%) thereof for each month by
3 which his retirement date precedes the first day of the month
4 coincident with or next following his 65th birthday.

5 c. If the member's early service retirement date occurs on or after
6 his 50th birthday and before his 60th birthday and after
7 completion of 20 years of creditable service but prior to the
8 completion of 30 years of creditable service, his early service
9 retirement allowance shall be equal to the greater of:

10 1. The service retirement allowance as computed under G.S.
11 135-5(b15)(2)a. but reduced by the sum of five-twelfths of
12 one percent (5/12 of 1%) thereof for each month by which
13 his retirement date precedes the first day of the month
14 coincident with or next following the month the member
15 would have attained his 60th birthday, plus one-quarter of
16 one percent (1/4 of 1%) thereof for each month by which
17 his 60th birthday precedes the first day of the month
18 coincident with or next following his 65th birthday; or

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

23 3. If the member's creditable service commenced prior to
24 July 1, 1994, the service retirement allowance provided by
25 G.S. 135-5(b14)(2)c.

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

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

30 "(b16) Service Retirement Allowance of Members Retiring on or After July 1,
31 1995. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
32 or after July 1, 1995, a member shall receive the following service retirement allowance:

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

36 a. If the member's service retirement date occurs on or after his
37 55th birthday, and completion of five years of creditable service
38 as a law enforcement officer, or after the completion of 30 years
39 of creditable service, the allowance shall be equal to one and
40 seventy-five hundredths percent (1.75%) of his average final
41 compensation, multiplied by the number of years of his
42 creditable service.

1 b. If the member's service retirement date occurs on or after his
2 50th birthday and before his 55th birthday with 15 or more years
3 of creditable service as a law enforcement officer and prior to the
4 completion of 30 years of creditable service, his retirement
5 allowance shall be equal to the greater of:

6 1. The service retirement allowance payable under G.S. 135-
7 5(b16)(1)a. reduced by one-third of one percent (1/3 of
8 1%) thereof for each month by which his retirement date
9 precedes the first day of the month coincident with or next
10 following the month the member would have attained his
11 55th birthday; or

12 2. The service retirement allowance as computed under G.S.
13 135-5(b16)(1)a. reduced by five percent (5%) times the
14 difference between 30 years and his creditable service at
15 retirement.

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

19 a. If the member's service retirement date occurs on or after his
20 65th birthday upon the completion of five years of creditable
21 service or after the completion of 30 years of creditable service
22 or on or after his 60th birthday upon the completion of 25 years
23 of creditable service, the allowance shall be equal to one and
24 seventy-five hundredths percent (1.75%) of his average final
25 compensation, multiplied by the number of years of creditable
26 service.

27 b. If the member's service retirement date occurs after his 60th and
28 before his 65th birthday and prior to his completion of 25 years
29 or more of creditable service, his retirement allowance shall be
30 computed as in G.S. 135-5(b16)(2)a. but shall be reduced by one-
31 quarter of one percent (1/4 of 1%) thereof for each month by
32 which his retirement date precedes the first day of the month
33 coincident with or next following his 65th birthday.

34 c. If the member's early service retirement date occurs on or after
35 his 50th birthday and before his 60th birthday and after
36 completion of 20 years of creditable service but prior to the
37 completion of 30 years of creditable service, his early service
38 retirement allowance shall be equal to the greater of:

39 1. The service retirement allowance as computed under G.S.
40 135-5(b16)(2)a. but reduced by the sum of five-twelfths of
41 one percent (5/12 of 1%) thereof for each month by which
42 his retirement date precedes the first day of the month
43 coincident with or next following the month the member

1 would have attained his 60th birthday, plus one-quarter of
2 one percent (1/4 of 1%) thereof for each month by which
3 his 60th birthday precedes the first day of the month
4 coincident with or next following his 65th birthday; or

5 2. The service retirement allowance as computed under G.S.
6 135-5(b16)(2)a. reduced by five percent (5%) times the
7 difference between 30 years and his creditable service at
8 retirement; or

9 3. If the member's creditable service commenced prior to
10 July 1, 1994, the service retirement allowance equal to the
11 actuarial equivalent of the allowance payable at the age of
12 60 years as computed in G.S. 135-5(b16)(2)b.

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

16 (c) G.S. 128-27(b14) reads as rewritten:

17 "(b14) Service Retirement Allowance of Members Retiring on or after July 1,
18 ~~1994~~1994, but before July 1, 1995. – Upon retirement from service in accordance with
19 subsection (a) or (a1) above, on or after July 1, 1994, but before July 1, 1995, a member
20 shall receive the following service retirement allowance:

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

24 a. If the member's service retirement date occurs on or after his
25 55th birthday, and completion of five years of creditable service
26 as a law enforcement officer, or after the completion of 30 years
27 of creditable service, the allowance shall be equal to one and
28 seventy-one hundredths percent (1.71%) of his average final
29 compensation, multiplied by the number of years of his
30 creditable service.

31 b. This allowance shall also be governed by the provisions of G.S.
32 128-27(b8)(2).

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

36 a. If the member's service retirement date occurs on or after his
37 65th birthday upon the completion of five years of creditable
38 service or after the completion of 30 years of creditable service
39 or on or after his 60th birthday upon the completion of 25 years
40 of creditable service, the allowance shall be equal to one and
41 seventy-one hundredths percent (1.71%) of his average final
42 compensation, multiplied by the number of years of creditable
43 service.

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

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

4 "(b15) Service Retirement Allowance of Members Retiring on or After July 1,
5 1995. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
6 or after July 1, 1995, a member shall receive the following service retirement allowance:

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

10 a. If the member's service retirement date occurs on or after his
11 55th birthday, and completion of five years of creditable service
12 as a law enforcement officer, or after the completion of 30 years
13 of creditable service, the allowance shall be equal to one and
14 seventy-two hundredths percent (1.72%) of his average final
15 compensation, multiplied by the number of years of his
16 creditable service.

17 b. If the member's service retirement date occurs on or after his
18 50th birthday and before his 55th birthday with 15 or more years
19 of creditable service as a law enforcement officer and prior to the
20 completion of 30 years of creditable service, his retirement
21 allowance shall be equal to the greater of:

22 1. The service retirement allowance payable under G.S. 128-
23 27(b15)(1)a. reduced by one-third of one percent (1/3 of
24 1%) thereof for each month by which his retirement date
25 precedes the first day of the month coincident with or next
26 following the month the member would have attained his
27 55th birthday; or

28 2. The service retirement allowance as computed under G.S.
29 128-27(b15)(1)a. reduced by five percent (5%) times the
30 difference between 30 years and his creditable service at
31 retirement.

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

35 a. If the member's service retirement date occurs on or after his
36 65th birthday upon the completion of five years of creditable
37 service or after the completion of 30 years of creditable service
38 or on or after his 60th birthday upon the completion of 25 years
39 of creditable service, the allowance shall be equal to one and
40 seventy-two hundredths percent (1.72%) of his average final
41 compensation, multiplied by the number of years of creditable
42 service.

- 1 b. If the member's service retirement date occurs after his 60th and
2 before his 65th birthday and prior to his completion of 25 years
3 or more of creditable service, his retirement allowance shall be
4 computed as in G.S. 128-27(b15)(2)a. but shall be reduced by
5 one-quarter of one percent (1/4 of 1%) thereof for each month by
6 which his retirement date precedes the first day of the month
7 coincident with or next following his 65th birthday.
- 8 c. If the member's early service retirement date occurs on or after
9 his 50th birthday and before his 60th birthday and after
10 completion of 20 years of creditable service but prior to the
11 completion of 30 years of creditable service, his early service
12 retirement allowance shall be equal to the greater of:
- 13 1. The service retirement allowance as computed under G.S.
14 128-27(b15)(2)a. but reduced by the sum of five-twelfths
15 of one percent (5/12 of 1%) thereof for each month by
16 which his retirement date precedes the first day of the
17 month coincident with or next following the month the
18 member would have attained his 60th birthday, plus one-
19 quarter of one percent (1/4 of 1%) thereof for each month
20 by which his 60th birthday precedes the first day of the
21 month coincident with or next following his 65th birthday;
22 or
- 23 2. The service retirement allowance as computed under G.S.
24 128-27(b15)(2)a. reduced by five percent (5%) times the
25 difference between 30 years and his creditable service at
26 retirement; or
- 27 3. If the member's creditable service commenced prior to
28 July 1, 1995, the service retirement allowance equal to the
29 actuarial equivalent of the allowance payable at the age of
30 60 years as computed in G.S. 128-27(b15)(2)b.
- 31 d. Notwithstanding the foregoing provisions, any member whose
32 creditable service commenced prior to July 1, 1965, shall not
33 receive less than the benefit provided by G.S. 128-27(b)."

34
35 Requested by: Representatives Creech, Holmes, Esposito

36 **STATE EMPLOYEE HEALTH BENEFIT PLAN/INCREASED WELLNESS**
37 **BENEFITS**

38 Sec. 7.24. (a) G.S. 135-40.5 is amended by adding two new subsections to read:

39 "(e) Routine Diagnostic Examinations. – The Plan will pay one hundred percent
40 (100%) of allowable charges for routine diagnostic examinations and tests, including Pap
41 smears, breast, colon, rectal, and prostate exams, X rays, mammograms, blood and blood
42 pressure checks, urine tests, tuberculosis tests, and general health checkups that are
43 medically necessary for the maintenance and improvement of individual health but no

1 more often than once every three years for covered individuals to age 40 years, once
2 every two years for covered individuals to age 50 years, and once a year for covered
3 individuals age 50 years and older, unless a more frequent occurrence is warranted by a
4 medical condition when such charges are incurred in a medically supervised facility.
5 Provided, however, that charges for such examinations and tests are not covered by the
6 Plan when they are incurred to obtain or continue employment, to secure insurance
7 coverage, to comply with legal proceedings, to attend schools or camps, to meet travel
8 requirements, to participate in athletic and related activities, or to comply with
9 governmental licensing requirements. The maximum amount payable under this
10 subsection for a covered individual is one hundred fifty dollars (\$150.00) per fiscal year.

11 (f) Immunizations. – The Plan will pay one hundred percent (100%) of allowable
12 charges for immunizations for the prevention of contagious diseases as generally
13 accepted medical practices would dictate when directed by an attending physician."

14 (b) G.S. 135-40.6(8)s. reads as rewritten:

15 "s. Routine Diagnostic Examinations: Allowable charges for routine
16 diagnostic examinations and tests, including Pap smears, breast,
17 colon, rectal, and prostate exams, X rays, mammograms, blood
18 and blood pressure checks, urine tests, tuberculosis tests, and
19 general health checkups that are medically necessary for the
20 maintenance and improvement of individual health but no more
21 often than once every three years for covered individuals to age
22 40 years, once every two years for covered individuals to age ~~55~~
23 50 years, and once a year for covered individuals age ~~55-50~~
24 and older, unless a more frequent occurrence is warranted by a
25 medical condition when such charges are incurred in a medically
26 supervised facility. Provided, however, that charges for such
27 examinations and tests are not covered by the Plan when they are
28 incurred to obtain or continue employment, to secure insurance
29 coverage, to comply with legal proceedings, to attend schools or
30 camps, to meet travel requirements, to participate in athletic and
31 related activities or to comply with governmental licensing
32 requirements. ~~The maximum amount payable under this~~
33 ~~subdivision is one hundred fifty dollars (\$150.00) per fiscal~~
34 ~~year."~~

35 (c) G.S. 135-40.6(8)t. is repealed.

36
37 Requested by: Representatives Creech, Holmes, Esposito

38 **STATE EMPLOYEE HEALTH BENEFIT PLAN/INCREASED LIFETIME**
39 **BENEFIT**

40 Sec. 7.25. Effective January 1, 1994, G.S. 135-40.9 reads as rewritten:

41 "**§ 135-40.9. Maximum benefits.**

42 The maximum lifetime benefit for each covered individual will be ~~one million dollars~~
43 ~~(\$1,000,000).~~ two million dollars (\$2,000,000)."

1
2 Requested by: Representatives Creech, Holmes, Esposito

3 **STATE EMPLOYEE HEALTH BENEFIT PLAN/ORAL SURGERY BENEFITS**

4 Sec. 7.26. G.S. 135-40.6(8)f. reads as rewritten:

5 "f. Dental Services: Oral surgery, including extraction of teeth,
6 necessitated because of medical treatment. Dental surgery and
7 appliances for mouth, jaw, and tooth restoration necessitated
8 because of external violent and accidental means, such as the
9 impact of moving body, vehicle collision, or fall occurring while
10 an individual is covered under G.S. 135-40.3. No benefits are
11 provided in connection with injury incurred in the act of
12 chewing, nor for damage or breakage of an appliance such as
13 bridge or denture being cleaned or otherwise not in normal
14 mouth usage at the time of accident, nor for appliances for
15 orthodontic treatment when a class of malocclusion, other than
16 orthognathic, or cross bite has been diagnosed. Benefits for
17 temporomandibular joint (TMJ) dysfunction appliance therapy
18 are limited to cases where the TMJ dysfunction has been
19 diagnosed as solely resulting from accidental means as certified
20 by the attending practitioner and approved by the Claims
21 Processor.

22 Benefits shall include extractions, fillings, crowns, bridges, or
23 other necessary therapeutic and restorative techniques and
24 appliances to reasonably restore condition and function to that
25 existing immediately prior to the accident. Injury or breakage of
26 existing appliances such as bridges and dentures is limited to
27 repair of such appliances unless certified as damaged beyond
28 repair."
29

30 Requested by: Representatives Creech, Holmes, Esposito

31 **STATE EMPLOYEE HEALTH BENEFIT PLAN/WAIVER OF INPATIENT**
32 **HOSPITAL CERTIFICATION PENALTY**

33 Sec. 7.27. G.S. 135-40.6(2)f. reads as rewritten:

34 "f. Prior to admission for scheduled inpatient hospitalization, the
35 admitting physician shall contact the Plan and secure approval
36 certification for an inpatient admission, including a length of
37 stay, based upon clinical criteria established by the medical
38 community, before any in-hospital benefits are allowed under
39 G.S. 135-40.8(a). Immediately following an emergency or
40 unscheduled inpatient hospitalization, the admitting physician
41 shall contact the Plan and secure approval certification for the
42 admission's length of stay before any in-hospital benefits are
43 allowed under G.S. 135-40.8(a). Effective January 1, 1987,

1 failure to secure certification, or denial of certification, shall
2 result in in-hospital benefits being allowed at the rate maximum
3 amount of out-of-pocket expenses established by G.S. 135-
4 40.8(b). Denial of certification by the Plan shall be made only
5 after contact with the admitting physician and shall be subject to
6 appeal to the Executive Administrator and Board of Trustees.
7 Inpatient hospital admission and length of stay certifications
8 required by this subdivision do not apply to inpatient admissions
9 outside of the United States. While approval certification for
10 inpatient admissions is required to be initiated by the admitting
11 physician, the employee or individual covered by the Plan shall
12 be responsible for insuring that the required certification is
13 secured. Failure to secure certification for inpatient
14 hospitalization shall not result in a penalty to the employee or
15 individual when approval would have been given if requested."
16

17 Requested by: Representatives Creech, Holmes, Esposito

18 **STATE EMPLOYEE HEALTH BENEFIT PLAN/RETIREE PREMIUMS BASED**
19 **ON RETIREMENT SERVICE CREDIT**

20 Sec. 7.28. (a) G.S. 135-40.2(a)(2) reads as rewritten:

21 "(2) Retired teachers, State employees, members of the General Assembly,
22 and retired State law enforcement officers who retired under the Law
23 Enforcement Officers' Retirement System prior to January 1, 1985. For
24 employees first hired on and after October 1, 1995, and members of the
25 General Assembly first taking office on and after October 1, 1995,
26 future coverage as retired employees and retired members of the
27 General Assembly is subject to a requirement that the future retiree have
28 20 or more years of retirement service credit in order to be covered by
29 the provisions of this subdivision."

30 (b) G.S. 135-40.2 is amended by adding a new subsection to read:

31 "(a1) The following persons shall be eligible for coverage under the Plan, on a
32 partially contributory basis, subject to the provisions of G.S. 135-40.3:

33 (1) Retired teachers, State employees, and members of the General
34 Assembly with 10 but less than 20 years of retirement service credit,
35 provided they were first hired or took office on or after October 1, 1995.
36 For such future retirees, the State shall pay fifty percent (50%) of the
37 Plan's total noncontributory premiums. Individual retirees shall pay the
38 balance of the total noncontributory premiums not paid by the State."

39 (c) G.S. 135-40.2(b) is amended by adding a new subdivision to read:

40 "(11) Retired teachers, State employees, and members of the General
41 Assembly with less than 10 years of retirement service credit,
42 provided they were first hired or took office on or after October 1,
43 1995."

1
2 **PART 8. GENERAL ASSEMBLY**

3
4 Requested by: Representatives Gardner, Hayes

5 **BLUE RIBBON TASK FORCE ON THE MENTAL HEALTH SYSTEM**

6 Sec. 8.1. (a) If the Mental Health Study Commission is not reauthorized by the
7 1995 General Assembly, Regular Session 1995, there is established in the General
8 Assembly a Blue Ribbon Task Force on the Mental Health System. This task force shall
9 study systemwide issues affecting the development, administration, and delivery of
10 mental health services, including issues relating to the governance, accountability, and
11 quality of services delivered.

12 (b) This Blue Ribbon Task Force on the Mental Health System shall be
13 composed of 11 members appointed as follows:

- 14 (1) Four members of the House of Representatives at the time of their
15 appointment, appointed by the Speaker of the House of Representatives;
16 (2) Four members of the Senate at the time of their appointment, appointed
17 by the President Pro Tempore of the Senate;
18 (3) One member of Coalition 2001, appointed by the Governor;
19 (4) One member of the Division of Mental Health, Developmental
20 Disabilities, and Substance Abuse Services, appointed by the Secretary
21 of the Department of Human Resources; and
22 (5) One member of the Department of Insurance, appointed by the
23 Commissioner of Insurance.

24 The Speaker of the House of Representatives and the President Pro Tempore of
25 the Senate shall each select a legislative member from their appointments to serve as
26 cochair of the task force. Meetings shall be called at the will of the cochairs.

27 All members shall serve at the will of their appointing officer. Unless removed
28 or unless resigning, members shall serve until the task force has made its report.
29 Vacancies in membership shall be filled by the appropriate appointing officer.

30 (c) The Blue Ribbon Task Force on the Mental Health System may contract for
31 consultant services as provided by G.S. 120-32.02. Upon approval of the Legislative
32 Services Commission, the Legislative Administrative Officer shall assign professional
33 and clerical staff to assist in the work of the task force. The professional staff shall
34 include the appropriate staff from the Fiscal Research, Research, and Legislative Drafting
35 Divisions of the Legislative Services Office of the General Assembly. Clerical staff shall
36 be furnished to the task force through the offices of House of Representatives and Senate
37 Supervisors of Clerks. The expenses of employment of the clerical staff shall be borne
38 by the task force. The task force may meet in the Legislative Building or the Legislative
39 Office Building upon the approval of the Legislative Services Commission. The task
40 force, while in the discharge of official duties, may exercise all the powers provided
41 under the provisions of G.S. 120-19 through G.S. 120-19.4, including the power to
42 request all officers, agents, agencies, and departments of the State to provide any

1 information and any data within their possession or ascertainable from their records, and
2 the power to subpoena witnesses.

3 Members of the task force shall receive per diem, subsistence, and travel
4 allowances as follows:

- 5 (1) Task force members who are members of the General Assembly, at the
6 rate established in G.S. 120-3.1;
- 7 (2) Task force members who are officials or employees of the State or of
8 local government agencies, at the rate established in G.S. 138-6; and
- 9 (3) All other task force members, at the rate established in G.S. 138-5.
- 10 (d) The Blue Ribbon Task Force shall report the results of its study, together
11 with any legislative proposals and cost analyses, to the 1995 General Assembly, Regular
12 Session 1996, within a week of its convening.

13
14 Requested by: Representatives Ives, Lemmond

15 **CONFIDENTIALITY OF DOCUMENTS USED TO PREPARE FISCAL NOTES**

16 Sec. 8.2. G.S. 120-131.1(a) as enacted by Section 8.1 of Chapter 324 of the
17 1995 Session laws reads as rewritten:

18 "(a) A request made to an employee of a State agency other than the General
19 Assembly by an employee of the Fiscal Research Division for assistance in the
20 preparation of a fiscal note is confidential. An employee of a State agency other than the
21 General Assembly who receives such a request or who learns of such a request made to
22 another employee of his or her agency shall reveal the existence of the request only to
23 other employees of the agency to the extent that it is necessary to respond to the request,
24 and to the employee's supervisor and to the Office of State Budget and Management. All
25 documents prepared by the employee in response to the request of the Fiscal Research
26 Division are also confidential and shall be kept confidential in the same manner as the
27 original ~~request~~ request, except that documents submitted to the Fiscal Research
28 Division in response to the request cease to be confidential under this section when the
29 Fiscal Research Division releases a fiscal note based on the documents."

30
31 Requested by: Representatives Ives, Lemmond

32 **REVIEW GENERAL FUND FINANCIAL MODEL**

33 Sec. 8.3. Of the funds appropriated in this act to the General Assembly, the
34 sum of thirty five thousand dollars (\$35,000) for the 1995-96 fiscal year shall be used to
35 conduct a review of the General Fund Financial Model. The review shall be coordinated
36 by the Fiscal Research Division of the Legislative Services Office, and shall be
37 completed on or before February 1, 1996.

38
39 Requested by: Representatives Mitchell, Weatherly

40 **STUDY JOB TRAINING PROGRAMS**

41 Sec. 8.5. (a) There is created the Joint Legislative Study Commission on Job
42 Training Programs. The purpose of the Commission is to review State and federally
43 funded job training programs currently in existence to determine the feasibility of

1 eliminating or consolidating those which are duplicative, inefficient, or ineffective in
2 carrying out their purposes and activities.

3 (b) The Commission shall consist of six members of the House of
4 Representatives appointed by the Speaker of the House of Representatives and six
5 members of the Senate appointed by the President Pro Tempore of the Senate. Members
6 shall serve for the duration of the 1995-97 Session. Upon delivering its final report to the
7 1997 General Assembly the Commission shall expire. Vacancies on the Commission
8 shall be filled by the appointing authority. The President Pro Tempore of the Senate and
9 the Speaker of the House of Representatives shall each appoint one member to serve as
10 cochair of the Commission.

11 (c) The Commission shall have the following powers and duties:

- 12 (1) To review State and federal laws, rules, and regulations pertaining to job
13 training programs to determine the purpose of each program, the
14 population served, and each program's annual outcomes in terms of type
15 of training received, work search efforts, and job placement;
- 16 (2) To ascertain as far as possible the intention of the United States
17 Congress with respect to continued funding of federally mandated job
18 training programs, and any changes in funding formulae;
- 19 (3) To review the amount of State and federal dollars appropriated for each
20 job training program conducted in this State, and to review federal
21 requirements for continuous federal funding of the programs;
- 22 (4) To review the number of different State agencies that administer State
23 and federal job training programs, the number of persons employed to
24 implement each job training program, and the amount of State dollars
25 needed annually to implement the program;
- 26 (5) To determine whether federally funded job training programs in this
27 State may lawfully be abolished or reduced in size by the General
28 Assembly, and the impact of such reduction or elimination;
- 29 (6) To conduct public hearings to receive citizen, State agency, and local
30 government comment and experience with the job training programs;
- 31 (7) To conduct other studies or activities to aid the Commission in carrying
32 out its purpose and duties.

33 (d) The Commission shall make an interim report on its progress to the 1995
34 General Assembly not later than May 1, 1996, and shall present its final report of
35 findings and recommendations to the 1997 General Assembly upon its convening. The
36 report shall identify each job training program operating in this State as of January 1,
37 1995, and shall recommend whether each program should be continued without change,
38 abolished, consolidated with another program, or otherwise modified.

39 (e) Members of the Commission shall serve without pay but shall receive per
40 diem and substance in accordance with Chapter 120 of the General Statutes. The
41 facilities of the State Legislative Building and any other State office building used by the
42 General Assembly shall be available to the Commission for its use.

1 (f) The Commission may use available clerical employees of the General
2 Assembly, with the approval of the Legislative Services Commission. The Commission
3 may, with the consent of the Legislative Services Commission, use employees of the
4 Fiscal Research, Legislative Automated Systems, General Research, Legislative Drafting,
5 and Public Information Divisions of the Legislative Services Commission.

6 (g) Notwithstanding G.S. 96-5(f), there is appropriated from the Worker
7 Training Trust Fund to the General Assembly the sum of twenty-five thousand dollars
8 (\$25,000) for the 1995-96 fiscal year and the sum of twenty-five thousand dollars
9 (\$25,000) for the 1996-97 fiscal year to implement this section.

11 PART 9. OFFICE OF THE GOVERNOR

13 Requested by: Representatives Ives, Lemmond

14 TOTAL QUALITY MANAGEMENT PROGRAM

15 Sec. 9. For the 1995-97 biennium, the provisions of G.S. 143-16.3 do not
16 apply to the Total Quality Management Program in the Office of the Governor.

18 PART 10. OFFICE OF STATE BUDGET AND MANAGEMENT

20 Requested by: Representatives Ives, Lemmond

21 LOCAL FIRE PROTECTION FUNDS

22 Sec. 10. The Office of State Budget and Management, in conjunction with the
23 State Property Office, Department of Administration, shall study the current fire
24 protection grant process. The Office of State Budget and Management shall report to the
25 1995 General Assembly, 1996 Regular Session, regarding its findings and
26 recommendations.

27 In its study the Office of State Budget and Management and the State Property
28 Office shall consider, but are not limited to, the following:

- 29 (1) Fire protection grant history by political subdivision;
- 30 (2) Inequities in the current grant process;
- 31 (3) Impact of declining proportional shares on a fixed appropriation;
- 32 (4) Improvements that could be made to the grant process including:
 - 33 a. An allocation based on current property values;
 - 34 b. A method of updating property values over time; and
 - 35 c. The recognition of fire protection funding requirements for new
36 facilities.

38 PART 11. DEPARTMENT OF ADMINISTRATION

40 Requested by: Representatives Ives, Lemmond

41 COST SHARING OF THE PERSONNEL MANAGEMENT INFORMATION 42 SYSTEM

1 Sec. 11. The Office of State Personnel shall establish a schedule of fees or
2 charges to be paid by each department and university to cover data processing costs that
3 exceed the appropriation made by the General Assembly for maintenance of the system.
4 The Office of State Personnel shall present the recommendation for the fee schedule to
5 the Joint Appropriations Subcommittee on General Government and to the Fiscal
6 Research Division during the 1996 Regular Session of the 1995 General Assembly.
7 Departments and universities shall have on-line access to all data on their employees and
8 positions, as well as access to public information on all State employees.

9
10 Requested by: Representatives Ives, Lemmond

11 **WORKERS' COMPENSATION COST CONTAINMENT PROGRAM PILOT**

12 Sec. 11.1. The Office of State Budget and Management may establish a pilot
13 program, which shall be known as the Workers' Compensation Cost Containment
14 Program, to reduce the cost to State government of workers' compensation claims filed
15 by State employees. The Office of State Budget and Management shall, after
16 consultation with the Office of State Personnel, choose, by a process of competitive
17 bidding, a third-party administrator to manage claims processing. Services provided by
18 the third-party administrator shall include determination of compensability and related
19 questions, incident reporting analysis, incident investigation, medical case management,
20 disability management, and information management. Reimbursement to the third-party
21 administrator shall be determined as a percentage of realized savings, calculated
22 according to a methodology established by the Office of State Budget and Management.
23 The Director of the Budget shall select agencies to participate in the pilot program and
24 may transfer lapsed salary funds from the salary accounts of participating agencies to a
25 Workers' Compensation Reserve Fund established in the Office of State Budget and
26 Management for the purpose of paying workers' compensation claims of employees of
27 the participating agencies.

28 On or before April 1, 1996, the Office of State Budget and Management, after
29 consultation with the Office of State Personnel, shall submit to the General Assembly a
30 report setting forth the status of the program, the results achieved, and recommendations
31 for any further action by the General Assembly as may be required.

32 33 **PART 12. DEPARTMENT OF CULTURAL RESOURCES**

34
35 Requested by: Representatives Ives, Lemmond

36 **STATE PRESERVATION COMMISSION**

37 Sec. 12. (a) G.S. 143B-80.11 reads as rewritten:

38 **"§ 143B-80.11. Capitol Preservation Commission – Powers and duties.**

39 The Commission shall have the following powers and duties and shall exercise those
40 powers and duties with the ~~advice and consent~~ approval of the Secretary of Cultural
41 Resources:

- 42 (1) Develop a comprehensive plan and program for the historic preservation
43 and restoration of the State Capitol and Union Square.

- 1 (2) Make all repairs, alterations, and improvements to the State Capitol,
2 including the furnishing and refurnishing of the State Capitol, subject to
3 the availability of funds.
- 4 (3) Receive on behalf of the State, gifts or bequests of artifacts, documents,
5 and other historical objects or resources which contribute to the
6 historical significance of the State Capitol.
- 7 (4) Accept grants and subsidies from and enter into agreements or other
8 transactions with any federal agency, State agency, or other entity.
- 9 (5) Enter into contracts and execute all instruments necessary or convenient
10 for carrying on its operations.
- 11 (6) Make budgetary requests and recommendations to the Governor and the
12 General Assembly regarding the funds needed to properly preserve and
13 maintain the Capitol in accordance with Article 1 of Chapter 143 of the
14 General Statutes.
- 15 (7) Administer the Capitol Preservation Fund as provided in G.S. 143B-
16 80.13.
- 17 (8) Contract with the Department of Administration to provide the security
18 needed for the Capitol and Union Square.
- 19 (9) Do all other things necessary or convenient to carry out the powers
20 granted to it by this Part.
- 21 (10) Adopt rules to implement this Part."
- 22 (b) G.S. 143B-80.12 reads as rewritten:

23 **"§ 143B-80.12. Commission staff.**

24 ~~The~~ With the approval of the Secretary of Cultural Resources, the Commission shall
25 appoint and fix the salary of an Executive Director to serve at its pleasure. The Executive
26 Director shall direct the preservation, operation, improvement, maintenance, and repairs
27 needed to the State Capitol Building and Union Square. The Executive Director may hire
28 one secretary to assist with clerical responsibilities."

29 (c) Section 2 of Chapter 682 of the 1993 Session Laws is repealed.

30
31 Requested by: Representatives Ives, Lemmond

32 **TECHNICAL CORRECTION/EXECUTIVE MANSION CURATOR**
33 **TRANSFERRED**

34 Sec. 12.1. Section 11.1 of Chapter 324 of the 1995 Session Laws reads as
35 rewritten:

36 "Sec. 11.1. The position of Executive Mansion Curator (~~position number 4129-0101-~~
37 ~~0006-125~~) (position number 4149-0101-0006-125) is transferred from the Department of
38 Administration to the Department of Cultural Resources. This transfer will permit the
39 Department of Cultural Resources to better maintain the historical personal properties of
40 the Executive Mansion. This provision does not affect, in any way, the jurisdiction of the
41 Department of Administration over the Executive Mansion and its grounds."

42
43 Requested by: Representatives Ives, Lemmond

1 **NUMBER OF POSITIONS IN DEPARTMENT OF CULTURAL RESOURCES**
 2 **REDUCED**

3 Sec. 12.2. Notwithstanding Section 28.2 of Chapter 324 of the 1995 Session
 4 Laws, there is a total reduction in the Continuation Budget Operations for the Department
 5 of Cultural Resources of 19.5 positions for the 1995-96 fiscal year and of 19.5 positions
 6 for the 1996-97 fiscal year. The revisions in Chapter 324 of the 1995 Session Laws, the
 7 Continuation Budget Operations Appropriations Act, for the Department of Cultural
 8 Resources for the 1995-96 fiscal year and for the 1996-97 fiscal year are as follows:

	1995-96	1996-97
10 (1230) Archives and History	(\$90,618) R	(\$90,618) R
11 -3.00	-3.00	
12 (1241) Historic Sites	(\$77,452) R	(\$77,452) R
13 -3.00	-3.00	
14 (1270) Museum of History	(\$269,322) R	(\$269,322) R
15 -9.50	-9.50	
16 (1320) Museum of Art	(\$29,495) R	(\$29,495) R
17 -1.00	-1.00	

18
 19
 20 Requested by: Representatives Culpepper, Ives, Lemmond

21 **NEWBOLD-WHITE HOUSE**

22 Sec. 12.2. The Department of Cultural Resources shall acquire and operate the
 23 Newbold-White House in Perquimans County as a State Historic Site together with
 24 adjacent lands now owned by the Perquimans County Restoration Association, provided
 25 that the acquisition can be effected at no capital expense to the State. The Department of
 26 Cultural Resources shall seek the recommendations of the North Carolina Historical
 27 Commission in preparing a plan for the operation and maintenance of the Newbold-White
 28 House as a State Historic Site and shall report the findings and recommendations to the
 29 1995 General Assembly, 1996 Regular Session. In connection with the plan, the
 30 Department of Cultural Resources may enter into an agreement with the Perquimans
 31 County Restoration Association concerning the operation of the Newbold-White House
 32 as a State Historic Site.

33
 34 Requested by: Representatives Ives, Lemmond

35 **HISTORIC SITES REPAIRS AND RENOVATIONS FUNDS**

36 Sec. 12.3. Funds allocated in Section 5.3 of Chapter 324 of the 1995 Session
 37 Laws to the Office of State Budget and Management for the Repairs and Renovations
 38 Fund may be used to make needed repairs and renovations at the State Historic Sites.

39
 40 Requested by: Representatives Ives, Lemmond

41 **GRANTS TO PUBLIC LIBRARIES AND LOCAL MUSEUMS**

1 Sec. 12.4. (a) Funds in the amount of two million dollars (\$2,000,000)
2 appropriated in this act to the Department of Cultural Resources for the 1995-96 fiscal
3 year shall be allocated as follows:

4 (1) The sum of one million dollars (\$1,000,000) shall be used as State Aid
5 to Public Library grants; and

6 (2) The sum of one million dollars (\$1,000,000) shall be used as grants-in-
7 aid for local museums. Funds for grants-in-aid under this subdivision
8 shall be awarded only if the funds are matched on the basis of one dollar
9 (\$1.00) of non-State funds for every one dollar (\$1.00) of State funds.

10 (b) The Department of Cultural Resources shall report to the Fiscal Research
11 Division by September 1, 1995, regarding the grants made in accordance with this
12 section.

13 **PART 13. STATE BOARD OF ELECTIONS**

14
15 Requested by: Representatives Ives, Lemmond

16 **COUNTIES PRINT ALL BALLOTS**

17 Sec. 13. (a) G.S. 163-108(b) reads as rewritten:

18 "(b) No later than 10 days after the time for filing notices of candidacy under the
19 provisions of G.S. 163-106(c) has expired, the chairman of the State Board of Elections
20 shall certify to the chairman of the county board of elections in each county in the
21 appropriate district the names of candidates for nomination to the following offices who
22 have filed the required notice and pledge and paid the required filing fee to the State
23 Board of Elections, so that their names may be printed on the official ~~county~~ ballots:
24 Superior court judge, district court judge, and district attorney. United States Senator,
25 Member of the House of Representatives of the United States, Governor, and all other
26 State offices."

27 (b) G.S. 163-109 reads as rewritten:

28 **"§ 163-109. Primary ballots; printing and distribution.**

29 (a) General. – In primary elections there shall be as many kinds of official State,
30 district, and county ballots as there are legally recognized political parties, members of
31 which have filed notice of their candidacy for nomination. The ballots for each political
32 party shall be printed to conform to the requirements of G.S. 163-140(c) and to show the
33 party's name, the name of each party member who has filed notice of candidacy, and the
34 office for which each aspirant is a candidate.

35 Only those who have filed the required notice of candidacy and pledge with the
36 proper board of elections, and who have paid the required filing fee, shall have their
37 names printed on the official ballots of the political party with which affiliated.

38 ~~(b) Ballots to Be Furnished by State Board of Elections. It shall be the duty of~~
39 ~~the State Board of Elections to print official ballots for each political party having~~
40 ~~candidates for the following offices to be voted for in the primary:~~

41 ~~United States Senator,~~

42 ~~Member of the House of Representatives of the United States Congress,~~

43 ~~Governor, and~~

1 ~~All other State offices, except superior court judge, district court judge, and district~~
2 ~~attorney.~~

3 ~~In its discretion, the State Board of Elections may print separate primary ballots for~~
4 ~~each of these offices, or it may combine some or all of them on a single ballot.~~

5 ~~At least 60 days before the date of the primary, the State Board of Elections shall~~
6 ~~deliver a sufficient number of these ballots to each county board of elections. The~~
7 ~~chairman of the county board of elections shall furnish the chairman of the State Board of~~
8 ~~Elections with a written receipt for the ballots delivered to him within two days after their~~
9 ~~receipt.~~

10 (c) Ballots to Be Furnished by County Board of Elections. – It shall be the duty of
11 the county board of elections to print official ballots for each political party having
12 candidates for the following offices to be voted for in the primary:

13 United States Senator,

14 Member of the House of Representatives of the United

15 States Congress, Governor,

16 All other State offices

17 ~~Superior court judge,~~

18 ~~District court judge,~~

19 ~~District attorney,~~

20 ~~State Senator,~~

21 ~~Member of the House of Representatives of the General Assembly, and All~~
22 ~~county offices.~~

23 In printing primary ballots, the county board of elections shall be governed by
24 instructions of the State Board of Elections with regard to width, color, kind of paper,
25 form, and size of type.

26 In its discretion, the county board of elections may print separate primary ballots for
27 the district and county offices listed in this subsection, or it may combine some or all of
28 them on a single ballot. In a primary election, if there shall be 10 or more candidates for
29 nomination to any one office, the county board of elections in its discretion may prepare a
30 separate ballot for said office.

31 Three days before the primary election, the chairman of the county board of elections
32 shall distribute official State, district, and county ballots to the chief judge of each
33 precinct in his county, and the chief judge shall give him a receipt for the ballots
34 received. On the day of the primary it shall be the chief judge's duty to have all the ballots
35 delivered to him available for use at the precinct voting place.

36 (d) Repealed by Session Laws 1977, c. 265, s. 8."

37 (c) G.S. 163-114 reads as rewritten:

38 **"§ 163-114. Filling vacancies among party nominees occurring after nomination and**
39 **before election.**

40 If any person nominated as a candidate of a political party for one of the offices listed
41 below (either in a primary or convention or by virtue of having no opposition in a
42 primary) dies, resigns, or for any reason becomes ineligible or disqualified before the

not all the county is
 located in that district,
 then in voting, only those
 members of the county
 executive committee who
 reside within the
 district shall vote

9 Judge of Superior Court in a 10 multi-county superior 11 court district 12	 	Appropriate district executive committee of political party in which vacancy occurs.
---	----------------	---

13 The party executive making a nomination in accordance with the provisions of this
 14 section shall certify the name of its nominee to the chairman of the board of elections,
 15 State or county, charged with the duty of ~~printing the ballots on which the name is to~~
 16 ~~appear.~~ certifying notices of candidacy for the office under G.S. 163-108. If at the time a
 17 nomination is made under this section the general election ballots have already been
 18 printed, the provisions of G.S. 163-139 shall apply. If any person nominated as a
 19 candidate of a political party vacates such nomination and such vacancy arises from a
 20 cause other than death and the vacancy in nomination occurs more than 120 days before
 21 the general election, the vacancy in nomination may be filled under this section only if
 22 the appropriate executive committee certifies the name of the nominee in accordance with
 23 this paragraph at least 75 days before the general election.

24 In a county which is partly in a multi-county superior court district, in choosing that
 25 county's member or members of the superior court district executive committee for the
 26 multi-county district, only the county convention delegates or county executive
 27 committee members who reside within the area of the county which is within that multi-
 28 county district may vote.

29 In a county not all of which is located in one congressional district, in choosing the
 30 congressional district executive committee member or members from that area of the
 31 county, only the county convention delegates or county executive committee members
 32 who reside within the area of the county which is within the congressional district may
 33 vote.

34 In a county which is partly in a multi-county senatorial district or which is partly in a
 35 multi-county House of Representatives district, in choosing that county's member or
 36 members of the senatorial district executive committee or House of Representatives
 37 district executive committee for the multi-county district, only the county convention
 38 delegates or county executive committee members who reside within the area of the
 39 county which is within that multi-county district may vote."

40 (d) G.S. 163-136(b) as amended by Section 14 of Chapter 324 of the Session
 41 Laws of 1995 reads as rewritten:

42 "(b) Printing and Distribution. – The printing and distribution of ballots shall be
 43 arranged, handled, and paid for as follows:

- 1 (1) For municipal elections, primaries, and referenda, by the municipal
2 authorities conducting the election, primary, or referendum, at the
3 expense of the municipality.
- 4 (2) For ~~county, single-county district, and legislative district~~ all elections,
5 primaries, and referenda, not specified in the preceding subdivision, by
6 the responsible county board of elections, at the expense of the county.
- 7 (3) ~~For all elections, primaries, and referenda not specified in the two~~
8 ~~preceding subdivisions, by the State Board of Elections, at the expense~~
9 ~~of the State.~~

10 ~~Provided, that the State Board of Elections, in its discretion, may direct~~
11 ~~some or all counties to print the ballots required by this subdivision~~
12 ~~under the supervision of the State Board of Elections. If the State Board~~
13 ~~of Elections prints and distributes the ballots required by this~~
14 ~~subdivision at the expense of the State, the State Board shall establish~~
15 ~~contracts through competition pursuant to Article 3 of Chapter 143 of~~
16 ~~the General Statutes for printing and distribution of all ballots, abstracts~~
17 ~~and precinct return forms."~~

18 (e) G.S. 163-137(b) is repealed.

19 (f) G.S. 163-139(a) reads as rewritten:

20 "(a) Before General or Special Election. – After the official ballots for a general or
21 special election have been printed by the ~~proper county~~ elections board, the death,
22 resignation, or disqualification of a candidate whose name appears on the official ballots
23 shall not require that the ballots be reprinted, although the ~~responsible board of elections~~
24 State Board of Elections may ~~have order~~ the ballots reprinted if it desires to do so.

25 If a candidate dies, resigns, or otherwise becomes disqualified after his name has been
26 printed on an official general or special election ballot, and if a nomination has been
27 made to fill the vacancy as authorized by G.S. 163-114, the name of the substituted
28 nominee shall not appear on the official ballots unless the responsible board of elections
29 decides that it is feasible and advisable to reprint the ballots to show the name of the
30 substituted nominee. If the ballots are not reprinted, a vote cast for the candidate whose
31 name is printed on the ballot shall be counted as a vote for the substituted candidate
32 whose name has been certified to the appropriate board of elections under the provisions
33 of G.S. 163-114."

34 (g) G.S. 163-140(a) reads as rewritten:

35 "(a) Kinds of General Election Ballots; Right to Combine. – For purposes of
36 general elections, there shall be seven kinds of official ballots entitled:

- 37 (1) Ballot for presidential electors
38 (2) Ballot for United States Senator
39 (3) Ballot for member of the United States House of Representatives
40 (4) State ballot
41 (5) County ballot
42 (6) Repealed by Session Laws 1973, c. 793, s. 56.

1 (7) Ballot for constitutional amendments and other propositions submitted
2 to the people.

3 Use of official ballots shall be limited to the purposes indicated by their titles. The
4 printing on all ballots shall be plain and legible but, unless large type is specified by this
5 section, type larger than 10-point shall not be used in printing ballots. All general election
6 ballots shall be prepared in such a way as to leave sufficient blank space beneath each
7 name printed thereon in which a voter may conveniently write the name of any person for
8 whom he may desire to vote.

9 Unless prohibited by this section, the county board of elections, ~~State or county~~,
10 charged by law with printing ballots may, in its discretion, combine any two or more
11 official ballots. Whenever two or more ballots are combined, the voting instructions for
12 the State ballot set out in subsection (b)(4) of this section shall be used, except that if the
13 two ballots being combined do not contain a multi-seat race, then the second sentence of
14 instruction b. shall not appear on the ballot.

15 Contests in the general election for seats in the State House of Representatives and
16 State Senate shall be on ballots that are separate from ballots containing non-legislative
17 contests, except where the voting system used makes separation of ballots impractical.
18 State House and State Senate contests shall be on the same ballot, unless one is a single-
19 seat contest and the other a multi-seat contest.

20 If the ~~State Board of Elections~~ county board of elections divides the State ballot into
21 two or more ballots, all candidates for superior court shall appear on the same ballot
22 except that the ~~State Board of Elections~~ county board of elections may divide the election
23 of superior court judges into two ballots either because of length of the ballot or to
24 provide a separate ballot for multi-seat races but only superior court judges shall be on
25 those ballots, and all candidates for the Appellate Division shall appear on the same
26 ballot."

27 (h) G.S. 163-140(b)(1) reads as rewritten:

28 "(1) Ballot for Presidential Electors: On the ballot for presidential electors
29 there shall be printed, under the titles of the offices, the names of the
30 candidates for President and Vice-President of the United States
31 nominated by each political party qualified under the provisions of G.S.
32 163-96, and the names of the unaffiliated candidates for President and
33 Vice-President qualified under the provisions of G.S. 163-122 and G.S.
34 163-209. A separate column shall be assigned to each political party
35 with candidates on the ballot, and a separate column shall be assigned to
36 each pair of unaffiliated candidates for President and Vice-President, if
37 any, and the columns shall be separated by distinct black lines. At the
38 head of each party column the party name shall be printed in large type
39 and below it a circle, one-half inch in diameter, and below the circle the
40 names of the party's candidates for President and Vice-President in that
41 order. At the head of the columns for unaffiliated candidates shall be
42 printed in large type the words 'Unaffiliated Candidates', and below it a
43 circle, one-half inch in diameter, and below the circle the names of a

1 pair of unaffiliated candidates for President and Vice-President. On the
2 face of the ballot, above the party column division, the following
3 instructions shall be printed in heavy black type:

- 4 a. To vote this ballot, make a cross (X) mark in the circle below the
5 name of the political party for whose candidates you wish to vote
6 or below the heading for the unaffiliated candidates for whom
7 you wish to vote.
8 b. A vote for the names of a political party's candidates for
9 President and Vice-President is a vote for the electors of that
10 party, and a vote for the names of unaffiliated candidates for
11 President and Vice-President is a vote for electors named by the
12 unaffiliated candidate for President, the names of whom are on
13 file with the Secretary of State.
14 c. If you tear or deface or wrongly mark this ballot, return it and get
15 another.

16 On the bottom of the ballot shall be printed an identified facsimile of the
17 signature of the ~~Chairman of the State Board of Elections~~ chairman of
18 the county board of elections.

19 The official ballot for presidential electors shall not be combined
20 with any other official ballots."

21 (i) G.S. 163-140(b)(2) reads as rewritten:

22 "(2) Ballot for United States Senator: Beneath the title and general
23 instructions set out in this subsection, the ballot for United States
24 Senator shall be divided into parallel columns separated by distinct
25 black lines. The ~~State Board of Elections~~ county board of elections shall
26 assign a separate column to each political party having a candidate for
27 the office and one to unaffiliated candidates, if any. At the head of each
28 party column the party's name shall be printed in large type, and at the
29 head of the column for unaffiliated candidates shall be printed in large
30 type the words 'Unaffiliated Candidates.' The name of each political
31 party's candidate for United States Senator shall be printed in the
32 appropriate party column, and the names of unaffiliated candidates for
33 the office shall be printed in the column headed 'Unaffiliated
34 Candidates.' At the left of each name shall be printed a voting square,
35 and in each column all voting squares shall be arranged in a
36 perpendicular line. On the face of the ballot, above the party and
37 unaffiliated column division, the following instructions shall be printed
38 in heavy black type:

- 39 'a. Vote for only one candidate.
40 b. If you tear or deface or wrongly mark this ballot, return it and get
41 another.'

1 On the bottom of the ballot shall be printed an identified facsimile of
2 the signature of the ~~Chairman of the State Board of Elections~~, chairman
3 of the county board of elections.

4 When the ballot for United States Senator is combined with a ballot
5 for another office, below the party name in each column shall be printed
6 a circle, one-half inch in diameter, around which shall be plainly printed
7 the following instruction: 'For a straight ticket, mark within this circle.'
8 The following instructions, in lieu of those specified in the preceding
9 paragraph, shall be printed in heavy black type on the face of the
10 combined ballot to the top above the party and unaffiliated column
11 division:

- 12 'a. To vote for all candidates of one party (a straight ticket), make a
13 cross (X) mark in the circle of the party for whose candidates you
14 wish to vote.
- 15 'b. You may vote a split ticket by marking a cross (X) mark in the
16 party circle and then making a cross (X) mark in the square
17 opposite the name of the candidate(s) of a different party for
18 whom you wish to vote.
- 19 'c. You may also vote a split ticket by not marking a cross (X) mark
20 in the party circle, but by making a cross (X) mark in the square
21 opposite the name of each candidate for whom you wish to vote.
- 22 'd. If you tear or deface or wrongly mark this ballot, return it and get
23 another.'

24 (j) G.S. 163-140(b)(3) reads as rewritten:

25 "(3) Ballot for Member of the United States House of Representatives:
26 Beneath the title and general instructions set out in this subsection, the
27 congressional district ballot for member of the United States House of
28 Representatives shall be divided into parallel columns separated by
29 distinct black lines. The ~~State Board of Elections~~ county board of
30 elections shall assign a separate column to each political party having a
31 candidate for the office and one to unaffiliated candidates, if any. At the
32 head of each party column the party's name shall be printed in large
33 type, and at the head of the column for unaffiliated candidates shall be
34 printed in large type the words 'Unaffiliated Candidates.' The name of
35 each political party's candidate for member of the United States House
36 of Representatives from the congressional district shall be printed in the
37 appropriate party column, and the names of unaffiliated candidates for
38 the office shall be printed in the column headed 'Unaffiliated
39 Candidates.' At the left of each name shall be printed a voting square,
40 and in each column all voting squares shall be arranged in a
41 perpendicular line. On the face of the ballot, above the party and
42 unaffiliated column division, the following instructions shall be printed
43 in heavy black type:

- 1 'a. Vote for only one candidate.
2 b. If you tear or deface or wrongly mark this ballot, return it and get
3 another.'

4 On the bottom of the ballot shall be printed an identified facsimile of
5 the signature of the ~~Chairman of the State Board of Elections~~; chairman
6 of the county board of elections.

7 When the ballot for member of the United States House of
8 Representatives is combined with a ballot for another office, below the
9 party name in each column shall be printed a circle, one-half inch in
10 diameter, around which shall be plainly printed the following
11 instruction: 'For a straight ticket, mark within this circle.' The following
12 instructions, in lieu of those specified in the preceding paragraph, shall
13 be printed in heavy black type on the face of the combined ballot at the
14 top above the party and unaffiliated column division:

- 15 'a. To vote for all candidates of one party (a straight ticket), make a
16 cross (X) mark in the circle of the party for whose candidates you
17 wish to vote.
18 b. You may vote a split ticket by marking a cross (X) mark in the
19 party circle and then making a cross (X) mark in the square
20 opposite the name of the candidate(s) of a different party for
21 whom you wish to vote.
22 c. You may also vote a split ticket by not marking a cross (X) mark
23 in the party circle, but by making a cross (X) mark in the square
24 opposite the name of each candidate for whom you wish to vote.
25 d. If you tear or deface or wrongly mark this ballot, return it and get
26 another.'"

27 (k) G.S. 163-140(b)(4) reads as rewritten:

28 "(4) State Ballot: Beneath the title and general instructions set out in this
29 subsection, the ballot for single-seat contests for State officers, and for
30 all State officers where mechanical voting machines are used (including
31 judges of the superior court) shall be divided into parallel columns
32 separated by distinct black lines. The ~~State Board of Elections~~ county
33 board of elections shall assign a separate column to each political party
34 having candidates for State offices and one to unaffiliated candidates, if
35 any. At the head of each party column the party's name shall be printed
36 in large type, and at the head of the column for unaffiliated candidates
37 shall be printed in large type the words 'Unaffiliated Candidates.' Below
38 the party name in each column shall be printed a circle, one-half inch in
39 diameter, around which shall be plainly printed the following
40 instruction: 'For a straight ticket, mark within this circle.' With distinct
41 black lines, the ~~State Board of Elections~~ county board of elections shall
42 divide the columns into horizontal sections and, in the customary order
43 of office, assign a separate section to each office or group of offices to

1 be filled. On a single line at the top of each section shall be printed a
2 direction as to the number of candidates for whom a vote may be cast. If
3 candidates are to be chosen for different terms to the same office, the
4 term in each instance shall be printed as part of the title of the office.

5 The name or names of each political party's candidate or candidates
6 for each office listed on the ballot shall be printed in the appropriate
7 office section of the proper party column, and the names of unaffiliated
8 candidates shall be printed in the appropriate office section of the
9 column headed 'Unaffiliated Candidates.' At the left of each name shall
10 be printed a voting square, and in each column all voting squares shall
11 be arranged in a perpendicular line.

12 On the face of the ballot, above the party and unaffiliated column
13 division, the following instructions shall be printed in heavy black type,
14 and the words 'you must also' in instruction c. shall be underlined:

- 15 'a. To vote for all candidates of one party (a straight ticket), make a
16 cross (X) mark in the circle of the party for whose candidates you
17 wish to vote.
- 18 b. You may vote a split ticket by not marking a cross (X) mark in
19 the party circle, but by making a cross (X) mark in the square
20 opposite the name of each candidate for whom you wish to vote.
- 21 c. You may also vote a split ticket by marking a cross (X) mark in
22 the party circle and then making a cross (X) mark in the square
23 opposite the name of any candidate you choose of a different
24 party. In any multi-seat race where a party circle is marked and
25 you vote for candidates of another party, you must also make a
26 cross (X) mark opposite the name of any candidate you choose of
27 the party for which you marked the party circle to assure your
28 vote will count.
- 29 d. If you tear or deface or wrongly mark this ballot, return it and get
30 another.'

31 On the bottom of the ballot shall be printed an identified
32 facsimile of the signature of the ~~Chairman of the State Board of~~
33 ~~Elections.~~ chairman of the county board of elections. If the State
34 ballot contains no multi-seat race, then the second sentence of
35 instruction b. shall not appear on the ballot."

36 (l) G.S. 163-140(b)(7) reads as rewritten:

37 "(7) Ballot for Constitutional Amendments and Other Propositions
38 Submitted to the People: The form of ballot used in submitting a
39 constitutional amendment or other proposition or issue to the voters of
40 the entire State shall be prepared by the State Board of Elections and
41 approved by the Attorney General. The form of ballot used in
42 submitting propositions and issues to the voters of a single county or
43 subdivision shall be prepared by the county board of elections. In a

1 referendum the issue presented to the voters with respect to each
2 constitutional amendment, question, or proposition, shall be printed in
3 the form laid down by the General Assembly or other body submitting
4 it. If more than one amendment, question, or proposition is submitted on
5 a single ballot, each shall be printed in a separate section, and the
6 sections shall be numbered consecutively. On the face of the ballot,
7 above the issue or issues being submitted, shall be printed instructions
8 for marking the voter's choice, in addition to the following instruction:
9 'If you tear or deface or wrongly mark this ballot, return it and get
10 another.' On the bottom of the ballot shall be printed an identified
11 facsimile of the signature of the chairman of the ~~responsible county~~
12 ~~board of elections, State or county elections.~~"

13 (m) G.S. 163-140(c)(3) reads as rewritten:

14 "(3) Rotation of Positions on Ballots Among Candidates: The county board
15 of ~~elections, State or county, elections~~ responsible for printing and
16 distributing primary election ballots shall have them printed so that the
17 names of opposing candidates for any office shall, as far as practicable,
18 occupy alternate positions upon the ballot, to the end that the name of
19 each candidate shall occupy with reference to the name of every other
20 candidate for the same office, first position, second position, and every
21 other position, if any, upon an equal number of ballots; and the ballots
22 shall be distributed among the precinct voting places impartially and
23 without discrimination."

24 (n) G.S. 163-140(c)(4) reads as rewritten:

25 "(4) Facsimile Signatures: On the bottom of each primary ballot shall be
26 printed an identified facsimile of the signature of the chairman of the
27 county board of ~~elections, State or county, elections~~ responsible for its
28 preparation."

29 (o) G.S. 163-227.3 is repealed.
30

31 Requested by: Representatives Lemmond, Ives

32 **STATE BOARD OF ELECTIONS AUTHORITY TO SELL SOFTWARE FOR**
33 **CAMPAIGN REPORTING.**

34 Sec. 13.1. (a) G.S. 66-58(c) as amended by Chapter 247 of the 1995 Session
35 Laws reads as rewritten:

36 "(c) The provisions of subsection (a) shall not prohibit:

37 (1) The sale of products of experiment stations or test farms.

38 (2) The sale of learned journals, works of art, books or publications of the
39 Department of Cultural Resources or other agencies, or the Supreme
40 Court Reports or Session Laws of the General Assembly.

41 (3) The business operation of endowment funds established for the purpose
42 of producing income for educational purposes; for purposes of this
43 section, the phrase "operation of endowment funds" shall include the

1 operation by public postsecondary educational institutions of campus
2 stores, the profits from which are used exclusively for awarding
3 scholarships to defray the expenses of students attending the institution;
4 provided, that the operation of such stores must be approved by the
5 board of trustees of the institution, and the merchandise sold shall be
6 limited to educational materials and supplies, gift items and
7 miscellaneous personal-use articles. Provided further that sales at
8 campus stores are limited to employees of the institution and members
9 of their immediate families, to duly enrolled students of the campus at
10 which a campus store is located and their immediate families, to duly
11 enrolled students of other campuses of the University of North Carolina
12 other than the campus at which the campus store is located, to other
13 campus stores and to other persons who are on campus other than for
14 the purpose of purchasing merchandise from campus stores. It is the
15 intent of this subdivision that campus stores be established and operated
16 for the purpose of assuring the availability of merchandise described in
17 this Article for sale to persons enumerated herein and not for the
18 purpose of competing with stores operated in the communities
19 surrounding the campuses of the University of North Carolina.

- 20 (4) The operation of lunch counters by the Department of Human
21 Resources as blind enterprises of the type operated on January 1, 1951,
22 in State buildings in the City of Raleigh.
- 23 (5) The operation of a snack bar and cafeteria in the State Legislative
24 Building.
- 25 (6) The maintenance by the prison system authorities of eating and sleeping
26 facilities at units of the State prison system for prisoners and for
27 members of the prison staff while on duty, or the maintenance by the
28 highway system authorities of eating and sleeping facilities for working
29 crews on highway construction or maintenance when actually engaged
30 in such work on parts of the highway system.
- 31 (7) The operation by penal, correctional or facilities operated by the
32 Department of Human Resources or by the State Department of
33 Agriculture, of dining rooms for the inmates or clients or members of
34 the staff while on duty and for the accommodation of persons visiting
35 such inmates or clients, and other bona fide visitors.
- 36 (8) The sale by the Department of Agriculture of livestock, poultry and
37 publications in keeping with its present livestock and farm program.
- 38 (9) The operation by the public schools of school cafeterias.
- 39 (10) Sale by any State correctional or other institution of farm, dairy,
40 livestock or poultry products raised or produced by it in its normal
41 operations as authorized by the act creating it.

- 1 (11) The sale of textbooks, library books, forms, bulletins, and instructional
2 supplies by the State Board of Education, State Department of Public
3 Instruction, and local school authorities.
- 4 (12) The sale of North Carolina flags by or through the auspices of the
5 Department of Administration, to the citizens of North Carolina.
- 6 (13) The operation by the Department of Correction of forestry management
7 programs on State-owned lands, including the sale on the open market
8 of timber cut as a part of such management program.
- 9 (14) The operation by the Department of Correction of facilities to
10 manufacture and produce traffic and street name signs for use on the
11 public streets and highways of the State.
- 12 (15) The operation by the Department of Correction of facilities to
13 manufacture and produce paint for use on the public streets and
14 highways of the State.
- 15 (16) The performance by the Department of Transportation of dredging
16 services for a unit of local government.
- 17 (17) The sale by the State Board of Elections to political committees and
18 candidate committees of computer software designed by or for the State
19 Board of Elections to provide a uniform system of electronic filing of
20 the campaign finance reports required by Article 22A of Chapter 163 of
21 the General Statutes and to facilitate the State Board's monitoring of
22 compliance with that Article. This computer software for electronic
23 filing of campaign finance reports shall not exceed a cost of one
24 hundred dollars (\$100.00) to any political committee or candidate
25 committee without the State Board of Elections first notifying in writing
26 the Joint Legislative Commission on Governmental Operations."

27 (b) The funds appropriated in this act to the State Board of Elections for the
28 purchase of developing computer software to provide a uniform system of electronic
29 filing of campaign finance reports shall be expended for development of software for use
30 by the State Board of Elections and political committees or candidate committees.

31
32 Requested by: Representatives Ives, Lemmond

33 **FUNDS FOR STATEWIDE COMPUTERIZED VOTER REGISTRATION.**

34 Sec. 13.2. (a) The State Board of Elections shall promulgate rules for a statewide
35 computerized voter registration system following the basic client-server design of
36 Alternative C and D as described in the Needs Assessment and Requirements Analysis
37 report prepared pursuant to Section 16 of Chapter 762 of the 1993 Session Laws, Regular
38 Session 1994. Those rules shall include data format standards, data communication
39 standards, and data content standards. The State Board of Elections shall promulgate
40 those rules, including the standards, no later than July 1, 1996. Counties shall adhere to
41 the rules and standards no later than July 1, 1997. The statewide computerized voter
42 registration system shall utilize current technology and be consistent with State standards.
43 That system shall be developed by the State Board of Elections and processed on the

1 computer/servers of the State Information Processing Services Division of the Office of
2 the State Controller.

3 (b) There are established two reserve funds, to be known as the Reserve Fund
4 for Statewide Computerized Voter Registration/Central Server Component and the
5 Reserve Fund for Statewide Computerized Voter Registration/County Grants
6 Component. The reserve funds shall be funded as follows:

7 (1) For the 1995-96 fiscal year, funds in the amount of one million five
8 hundred thousand dollars (\$1,500,000) shall be transferred from the
9 reserve fund created by Section 16(b) of Chapter 769 of the 1993
10 Session Laws, Regular Session 1994, to the Reserve Fund for Statewide
11 Computerized Voter Registration/Central Server Component. The State
12 Board of Elections shall use those funds for software development,
13 communications and computer charges, and data conversion charges to
14 implement the central server component of the system designed by the
15 rules promulgated under subsection (a) of this section. The State Board
16 of Elections shall use no more than four hundred forty thousand dollars
17 (\$440,000) of those funds to purchase hardware, office furniture, and
18 the services of time-limited computer personnel.

19 (2) Of the funds appropriated in this act for the 1996-97 fiscal year to the
20 State Board of Elections, the sum of three million five hundred thousand
21 dollars (\$3,500,000) shall be deposited in the Reserve Fund for
22 Statewide Computerized Voter Registration/County Grants Component,
23 to be used by the State Board of Elections for grants-in-aid to counties
24 to purchase computer equipment, data communication charges, data
25 conversion, computer consultants or time-limited personnel at the State
26 Board of Elections, travel, education, and training to ensure that all
27 counties' minimum needs for participation in the statewide
28 computerized voter registration system are met. Any additional needs
29 beyond the minimum required for system participation are the
30 responsibility of the counties. The State Board of Elections shall
31 develop and issue rules related to a grant process for grant applications
32 and grant awards to counties. The rules shall be developed and issued no
33 later than February 15, 1996. Grants-in-aid to county boards of elections
34 shall be awarded no later than July 1, 1996. The rules shall provide that
35 the computerized voter registration system has uniform quality
36 statewide, and the grants shall be issued in such a way as to achieve that
37 goal within available resources. In developing the rules, the State Board
38 of Elections shall consider giving special attention to:

- 39 a. Low-wealth counties;
- 40 b. Counties that have demonstrated a willingness to invest in
41 computer infrastructure; and
- 42 c. Counties that demonstrate a willingness to provide matching
43 funds.

1 (c) The State Board of Elections may spend money from the reserve funds
2 created by subsection (b) of this section only after the State Board of Elections and the
3 Information Resource Management Commission have jointly approved and presented a
4 detailed implementation plan for statewide computerized voter registration to the Joint
5 Legislative Commission on Governmental Operations. That implementation plan shall
6 include:

- 7 (1) A description of the system being implemented;
- 8 (2) A description of the system's capabilities;
- 9 (3) An itemized estimate of the costs of the system, with a justification for
10 each item;
- 11 (4) A list of the counties to be brought into the system during the fiscal
12 year;
- 13 (5) A project management plan.

14 After their initial joint report, the State Board of Elections and the Information Resource
15 Management Commission shall make quarterly joint reports to the Joint Legislative
16 Commission on Governmental Operations, describing the status of the project, listing the
17 counties that have been brought into the system and that are planned to be brought into
18 the system, and the costs.

19 (d) To the extent that this section or action taken under it conflicts with G.S.
20 163-82.11 through G.S. 163-82.13 or Section 16 of Chapter 769 of the 1993 Session
21 Laws, this section or those actions prevail to the extent of the conflict. Except to the
22 extent of the conflict, Section 16 of Chapter 769 of the 1993 Session Laws remains in
23 effect.

24 **PART 14. STATE CONTROLLER**

25 **PART 15. COLLEGES AND UNIVERSITIES**

26 Requested by: Representatives Grady, Preston

27 **MEHARRY MEDICAL COLLEGE**

28 Sec. 15. The Board of Governors of The University of North Carolina shall
29 develop and implement a plan to recruit and attract graduates of Meharry Medical
30 College who are North Carolina residents for whom State financial support was provided
31 to Meharry Medical College. The Board's plan shall include informing the students of
32 the State support, providing information about medical residency opportunities in North
33 Carolina, and any other relevant information about opportunities for medical and dental
34 practice in North Carolina. The Office of Rural Health and the Area Health Education
35 Centers shall assist the Board in developing and implementing the plan. The Board shall
36 include State supported graduates of Meharry Medical College in its monitoring report
37 required by G.S. 143-613(d) on primary care physicians. Meharry Medical College shall
38 supply information necessary for the Board to comply with this section.
39
40
41
42
43

1 Requested by: Representatives Grady, Preston, Ramsey

2 **SCHOOL OF SCIENCE AND MATHEMATICS**

3 Sec. 15.1. G.S. 116-235 (b) reads as rewritten:

4 "(b) Students. –

5 (1) Admission of Students. – The School shall admit students in accordance
6 with criteria, standards, and procedures established by the Board of
7 Trustees. To be eligible to be considered for admission, an applicant
8 must be a legal resident of the State, as defined by G.S. ~~116-143.1~~; 116-
9 143.1(a)(1); eligibility to remain enrolled in the School shall terminate
10 at the end of any school year during which a student becomes a
11 nonresident of the State. The Board of Trustees shall ensure, insofar as
12 possible without jeopardizing admission standards, that an equal
13 number of qualified rising high school juniors is admitted to the
14 program and to the residential summer institutes in science and
15 mathematics from each of North Carolina's congressional districts. In
16 no event shall the deviation in the number of rising high school juniors
17 offered admission to the program from each of North Carolina's
18 congressional districts deviate more than two percentage points from the
19 average number per district who are offered admission.

20 (2) School Attendance. – Every parent, guardian, or other person in this
21 State having charge or control of a child who is enrolled in the School
22 and who is less than 16 years of age shall cause such child to attend
23 school continuously for a period equal to the time which the School
24 shall be in session. No person shall encourage, entice, or counsel any
25 child to be unlawfully absent from the School. Any person who aids or
26 abets a student's unlawful absence from the School shall, upon
27 conviction, be guilty of a Class 3 misdemeanor. The Director of the
28 School shall be responsible for implementing such additional policies
29 concerning compulsory attendance as shall be adopted by the Board of
30 Trustees, including regulations concerning lawful and unlawful
31 absences, permissible excuses for temporary absences, maintenance of
32 attendance records, and attendance counseling.

33 (3) Student Discipline. – Rules of conduct governing students of the School
34 shall be established by the Board of Trustees. The Director, other
35 administrative officers, and all teachers, substitute teachers, voluntary
36 teachers, teacher aides and assistants, and student teachers in the School
37 may use reasonable force in the exercise of lawful authority to restrain
38 or correct pupils and maintain order."
39

40 Requested by: Representatives Fox, Grady, Preston

41 **UNC VISUAL IMPAIRMENT TEACHER TRAINING CURRICULUM**

42 Sec. 15.2. (a) The Board of Governors of The University of North Carolina shall
43 select a school of education from within The University of North Carolina and direct the

1 school to establish an interstate consortium of universities located in the southeastern
2 United States with the following purposes:

- 3 (1) To collaboratively devise an appropriate curriculum for the training of
4 teachers to work with visually impaired students.
- 5 (2) To seek foundation grants to support the cooperative program of teacher
6 education.
- 7 (3) To work together in the implementation and operation of the program
8 providing the needed training experiences for students from those states
9 that become a part of the consortium.

10 (b) The school of education designated by the Board of Governors of The
11 University of North Carolina to establish the interstate consortium shall try to recruit one
12 university from each of the states in the southeastern United States. The program
13 developed by the interstate consortium shall be operated at the school of education
14 designated by the Board of Governors to undertake the project and shall utilize
15 technology for long-distance learning within the State and among the other states in the
16 consortium. The program shall be funded by all states participating in the consortium in
17 addition to grants obtained by the consortium.

18 (c) The program designed by the consortium shall be implemented collaboratively
19 with the North Carolina Department of Human Resources through the Division of
20 Services for the Blind. The Governor Morehead School shall be used as a clinical site for
21 the students in the program. The program shall be designed to meet certification
22 requirements that are set by the licensing agencies in the states participating in the
23 consortium. The program shall offer a master degree in visual impairments and shall also
24 offer courses for special education teachers to enable them to extend their certification to
25 include visual impairments.

26 (d) The Board of Governors of The University of North Carolina shall report to the
27 Joint Legislative Education Oversight Commission by March 1, 1996, regarding the
28 progress in implementing this section.

29

30 Requested by: Representatives Grady, Preston

31 **UNC CAPITAL IMPROVEMENT PRIORITIES**

32 Sec. 15.3. (a) The Board of Governors of The University of North Carolina shall
33 develop a capital improvement request process that can be used to make its capital
34 priorities across campuses known to the General Assembly. This process shall include
35 needs criteria based on mission, enrollment, adequacy of facilities, the functional age of
36 the facilities, utilization of facilities and other objective factors.

37 (b) The Board of Governors shall report to the Joint Legislative Education
38 Oversight Committee by April 1, 1996, regarding the development of the capital
39 improvement request process.

40

41 Requested by: Representatives Grady, Preston, Rogers

42 **ECU MEDICAL SCHOOL RECEIPTS**

1 Sec. 15.4. Chapter 116 of the General Statutes is amended by adding a new
2 section to read:

3 **"§ 116-36.6. East Carolina University School of Medicine; Medicare receipts.**

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

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

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

17 (3) The remainder of the funds shall be transferred to a special fund account
18 on deposit with the State Treasurer. This special fund account shall be
19 used for any necessary repayment of Medicare funds due to final audit
20 settlements for funds allocated under subdivision (2) of this subsection.
21 When the amount of these reimbursement funds has been finalized by
22 audit for each year, those funds remaining in the special fund shall be
23 available for specific capital improvement projects for the East Carolina
24 University School of Medicine. Requests by East Carolina University
25 for use of these funds shall be made to the Board of Governors of The
26 University of North Carolina. Approval of projects by the Board of
27 Governors shall be reported to the Joint Legislative Commission on
28 Governmental Operations, and the reports shall include projected costs
29 and sources of funds for operation of the approved projects."

30
31 Requested by: Representatives Grady, Preston

32 **STATE EDUCATION ASSISTANCE AUTHORITY/FEDERAL MATCHING**
33 **FUNDS**

34 Sec. 15.5. Funds appropriated in this act to the Board of Governors of The
35 University of North Carolina for use by the State Education Assistance Authority to
36 match federal grants under the Federal State Student Incentive Grant program shall
37 remain available to assist needy students in meeting postsecondary education expenses
38 irrespective of the receipt by the State Education Assistance Authority of any federal
39 funds for such purpose. In the event federal funds are not available for such purposes, the
40 eligibility for funds under this section shall be limited to resident students attending a
41 constituent institution of The University of North Carolina, a community college as
42 defined by G.S. 115D-2(2), or a private institution as defined by G.S. 116-22(1).
43

1 Requested by: Representatives Grady, Preston

2 **MILITARY PERSONNEL/BUDGETING OF SUMMER SCHOOL CREDIT**
3 **HOURS**

4 Sec. 15.6. For State budget purposes, credit hours taken in summer school at a
5 constituent institution of The University of North Carolina by military personnel as
6 defined in G.S. 116-143.3(a) and G.S. 116-143.3(b) shall be budgeted as resident credit
7 hours.

8

9 Requested by: Representatives Grady, Preston

10 **REPORTS ON UNC VENDING FACILITIES**

11 Sec. 15.7. G.S. 116-36.4 reads as rewritten:

12 **"§ 116-36.4. Vending facilities.**

13 ~~The Board of Governors shall, not later than October 1 of each year, review an~~
14 ~~itemized annual report in a format to be determined by the Office of State Budget and~~
15 ~~Management. Each institution shall provide to the director of the Budget and the State~~
16 ~~Auditor such information as they may from time to time require concerning the use of net~~
17 ~~proceeds from operations of vending facilities for the previous fiscal year under G.S.~~
18 ~~116-36.1. Net proceeds may be used only as authorized by the Board of Governors, but~~
19 ~~this section does not authorize expenditures for purposes not otherwise authorized by~~
20 ~~law. The report shall be itemized by campus and by authorized purpose. The Board shall~~
21 ~~also review an annual report from the UNC Hospitals, monitoring compliance with G.S.~~
22 ~~143-12.1(f1). A copy of the report shall be provided to the Fiscal Research Division of~~
23 ~~the Legislative Services Office."~~

24

25 Requested by: Representatives Grady, Preston

26 **ALLIED HEALTH PROFESSIONS**

27 Sec. 15.8. Of the funds provided to the Board of Governors for expansion
28 funding through receipts, the amount of \$1,800,000 each fiscal year of the biennium shall
29 be allocated each year for expansion of programs offerings and enrollment for training of
30 allied health professionals.

31

32 Requested by: Representatives Grady, Preston

33 **AHEC/SCHOOL OF NURSING CENTERS**

34 Sec. 15.9. Of the funds provided to the Board of Governors of The University
35 of North Carolina for expansion funding through receipts for University Institutional
36 Programs, the sum of two million dollars (\$2,000,000) shall be allocated each year of the
37 biennium for the Area Health Education Centers for initiatives in primary care and
38 training of mid-level practitioners. Of these additional funds, the sum of twenty-five
39 thousand dollars (\$25,000) shall be used to increase funding for the Raleigh School of
40 Nurse Anesthesia from fifty thousand dollars (\$50,000) to seventy-five thousand dollars
41 (\$75,000) per year.

42

43 Requested by: Representatives Grady, Preston

UNC PILOT OFF-CAMPUS SITES

Sec. 15.10. Of the funds provided to the Board of Governors of The University of North Carolina for expansion funding through receipts in this act, one million three hundred seventy-five thousand dollars (\$1,375,000) each fiscal year shall be used to establish pilot degree programs at sites located away from the campuses of the constituent institutions and to expand educational opportunities at those sites. The Board shall consider sites on community college campuses, especially those with a higher proportion of college transfer student enrollment, sites easily accessible to military personnel and other citizens, and sites remote from the constituent institutions' main campuses. Funds may be used to fund campuses for full-time equivalent enrollment at those sites, to improve library collections for the programs offered at the site, or for other purposes deemed appropriate by the Board.

The Board shall report to the Joint Education Oversight Committee on this effort by December 1996.

Requested by: Representatives Grady, Preston

AGRICULTURE EDUCATION PROGRAM FUNDS

Sec. 15.11. (a) Of the funds provided to the Board of Governors of The University of North Carolina, the sum of five hundred eighty-five thousand dollars (\$585,000) for the 1995-96 fiscal year and the sum of five hundred eighty-five thousand dollars (\$585,000) for the 1996-97 fiscal year shall be allocated to the College of Agriculture and Life Sciences at North Carolina State University for personnel positions and related office and travel expenses to provide overall leadership, coordination, and structure for agricultural education programs and Future Farmers of America activities in the public schools of North Carolina.

(b) The positions in this section are:

- (1) A State Agricultural Education Coordinator, located in the Department of Agricultural and Extension Education at North Carolina State University;
- (2) Three Regional Consultants who are responsible to the State Agricultural Education Coordinator; and
- (3) A State Future Farmers of America Director, who is responsible to the State Agricultural Education Coordinator and the Board of Directors of the North Carolina Association of Future Farmers of America, Incorporated. The Executive Director and staff of the North Carolina Future Farmers of America Foundation are provided by the North Carolina Future Farmers of America Foundation, Incorporated, and the Director and staff of the North Carolina Future Farmers of America Center are provided by the North Carolina Association of Future Farmers of America, Inc.

(c) The Office of the Governor and the State Board of Education, the Superintendent of Public Instruction, and other State agencies responsible for vocational and technical education in the public schools shall maintain close working relationships

1 with the State Agricultural Education Coordinator. The State Agricultural Education
2 Coordinator and those agencies shall cooperate and collaborate to provide resources that
3 will ensure quality agricultural education programs in the public schools.

4 **PART 16. COMMUNITY COLLEGES**

5
6 Requested by: Representatives Grady, Preston

7 **BACCALAUREATE COMPLETION PROGRAM**

8 Sec. 16. A community college that permits a public or a nonprofit four-year
9 college or university to offer the junior or senior years of a baccalaureate degree program
10 or teacher certification renewal courses on the community college campus shall receive
11 five hundred dollars (\$500.00) for each FTE generated by the college or university for
12 these courses. The community college shall use these funds to offset utility,
13 maintenance, and administrative costs associated with offering these courses on the
14 community college campus.

15
16 Requested by: Representatives Grady, Preston

17 **CONTINUING BUDGET CONCEPT MODIFIED**

18 Sec. 16.1. The State Board of Community Colleges shall implement the
19 continuing budget concept for the 1995-97 biennium and in subsequent years as follows:

- 20 (1) Community colleges that experience a decline in enrollment shall not
21 receive a decrease in full-time equivalent student (FTE) enrollment
22 funds until their enrollment declines more than five percent (5%). At
23 that time, they shall experience a decline of only the amount over five
24 percent (5%);
- 25 (2) Community colleges that experience an increase in enrollment shall not
26 receive an increase in full-time equivalent student (FTE) enrollment
27 funds until their enrollment increases more than three percent (3%). At
28 that time, they shall experience an increase of only the amount over
29 three percent (3%).

30
31 Requested by: Representatives Grady, Preston

32 **LIBRARY WITHOUT WALLS TECHNOLOGY**

33 Sec. 16.2. The State Board of Community Colleges shall allocate funds
34 appropriated in this act for the "Library Without Walls" Technology to 25 pilot sites on a
35 competitive grant basis. In awarding the grants, the State Board shall consider the level
36 of interest and the readiness of each community college to use the technology.

37
38 Requested by: Representatives Grady, Preston

39 **FUNDS FOR "RETOOLING FOR THE YEAR 2000: GAINING THE** 40 **COMPETITIVE EDGE"**

41 Sec. 16.3. The funds appropriated in this act for the North Carolina
42 Community College System shall be used to implement the provisions of G.S. 115D-8,
43 "Retooling for the Year 2000: Gaining the Competitive Edge". These funds shall be for

1 the following priorities in order to improve the ability of citizens to be competitive in the
2 global economy:

- 3 (1) Improve training programs in high job demand skill areas;
- 4 (2) Enhance allied health programs, including nursing, physical,
5 occupational, and respiratory therapy, and increase the number of
6 trained students in these fields;
- 7 (3) Provide more technology education in order to ensure that all students
8 are technologically proficient in today's workplace. More infrastructure,
9 equipment, and highly trained faculty will be needed in this area;
- 10 (4) Increase short-term skill enhancement training through improved
11 occupational extension training programs;
- 12 (5) Provide funds for high cost programs;
- 13 (6) Develop more "workplace literacy" programs at job sites in order to
14 improve job security and advancement opportunities for workers;
- 15 (7) Provide more customized training for existing industries through the
16 expansion of Focused Industrial Training (FIT) Centers;
- 17 (8) Improve opportunities for faculty to keep up-to-date with the latest
18 technological changes in their fields by funding more professional
19 development and return-to-industry programs; and
- 20 (9) Enhance all associate degree programs and facilitate the transfer of
21 students with associate degrees pursuing baccalaureate degrees by
22 establishing pilot baccalaureate completion programs on the campuses
23 of community colleges.

24 The State Board of Community Colleges shall adopt the "Education Blueprint"
25 in accordance with G.S. 115D-8 and shall continue to provide its "Critical Success
26 Factors" document in order to provide the General Assembly with the accountability for
27 the expenditure of funds for the "Retooling for the Year 2000" programs.

28
29 Requested by: Representatives Grady, Preston

30 **RECEIPT ADJUSTMENT**

31 Sec. 16.4. The Office of State Budget and Management and the Department of
32 Community Colleges shall adjust annual tuition receipts for full-time equivalent students
33 to reflect actual collections from the previous year, but shall not reduce the total
34 requirements in their budget requests to the General Assembly.

35 The State Board of Community Colleges shall report to the Joint Legislative
36 Education Oversight Committee on an annual basis on the cost of the tuition and fee
37 exemptions established in G.S. 115D-5(b).

38 39 **PART 17. PUBLIC SCHOOLS**

40
41 Requested by: Representatives Grady, Preston

42 **EXCEPTIONAL CHILDREN FUNDS**

1 Sec. 17. (a) The funds appropriated for exceptional children in this act shall be
2 allocated as follows:

3 (1) Each local school administrative unit shall receive for academically
4 gifted children the sum of \$680.21 per child for three and nine-tenths
5 percent (3.9%) of the 1994-95 actual average daily membership in the
6 local school administrative unit, regardless of the number of children
7 identified as academically gifted in the local school administrative unit.
8 The total number of children for which funds shall be allocated pursuant
9 to this subdivision is 44,609 for the 1995-96 school year.

10 (2) Each local school administrative unit shall receive for exceptional
11 children other than academically gifted children the sum of \$2,040.63
12 per child for the lesser of (i) all children who are identified as
13 exceptional children other than academically gifted children or (ii)
14 twelve and five-tenths percent (12.5%) of the 1994-95 actual average
15 daily membership in the local school administrative unit. The maximum
16 number of children for which funds shall be allocated pursuant to this
17 subdivision is 131,642 for the 1995-96 school year.

18 The dollar amounts allocated under this subsection for exceptional children shall also
19 increase in accordance with legislative salary increments for personnel who serve
20 exceptional children.

21 (b) If House Bill 6 of the 1995 General Assembly is ratified, the State Board of
22 Education shall transfer the portion of these funds used to pay central office
23 administrators to a new allotment category for central office administrators, in
24 accordance with the provisions of House Bill 6.

25 (c) The State Board of Education shall evaluate and review the current process
26 and criteria for designating students as children with special needs.

27
28 Requested by: Representatives Grady, Preston

29 **SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES/SMALL SCHOOL**
30 **SYSTEM SUPPLEMENTAL FUNDING**

31 Sec. 17.1. (a) **Funds for supplemental funding.** – The General Assembly finds
32 that it is appropriate to provide supplemental funds in low-wealth counties to allow those
33 counties to enhance the instructional program and student achievement; therefore, of the
34 funds appropriated to Aid to Local School Administrative Units, the sum of thirty-five
35 million two hundred eighty-three thousand eight hundred nine dollars (\$35,283,809) for
36 the 1995-96 fiscal year and the sum of thirty-five million two hundred eighty-three
37 thousand eight hundred nine dollars (\$35,283,809) for the 1996-97 fiscal year shall be
38 used for supplemental funds for schools.

39 (b) **Use of funds for supplemental funding.** – Local school administrative units
40 shall use funds received pursuant to this section only to provide instructional positions,
41 instructional support positions, teacher assistant positions, clerical positions, instructional
42 supplies and equipment, staff development, and textbooks.

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

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

- 1 3. Personal property value for the county.
- 2 (7) " County adjusted property tax base per square mile" means the county
3 adjusted property tax base divided by the number of square miles of
4 land area in the county.
- 5 (8) " County wealth as a percentage of State average wealth" shall be
6 computed as follows:
- 7 a. Compute the percentage that the county per capita income is of
8 the State per capita income and weight the resulting percentage
9 by a factor of five-tenths,
- 10 b. Compute the percentage that the anticipated total county revenue
11 availability per student is of the anticipated State average revenue
12 availability per student and weight the resulting percentage by a
13 factor of four-tenths,
- 14 c. Compute the percentage that the county adjusted property tax
15 base per square mile is of the State adjusted property tax base per
16 square mile and weight the resulting percentage by a factor of
17 one-tenth,
- 18 d. Add the three weighted percentages to derive the county wealth
19 as a percentage of the State average wealth.
- 20 (9) " Effective county tax rate" means the actual county tax rate multiplied
21 by a weighted average of the three most recent annual sales assessment
22 ratio studies.
- 23 (10) " Effective State average tax rate" means the average of effective county
24 tax rates for all counties.
- 25 (10a) " Local current expense funds" means the most recent county current
26 expense appropriations to public schools, as reported by local boards of
27 education in the audit report filed with the Secretary of the Local
28 Government Commission pursuant to G.S. 115C-447.
- 29 (11) " Per capita income" means the average for the most recent three years
30 for which data are available of the per capita income according to the
31 most recent report of the United States Department of Commerce,
32 Bureau of Economic Analysis, including any reported modifications for
33 prior years as outlined in the most recent report.
- 34 (12) " Sales assessment ratio studies" means sales assessment ratio studies
35 performed by the Department of Revenue under G.S. 105-289(h).
- 36 (13) " State average current expense appropriations per student" means the
37 most recent State total of county current expense appropriations to
38 public schools, as reported by local boards of education in the audit
39 report filed with the Secretary of the Local Government Commission
40 pursuant to G.S. 115C-447, divided by the total State average daily
41 membership.

1 (14) " State average adjusted property tax base per square mile" means the
2 sum of the county adjusted property tax bases for all counties divided by
3 the number of square miles of land area in the State.

4 (14a) " Supplant" means to decrease local per student current expense
5 appropriations from one fiscal year to the next fiscal year.

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

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

20 (e) **Allocation of funds.** – Except as provided in subsection (g) of this section,
21 the amount received per average daily membership for a county shall be the difference
22 between the State average current expense appropriations per student and the current
23 expense appropriations per student that the county could provide given the county's
24 wealth and an average effort to fund public schools. (To derive the current expense
25 appropriations per student that the county could be able to provide given the county's
26 wealth and an average effort to fund public schools, multiply the county wealth as a
27 percentage of State average wealth by the State average current expense appropriations
28 per student.)

29 The funds for the local school administrative units located in whole or in part
30 in the county shall be allocated to each local school administrative unit, located in whole
31 or in part in the county, based on the average daily membership of the county's students
32 in the school units.

33 If the funds appropriated for supplemental funding are not adequate to fund the
34 formula fully, each local school administrative unit shall receive a pro rata share of the
35 funds appropriated for supplemental funding.

36 (f) **Formula for distribution of supplemental funding pursuant to this**
37 **section only.** – The formula in this section is solely a basis for distribution of
38 supplemental funding for low-wealth counties and is not intended to reflect any measure
39 of the adequacy of the educational program or funding for public schools. The formula is
40 also not intended to reflect any commitment by the General Assembly to appropriate any
41 additional supplemental funds for low-wealth counties.

42 (g) **Minimum effort required.** – A county that (i) maintains an effective
43 county tax rate that is at least one hundred percent (100%) of the effective State average

1 tax rate in the most recent year for which data are available or (ii) maintains a county
2 appropriation per student to the school local current expense fund of at least one hundred
3 percent (100%) of the current expense appropriations per student to the school local
4 current expense fund that the county could provide given the county's wealth and an
5 average effort to fund public schools, shall receive full funding under this section. A
6 county that maintains a county appropriation per student to the school local current
7 expense fund of less than one hundred percent (100%) of the current expense
8 appropriations per student to the school local current expense fund that the county could
9 provide given the county's wealth and an average effort to fund public schools shall
10 receive funding under this section at the same percentage that the county's appropriation
11 per student to the school local current expense fund is of the current expense
12 appropriations per student to the school local current expense fund that the county could
13 provide given the county's wealth and an average effort to fund public schools.

14 (h) **Nonsupplant requirement.** – A county in which a local school
15 administrative unit receives funds under this section shall use the funds to supplement
16 local current expense funds and shall not supplant local current expense funds. For the
17 1995-97 fiscal biennium, the State Board of Education shall not allocate funds under this
18 section to a county found to have used these funds to supplant local per student current
19 expense funds. The State Board of Education shall make a finding that a county has used
20 these funds to supplant local current expense funds in the prior year, or the year for which
21 the most recent data are available, if:

- 22 (1) The average of the local per student current expense appropriation for
23 the three most recent years is less than ninety-five percent (95%) of the
24 greater of (i) the local per student current expense appropriation for the
25 1991-92 fiscal year; or (ii) the average local per student current expense
26 appropriation of the county for the three fiscal years immediately prior
27 to the current year; and
28 (2) The county cannot show (i) that it has remedied the deficiency in
29 funding, or (ii) that extraordinary circumstances caused the county to
30 supplant local current expense funds with funds allocated under this
31 section.

32 The State Board of Education shall adopt rules to implement this section.

33 (i) **Reports.** – The State Board of Education shall report to the Joint
34 Legislative Education Oversight Committee prior to May 1, 1996, on its analysis of
35 whether counties supplanted funds.

36 (j) **Department of Revenue reports.** – The Department of Revenue shall
37 provide to the Department of Public Instruction a preliminary report for the current fiscal
38 year of the assessed value of the property tax base for each county prior to March 1 of
39 each year and a final report prior to May 1 of each year. The reports shall include for
40 each county the annual sales assessment ratio and the taxable values of (i) total real
41 property, (ii) the portion of total real property represented by the present-use value of
42 agricultural land, horticultural land, and forestland as defined in G.S. 105-277.2, (iii)

1 property of public service companies determined in accordance with Article 23 of
2 Chapter 105 of the General Statutes, and (iv) personal property.

3 Sec. 17.2. (a) **Funds for small school systems.** – Except as provided in subsection
4 (b) of this section, the State Board of Education shall allocate funds appropriated for
5 small school system supplemental funding (i) to each county school administrative unit
6 with an average daily membership of less than 3,000 students and (ii) to each county
7 school administrative unit with an average daily membership of from 3,000 to 4,000
8 students if the county in which the local school administrative unit is located has a county
9 adjusted property tax base per student that is below the State adjusted property tax base
10 per student and if the total average daily membership of all local school administrative
11 units located within the county is from 3,000 to 4,000 students. The allocation formula
12 shall:

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

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

34 (b) **Nonsupplant requirement.** – A county in which a local school administrative
35 unit receives funds under this section shall use the funds to supplement local current
36 expense funds and shall not supplant local current expense funds. For the 1995-97 fiscal
37 biennium, the State Board of Education shall not allocate funds under this section to a
38 county found to have used these funds to supplant local per student current expense
39 funds. The State Board of Education shall make a finding that a county has used these
40 funds to supplant local current expense funds in the prior year, or the year for which the
41 most recent data are available, if:

- 42 (1) The average of the local per student current expense appropriation for
43 the three most recent years is less than ninety-five percent (95%) of the

1 greater of (i) the local per student current expense appropriation for the
2 1991-92 fiscal year; or (ii) the average local per student current expense
3 appropriation of the county for the three fiscal years immediately prior
4 to the current year; and

- 5 (2) The county cannot show (i) that it has remedied the deficiency in
6 funding, or (ii) that extraordinary circumstances caused the county to
7 supplant local current expense funds with funds allocated under this
8 section.

9 The State Board of Education shall adopt rules to implement this section.

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

- 11 (1) "Average daily membership" means within two percent (2%) of the
12 average daily membership as defined in the North Carolina Public
13 Schools Allotment Policy Manual, adopted by the State Board of
14 Education.

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

- 20 (2a) " Local current expense funds" means the most recent county current
21 expense appropriations to public schools, as reported by local boards of
22 education in the audit report filed with the Secretary of the Local
23 Government Commission pursuant to G.S. 115C-447.

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

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

- 29 (4a) " Supplant" means to decrease local per student current expense
30 appropriations from one fiscal year to the next fiscal year.

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

41 (d) **Reports.** – The State Board of Education shall report to the Joint Legislative
42 Education Oversight Committee prior to May 1, 1996, on the results of its analysis of
43 whether counties supplanted funds.

1
2 Requested by: Representatives Grady, Preston

3 **SCHOOL TECHNOLOGY RESERVE**

4 Sec. 17.3. The funds in the amount of forty-two million dollars (\$42,000,000)
5 appropriated for the 1994-95 fiscal year to the Office of State Budget and Management,
6 School Technology Reserve, are transferred to the State Board of Education, State School
7 Technology Fund. These funds shall be allocated by the State Board of Education to the
8 credit of local school administrative units as follows:

- 9 (1) Ten percent (10%) of these funds shall be allocated in accordance with
10 the low-wealth county supplemental school funding formula set out in
11 Section 138 of Chapter 321 of the 1993 Session Laws, as rewritten by
12 Section 19.32 of Chapter 769 of the 1993 Session Laws; and
13 (2) Ninety percent (90%) of these funds shall be allocated on the basis of
14 average daily membership: Provided, however, the State Board shall use
15 part of these funds, as necessary, to ensure that the sum total of the
16 allocations to all of the local school administrative units located within
17 each county is at least fifty thousand dollars (\$50,000).

18 Before a local school technology plan is approved by the State Board
19 of Education, a local board of education may use up to ten percent
20 (10%) of the funds credited to it in the Fund to develop its local school
21 technology plan or, to the extent that these funds are not needed to
22 develop the local school technology plan, for staff development to
23 improve the use of instructional technology. After a local school
24 technology plan is reviewed by the Department of Public Instruction
25 and the Information Resources Management Commission and approved
26 by the State Board of Education, a local board of education may use the
27 remainder of these funds for nonpersonnel expenses to implement its
28 local school technology plan, including staff development, hardware,
29 software, networks, maintenance contracts, and school facility
30 modifications necessary for the installation of equipment.

31 Two or more local school administrative units may jointly expend
32 funds to develop their individual local school technology plans, for staff
33 development, or to implement their individual local school technology
34 plans.
35

36 Requested by: Representatives Grady, Preston

37 **LITIGATION RESERVE**

38 Sec. 17.4. (a) Funds appropriated to the Department of Public Instruction for
39 the 1994-95 fiscal year for the Litigation Reserve that are not expended or encumbered
40 on June 30, 1995, are transferred to the State Board of Education. These funds shall not
41 revert on July 1, 1995, but shall remain available for expenditure until June 30, 1997.

1 (b) Funds appropriated to the State Board of Education for the 1995-96 fiscal year
2 for the Litigation Reserve that are not expended or encumbered on June 30, 1996, shall
3 not revert on July 1, 1996, but shall remain available for expenditure until June 30, 1997.

4 (c) Subsection (a) of this section becomes effective June 30, 1995.
5

6 Requested by: Representatives Grady, Preston

7 **EDUCATION EXPENDITURE REPORT DUE DATE**

8 Sec. 17.5. G.S. 105-503(b) reads as rewritten:

9 "(b) On or before ~~February 15~~ May 1 of each year the Local Government
10 Commission shall furnish to the General Assembly a report of the level of each county's
11 appropriations for public school capital outlay (including retirement of indebtedness
12 incurred and monies reserved for these purposes), include the amount each county has
13 provided for public school capital outlay for a period including at a minimum the most
14 recent five fiscal years, estimates of public school facility needs, the proportion of
15 revenue from taxes collected under Article 40 of this Chapter that has been provided for
16 public school capital outlay purposes (including retirement of indebtedness incurred and
17 monies reserved for these purposes), the proportion of revenue collected under this
18 Article that has been expended for a public school capital outlay purposes (including
19 retirement of indebtedness incurred and monies reserved for these purposes), and any
20 other factors it deems relevant to carrying out the intent stated in subsection (a) of this
21 section."
22

23 Requested by: Representatives Grady, Preston

24 **ELIMINATION OF OBSOLETE REPORTS ON MAINTENANCE CONTRACTS;
25 EXCHANGE OF INFORMATION WITHIN STATE EDUCATION AGENCIES**

26 Sec. 17.6. (a) Section 38(b) of Chapter 500 of the 1989 Session Laws is
27 repealed.

28 (b) Section 6 of Chapter 880 of the 1991 Session Laws reads as rewritten:

29 "Sec. 6. A joint report of progress made to develop a system to provide an exchange
30 of information shall be made to the Joint Legislative Education Oversight Committee no
31 later than February 15, ~~1993, and annually thereafter, 1996.~~"
32

33 Requested by: Representatives Grady, Preston

34 **EXPANSION BUDGET APPROPRIATIONS OF SAVINGS FROM THE
35 REORGANIZATION OF THE DEPARTMENT OF PUBLIC INSTRUCTION**

36 Sec. 17.7. Of the funds appropriated to State Aid to Local School
37 Administrative Units, the State Board of Education shall allocate the sum of nine million
38 three hundred eighteen thousand four hundred thirty-six dollars (\$9,318,436) for the
39 1995-96 fiscal year and the sum of ten million six hundred sixty-five thousand three
40 hundred forty-one dollars (\$10,665,341) for the 1996-97 fiscal year to local school
41 administrative units. These funds shall be used for textbooks, classroom
42 materials/instructional supplies/equipment, or both.
43

1 Requested by: Representatives Grady, Preston

2 **MODIFICATION OF TRANSFER FUNDS FOR TACS TO LOCAL SCHOOL**
3 **ADMINISTRATIVE UNITS**

4 Sec. 17.8. Section 17.7 of Chapter 324 of the 1995 Session Laws reads as
5 rewritten:

6 "Sec. 17.7. Effective July 1, 1996, the State Board of Education shall reallocate funds
7 from Technical Assistance Centers to local school administrative units in accordance
8 with a formula adopted by the State ~~Board.~~ Board: provided however, if all of the local
9 school administrative units in the service area of a Technical Assistance Center agree on
10 a plan for use of funds allocated to that Technical Assistance Center, the State Board of
11 Education may reallocate the funds for that Technical Assistance Center prior to July 1,
12 1996. Local boards of education may use these funds to contract with Technical
13 Assistance Centers, contract with other entities, hire personnel, or otherwise acquire staff
14 development, training, planning, and other forms of technical assistance.

15 The Technical Assistance Centers shall be funded solely by receipts from local boards
16 of education and from other non-State sources. The State Board shall establish a
17 management structure for the Technical Assistance Centers that enables superintendents,
18 principals, and teachers from the local school administrative units to be served by the
19 Centers to have input into the priorities and personnel decisions at the Centers."
20

21 **PART 18. DEPARTMENT OF TRANSPORTATION**

22
23 Requested by: Representatives Barbee, Bowie, Culpepper

24 **NORTHEASTERN REGIONAL AIRPORT MATCHING FUNDS**

25 Sec. 18. Of the funds appropriated in the Continuation Budget Operations
26 Appropriations Act of 1995 to the Department of Commerce for allocation to the
27 Northeast North Carolina Regional Economic Development Commission, the sum of one
28 hundred twenty-five thousand dollars (\$125,000) in each fiscal year shall be transferred
29 to the Department of Transportation for allocation as a local match for projects at the
30 Northeastern Regional Airport in Edenton.

31 Funds used as a local match shall be used for projects that have been approved
32 by the Northeastern Regional Airport Commission and have been included in the
33 transportation improvement plan adopted by the Board of Transportation.

34 The State-local fund matching limitations contained in Article 7 of Chapter 63
35 of the General Statutes shall not apply to the State funds used as a local match pursuant to
36 this section.
37

38 Requested by: Representatives Barbee, Bowie

39 **JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE TO**
40 **STUDY LIENS ON TOWED AND STORED VEHICLES**

41 Sec. 18.1. The Joint Legislative Transportation Oversight Committee shall
42 study the enforcement of liens on motor vehicles that have been towed and stored,
43 including the following issues:

- 1 (1) Whether the time period after which a lien can be satisfied on a motor
2 vehicle for unpaid repair, towing, or storing charges should be
3 shortened, and whether any other time periods relating to liens on towed
4 and stored motor vehicles should be shortened;
- 5 (2) Whether the amount of time that a vehicle can be left on the property of
6 another person, including a business engaged in automobile repair,
7 towing, or storage, before that vehicle is considered to be abandoned
8 should be shortened;
- 9 (3) Whether the cost of towing should be included in the amount of a lien;
- 10 (4) Whether new procedures should be established for disposal of low-value
11 vehicles to satisfy liens;
- 12 (5) Whether the last registered owner of an abandoned vehicle that has been
13 towed and stored should be charged with a traffic offense, should be
14 liable for any restitution, or should be penalized in any other manner;
15 and
- 16 (6) Other issues related to the towing and storage of motor vehicles and
17 liens on those vehicles.

18 The Joint Legislative Transportation Oversight Committee shall report the
19 results of this study, including any legislative recommendations, to the 1995 General
20 Assembly, Regular Session 1996.

21
22 Requested by: Representatives Barbee, Bowie, Sherrill
23 **DEPARTMENT OF TRANSPORTATION TO PROVIDE CONSTRUCTION AND**
24 **MAINTENANCE SERVICES AT THE GOVERNOR'S WESTERN RESIDENCE**

25 Sec. 18.2. G.S. 136-18(13) reads as rewritten:
26 "(13) The Department of Transportation is ~~authorized and empowered to~~ may
27 construct and maintain all walkways and driveways within the Mansion
28 Square in the City of Raleigh and the Western Residence of the
29 Governor in the City of Asheville including the approaches connecting
30 with the city streets, and any funds expended therefor shall be a charge
31 against general maintenance."

32
33 Requested by: Representatives Barbee, Bowie
34 **PURCHASE OF CENTURY CENTER CAMPUS FACILITY**
35 Sec. 18.3. Notwithstanding any other provision of law, revenue collected into
36 the Highway Trust Fund in excess of the certified budget for the fiscal year ending June
37 30, 1995, may be reserved and used, to the extent necessary, by the Department of
38 Transportation to acquire the capital facility known as the Century Center Campus.

39
40 Requested by: Representatives Barbee, Bowie, Sherrill
41 **JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE TO**
42 **STUDY DIVISION OF MOTOR VEHICLES WAKE COUNTY SERVICE**
43 **FACILITY**

1 Sec. 18.4. The Joint Legislative Transportation Oversight Committee shall
2 study a Division of Motor Vehicles Campus in Wake County, including a Customer
3 Service Facility. The Committee shall consider:

- 4 (1) The need for a new DMV facility in Wake County;
- 5 (2) The location and design of any proposed DMV Campus;
- 6 (3) The phased construction and total life-cycle cost of any DMV Campus;
- 7 (4) The renovation, replacement, or subsequent use of the existing DMV
8 structures on New Bern Avenue; and
- 9 (5) Other matters relating to Division of Motor Vehicles offices and
10 services in Wake County.

11 The Department of Transportation, the State Construction Office, the Capital
12 Planning Commission, and other State agencies shall assist the Joint Legislative
13 Transportation Oversight Committee in conducting this study.

14 The Joint Legislative Transportation Oversight Committee shall report its
15 finding on this matter to the 1995 General Assembly, Regular Session 1996.

16
17 Requested by: Representatives Barbee, Bowie, Sherrill

18 **SMALL URBAN CONSTRUCTION PROGRAM DISCRETIONARY FUNDS**
19 **INCREASED**

20 Sec. 18.5. Section 18.12 of Chapter 324 of the 1995 Session Laws reads as
21 rewritten:

22 "Sec. 18.12. Of the funds appropriated in this act to the Department of
23 ~~Transportation, Transportation:~~

- 24 (1) ~~fourteen~~ Fourteen million dollars (\$14,000,000) shall be allocated in
25 each fiscal year for small urban construction projects. These funds shall
26 be allocated equally in each fiscal year of the biennium among the 14
27 Highway Divisions for the small urban construction program for small
28 urban construction projects that are located within the area covered by a
29 one-mile radius of the municipal corporate limits.

- 30 (2) ~~Discretionary funds of six million dollars (\$6,000,000)~~ Seven million
31 one hundred thousand dollars (\$7,100,000) shall be used statewide for
32 rural or small urban highway improvements as approved by the
33 Secretary of the Department of Transportation. At least one million one
34 hundred thousand dollars (\$1,100,000) of these funds shall be used for
35 spot-safety projects.

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

38 The Department of Transportation shall report to the members of the General
39 Assembly on projects funded pursuant to this section in each member's district prior to
40 the Board of Transportation's action. The Department shall make a quarterly
41 comprehensive report on the use of these funds to the Joint Legislative Transportation
42 Oversight Committee and the Fiscal Research Division."
43

1 Requested by: Representative McLaughlin

2 **DEPARTMENT OF TRANSPORTATION MAY USE CERTAIN SALARY**
3 **FUNDS FOR DIVISION OF MOTOR VEHICLE CLASSIFICATIONS**

4 Sec. 18.13. Notwithstanding any other provision of law, the Department of
5 Transportation may use the funds appropriated in Section 3 of Chapter 324 of the 1995
6 Session Laws for a Reserve of Salary Adjustments and any additional available salary
7 funds for the following Division of Motor Vehicles reclassifications, that were
8 reclassified as a result of the Officer Support Services Occupational Group Study
9 mandated by the Office of State Personnel: Customer Service Representatives
10 Classifications, Traffic Records Clerical Staff, and International Registration Plan
11 positions.

12
13 Requested by: Representatives Barbee, Bowie

14 **ORGANIZATIONAL AND BUSINESS PRACTICES STUDY OF THE DIVISION**
15 **OF MOTOR VEHICLES**

16 Sec. 18.14. (a) The Joint Legislative Commission on Governmental
17 Operations shall conduct a study of the Division of Motor Vehicles.

18 The study may include an assessment and recommendations for change of the
19 Division's statutory responsibilities and functions, organizational structure, processes, and
20 business practices.

21 The Joint Legislative Commission on Governmental Operations may enter into a
22 contract with a private consulting firm to conduct this study.

23 The Joint Legislative Commission on Governmental Operations shall report its
24 findings and recommendations based on this study to the 1995 General Assembly,
25 Regular Session 1996.

26 (b) Of the funds appropriated from the Highway Fund to the Legislative Services
27 Commission in this act the sum of two hundred thousand dollars (\$200,000) for the 1995-
28 96 fiscal year shall be used to fund the study of the Division of Motor Vehicles by the
29 Joint Legislative Commission on Governmental Operations authorized by subsection (a)
30 of this section.

31
32 **PART 19. DEPARTMENT OF CORRECTION**

33
34 Requested by: Representatives Justus, Thompson

35 **AUTHORIZE ADDITIONAL PRIVATE PRISON BEDS**

36 Sec. 19. G.S. 148-37(g), as enacted by Section 19.10 of Chapter 324 of the
37 1995 Session Laws, reads as rewritten:

38 "(g) The Secretary of Correction may contract with private for-profit or nonprofit
39 firms for the provision and operation of two or more confinement facilities ~~totaling up to~~
40 ~~1,000 beds~~ in the State to house up to 1,600 State prisoners when to do so would most
41 economically and effectively promote the purposes served by the Department of
42 Correction. This 1,600-bed limitation shall not apply to the 500 beds in private substance
43 abuse treatment centers authorized by the General Assembly prior to July 1, 1995.

1 Contracts entered under the authority of this subsection shall be for a period not to exceed
2 10 years, shall be renewable from time to time for a period not to exceed 10 years, and
3 are subject to the approval of the Council of State and the Department of Administration,
4 after consultation with the Joint Legislative Commission on Governmental Operations.
5 Confinement facilities provided under the authority of this subsection shall not be used
6 for the purpose of consolidating existing State confinement facilities. The Secretary of
7 Correction shall enter contracts under this subsection only if funds are appropriated for
8 this purpose by the General Assembly. Contracts entered under the authority of this
9 subsection may be subject to any requirements for the location of the confinement
10 facilities set forth by the General Assembly in appropriating those funds.

11 Contracts made under the authority of this subsection may provide the State with an
12 option to purchase the confinement facility or may provide for the purchase of the
13 confinement facility by the State. The Department of Correction may give preference to
14 facilities intended for joint county and State use where such facilities are developed by
15 public/private partnerships and financed by tax-exempt bond issues, and where such
16 facilities offer general terms and conditions favorable to the State in the competitive
17 bidding process pursuant to Article 8 of Chapter 143 of the General Statutes. All
18 contracts for the housing of State prisoners in private confinement facilities shall require
19 a minimum of ten million dollars (\$10,000,000) of occurrence-based liability insurance
20 and shall hold the State harmless and provide reimbursement for all liability arising out of
21 actions caused by operations and employees of the private confinement facility.

22 Prisoners housed in private confinement facilities pursuant to this subsection shall
23 remain subject to the rules adopted for the conduct of persons committed to the State
24 prison system. The Secretary of Correction may review and approve the design and
25 construction of private confinement facilities before housing State prisoners in these
26 facilities. The rules regarding good time, gain time, and earned credits, discipline,
27 classification, extension of the limits of confinement, transfers, housing arrangements,
28 and eligibility for parole shall apply to inmates housed in private confinement facilities
29 pursuant to this subsection. The operators of private confinement facilities may adopt
30 any other rules as may be necessary for the operation of those facilities with the written
31 approval of the Secretary of Correction. Custodial officials employed by a private
32 confinement facility are agents of the Secretary of Correction and may use those
33 procedures for use of force authorized by the Secretary of Correction to defend
34 themselves, to enforce the observance of discipline in compliance with confinement
35 facility rules, to secure the person of a prisoner, and to prevent escape. Private firms
36 under this subsection shall employ inmate disciplinary and grievance policies of the
37 North Carolina Department of Correction."
38

39 Requested by: Representatives Justus, Thompson, Mercer

40 **EXTERNAL CONSULTANT TO EVALUATE DOC SUBSTANCE ABUSE**
41 **PROGRAMS**

42 Sec. 19.1. Of the funds appropriated to the Department of Correction for the
43 1995-96 fiscal year, the Department shall use up to twenty-five thousand dollars

1 (\$25,000) to hire an external consultant to evaluate the DART prison substance abuse
2 program and private substance abuse programs funded by the Department as follows:

- 3 (1) Evaluate the appropriateness of the treatment methodology used for
4 those programs;
- 5 (2) Evaluate the cost-effectiveness of those programs, with an emphasis on
6 the number and type of staff employed; and
- 7 (3) Evaluate the effectiveness of those programs in reducing recidivism and
8 drug dependency, if such data is available, or develop evaluation
9 standards and a process for conducting such evaluations and reporting
10 the results.

11 The Department shall provide the consultant's report to the Chairs of the Senate
12 and House Appropriations Committees and the Chairs of the Senate and House
13 Appropriations Subcommittees on Justice and Public Safety by May 1, 1996.

14
15 Requested by: Representatives Justus, Thompson

16 **BUNKING INMATES IN SHIFTS/PILOT PROGRAM**

17 Sec. 19.2. (a) The Department of Correction may implement a pilot program for
18 the bunking of inmates in shifts at Lincoln Correctional Center by April 1, 1996. The
19 pilot program may provide for arranging inmates' daily activities in such a manner that at
20 least two different groups of inmates may occupy the same dormitory space during
21 different portions of each 24-hour day. Of the funds appropriated to the Department of
22 Correction for the 1995-96 fiscal year in this act, the Department may use up to the sum
23 of four hundred ninety-nine thousand dollars (\$499,000) for temporary positions,
24 payment of overtime, capital expenditures, and other costs of implementing the pilot
25 program.

26 (b) The Department of Correction shall report quarterly on the progress of the pilot
27 program to the Joint Legislative Corrections Oversight Committee. The Department shall
28 report on the implementation of the program to the Chairs of the Senate and House
29 Appropriations Committees and the Chairs of the Senate and House Appropriations
30 Subcommittees on Justice and Public Safety by May 15, 1996.

31
32 Requested by: Representatives Justus, Thompson, Pulley

33 **NOTICE OF COMMUTATIONS**

34 Sec. 19.3. G.S 147-16 reads as rewritten:

35 "**§ 147-16. Records kept; certain original applications ~~preserved.~~ preserved; notice**
36 **of commutations.**

37 (a) The Governor shall cause to be kept the following records:

- 38 (1) A register of all applications for pardon, or for commutation of any
39 sentence, with a list of the official signatures and recommendations in
40 favor of such application.
- 41 (2) An account of all his official expenses and disbursements, including the
42 incidental expenses of his department, and the rewards offered by him
43 for the apprehension of criminals.

1 These records and the originals of all applications, petitions, and recommendations
2 and reports therein mentioned shall be preserved in the office of the Governor, but when
3 applications for offices are refused he may, in his discretion, return the papers referring to
4 the application.

5 (b) The Governor shall, unless otherwise requested by any person listed in
6 subdivisions (1) through (4) of this subsection, provide notice of the commutation of any
7 sentence within 20 days after the commutation by first-class mail to the following at the
8 last known address:

9 (1) The victim or victims of the crime for which the sentence was imposed;

10 (2) The victims' spouse, children, and parents;

11 (3) Any other members of the victims' family who request in writing to be
12 notified; and

13 (4) The Chairs of the Joint Legislative Corrections Oversight Committee."
14

15 Requested by: Representatives Justus, Thompson

16 **REIMBURSE COUNTIES FOR EXTRAORDINARY MEDICAL COSTS FOR**
17 **INMATES AWAITING TRANSFER TO STATE PRISON SYSTEM**

18 Sec. 19.4. Notwithstanding any other provision of law, the Secretary of
19 Correction may use funds appropriated to the Department of Correction to reimburse
20 counties for extraordinary medical costs, as defined in G.S. 148-32.1(a), incurred by
21 inmates housed in local confinement facilities awaiting transfer in the State prison
22 system.

23
24 **PART 20. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**
25

26 Requested by: Representatives Justus, Thompson

27 **COMMUNITY SERVICE DISTRICT SUPERVISOR RESIDENCY**
28 **REQUIREMENT**

29 Sec. 20. (a) G.S. 143B-475.1 is amended by adding a new subsection to read:

30 "(e) In order to maximize the efficiency and effectiveness of the community service
31 program, beginning September 1, 1995, (i) community service program districts shall
32 have the same boundaries as the district court districts established in G.S. 7A-133 and (ii)
33 all community service program district supervisors employed by the Department of
34 Crime Control and Public Safety to supervise each of the community service program
35 districts shall reside in the district in which the supervisor works."

36 (b) By September 1, 1995, any vacant community service program district
37 supervisor position shall be filled with a person who resides in the district as that district
38 will be constituted on September 1, 1995.

39 (c) This section is effective upon ratification.
40

41 Requested by: Representatives Justus, Thompson

42 **EMERGENCY MANAGEMENT FUNDS SHALL NOT REVERT**

1 Sec. 20.1. (a) The balance of any recurring or nonrecurring funds appropriated to
 2 the Department of Crime Control and Public Safety, Division of Emergency
 3 Management, for the 1993-94 fiscal year and for the 1994-95 fiscal year for the
 4 establishment of six Hazardous Materials Emergency Response Teams shall not revert
 5 but shall remain in the Department to be used for the purchase of equipment, personnel
 6 training needs, and other program operating costs.

7 (b) This section becomes effective June 30, 1995.
 8

9 **PART 21. JUDICIAL DEPARTMENT**

10
 11 Requested by: Representatives Justus, Thompson

12 **CONTINUE MEDIATED SETTLEMENT PILOT**

13 Sec. 21. (a) G.S. 7A-38(o) reads as rewritten:

14 "(o) Report on pilot program. The Administrative Office of the Courts shall file a
 15 written report with the General Assembly on the evaluation of the pilot program on or
 16 before May 1, 1995. The pilot program shall terminate on ~~June 30, 1995.~~ July 15, 1995."

17 (b) Notwithstanding the provisions of G.S. 7A-38(n), the Administrative Office of
 18 the Courts may use funds available to the Judicial Department from July 1, 1995, to July
 19 15, 1995, for the purpose of operating the pilot program.
 20

21 Requested by: Representatives Justus, Thompson

22 **INCREASE MAXIMUM ALLOWABLE MAGISTRATES FOR CURRITUCK
 23 AND PASQUOTANK COUNTIES**

24 Sec. 21.1. G.S. 7A-133 reads as rewritten:

25 **"§ 7A-133. Numbers of judges by districts; numbers of magistrates and additional
 26 seats of court, by counties.**

27 Each district court district shall have the numbers of judges and each county within
 28 the district shall have the numbers of magistrates and additional seats of court, as set forth
 29 in the following table:

30 Additional

District	Judges	County	Magistrates Min.-Max.	Seats of Court
1	4	Camden	1	2
		Chowan	2	3
		Currituck	1	2 <u>3</u>
		Dare	3	8
		Gates	2	3
		Pasquotank	3	4 <u>5</u>
		Perquimans	2	3
2	3	Martin ⁵	8	
		Beaufort	4	8
		Tyrrell	1	3

1					Hyde	2	4	
2					Washington	3	4	
3	3A	3	Pitt	10	12	Farmville		
4								Ayden
5	3B	4	Craven		7	10	Havelock	
6						Pamlico	2	3
7						Carteret	5	8
8	4	6	Sampson		6	8		
9						Duplin	9	11
10						Jones	2	3
11						Onslow	8	14
12	5	6	New Hanover		6	11		
13						Pender	4	6
14	6A	2	Halifax		9	14	Roanoke	
15								Rapids,
16								Scotland Neck
17	6B	3	Northampton		5	6		
18						Bertie	4	5
19						Hertford	5	6
20	7	6	Nash	7	10	Rocky Mount		
21						Edgecombe	4	6
22						Wilson	4	6
23	8	5	Wayne		5	11	Mount Olive	
24						Greene	2	4
25						Lenoir	4	10
26	9	4	Granville		3	7		La Grange
27						Vance	3	5
28						Warren	3	4
29						Franklin	3	6
30	9A	2	Person	3	4			
31						Caswell	2	5
32	10	12	Wake	12	20	Apex,		
33								Wendell,
34								Fuquay-
35								Varina,
36								Wake Forest
37	11	6	Harnett		7	11	Dunn	
38						Johnston	10	12
39								Benson,
40								Clayton
41						Lee	4	6
42	12	6	Cumberland	10	17			and Selma
43	13	4	Bladen		4	6		

1				Brunswick	4	7	
2				Columbus	6	8	Tabor City
3	14	5	Durham	8	12		
4	15A	3	Alamance	7	10	Burlington	
5	15B	3	Orange	4	11	Chapel Hill	
6				Chatham	3	8	Siler City
7	16A	2	Scotland	3	5		
8				Hoke	4	5	
9	16B	5	Robeson	8	16	Fairmont,	
10							Maxton,
11							Pembroke,
12							Red Springs,
13							Rowland,
14							St. Pauls
15	17A	2	Rockingham	4	9	Reidsville,	
16							Eden,
17							Madison
18	17B	3	Stokes2	5			
19				Surry	5	8	Mt. Airy
20	18	10	Guilford	20	26	High Point	
21	19A	3	Cabarrus	5	9	Kannapolis	
22	19B	3	Montgomery	2	4		
23				Randolph	5	8	Liberty
24	19C	3	Rowan	5	10		
25	20	6	Stanly	5	6		
26				Union	4	6	
27				Anson	4	5	
28				Richmond	5	6	Hamlet
29				Moore	5	8	Southern
30							Pines
31	21	7	Forsyth	3	15	Kernersville	
32	22	7	Alexander	2	3		
33				Davidson	7	10	Thomasville
34				Davie	2	3	
35				Iredell	4	9	Mooresville
36	23	3	Alleghany	1	2		
37				Ashe	3	4	
38				Wilkes	4	6	
39				Yadkin	3	5	
40	24	3	Avery	3	4		
41				Madison	4	5	
42				Mitchell	3	4	
43				Watauga	4	6	

1				Yancey		2	4	
2	25	7	Burke	4	7			
3				Caldwell		4	7	
4				Catawba		6	10	Hickory
5	26	14	Mecklenburg	15	26			
6	27A	5	Gaston	11	20			
7	27B	4	Cleveland	5	8			
8				Lincoln		4	6	
9	28	5	Buncombe	6	15			
10	29	4	Henderson	4	6			
11				McDowell		3	5	
12				Polk		3	4	
13				Rutherford		6	8	
14				Transylvania		2	4	
15	30	4	Cherokee	3	4			
16				Clay		1	2	
17				Graham		2	3	
18				Haywood		5	7	Canton
19				Jackson		3	4	
20				Macon		3	4	
21				Swain		2	3."	

22 Requested by: Representatives Justus, Thompson, Mercer

23 **RECIDIVISM STUDY**

24 Sec. 21.2. The North Carolina Sentencing and Policy Advisory Commission
 25 shall contract with an external consultant to study recidivism of criminal offenders
 26 assigned to community correctional programs or released from prison. The community
 27 correctional programs to be studied shall include Treatment Alternative to Street Crime
 28 (TASC), Community Penalties Program, Community Service, and all supervised
 29 probation and parole programs. The study shall identify those offenders rearrested within
 30 two years or more after assignment to a program or release from prison.

31 Of the funds appropriated to the Judicial Department for the 1995-97
 32 biennium, the Department may use up to fifty thousand dollars (\$50,000) during the
 33 1995-97 biennium to contract with an external consultant for this study. The Department
 34 shall provide the consultant's report to the Chairs of the Senate and House Appropriations
 35 Committees and the Chairs of the Senate and House Appropriations Subcommittees on
 36 Justice and Public Safety by May 1, 1996.

37
 38 Requested by: Representatives Justus, Thompson

39 **INDIGENT PERSONS' ATTORNEY FEE FUND**

40 Sec. 21.3. (a) Effective July 1, 1995, the Administrative Office of the Courts shall
 41 each year of the 1995-97 biennium reserve funds for capital cases and for transcripts,
 42 professional examinations, and expert witness fees from the Indigent Persons' Attorney
 43 Fee Fund. The remaining available funds in the Indigent Persons' Attorney Fee Fund

1 shall be allotted for adult, juvenile, and guardian ad litem cases for the 1995-96 and
2 1996-97 fiscal years to each judicial district in which the superior and district court
3 districts are coterminous, and otherwise by county, according to the caseload of indigent
4 persons who were not represented by the public defender in the districts or counties
5 during 1994-95 and 1995-96 respectively.

6 The Administrative Office of the Courts shall notify all senior resident superior
7 court judges, all chief district court judges, and the clerk of superior court within the
8 district or county immediately after the allotment is made and shall provide a monthly
9 report on the status of the allotment for the district or county.

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

18 (b) If the funds allotted pursuant to subsection (a) of this section are depleted in a
19 district or county prior to the end of the fiscal year, the Administrative Office of the
20 Courts shall allot any available funds from the Indigent Persons' Attorney Fee Fund in the
21 same manner as provided in subsection (a) of this section. However, if necessary and
22 appropriate due to unusual and unanticipated circumstances occurring in the current year,
23 the Administrative Office of the Courts may allocate available funds to a district or
24 county in a manner calculated to result in the reasonably fair distribution of remaining
25 funds.

26 (c) If the funds for the Indigent Persons' Attorney Fee Fund are depleted prior to
27 the end of the fiscal year, the Administrative Office of the Courts is authorized to transfer
28 any unused and available funds appropriated to the Judicial Department for the fiscal year
29 to resume payments. Allotment of any unused and available funds shall be made in the
30 same manner as provided in subsection (a) of this section.

31
32 Requested by: Representatives Justus, Thompson

33 **ASSISTANT PUBLIC DEFENDERS/AOC DEFENSE SERVICES**

34 Sec. 21.4. From funds appropriated to the Indigent Persons' Attorney Fee
35 Fund for the 1995-97 biennium, the Administrative Office of the Courts may use up to
36 three hundred ninety-seven thousand eight hundred ninety-eight dollars (\$397,898) in the
37 1995-96 fiscal year, and up to three hundred fifty-nine thousand three hundred twenty-
38 one dollars (\$359,321) in the 1996-97 fiscal year for salaries, benefits, and related
39 expenses to be allocated as follows:

- 40 (1) Up to \$188,994 in the 1995-96 fiscal year and up to \$186,171 in the
41 1996-97 fiscal year to establish up to three new assistant public
42 defenders; and

- 1 (2) Up to \$208,904 in the 1995-96 fiscal year and up to \$173,150 in the
2 1996-97 fiscal year to establish the following three positions for a new
3 Division of Defense Services within the Administrative Office of the
4 Courts: an administrator, an administrative assistant, and a secretary.
5

6 Requested by: Representatives Justus, Thompson, Redwine

7 **DISPUTE SETTLEMENT FUNDS**

8 Sec. 21.5. Of the three hundred twenty-eight thousand five hundred dollars
9 (\$328,500) appropriated in this act for each fiscal year of the 1995-97 biennium for new
10 and additional funding for dispute settlement centers, twenty-five thousand dollars
11 (\$25,000) each shall be allocated for new funding for the Blue Ridge Dispute Settlement
12 Center and the Sandhills Mediation Center, and fifteen thousand dollars (\$15,000) each
13 shall be allocated for new funding for the Duplin County Dispute Settlement Center and
14 Mediation Services of Rockingham County. The remaining funds for each fiscal year
15 shall be allocated for additional funding as follows:

- 16 (1) \$5,000 for the Alamance County Dispute Settlement Center;
17 (2) \$25,000 for the Dispute Settlement Program of Charlotte/Mecklenburg;
18 (3) \$10,000 for the Cumberland County Dispute Settlement Center;
19 (4) \$10,000 for the Dispute Settlement Center of Cape Fear;
20 (5) \$20,000 for the Dispute Settlement Center of Durham County;
21 (6) \$13,500 for the Henderson County Dispute Settlement Center;
22 (7) \$10,000 for the Mediation Center in Buncombe County;
23 (8) \$20,000 for the Mediation Center of Eastern Carolina;
24 (9) \$15,000 for the Mediation Center of Gaston County;
25 (10) \$15,000 for Mediation Services of Forsyth County;
26 (11) \$23,000 for Mediation Services of Guilford County;
27 (12) \$44,000 for the Mountain Dispute Settlement Center;
28 (13) \$25,000 for the Orange County Dispute Settlement Center; and
29 (14) \$13,000 for the Transylvania Dispute Settlement Center.
30

31 **PART 23. DEPARTMENT OF HUMAN RESOURCES**

32
33 Requested by: Representatives Gardner, Hayes

34 **SUPPLEMENTAL FUNDING FOR THOMAS S. AND WILLIE M.**

35 Sec. 23. Notwithstanding the provisions of G.S. 143-23, the Secretary of the
36 Department of Human Resources, with the approval of the Office of State Budget and
37 Management, may use funds appropriated or otherwise available to the Department in the
38 1995-96 fiscal year and in the 1996-97 fiscal year for the following:

- 39 (1) Additional funding for community-based services for at least 230
40 additional Thomas S. clients in the 1995-96 fiscal year and 230
41 additional Thomas S. clients in the 1996-97 fiscal year;

1 (2) Funding to expand and enhance community-based diversion services to
2 prevent psychiatric hospitalization of individuals who are mentally ill
3 and mentally retarded; and

4 (3) Additional funding for community-based services based on the
5 Department's plan to end court oversight of Willie M. Services.

6 Funds to be used for these purposes are in addition to funds appropriated by the 1995
7 General Assembly for the expressed purpose of expanding services to Thomas S. and
8 Willie M. clients. The Secretary shall not use more than fifteen million dollars
9 (\$15,000,000) of these funds for the Thomas S. Program."

10
11 Requested by: Representatives Gardner, Hayes

12 **PHYSICIAN SERVICES**

13 Sec. 23.1. With the approval of the Office of State Budget and Management,
14 the Department of Human Resources may use funds appropriated in this act for across-
15 the-board salary increases and performance pay to offset similar increases in the costs of
16 contracting with private and independent universities for the provision of physician
17 services to clients in facilities operated by the Division of Mental Health, Developmental
18 Disabilities, and Substance Abuse Services. This offsetting shall be done in the same
19 manner as is currently done with constituent institutions of The University of North
20 Carolina.

21
22 Requested by: Representatives Gardner, Hayes

23 **AREA AUTHORITY ACCOUNTABILITY/STATE ACTION**

24 Sec. 23.2. Part 2 of Article 4 of Chapter 122C of the General Statutes is
25 amended by adding the following new sections to read:

26 **"§ 122C-124. Area Authority funding suspended.**

27 The Secretary of the Department of Human Resources may suspend funding to any
28 area authority with a revenue or expenditure budget variance of ten percent (10%) or a
29 significant deterioration in the fund balance of the authority's general fund. A significant
30 deterioration of fund balance is defined as a twenty-five percent (25%) decrease in the
31 balance from one fiscal year to the next without the prior approval of the Department.
32 Area authorities shall report any such revenue or expenditure variance or deterioration in
33 fund balance to the Department of Human Resources within 30 days of its occurrence. In
34 the event that funding is suspended, the Department of Human Resources may contract
35 with, and make payments of Department funds on an interim basis directly to, a contract
36 provider of the area authority to avoid the disruption of direct services to clients.

37 Upon suspension of funding, the Department shall, in conjunction with the area
38 authority, develop and implement a corrective plan of action and provide notification to
39 the area authority's board of directors of the plan. The Department shall also keep the
40 county board of commissioners and the area authority's board of directors informed of
41 any ongoing concerns or problems with the area authority's finances.

42 **"§ 122C-125. Area Authority financial failure; State assumption of financial** 43 **control.**

1 At any time that the Secretary of the Department of Human Resources determines that
2 an area authority is in imminent danger of failing financially and of failing to provide
3 direct services to clients, the Secretary may assume control of the financial affairs of the
4 area authority and appoint an administrator to exercise the powers assumed. This
5 assumption of control shall have the effect of divesting the area authority of its powers as
6 to the adoption of budgets, expenditures of money, and all other financial powers
7 conferred in the area authority by law. County funding of the area authority shall
8 continue when the State has assumed control of the financial affairs of the area authority.
9 At no time after the State has assumed this control shall a county withdraw funds
10 previously obligated or appropriated to the area authority. The Secretary shall adopt rules
11 to define imminent danger of failing financially and of failing to provide direct services
12 to clients.

13 Upon assumption of financial control, the Department shall, in conjunction with the
14 area authority, develop and implement a corrective plan of action and provide notification
15 to the area authority's board of directors of the plan. The Department shall also keep the
16 county board of commissioners and the area authority's board of directors informed of
17 any ongoing concerns or problems with the area authority's finances.

18 **"§ 122C-126. Area authority caretakers appointed.**

19 In the event that an area authority fails to comply with the corrective plan of action
20 required pursuant to G.S. 122C-124 when funding is suspended or pursuant to G.S.
21 122C-125 when the State assumes financial control of the area authority, the Secretary of
22 the Department of Human Resources shall appoint a caretaker administrator, a caretaker
23 board of directors, or both.

24 The Secretary may assign any of the powers and duties of the director of the area
25 authority and of the board of directors and the caretaker board to the caretaker
26 administrator as it deems necessary and appropriate to continue to provide direct services
27 to clients, including the powers as to the adoption of budgets, expenditures of money, and
28 all other financial powers conferred on the area authority by law. County funding of the
29 area authority shall continue when the State has assumed control of the financial affairs
30 of the area authority. At no time after the State has assumed this control shall a county
31 withdraw funds previously obligated or appropriated to the area authority. The caretaker
32 administrator and the caretaker board shall perform all of these powers and duties. The
33 Secretary may terminate the contract of any director when it appoints a caretaker
34 administrator. The Administrative Procedure Act shall apply to any such decision.
35 Neither party to any such contract shall be entitled to damages.

36 After a caretaker board has been appointed, the General Assembly shall consider, at
37 its next regular session, the future governance of the identified area authority."

38
39 Requested by: Representatives Gardner, Hayes

40 **AREA AUTHORITY BOARD TRAINING**

41 Sec. 23.3. Part 2 of Article 4 of Chapter 122C of the General Statutes is
42 amended by inserting the following new section to read:

43 **"§ 122C-119.1. Area Authority board members' training.**

1 All members of an area authority's board of directors shall receive initial orientation
 2 on board members' responsibilities and training provided by the Division of Mental
 3 Health, Developmental Disabilities, and Substance Abuse Services of the Department of
 4 Human Resources in fiscal management, budget development, and fiscal accountability.
 5 A member's refusal to be trained may be grounds for removal from the board."
 6

7 Requested by: Representatives Gardner, Hayes

8 **CONFIDENTIAL CLIENT INFORMATION SHARING CLARIFIED**

9 Sec. 23.4. G.S. 122C-53(i) reads as rewritten:

10 "(i) Upon the request of a client, (i) a client who is an adult and who has not been
 11 adjudicated incompetent under Chapter 35A or former Chapters 33 or 35 of the General
 12 Statutes, or (ii) the legally responsible person for any other client, a facility shall disclose
 13 to an attorney confidential information relating to that client."
 14

15 Requested by: Representatives Gardner, Hayes

16 **NONMEDICAID REIMBURSEMENT CHANGES**

17 Sec. 23.5. Section 23.16 of the 1995 Session Laws reads as rewritten:

18 "Sec. 23.16. Providers of medical services under the various State programs, other
 19 than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates
 20 no more than those under the North Carolina Medical Assistance Program. Hospitals that
 21 provide psychiatric inpatient care for Thomas S. class members or adults with mental
 22 retardation and mental illness may be paid an additional incentive payment not to exceed
 23 fifteen percent (15%) of their regular daily per diem reimbursement.

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

30 Notwithstanding the provisions of paragraph one, the Department of Human
 31 Resources may negotiate with providers of medical services under the various
 32 Department of Human Resources programs, other than Medicaid, for rates as close as
 33 possible to Medicaid rates for the following purposes: contracts or agreements for
 34 medical services and purchases of medical equipment and other medical supplies. These
 35 negotiated rates are allowable only to meet the medical needs of its non-Medicaid eligible
 36 patients, residents, and clients who require such services which cannot be provided when
 37 limited to the Medicaid rate.

38 Maximum net family annual income eligibility standards for services in these
 39 programs shall be as follows:

41		Medical Eye	All	
42	<u>Family Size</u>	<u>Care Adults</u>	<u>Rehabilitation</u>	<u>Other</u>
43	1	\$ 4,860	\$ 8,364	\$ 4,200

1	2	5,940	10,944	5,300
2	3	6,204	13,500	6,400
3	4	7,284	16,092	7,500
4	5	7,824	18,648	7,900
5	6	8,220	21,228	8,300
6	7	8,772	21,708	8,800
7	8	9,312	22,220	9,300

8
9 The eligibility level for children in the Medical Eye Care Program in the Division of
10 Services for the Blind and for adults in the Clozaril Program in the Division of Mental
11 Health, Developmental Disabilities, and Substance Abuse Services shall be one hundred
12 percent (100%) of the federal poverty guidelines, as revised annually by the United States
13 Department of Health and Human Services and in effect on July 1 of each fiscal year.
14 Additionally, those adults enrolled in the Clozaril Program who become gainfully
15 employed may continue to be eligible to receive State support, in decreasing amounts, for
16 the purchase of Clozaril and related services up to three hundred percent (300%) of the
17 poverty level.

18 State financial participation in the Clozaril Program for those enrollees who become
19 gainfully employed is as follows:

20 Income State Participation Client Participation
21 (% of poverty)

<u>0-100%</u>	<u>100%</u>	<u>0%</u>
<u>101-120%</u>	<u>95%</u>	<u>5%</u>
<u>121-140%</u>	<u>85%</u>	<u>15%</u>
<u>141-160%</u>	<u>75%</u>	<u>25%</u>
<u>161-180%</u>	<u>65%</u>	<u>35%</u>
<u>191-180%</u>	<u>65%</u>	<u>35%</u>
<u>201-220%</u>	<u>45%</u>	<u>55%</u>
<u>221-240%</u>	<u>35%</u>	<u>65%</u>
<u>241-260%</u>	<u>25%</u>	<u>75%</u>
<u>261-280%</u>	<u>15%</u>	<u>85%</u>
<u>281-300%</u>	<u>5%</u>	<u>95%</u>
<u>301%-over</u>	<u>0%</u>	<u>100%.</u>

35
36 The Department of Human Resources shall contract at, or as close as possible to,
37 Medicaid rates for medical services provided to residents of State facilities of the
38 Department."

39
40 Requested by: Representatives Gardner, Hayes

41 **IMPLEMENTATION OF FOOD STAMPS ELECTRONIC BENEFITS**
42 **TRANSFER**

1 Sec. 23.6. Notwithstanding the provisions of G.S. 143-16.3 and G.S. 143-23,
2 the Secretary of the Department of Human Resources, with the approval of the Office of
3 State Budget and Management, may use, to the extent possible, any funds available to the
4 Department for the 1995-96 fiscal year and for the 1996-97 fiscal year to implement
5 Electronic Benefits Transfer for Food Stamps only.

6 Requested by: Representatives Gardner, Hayes

7 **IMPLEMENTATION OF NORTH CAROLINA CLIENT ACCESS NETWORK**
8 **(NC CAN)**

9 Sec. 23.7. (a) Notwithstanding the provisions of G.S. 143-16.3 and G.S. 143-23,
10 the Secretary of the Department of Human Resources, with the approval of the Office of
11 State Budget and Management, may use, to the extent possible any funds available to the
12 Department for the 1995-96 fiscal year for the planning for the implementation of the
13 North Carolina Client Access Network (NC CAN).

14 (b) The Department of Human Resources may apply for and receive any
15 available appropriate federal funds to match State and county funds identified to support
16 the continued planning for NC Can and to match county funds to purchase equipment
17 needed to implement NC CAN.

18
19 Requested by: Representatives Gardner, Hayes

20 **CONTINUATION BUDGET AFDC OPTION ELIMINATIONS EFFECTIVE**
21 **DATE**

22 Sec. 23.8. The eliminations of the options in the AFDC Program affecting (i)
23 AFDC for pregnant women in their third trimester, (ii) AFDC for 18 year old children
24 who are in school, and (iii) State Supplemental Payments to AFDC households due to the
25 retrospective budgeting requirement made by Chapter 324 of the 1995 Session Laws shall
26 be effective August 1, 1995.

27
28 Requested by: Representatives Gardner, Hayes

29 **CLARIFICATION OF AUTHORIZED ADDITIONAL USE OF HIV FOSTER**
30 **CARE FUNDS**

31 Sec. 23.9. In addition to providing board payments to foster families of HIV-
32 infected children as prescribed in Chapter 324 of the 1995 Session Laws, any additional
33 funds remaining that were appropriated in Chapter 324 of the 1995 Session Laws for this
34 purpose shall be used as follows:

35 (1) To provide \$500.00 per foster family per year for medical training in
36 avoiding HIV transmission in the home; and

37 (2) To transfer funds to the Department of Environment, Health, and
38 Natural Resources to create three master's level social workers within
39 the Department of Environment, Health, and Natural Resources, for the
40 eastern part of North Carolina to enable the case-managing of families
41 with HIV-infected children so that the children and the parents get
42 access to medical care and so that child protective services issues are

1 addressed rapidly and effectively. The three social workers shall be
2 medically based and located:

- 3 a. One in the northeast, covering Northampton, Hertford, Halifax,
4 Gates, Chowan, Perquimans, Pasquotank, Camden, Currituck,
5 Bertie, Wilson, Edgecombe, and Nash Counties;
6 b. One in the central east, covering Martin, Pitt, Washington,
7 Tyrrell, Dare, Hyde, Beaufort, Jones, Greene, Craven, and
8 Pamlico Counties; and
9 c. One in the southeast, covering New Hanover, Robeson,
10 Brunswick, Carteret, Onslow, Lenoir, Pender, Duplin, Bladen,
11 and Columbus Counties.
12

13 Requested by: Representatives Gardner, Hayes

14 **ADULT CARE HOME REIMBURSEMENT RATE**

15 Sec. 23.10. (a) Effective July 1, 1995, the maximum monthly rate for residents
16 in adult care home facilities shall be nine hundred seventy-five dollars (\$975.00) per
17 month for ambulatory residents and one thousand seventeen dollars (\$1,017) per month
18 for semiambulatory residents.

19 (b) Effective October 1, 1995, the maximum monthly rate for residents in adult
20 care home facilities shall be eight hundred forty-four dollars (\$844.00) per month per
21 resident.

22 (c) Effective October 1, 1995, the Department of Human Resources may use
23 the remaining funds available from the State/County Special Assistance appropriation to
24 provide:

- 25 (1) Needed Medicaid-covered services, specifically one hour of personal
26 care services per day to all Medicaid-eligible residents and a maximum
27 of 50 additional hours per month of personal care services for residents
28 who require heavy care;
29 (2) Funds to the area mental health authorities to provide wraparound
30 services for adult home care residents with mental health conditions;
31 (3) Funds for the implementation of the provisions of G.S. 131D-4.1 and
32 G.S. 131D-4.2, including funds for necessary additional staff.

33 (d) The eligibility of Special Assistance recipients residing in adult care homes
34 on October 1, 1995, shall not be affected by an income reduction in the Special
35 Assistance eligibility criteria resulting from adoption of the Rate Setting Methodology
36 Report and Related Services, providing these recipients are otherwise eligible.
37

38 Requested by: Representatives Gardner, Hayes

39 **ADULT CARE HOME ALLOCATION OF NONFEDERAL COST OF** 40 **MEDICAID PAYMENTS**

41 Sec. 23.11. Effective October 1, 1995, the State shall pay fifty percent (50%)
42 and the county shall pay fifty percent (50%) of the nonfederal costs of Medicaid services
43 paid to adult care home facilities. As Medicaid personal care requirements increase, the

1 county matching share shall be capped until it equals fifteen percent (15%) of the
2 nonfederal Medicaid personal care requirements.

3
4 Requested by: Representatives Creech, Hayes, Gardner

5 **DOMICILIARY CARE REPORT**

6 Sec. 23.1A. The Secretary of the Department of Human Resources shall report
7 quarterly, beginning October 1, 1995, to the Joint Legislative Commission on
8 Governmental Operations and the Fiscal Research Division of the Legislative Services
9 Office on the planning and status of implementation of the following:

- 10 (1) Rate setting and financing of domiciliary care, including the use of
11 Medicaid funds for personal care services;
12 (2) Quality assurance and enhancement of domiciliary care, including case
13 management for residents with special care needs, monitoring of
14 domiciliary care facilities and specialized training of direct care staff;
15 and
16 (3) The process for the evaluation of the Domiciliary Care Financing and
17 Quality Assurance Program.
18

19 Requested by: Representatives Dickson, Gardner, Hayes

20 **PRIMARY CARE FUNDS**

21 Sec. 23.12. The Department of Human Resources may combine and allocate
22 funds appropriated for the Office of Rural Health and Resource Development for
23 recruitment and retention of primary care providers in medically underserved areas into
24 one Provider Incentive Fund. Funds in the Provider Incentive Fund may be allocated for
25 purposes of enhancing recruitment and retention of primary care providers in medically
26 underserved areas and for other purposes related to the enhancement of health services to
27 medically underserved communities.
28

29 Requested by: Representatives Gardner, Hayes

30 **MODIFIED WILDERNESS EDUCATION CAMP PROGRAM**

31 Sec. 23.13. Of the three million thirty-six thousand three hundred fifty-two
32 dollars (\$3,036,352) appropriated in Chapter 324 of the 1995 Session Laws for two
33 additional Wilderness Camps approved by the 1993 General Assembly, Extra Session
34 1994, one million five hundred eighteen thousand one hundred seventy-six dollars
35 (\$1,518,176) shall be used to fund a Modified Wilderness Education Camp Program in
36 the Department of Human Resources that shall emphasize education for juveniles under
37 the age of 16 referred by the public schools. If the Modified Wilderness Education Camp
38 is discontinued, funds for this purpose shall be directed to operate a traditional
39 Wilderness Camp Program.
40

41 Requested by: Representatives Gardner, Hayes

42 **DETENTION FACILITY CONSTRUCTION FUNDS**

1 Sec. 23.15. Of the funds appropriated to the Department of Human Resources
2 in Chapter 24 of the 1993 Session Laws, Extra Session 1994, for construction of a 24-bed
3 juvenile detention facility in Wake County, the Department of Human Resources may
4 use the sum of one million six hundred thousand dollars (\$1,600,000) to construct a 24-
5 bed facility at any available location in the State.

6
7 Requested by: Representatives Gardner, Hayes

8 **FAMILY SUPPORT/DEAF AND HARD OF HEARING SERVICES CONTRACT**

9 Sec. 23.17. (a) Of the funds appropriated to the Division of Services for the
10 Deaf and Hard of Hearing, Department of Human Resources, in Chapter 324 of the 1995
11 Session Laws for family support services, the sum of five hundred thousand dollars
12 (\$500,000) for each fiscal year of the biennium shall be used to contract with a private,
13 nonprofit corporation licensed to do business in North Carolina to perform those services
14 currently being offered by the Family Resource Centers within the Division of Services
15 for the Deaf and Hard of Hearing, including family support and advocacy services as well
16 as technical assistance to professionals who work with families of hearing impaired
17 children.

18 (b) The Office of State Budget and Management shall perform a performance
19 audit of the private, nonprofit contract program at the end of this first year and shall
20 report the results of this audit to the General Assembly, the Fiscal Research Division of
21 the Legislative Services Office, and the Department of Human Resources.

22
23 Requested by: Representatives Gardner, Hayes

24 **DEAF EDUCATION IMPROVEMENTS**

25 Sec. 23.18. Of the funds appropriated to the Division of Services for the Deaf
26 and Hard of Hearing, Department of Human Resources, in this act, the sum of five
27 hundred thousand dollars (\$500,000) for the 1995-96 fiscal year and the sum of one
28 million five hundred thousand dollars (\$1,500,000) for the 1996-97 fiscal year shall be
29 used to improve the quality of public education that the State provides to deaf and hard of
30 hearing children through the three North Carolina Schools for the Deaf in Morganton,
31 Greensboro, and Wilson. These improvements shall include additional staff for
32 curriculum enhancement, expansion of the extended school year program, and
33 establishment of programs for behaviorally and emotionally handicapped (BEH) deaf and
34 hard of hearing children and for post-secondary enrichment.

35
36 Requested by: Representative Morgan

37 **FUNDS FOR CARING PROGRAM FOR CHILDREN/ABOLISH HEALTH**
38 **PLANNING COMMISSION**

39 Sec. 23.19. (a) Of the funds appropriated in Chapter 324 of the 1995 Session
40 Laws to the Department of Human Resources for the North Carolina Health Planning
41 Commission, the sum of eight hundred thousand dollars (\$800,000) for the 1995-96 fiscal
42 year and the sum of eight hundred thousand dollars (\$800,000) for the 1996-97 fiscal
43 year shall be allocated as a grant-in-aid to the Caring Program for Children, Inc., to

1 purchase health care for children who do not qualify for the Medicaid Program. The
2 Department of Human Resources shall administer the grant-in-aid established under this
3 section in cooperation with the Department of Environment, Health, and Natural
4 Resources.

5 (b) The title and number of Article 65 of Chapter 143 of the General Statutes read
6 as rewritten:

7 **"ARTICLE 65-65A.**
8 **"NORTH CAROLINA HEALTH PLANNING COMMISSION. EDUCATION**
9 **AND**
10 **TRAINING OF PRIMARY CARE PHYSICIANS."**

11 (c) G.S. 143-610, 143-611, 143-612, and 143-614 are repealed.
12

13 **PART 24. DEPARTMENT OF AGRICULTURE**

14
15 Requested by: Representatives Mitchell, Weatherly
16 **CATTLE AND LIVESTOCK EXPOSITION CENTER**

17 Sec. 24. (a) Any unencumbered funds that were appropriated to the Department
18 of Agriculture in Chapter 561 of the 1993 Session Laws for the 1993-94 fiscal year as
19 planning funds for a livestock facility shall be placed in a reserve in the Department of
20 Agriculture until further allocated by the 1995 General Assembly, Regular Session 1996.

21 (b) Section 40 of Chapter 769 of the 1993 Session Laws reads as rewritten:

22 "~~Sec. 40. Of the funds appropriated in this act~~ Any unencumbered funds that were
23 appropriated to the Department of Agriculture for the 1994-95 fiscal year, the sum of
24 seven hundred thirty seven thousand three hundred fifty dollars (\$737,350) shall be used
25 year for planning the construction of the Cattle and Livestock Exposition Center in
26 Alamance County, shall be placed in a reserve in the Department of Agriculture until
27 further allocated by the 1995 General Assembly, Regular Session 1996. The Center will
28 house livestock shows and exhibits, educational programs, and a laboratory for embryo
29 transfer research, semen evaluation, and livestock blood work."
30

31 **PART 25. DEPARTMENT OF COMMERCE**

32
33 Requested by: Representatives Mitchell, Weatherly
34 **INDUSTRIAL COMMISSION/FRAUD CHECK**

35 Sec. 25. (a) G. S. 97-88.2(b) reads as rewritten:

36 "(b) The Commission ~~shall refer all cases of suspected fraud and all violations~~
37 ~~related to workers' compensation claims, by or against insurers or self-funded employers,~~
38 ~~to the Department of Insurance to:~~ shall:

39 (1) Perform investigations regarding all cases of suspected fraud and all
40 violations related to workers' compensation claims, by or against
41 insurers or self-funded employers, and refer possible criminal violations
42 to the appropriate prosecutorial authorities;

43 (2) Conduct administrative violation proceedings; and

1 (3) Assess and collect penalties and restitution."

2 (b) Of the funds appropriated in this act to the Department of Commerce, the sum
3 of forty thousand dollars (\$40,000) for the 1995-96 fiscal year and the sum of forty
4 thousand dollars (\$40,000) for the 1996-97 fiscal year shall be used for the North
5 Carolina Industrial Commission to implement subsection (a) of this section.
6

7 Requested by: Representatives Mitchell, Weatherly

8 **CENTER FOR COMMUNITY SELF-HELP FUNDS**

9 Sec. 25.1. (a) Of the funds appropriated in this act to the Department of
10 Commerce, the sum of two million dollars (\$2,000,000) for the 1995-96 fiscal year shall
11 be allocated to the Center for Community Self-Help to further a statewide program of
12 lending for home ownership throughout North Carolina. These funds will be leveraged
13 on a ten-to-one basis, generating at least ten dollars (\$10.00) of nontraditional home loans
14 for every one dollar (\$1.00) of State funds. Payments of principal shall be available for
15 further loans or loan guarantees.

16 (b) The Center for Community Self-Help shall submit, within 180 days after the
17 close of its fiscal year, audited financial statements to the State Auditor. All records
18 pertaining to the use of State funds shall be made available to the State Auditor upon
19 request. The Center for Community Self-Help shall make quarterly reports on the use of
20 State funds to the State Auditor, in form and format prescribed by the State Auditor or his
21 designee. The Center for Community Self-Help shall make a written report by May 1 of
22 each year for the next three years to the General Assembly on the use of the funds
23 allocated under this section.

24 (c) The Center for Community Self-Help shall report to the Joint Legislative
25 Commission on Governmental Operations, the House Appropriations Subcommittee on
26 Natural and Economic Resources, the Senate Appropriations Committee on Natural and
27 Economic Resources, and the Department of Commerce on a quarterly basis for the next
28 three years.

29 (d) The Office of the State Auditor may conduct an annual end-of-year audit of the
30 revolving fund for economic development lending created by this appropriation for each
31 year of the life of the revolving fund.

32 (e) If the Center for Community Self-Help dissolves, the corporation shall
33 transfer the remaining assets of the revolving fund to the State and shall refrain from
34 disposing of the revolving fund assets without approval of the State Treasurer.

35 (f) The Office of State Budget and Management shall disburse this
36 appropriation within 15 working days of the receipt of a request for the funds from the
37 Center for Community Self-Help. The request shall include a commitment of the
38 leveraged funds by the Center for Community Self-Help or its affiliates.
39

40 Requested by: Representatives Mitchell, Weatherly

41 **BUDGET FLEXIBILITY/INTERNATIONAL TRADE DIVISION**

42 Sec. 25.2. Of the funds appropriated in this act to the Department of
43 Commerce, the sum of one hundred thousand dollars (\$100,000) for the 1995-96 fiscal

1 year shall be placed in a reserve to be used to cover devaluation of the dollar to a foreign
2 currency only if the devaluation is five percent (5%) or greater and shall be used to cover
3 increased expenses due to foreign country inflation only if the inflation is greater than
4 one percent (1%) per month. Funds allocated pursuant to this section shall be limited to a
5 maximum of forty thousand dollars (\$40,000) per office for the Department's
6 International Trade Division offices in Hong Kong, Tokyo, Dusseldorf, and Mexico City.

7
8 Requested by: Representatives Mitchell, Weatherly

9 **NCACTS REPORTING REQUIREMENT**

10 Sec. 25.3. Section 11.2 of Chapter 324 of the 1995 Session Laws reads as
11 rewritten:

12 "Sec. 11.2. The North Carolina Alliance for Competitive Technologies (NCACTS)
13 created by Executive Order No. 63 on September 26, 1994, is transferred from
14 the Department of Administration to the Department of Commerce. All positions,
15 property, unexpended balances of appropriations, allocations and other refunds, including
16 the functions of budgeting and purchasing, for NCACTS are transferred from the
17 Department of Administration to the Department of Commerce.

18 Beginning October 1, 1995, and quarterly thereafter, NCACTS shall report quarterly
19 on its ~~operations~~ operations, use of funds, and performance to the Joint Legislative
20 Commission on Governmental Operations and to the Fiscal Research Division."

21 Requested by: Representatives Mitchell and Weatherly

22 **ECONOMIC DEVELOPMENT PROGRAM RESERVE FUNDS ALLOCATION**

23 Sec. 25.4. (a) Funds appropriated in this act for the 1995-96 fiscal year to the
24 Department of Commerce, Economic Development Program Reserve, shall be allocated
25 as follows:

26 (1) By the Department of Commerce:

- 27 a. \$2,100,000 to the Industrial Recruitment Competitive Fund to
28 assist new and expanding businesses and industries;
29 b. \$300,000 to the Land Loss Prevention Project, Inc., to provide
30 free legal representation to low-income, financially distressed
31 small farmers;
32 c. \$250,000 to the Coalition of Farm and Rural Families, Inc., for
33 its Small Farm Economic Development Project; and

34 (2) \$1,000,000 to the North Carolina Biotechnology Center to expand the
35 special biotechnology program initiative for North Carolina's Public
36 Historically Black Universities and Pembroke State University; and

37 (3) By the Rural Economic Development Center, Inc.:

- 38 a. \$200,000 to the Minority Credit Union Support Center for
39 technical assistance to community-based minority credit unions,
40 and
41 b. \$350,000 to the Microenterprise Loan Program to support the
42 loan fund and operations of the Program.

(b) The Department of Commerce, the North Carolina Biotechnology Center, and the Rural Economic Development Center, Inc., shall each report quarterly, beginning October 1, 1995, to the Joint Legislative Commission on Governmental operations on the uses of funds allocated. Non-State entities that receive funds pursuant to this section shall provide to the Department of Commerce information requested by it to enable the Department to prepare and submit its report to the Joint Legislative Commission on Governmental Operations.

Requested by: Representatives Mitchell, Weatherly

CLEVELAND COUNTY PARTICIPATION IN ECONOMIC DEVELOPMENT COMMISSION

Sec. 25.5. (a) G.S. 158-8.1(a) reads as rewritten:

"(a) There is created the Western North Carolina Regional Economic Development Commission to serve Buncombe, Cherokee, Clay, ~~Cleveland~~,—Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Polk, Rutherford, Swain, Transylvania, and Yancey Counties, and any other county assigned to the Commission by the Department of Commerce as authorized by law. The Commission shall be located administratively in the Department of Commerce but shall exercise its statutory powers and duties independently of the Department of Commerce. Funds appropriated for the Commission by the General Assembly shall be disbursed directly to the Commission at the beginning of each fiscal year."

(b) The Department of Commerce shall allocate Cleveland County's pro rata share of economic development funds appropriated to the Department pursuant to Section 25.4 of Chapter 324 of the 1995 Session Laws to the Carolinas Partnership, Inc., Economic Development Commission, of which Cleveland County has been and is currently a dues-paying member.

Requested by: Representative Weatherly

COMMON FOLLOW-UP SYSTEM FOR STATE JOB TRAINING AND EDUCATION PROGRAMS

Sec. 25.6. (a) Chapter 96 of the General Statutes is amended by adding the following new Article to read:

"ARTICLE 4.

"JOB TRAINING, EDUCATION, AND PLACEMENT INFORMATION MANAGEMENT.

"§ 96-30. Findings and purpose.

The General Assembly finds it in the best interests of this State that the establishment, maintenance, and funding of State job training, education, and placement programs be based on current, comprehensive information on the effectiveness of these programs in securing employment for North Carolina citizens and providing a well-trained workforce for business and industry in this State. To this end, it is the purpose of this Article to require the establishment of an information system that maintains up-to-date job-related information on current and former participants in State job training and education programs.

1 **"§ 96-31. Definitions.**

2 As used in this Article, unless the context clearly requires otherwise, the term:

- 3 (1) 'CFS' means the common follow-up information management system
4 developed by the Employment Security Commission of North Carolina
5 as authorized under this Article.
- 6 (2) 'ESC' means the Employment Security Commission of North Carolina.
- 7 (3) 'State job training, education, and placement program' or 'State-funded
8 program' means a program operated by a State or local government
9 agency or entity and supported in whole or in part by State funds, that
10 provides job training and education or job placement services to
11 program participants. The term does not include on-the-job training
12 provided to current employees of the agency or entity for the purposes
13 of professional development.

14 **"§ 96-32. Common follow-up information management system created; rules**
15 **authorized.**

16 (a) The Employment Security Commission of North Carolina shall develop,
17 implement, and maintain a common follow-up information management system for
18 tracking the employment status of current and former participants in State job training,
19 education, and placement programs. The system shall provide for the automated
20 collection, organization, dissemination, and analysis of data obtained from State-funded
21 programs that provide job training and education and job placement services to program
22 participants. In developing the system, the ESC shall ensure that data and information
23 collected from State agencies is confidential, not open for general public inspection, and
24 maintained and disseminated in a manner that protects the identity of individual persons
25 from general public disclosure.

26 (b) As part of the CFS, the ESC may develop a system for evaluating the
27 effectiveness of job training, education, and placement programs to determine if specific
28 program goals and objectives are attained and to determine placement and completion
29 rates for each program.

30 (c) The ESC shall adopt rules in accordance with Chapter 150B of the General
31 Statutes pertaining to the development and implementation of the CFS authorized under
32 this section. Rules shall address the following:

- 33 (1) Method of collection, organization, dissemination, and analysis of data
34 and information reported by State agencies subject to this Article.
- 35 (2) Provisions relating to reporting requirements, including submission
36 deadlines and forms of reporting.
- 37 (3) Provisions for ensuring confidentiality of information with respect to
38 identification of individuals about whom data is collected.
- 39 (4) Provisions ensuring that the only data collected on individuals is that
40 which is necessary to carry out the purposes for which the system is
41 maintained. Data collected may include the name, social security
42 number, race, sex, date of birth, and employment status of individual
43 program participants provided that information publicly disseminated is

1 done so in the aggregate and protects the confidentiality and identity of
2 individual program participants.

3 (5) Provisions ensuring that data and information collected is, insofar as
4 possible, accurate, current, and relevant to the purposes for which the
5 system was created.

6 (6) Provisions allowing for information compiled under this Article to be
7 shared with any other State, local, or federal agency that operates job
8 training, education, and placement programs, provided that the
9 confidentiality and identity of individuals is protected as provided under
10 this Article.

11 (7) Provisions for the calculation of placement rates for programs in which
12 a substantial number of participants do not have social security
13 numbers.

14 (8) Other rules necessary to carry out the purposes of this Article.

15 **"§ 96-33. State agencies required to provide information and data.**

16 (a) Every State agency and local government agency or entity that receives State
17 funds for the direct or indirect support of State job training, education, and placement
18 programs shall provide to the Employment Security Commission of North Carolina all
19 data and information available to or within the agency or entity's possession requested by
20 the ESC for input into the common follow-up information management system
21 authorized under this Article.

22 (b) Each agency or entity required to report information and data to the ESC under
23 this Article shall maintain true and accurate records of the information and data requested
24 by the ESC. The records shall be open to ESC inspection and copying at reasonable
25 times and as often as necessary. Each agency or entity shall further provide, upon request
26 by ESC, sworn or unsworn reports with respect to persons employed or trained by the
27 agency or entity, as deemed necessary by the ESC to carry out the purposes of this
28 Article. Information obtained by the ESC from the agency or entity shall be held by ESC
29 as confidential and shall not be published or open to public inspection other than in a
30 manner that protects the identity of individual persons and employers.

31 **"§ 96-34. Prohibitions on use of information collected.**

32 Data and information reported, collected, maintained, disseminated, and analyzed
33 may not be used by any State or local government agency or entity for purposes of
34 making personal contacts with current or former students or their employers or trainers.

35 **"§ 96-35. ESC report on common follow-up system activities.**

36 The Employment Security Commission of North Carolina shall present annually by
37 May 1 to the General Assembly and to the Governor a report of CFS activities for the
38 preceding calendar year. The report shall include information and evaluation of job
39 training, education, and placement programs for which data was reported by State and
40 local agencies subject to this Article. Evaluation of the programs shall be on the basis of
41 fiscal year data. ESC reports to the General Assembly shall be provided to the President
42 Pro Tempore of the Senate, the Speaker of the House of Representatives, the Legislative
43 Librarian, and the Director of Fiscal Research."

1
2 Requested by: Representatives Mitchell, Weatherly

3 **PETROLEUM OVERCHARGE FUNDS ALLOCATION**

4 Sec. 25.7. (a) The funds and interest thereon received from the case of the
5 United States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds.
6 There is appropriated from the Special Reserve to the Department of Commerce the sum
7 of one million six hundred fifty thousand dollars (\$1,650,000) for the 1995-96 fiscal year
8 and the sum of one million six hundred fifty thousand dollars (\$1,650,000) for the 1996-
9 97 fiscal year to be used for projects under the State Energy Conservation Plan.

10 (b) There is appropriated from funds and interest thereon received from the United
11 States Department of Energy's Stripper Well Litigation (MDL378) that remain in the
12 Special Reserve for Oil Overcharge Funds to the Department of Commerce the sum of
13 two million five hundred thousand dollars (\$2,500,000) for the 1995-96 fiscal year and
14 two million two hundred fifty thousand dollars (\$2,250,000) for the 1996-97 fiscal year
15 to be allocated for the Low Income Weatherization Program.

16 (c) Any funds remaining in the Special Reserve for Oil Overcharge Funds after the
17 allocations made pursuant to subsections (a) and (b) of this section may be expended only
18 as authorized by the General Assembly. All interest or income accruing from all deposits
19 or investments of cash balances shall be credited to the Special Reserve Oil Overcharge
20 Funds.

21 (d) The funds and interest thereon received from the Diamond Shamrock
22 Settlement that remain in a reserve in the Office of State Budget and Management for the
23 Department of Commerce to administer the petroleum overcharge funds pursuant to
24 Section 112 of Chapter 830 of the 1987 Session Laws shall continue to be available to the
25 Department of Commerce on an as-needed basis.

26 (e) The Department of Commerce shall submit comprehensive annual reports
27 to the General Assembly by May 15, 1996, and January 31, 1997, which detail the use of
28 all Petroleum Overcharge Funds. Any State department or agency that has received
29 Petroleum Overcharge Funds shall provide all information requested by the Department
30 of Commerce for the purpose of preparing these reports.

31
32 Requested by: Representatives Mitchell, Weatherly

33 **PETROLEUM OVERCHARGE ATTORNEY FEES**

34 Sec. 25.8. (a) Unless prohibited by federal law, rule, or regulation or
35 preexisting settlement agreement, no later than October 1, 1989, the North Carolina
36 Attorney General shall direct the withdrawal of all funds received in the cases of United
37 States v. Exxon and Stripper Well that are held in accounts or reserves located out-of-
38 state for payment of attorney fees and reasonable expenses incurred in connection with
39 oil overcharge litigation authorized by the Attorney General. The Attorney General shall
40 deposit these funds, and all funds to be received from Petroleum Overcharge Funds in the
41 future for attorney fees and reasonable expenses, into the Special Reserve for Oil
42 Overcharge Funds.

1 (b) All attorney fees and reasonable expenses incurred in connection with oil
2 overcharge litigation shall be paid by the State Treasurer from Petroleum Overcharge
3 Funds that have been received by this State and deposited into the Special Reserve for Oil
4 Overcharge Funds.

5 (c) Notwithstanding any other provision of law, the Attorney General may
6 authorize the payment of attorney fees and reasonable expenses from the Special Reserve
7 for Oil Overcharge Funds without further action of the General Assembly, and funds are
8 hereby appropriated from the Special Reserve for Oil Overcharge Funds for the 1995-96
9 fiscal year and for the 1996-97 fiscal year for that purpose.

10
11 Requested by: Representatives Mitchell, Weatherly

12 **WORKER TRAINING TRUST FUND APPROPRIATIONS**

13 Sec. 25.9. (a) There is appropriated from the Worker Training Trust Fund to the
14 Employment Security Commission of North Carolina the sum of five million eight
15 hundred thirty-nine thousand nine hundred sixty-four dollars (\$5,839,964) for the 1995-
16 96 fiscal year and the sum of five million eight hundred thirty-nine thousand nine
17 hundred sixty-four dollars (\$5,839,964) for the 1996-97 fiscal year for the operation of
18 local offices.

19 (b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special
20 Employment Security Administration Fund to the Employment Security Commission of
21 North Carolina, the sum of two million dollars (\$2,000,000) for the 1995-96 fiscal year
22 and the sum of two million dollars (\$2,000,000) for the 1996-97 fiscal year for
23 administration of the Veterans Employment Program, Employment Services Program,
24 and Unemployment Insurance Program.

25 (c) Supplemental federal funds or other additional funds received by the
26 Employment Security Commission for similar purposes shall be expended prior to the
27 expenditure of funds appropriated by this section.

28 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
29 Worker Training Trust Fund to the following agencies the following sums for the 1995-
30 96 and the 1996-97 fiscal years for the following purposes:

- 31 (1) \$2,400,000 for the 1995-96 fiscal year and \$2,400,000 for the 1996-97
32 fiscal year to the Department of Economic and Community
33 Development, Division of Employment and Training, for the
34 Employment and Training Grant Program;
- 35 (2) \$1,000,000 for the 1995-96 fiscal year and \$1,000,000 for the 1996-97
36 fiscal year to the Department of Labor for customized training of the
37 unemployed and the working poor for specific jobs needed by
38 employers through the Department's Pre-Apprenticeship Division;
- 39 (3) \$1,528,067 for the 1995-96 fiscal year and \$1,528,067 for the 1996-97
40 fiscal year to the Department of Human Resources to assist welfare
41 recipients in gaining employment through the federally funded Job
42 Opportunities and Basic Skills Program in such a way as to gain the
43 maximum match of federal funds for the State dollars appropriated;

- 1 (4) \$1,746,000 for the 1995-96 fiscal year and \$1,746,000 for the 1996-97
2 fiscal year to the Department of Community Colleges to continue the
3 Focused Industrial Training Program;
- 4 (5) \$225,000 for the 1995-96 fiscal year and \$225,000 for the 1996-97
5 fiscal year to the Employment Security Commission for the
6 Occupational Information Coordinating Committee to develop and
7 operate an interagency system to track former participants in State
8 education and training programs; and
- 9 (6) \$300,000 for the 1995-96 fiscal year and \$300,000 for the 1996-97
10 fiscal year to the Department of Community Colleges for a training
11 program in entrepreneurial skills to be operated by North Carolina
12 REAL Enterprises.

13
14 Requested by: Representatives Mitchell and Weatherly

15 **ESC VOTER REGISTRATION FUNDS**

16 Sec. 25.10. (a) There is appropriated from the Worker Training Trust Fund to
17 the Department of Commerce, Employment Security Commission, the sum of three
18 hundred thousand dollars (\$300,000) for the 1996-97 fiscal year to carry out the
19 provisions of the National Voter Registration Act (P.L. 103-31).

20 (b) The Employment Security Commission shall report to the Joint Legislative
21 Commission on Governmental Operations and to the Fiscal Research Division no later
22 than 30 days before reconvening in 1996 of the 1995 Regular Session of the General
23 Assembly as to how the funds appropriated by subsection (a) of this section were
24 expended, specifically:

- 25 (1) Its methodology for charging costs against the appropriation;
- 26 (2) Detailing of the costs by categories;
- 27 (3) How much of the costs supplanted federal funds and how much were
28 incremental costs; and
- 29 (4) Whether employer contribution rates can be reduced to the extent that
30 federal funds were supplanted, and what State or federal legislation
31 would be required to make such rate reductions.

32 (c) Section 73 of Chapter 762 of the 1993 Session Laws reads as rewritten:

33 "Sec. 73. Sections 1 through 68 of this act become effective January 1, 1995, and
34 apply to all primaries and elections occurring on or after that date. The remainder of this
35 act is effective upon ratification and shall apply to all primaries and elections occurring
36 on or after the date of ratification. Prosecutions for, or sentences based on, offenses
37 occurring before the effective date of any section of this act are not abated or affected by
38 this act and the statutes that would be applicable to those prosecutions or sentences but
39 for the provisions of this act remain applicable to those prosecutions or sentences. G.S.
40 163-82.20(a)(3) and G.S. 163-82.20(b1) as enacted in Section 2 of this act expire ~~January~~
41 July 1, 1996."

42 (d) Section 16.1(b) of Chapter 769 of the 1993 Session Laws is extended
43 through December 31, 1995.

1
2 Requested by: Representatives Mitchell and Weatherly

3 **ALLOCATION OF MCNC REDUCTIONS IN FUNDS**

4 Sec. 15.11. Reductions in this act to funds appropriated in Chapter 324 of the
5 1995 Session Laws to MCNC shall be allocated by MCNC among the program categories
6 listed in Section 25.9(c) of Chapter 324 of the 1995 Session Laws. MCNC shall report
7 on the allocation of the reductions to the Joint Legislative Commission on Governmental
8 Operations within 30 days of the allocation.

9
10 **PART 26. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL**
11 **RESOURCES**

12
13 Requested by: Representatives Wilkins, Mitchell, Weatherly, H. Hunter

14 **STATEWIDE AQUATIC WEED ASSESSMENT**

15 Sec. 26. (a) Of the funds appropriated in this act to the Department of
16 Environment, Health, and Natural Resources, the sum of thirty thousand dollars
17 (\$30,000) for the 1995-96 fiscal year shall be used by the Department of Environment,
18 Health, and Natural Resources and the North Carolina Aquatic Weed Council to study
19 aquatic weed infestation on a statewide basis.

20 (b) The Department of Environment, Health, and Natural Resources and the North
21 Carolina Aquatic Weed Council shall report their findings to the Joint Legislative
22 Commission on Governmental Operations by March 15, 1996.

23 (c) The report shall identify relevant research related to the control and
24 eradication of noxious aquatic plants, include an assessment of the environmental and
25 economic impacts caused by infestation, an assessment of the impact of federal
26 regulations, and a discussion of the issues and options related to control and eradication,
27 enforcement and funding mechanisms. The report shall also include options to reduce or
28 eliminate aquatic weed infestation and a recommended statewide action plan. The report
29 shall consider funding issues and shall address both total budgetary requirements and
30 alternative sources of funding, including fees and other receipts.

31
32 Requested by: Representatives Holmes, Mitchell, Weatherly, Yongue

33 **WATERSHED FUNDS DO NOT REVERT**

34 Sec. 26.1. Subsection (b) of Section 107 of Chapter 561 of the 1993 Session
35 Laws reads as rewritten:

36 "(b) Where the actual costs are different from the estimated costs under subsection
37 (a) of this section, the Department may adjust the allocations among projects as needed.
38 If any projects listed in subsection (a) of this section are delayed and the budgeted State
39 funds cannot be used during the 1993-94 fiscal year, or if the projects listed in subsection
40 (a) of this section are accomplished at a lower cost, the Department may use the resulting
41 fund availability to fund:

42 (1) Corps of Engineers project feasibility studies, or

1 (2) Corps of Engineers projects whose schedules have advanced and require
2 State matching funds in fiscal year 1993-94, or
3 (3) State-local Water Resources Development Projects.
4 Funds—Funds, except those allocated in subdivisions (a)(14),(15),(16), and (17) of this
5 section, not expended or encumbered for these purposes shall revert to the General Fund
6 at the end of the 1994-95 fiscal year. The funds allocated in subdivisions
7 (a)(14),(15),(16), and (17) of this section shall not revert until June 30, 1997."
8

9 Requested by: Representative Culp

10 **RANDLEMAN DAM RESERVE RELEASE RESTRICTIONS**

11 Sec. 26.2. Subsection (c) of Section 8 of Chapter 777 of the 1993 Session
12 Laws reads as rewritten:

13 "(c) All funds appropriated in Chapter 769 of the 1993 Session Laws for the
14 construction of Randleman Dam shall revert to the General Fund on ~~October 1, 1996,~~
15 October 1, 1997, if construction has not begun before that date."
16

17 Requested by: Representative Baker

18 **TOWN FORK CREEK SOIL CONSERVATION PROJECT**

19 Sec. 26.3. (a) Of the funds appropriated in Section 41(a)(6) of Chapter 769 of the
20 1993 Session Laws for State-local projects, the sum of seven hundred fifty thousand
21 dollars (\$750,000) shall not revert until June 30, 1997. (These funds are to replace funds
22 originally appropriated for Town Fork Creek that were later reallocated as a grant to the
23 Pilot Mountain Foundation, Inc., for capital improvements.)

24 (b) The sum of four hundred thousand dollars (\$400,000) appropriated in Section
25 107(a)(16) of Chapter 561 of the 1993 Session Laws shall not revert until June 30, 1997.

26 (c) The funds appropriated in Chapter 480 of the 1985 Session Laws and Chapter
27 754 of the 1989 Session Laws for construction of the Town Fork Reservoir Project in
28 Stokes County, the funds appropriated in Section 107(a)(16) of Chapter 561 of the 1993
29 Session Laws, and the funds appropriated in Section 41(a)(6) of Chapter 769 of the 1993
30 Session Laws for State-local projects that do not revert shall be placed in a reserve
31 account. The funds in the reserve account shall not be expended or encumbered pending
32 the completion, without cost to the State, of all of the following:

- 33 (1) A project cost review including an updated engineering cost estimate of
34 the dam structure and associated costs.
- 35 (2) A cost estimate of the requirements imposed for habitat maintenance by
36 the Wildlife Commission.
- 37 (3) A review of the impact of watershed regulations under review by the
38 Department of Environment, Health, and Natural Resources.
- 39 (4) A review of the potential impact of the agreement with Forsyth County
40 on watershed access.
- 41 (5) A determination of the amount of funds required to be paid by Stokes
42 County and the approval of a majority of the voters of Stokes County in
43 a referendum to be held at the general election in November 1996.

1
2 Requested by: Representatives Mitchell, Weatherly, H. Hunter

3 **HEALTHY START FOUNDATION FUNDS**

4 Sec. 26.4. Of the funds appropriated in this act to the Department of
5 Environment, Health, and Natural Resources, the sum of two hundred thousand dollars
6 (\$200,000) for the 1995-96 fiscal year shall be allocated to the North Carolina Healthy
7 Start Foundation to support the programs and activities of the Governor's Commission on
8 Reduction of Infant Mortality. Funds allocated pursuant to this section shall be expended
9 first to support statewide planning, promotion, and coordination for the First Step
10 Campaign. Funds remaining after allocation for First Step shall be used to support other
11 programs and activities. The Healthy Start Foundation shall report on all of its programs
12 to the Joint Legislative Commission on Governmental Operations on or before March 1,
13 1996. The report shall include information on the Foundation's activities and
14 accomplishments during the past fiscal year, a list of the groups, organizations,
15 communities, and other recipients of assistance from the Foundation in the last 12
16 months, itemized expenditures during the past fiscal year with sources of funding,
17 planned activities, and accomplishments for at least the next 12 months, and itemized
18 anticipated expenditures with sources of funding for the next 12 months.

19
20 Requested by: Representatives Mitchell and Weatherly

21 **ABSTINENCE UNTIL MARRIAGE EDUCATION FUNDS**

22 Sec. 26.5. (a) Of the funds appropriated in Section 2 of Chapter 324 of the
23 1995 Session Laws to the Department of Environment, Health, and Natural Resources for
24 health programs, the sum of up to fifty thousand dollars (\$50,000) for the 1995-96 fiscal
25 year may be used to fund a sex education curriculum that promotes abstinence until
26 marriage. Systems that apply for these funds may receive up to two thousand five
27 hundred dollars (\$2,500) each. Nothing shall prohibit a school system from receiving
28 private funds to provide this curriculum.

29 (b) All applications for grants for funds prescribed in subsection (a) of this
30 section shall contain a detailed description of the curriculum to be offered and a full set of
31 materials to be used. Prior to making any grants, the Department shall review all
32 curriculum descriptions and materials and shall use the results of this review in
33 determining whether to award grants. If any of the initial school systems that apply for
34 grants are rejected by the review process, other school systems may apply.

35 (c) The Department shall report on the status and funding of the abstinence
36 until marriage education curriculum to the House Appropriations Subcommittee on
37 Natural and Economic Resources, the Senate Appropriations Committee on Natural and
38 Economic Resources, and to the Joint Legislative Commission on Governmental
39 Operations by May 1, 1996.

40
41 Requested by: Representatives Mitchell, Weatherly, Redwine, H. Hunter

42 **BEAVER DAMAGE CONTROL FUNDS**

1 Sec. 26.6. (a) Subsection (b) of Section 69 of Chapter 1044 of the 1991 Session
2 Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws and by
3 Section 27.3 of Chapter 769 of the 1993 Session Laws, reads as rewritten:

4 "(b) The Beaver Damage Control Advisory Board shall develop a pilot program to
5 control beaver damage on private and public lands. Bladen, Brunswick, Carteret,
6 Chatham, Craven, Columbus, Duplin, Edgecombe, Franklin, Greene, Halifax, Hertford,
7 Johnston, Lincoln, Nash, Onslow, Pamlico, Pender, Pitt, Robeson, Sampson, Vance,
8 Warren, Washington, Wayne, and Wilson Counties shall participate in the pilot program.
9 The Beaver Damage Control Advisory Board shall act in an advisory capacity to the
10 Wildlife Resources Commission in the implementation of the program. In developing the
11 program, the Board shall:

- 12 (1) Orient the program primarily toward public health and safety and
13 toward landowner assistance, providing some relief to landowners
14 through beaver control and management rather than eradication;
- 15 (2) Develop a priority system for responding to complaints about beaver
16 damage;
- 17 (3) Develop a system for documenting all activities associated with beaver
18 damage control, so as to facilitate evaluation of the program;
- 19 (4) Provide educational activities as a part of the program, such as printed
20 materials, on-site instructions, and local workshops;
- 21 (5) Provide for the hiring of personnel necessary to implement beaver
22 damage control activities, administer the pilot program, and set salaries
23 of personnel;
- 24 (6) Evaluate the costs and benefits of the program that might be applicable
25 elsewhere in North Carolina.

26 No later than September 30, 1994 and again upon the conclusion of the pilot program
27 on June 30, ~~1995~~, 1996, the Board shall issue a report to the Wildlife Resources
28 Commission on the program to date, including recommendations on the feasibility of
29 continuing the program in participating counties and the desirability of expanding the
30 program into other counties. The Wildlife Resources Commission shall prepare a plan to
31 implement a statewide program to control beaver damage on private and public lands.
32 No later than January 1, 1995, the Wildlife Resources Commission shall present its plan
33 in a report to the House Appropriations Subcommittee on Natural and Economic
34 Resources and the Senate Appropriations Committee on Natural and Economic
35 Resources."

36 (b) Subsection (h) of Section 69 of Chapter 1044 of the 1991 Session Laws, as
37 amended by Section 111 of Chapter 561 of the 1993 Session Laws and by Section 27.3 of
38 Chapter 769 of the 1993 Session Laws, reads as rewritten:

39 "(h) Subsections (a) through (d) of this section expire June 30, ~~1995~~, 1996."

40 (c) Section 7 of Chapter 358 of the 1995 Session Laws is repealed.

41 (d) Of the funds appropriated from the General Fund to the Wildlife Resources
42 Commission for the 1995-96 fiscal year, there is allocated the sum of three hundred fifty
43 thousand dollars (\$350,000) to provide the State share necessary to continue the beaver

1 damage control pilot program established by Section 69 of Chapter 1044 of the 1991
2 Session Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws and
3 Section 27.3 of the 1993 Session Laws, in Bladen, Brunswick, Carteret, Chatham,
4 Craven, Columbus, Duplin, Edgecombe, Franklin, Greene, Halifax, Hertford, Johnston,
5 Lincoln, Nash, Onslow, Pamlico, Pender, Pitt, Robeson, Sampson, Vance, Warren,
6 Washington, Wayne, and Wilson Counties, provided the sum of twenty-five thousand
7 dollars (\$25,000) in federal funds is available in each fiscal year to provide the federal
8 share. These funds shall be matched by four thousand dollars (\$4,000) of local funds in
9 each fiscal year from each of the 26 participating counties.

11 **PART 27. CAPITAL AND SPECIAL PROVISIONS**

13 Requested by: Representatives Holmes, Creech, Esposito

14 **NORTH CAROLINA INFORMATION HIGHWAY FUNDS**

15 Sec. 27. The funds appropriated in this act to the Office of the State Controller
16 for the operation of the North Carolina Information Highway shall be used only for costs
17 incurred by the Office of the State Controller related to the operations and support of the
18 North Carolina Information Highway. No funds appropriated in this act shall be
19 expended to pay Minimum Monthly Usage charges for North Carolina Information
20 Highway services until such time as the Controller certifies to the General Assembly that
21 the network is capable of performing all services for which the State has contracted and
22 that the network equipment and service providers are capable of providing full and
23 adequate support for the network's functions and to all qualified users. The Controller
24 shall report to the General Government Appropriations Subcommittees for the Senate and
25 the House of Representatives regarding the costs incurred by the Office of the State
26 Controller related to the operations and support of the North Carolina Information
27 Highway. For purposes of this section the term "North Carolina Information Highway"
28 means the new, high-capacity optical fiber network that uses SONET transmission
29 technology and ATM switching.

31 Requested by: Representatives Holmes, Creech, Esposito

32 **DATA PROCESSING RESERVE**

33 Sec. 27.1. Funds appropriated in the Data Processing Reserve shall be
34 distributed to user agencies for the purpose of making payments to the State Information
35 Processing System for line-item object code 3800 charges. No funds shall be used for
36 personnel or equipment purchases.

37 The Office of State Controller and the Office of State Budget and Management
38 shall jointly study the State Computer Center demand estimates and shall submit to the
39 1995 General Assembly, Regular Session 1996, by May 1, 1996, a comprehensive report
40 detailing projected cost needs for the 1996-97 fiscal year and the funding source for those
41 needs in excess of the level funded in Chapter 324 of the 1995 Session Laws, the
42 Continuation Budget Appropriations Act of 1995, and in this act.

1 Requested by: Representatives Holmes, Creech, Esposito

2 **APPALACHIAN STATE UNIVERSITY'S MASTER OF SCHOOL**
3 **ADMINISTRATION PROGRAM CONTINUED**

4 Sec. 27.2. (a) G.S. 116-74.21(b) reads as rewritten:

5 "(b) No more than ~~seven~~eight school administrator programs shall be established
6 under the competitive proposal program. In selecting campus sites, the Board of
7 Governors shall be sensitive to the racial, cultural, and geographic diversity of the State.
8 Special priority shall be given to the following factors: (i) the historical background of
9 the institutions in training educators; (ii) the ability of the sites to serve the geographic
10 regions of the State, such as, the far west, the west, the triad, the piedmont, and the east;
11 and, (iii) whether the type of roads and terrain in a region make commuting difficult. A
12 school administrator program may provide for instruction at one or more campus sites."

13 (b) The Board of Governors of The University of North Carolina shall continue
14 the Master of School Administrators program at Appalachian State University as one of
15 the eight school administrator programs established pursuant to G.S. 116-74.21.

16

17 Requested by: Representatives Holmes, Creech, Esposito

18 **PIEDMONT SPORTS AND ENTERTAINMENT FACILITIES STUDY**
19 **COMMISSION**

20 Sec. 27.3. Section 28.21 of Chapter 769 of the 1993 Session Laws, Regular
21 Session 1994, reads as rewritten:

22 "Sec. 28.21. (a) The Piedmont Sports and Entertainment Study Commission is
23 created. The Commission shall consist of 35 members. The boards of county
24 commissioners of Alamance, Caswell, Davidson, Davie, Forsyth, Guilford, Randolph,
25 Rockingham, Stokes, Surry, and Yadkin Counties shall, each, appoint two members of
26 the Commission; one of whom shall be a county commissioner of that county and one of
27 whom is a resident of that county recommended by the chamber of commerce serving
28 that county. Eleven members shall be appointed by the Chair of the Commission. The
29 chair and vice-chair of the Piedmont State Legislative Caucus, as the Caucus existed
30 during the ~~1994-1995~~ Regular Session, shall be ex officio members of the Commission
31 and shall serve, respectively, as the chair and vice-chair of the Commission.

32 (b) The Commission shall study the need for and feasibility of creating regional
33 sports and entertainment facilities to serve the Piedmont area of the State; and, if the
34 Commission determines the facilities are needed and their creation feasible, the best
35 method to establish an Authority to implement these facilities.

36 (c) The Commission shall submit a report of its findings and recommendations
37 to the General Assembly on or before the first day of the 1995 General Assembly
38 Assembly, Regular Session 1996, by filing the report with the President Pro Tempore of
39 the Senate and the Speaker of the House of Representatives. Upon filing its report, the
40 Commission shall terminate.

41 (d) The Commission may meet at any time upon the call of the chair. The
42 Commission may meet, with the approval of the Legislative Services Commission, in the
43 State Legislative Building or the Legislative Office Building.

1 (e) Notwithstanding any other provision of law, members of the Commission shall
2 receive no per diem compensation, but shall receive reimbursement of subsistence and
3 travel expenses, as provided by law.

4 (f) The Commission may contract for professional, clerical, or consultant services.
5 The Department of Commerce shall assign professional and clerical staff to assist in the
6 work of the Commission.

7 (g) When a vacancy occurs in the membership of the Commission, the vacancy
8 shall be filled by the original appointing authority employing the same criteria as used in
9 the original appointment.

10 (h) From the funds appropriated to the Department of Commerce for fiscal year
11 ~~1994-95~~, 1995-96, the sum of twenty-five thousand dollars (\$25,000) shall be used for
12 the expenses of the Commission."
13

14 Requested by: Representatives Holmes, Creech, Esposito

15 **DELIVERY OF WARRANTS AND DISBURSEMENTS FOR NON-STATE**
16 **ENTITIES**

17 Sec. 27.4. G.S. 143-3.2(a) reads as rewritten:

18 "**§ 143-3.2. Issuance of warrants upon State Treasurer.** Treasurer; delivery of
19 warrants and disbursements for non-State entities.

20 (a) The State Controller shall have the exclusive responsibility for the issuance of
21 all warrants for the payment of money upon the State Treasurer. All warrants upon the
22 State Treasurer shall be signed by the State Controller, who before issuing them shall
23 determine the legality of payment and the correctness of the accounts. All warrants
24 issued for non-State entities shall be delivered by the appropriate agency to the entity's
25 legally designated recipient by United States mail or its equivalent, including electronic
26 funds transfer.

27 When the State Controller finds it expedient to do so because of a State agency's size
28 and location, the State Controller may authorize a State agency to make expenditures
29 through a disbursing account with the State Treasurer. The State Controller shall
30 authorize the Judicial Department and the General Assembly to make expenditures
31 through such disbursing accounts. All disbursements made to non-State entities shall be
32 delivered by the appropriate agency to the entity's legally designated recipient by United
33 States mail or its equivalent, including electronic funds transfer. All deposits in these
34 disbursing accounts shall be by the State Controller's warrant. A copy of each voucher
35 making withdrawals from these disbursing accounts and any supporting data required by
36 the State Controller shall be forwarded to the Office of the State Controller monthly or as
37 otherwise required by the State Controller. Supporting data for a voucher making a
38 withdrawal from one of these disbursing accounts to meet a payroll shall include the
39 amount of the payroll and the employees whose compensation is part of the payroll.

40 A central payroll unit operating under the Office of the State Controller may make
41 deposits and withdrawals directly to and from a disbursing account. The disbursing
42 account shall constitute a revolving fund for servicing payrolls passed through the central
43 payroll unit.

1 The State Controller may use a facsimile signature machine in affixing his signature
2 to warrants.

3 (b) The State Treasurer may impose on an agency a fee of fifteen dollars (\$15.00)
4 for each check drawn against the agency's disbursing account that causes the balance in
5 the account to be in overdraft or while the account is in overdraft. The financial officer
6 shall pay the fee from non-State or personal funds to the General Fund to the credit of the
7 miscellaneous non-tax revenue account by the agency."
8

9 Requested by: Representatives Holmes, Creech, Esposito

10 **LOCAL HISTORICAL ORGANIZATIONS GRANTS**

11 Sec. 27.5. Of the funds appropriated in this act for the 1995-96 fiscal year to
12 the Department of Cultural Resources the sum of two million dollars (\$2,000,000) shall
13 be distributed as grants-in-aid to nonprofit historical organizations, nonprofit museums,
14 or local governmental entities on a competitive basis in accordance with administrative
15 guidelines issued by the Secretary of the Department of Cultural Resources. The purpose
16 of the grants shall be to encourage, through the use of grants-in-aid, the protection,
17 preservation, and interpretation of historic assets with local or regional significance.
18 Priority consideration shall be given to the local historical organization's educational
19 objectives. Grants shall be limited to amounts of one hundred thousand dollars
20 (\$100,000) or less.
21

22 Requested by: Representatives Holmes, Creech, Esposito

23 **LOCAL CULTURAL AND ARTISTIC ORGANIZATIONS GRANTS**

24 Sec. 27.6. Of the funds appropriated in this act for the 1995-96 fiscal year to
25 the Department of Cultural Resources the sum of two million dollars (\$2,000,000) shall
26 be distributed as grants-in-aid to nonprofit local cultural or artistic organizations or local
27 governmental entities on a competitive basis in accordance with administrative guidelines
28 issued by the Secretary of the Department of Cultural Resources. The purpose of the
29 grants shall be to support and promote, through the use of grants-in-aid, local cultural and
30 artistic organizations with local or regional significance. Priority consideration shall be
31 given to the local cultural or artistic organization's educational objectives. Grants shall
32 be limited to amounts of one hundred thousand dollars (\$100,000) or less.
33

34 Requested by: Representatives Holmes, Creech, Esposito

35 **LEGISLATIVE SPECIAL STUDIES SUBCOMMITTEE**

36 Sec. 27.7.(a) The General Assembly finds that:

- 37 (1) The Government Performance audit provided the General Assembly
38 with an opportunity to conduct in-depth analyses into the management
39 systems, programs, and services throughout State Government.
- 40 (2) This process gave the General Assembly increased flexibility to monitor
41 and evaluate State government.
- 42 (3) The experience proved beneficial and highlighted the value of having a
43 committee, staffed by professionals, that has:

- a. Experience and versatility to conduct in-depth program evaluations of large complex State-funded programs.
- b. Flexibility to focus on a wide range of issues that are not constrained by traditional departmental or budgeting boundaries.
- c. Capacity to focus on the State's major management systems (personnel, purchasing, financial management, information systems) that traditionally are not analyzed on a systematic basis.
- d. Time to research "Best Practice" standards in governmental operations throughout the country that could benefit North Carolina.
- e. Skill to develop an Information Resource Management function that searches and maintains databases on State and local government trends and emerging issues that can be used for research.

(b) Article 13 of Chapter 120 of the General Statutes is amended by adding the following new sections to read:

"§ 120-80. Legislative Special Studies Subcommittee established.

There is established the Legislative Special Studies Subcommittee of the Commission. The subcommittee shall consist of the President Pro Tempore of the Senate, Speaker of the House of Representatives, four Senators appointed by the President Pro Tempore of the Senate, and four Representatives appointed by the Speaker of the House of Representatives. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall serve as cochairs of the Subcommittee.

"§ 120-81. Duties and powers.

Subject to the approval of the cochairs of the Commission the Subcommittee may:

- (1) Exercise the powers and duties of the Commission under G.S. 120-76 with respect to evaluation of State agency programs.
- (2) Evaluate program issues that are not constrained by traditional departmental or budgeting boundaries.
- (3) Analyze on a systematic basis the State's major management systems.
- (4) Conduct long-term financial analyses of the General Fund and Highway Fund;
- (5) Maintain databases on State and local government trends and emerging issues.
- (6) Conduct specialized audits as directed by the General Assembly
- (7) Contract, as necessary, for consulting services needed in carrying out the duties and responsibilities of the Subcommittee."

(c) In developing a work plan for the 1995-97 biennium, the subcommittee may consider these and other topics:

- (1) Medicaid and health care costs.
- (2) Federal, State, and local financing relationship.
- (3) State's Purchasing System.
- (4) Workers' Compensation for State Employees.

- 1 (5) General Fund asset review.
- 2 (6) Regulatory process.
- 3 (7) State's personnel system.
- 4 (8) Capital budgeting.
- 5 (9) Highway Fund financial model.

6 (d) The Special Studies Subcommittee of the Commission may elect to request
7 executive or judicial branch participation, where appropriate, in studies it selects to
8 undertake during the biennium.

9 (e) There is established a Special Studies Unit to serve as staff to the
10 Legislative Special Studies Subcommittee of the Joint Legislative Commission on
11 Governmental Operations. A director and staff for the Unit shall be selected by the
12 President Pro Tempore of the Senate and the Speaker of the House of Representatives. In
13 addition to serving as staff to the Subcommittee, the Special Studies Unit may assist and
14 support existing General Assembly staff in analyzing current operations and identifying
15 alternative strategies.

16 (f) Of the funds appropriated in this act to the General Assembly for the 1995-
17 97 biennium the sum of five hundred thousand dollars (\$500,000) shall be allocated for
18 the 1995-96 fiscal year and the sum of two hundred fifty thousand dollars (\$250,000)
19 shall be allocated for the 1996-97 fiscal year to implement this section.

20
21 Requested by: Representative Creech, Holmes, Esposito, Redwine

22 **IMPROVEMENT OF THE ADMINISTRATIVE RULES**
23 **PROCESS/LEGISLATIVE OVERSIGHT/FISCAL ACCOUNTABILITY**

24 Sec. 27.8. LEGISLATION IMPROVING THE ADMINISTRATIVE RULES
25 PROCESS

26 LEGISLATIVE OVERSIGHT

27 (a) Chapter 120 of the General Statutes is amended by adding a new Article to
28 read:

29 **"ARTICLE 12K.**

30 **"JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT**
31 **COMMITTEE.**

32 **"§ 120-70.100. Creation and membership of Joint Legislative Administrative**
33 **Procedure Oversight Committee.**

34 (a) The Joint Legislative Administrative Procedure Oversight Committee is
35 established. The Committee consists of 16 members as follows:

- 36 (1) Eight members of the Senate appointed by the President Pro Tempore of
37 the Senate, at least three of whom are members of the minority party.
- 38 (2) Eight members of the House of Representatives appointed by the
39 Speaker of the House of Representatives, at least three of whom are
40 members of the minority party.

41 (b) Members of the Committee shall serve a term of two years beginning on 15
42 January of each odd-numbered year. Members may complete a term of service on the
43 Committee even if they do not seek reelection or are not reelected to the General

1 Assembly, but resignation or removal from service in the General Assembly constitutes
2 resignation or removal from service on the Committee. A member continues to serve
3 until the member's successor is appointed. A vacancy shall be filled within 30 days by
4 the officer who made the original appointment.

5 **"§ 120-70.101. Purpose and powers of Committee.**

6 The Joint Legislative Administrative Procedure Oversight Committee has the
7 following powers and duties:

- 8 (1) To review rules to which the Rules Review Commission has objected to
9 determine if statutory changes are needed to enable the agency to fulfill
10 the intent of the General Assembly.
- 11 (2) To receive reports prepared by the Rules Review Commission
12 containing the text and a summary of each rule approved by the
13 Commission.
- 14 (3) To prepare and make available to members of the General Assembly
15 one or more notebooks that contain the administrative rules that have
16 been approved by the Rules Review Commission and reported to the
17 Committee.
- 18 (4) To review State regulatory programs to determine if the programs
19 overlap, have conflicting goals, or could be simplified and still achieve
20 the purpose of the regulation.
- 21 (5) To review the rule-making process to determine if the procedures for
22 adopting rules give the public adequate notice of and information about
23 proposed rules.
- 24 (6) To review any other concerns about administrative law to determine if
25 statutory changes are needed.
- 26 (7) To report to the General Assembly at the beginning of each regular
27 session concerning the Committee's activities and any recommendations
28 for statutory changes.

29 **"§ 120-70.102. Organization of Committee.**

30 (a) The President Pro Tempore of the Senate and the Speaker of the House of
31 Representatives shall each designate a cochair of the Joint Legislative Administrative
32 Procedure Oversight Committee. The Committee shall meet at least once a quarter and
33 may meet at other times upon the joint call of the cochairs.

34 (b) A quorum of the Committee is nine members. No action may be taken except
35 by a majority vote at a meeting at which a quorum is present. While in the discharge of
36 its official duties, the Committee has the powers of a joint committee under G.S. 120-19
37 and G.S. 120-19.1 through G.S. 120-19.4.

38 (c) Members of the Committee receive subsistence and travel expenses as
39 provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees
40 in accordance with G.S. 120-32.02. The Committee may meet in the Legislative
41 Building or the Legislative Office Building upon the approval of the Legislative Services
42 Commission. The Legislative Services Commission, through the Legislative
43 Administrative Officer, shall assign professional staff to assist the Committee in its work.

1 Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of
2 the Senate and of the House of Representatives shall assign clerical staff to the
3 Committee. The expenses for clerical employees shall be paid by the Committee.

4 **"§ 120-70.103. Exercise of duty to maintain a notebook of approved rules.**

5 With the approval of the Legislative Services Commission, the Joint Legislative
6 Administrative Procedure Oversight Committee may delegate to the Legislative Library
7 the duty to maintain a notebook containing rules approved by the Rules Review
8 Commission. Whether the notebook is maintained by the Committee or by the
9 Legislative Library, rules shall be filed in the notebook in accordance with the numbering
10 system used in the North Carolina Administrative Code."

11 AGENCY FISCAL NOTE REQUIRED BEFORE PUBLISHING PROPOSED
12 PERMANENT RULE CHANGE OF SUBSTANTIAL ECONOMIC IMPACT

13 (b) G.S. 150B-21.4 is amended by adding two new subsections to read:

14 "(b1) Substantial Economic Impact. – Before an agency publishes in the North
15 Carolina Register the proposed text of a permanent rule change that would have a
16 substantial economic impact and that is not identical to a federal regulation that the
17 agency is required to adopt, the agency shall obtain a fiscal note for the proposed rule
18 change from the Office of State Budget and Management or prepare a fiscal note for the
19 proposed rule change and have the note approved by that Office. If an agency requests
20 the Office of State Budget and Management to prepare a fiscal note for a proposed rule
21 change, that Office shall prepare the note within 90 days after receiving a written request
22 for the note. If the Office of State Budget and Management fails to prepare a fiscal note
23 within this time period, the agency proposing the rule change may prepare a fiscal note.
24 A fiscal note prepared in this circumstance does not require approval of the Office of
25 State Budget and Management.

26 If an agency prepares the required fiscal note, the agency shall submit the note to the
27 Office of State Budget and Management for review. The Office of State Budget and
28 Management shall review the fiscal note within 14 days after it is submitted and either
29 approve the note or inform the agency in writing of the reasons why it does not approve
30 the fiscal note. After addressing these reasons, the agency may submit the revised fiscal
31 note to that Office for its review. If an agency is not sure whether a proposed rule change
32 would have a substantial economic impact, the agency may ask the Office of State
33 Budget and Management to determine whether the proposed rule change has a substantial
34 economic impact.

35 As used in this subsection, the term 'substantial economic impact' means an aggregate
36 financial impact on all persons affected of at least five million dollars (\$5,000,000) in a
37 12-month period.

38 (b2) Content. – A fiscal note required by subsection (b1) of this section shall
39 contain the following:

40 (1) A description of the persons who would be affected by the proposed
41 rule change.

1 (2) A description of the types of expenditures that persons affected by the
2 proposed rule change would have to make to comply with the rule and
3 an estimate of these expenditures.

4 (3) A description of the purpose and benefits of the proposed rule change.

5 (4) An explanation of how the estimate of expenditures was computed."

6 PROCEDURES FOR ADOPTING RULES

7 (c) G.S. 150B-21.1 reads as rewritten:

8 **"§ 150B-21.1. Procedure for adopting a temporary rule.**

9 (a) Adoption. – An agency may adopt a temporary rule without prior notice or
10 hearing or upon any abbreviated notice or hearing the agency finds practical when it finds
11 that adherence to the notice and hearing requirements of this Part would be contrary to
12 the public interest and that the immediate adoption of the rule is required by one or more
13 of the following:

14 (1) A serious and unforeseen threat to the public health, safety, or welfare.

15 (2) The effective date of a recent act of the General Assembly or the United
16 States Congress.

17 (3) A recent change in federal or State budgetary policy.

18 (4) A federal regulation.

19 (5) A court order.

20 (6) The need for the rule to become effective the same date as the State
21 Medical Facilities Plan approved by the Governor, if the rule addresses
22 a matter included in the State Medical Facilities Plan.

23 An agency ~~must~~shall prepare a written statement of its findings of need for a
24 temporary rule. The statement ~~must~~shall be signed by the head of the agency adopting
25 the rule.

26 ~~An agency must begin rule-making proceedings for a permanent rule by the day it~~
27 ~~adopts a temporary rule. An agency begins rule-making proceedings for a permanent rule~~
28 ~~by submitting to the Codifier of Rules written notice of its intent to adopt a permanent~~
29 ~~rule.~~

30 (b) Review. – When an agency adopts a temporary rule it ~~must~~shall submit the
31 ~~rule, rule and~~ the agency's written statement of its findings of the need for the rule, ~~and~~
32 ~~the notice of intent to adopt a permanent rule~~ to the Codifier of Rules. Within one
33 business day after an agency submits a temporary rule, the Codifier of Rules ~~must~~shall
34 review the agency's written statement of findings of need for the rule to determine
35 whether the statement of need meets the criteria listed in subsection (a). In reviewing the
36 statement, the Codifier of Rules may consider any information submitted by the agency
37 or another person. If the Codifier of Rules finds that the statement meets the criteria, the
38 Codifier of Rules ~~must~~shall notify the head of the agency and enter the rule in the North
39 Carolina Administrative Code.

40 If the Codifier of Rules finds that the statement does not meet the criteria, the Codifier
41 of Rules ~~must~~shall immediately notify the head of the agency. The agency may
42 supplement its statement of need with additional findings or submit a new statement. If
43 the agency provides additional findings or submits a new statement, the Codifier of Rules

1 ~~must~~shall review the additional findings or new statement within one business day after
2 the agency submits the additional findings or new statement. If the Codifier of Rules
3 again finds that the statement does not meet the criteria listed in subsection (a), the
4 Codifier of Rules ~~must~~shall immediately notify the head of the agency.

5 If an agency decides not to provide additional findings or submit a new statement
6 when notified by the Codifier of Rules that the agency's findings of need for a rule do not
7 meet the required criteria, the agency ~~must~~shall notify the Codifier of Rules of its
8 decision. The Codifier of Rules ~~must~~shall then enter the rule in the North Carolina
9 Administrative Code on the sixth business day after receiving notice of the agency's
10 decision.

11 (c) Standing. – A person aggrieved by a temporary rule adopted by an agency may
12 file an action for declaratory judgment in Wake County Superior Court pursuant to
13 Article 26 of Chapter 1 of the General Statutes. In the action, the court shall determine
14 whether the agency's written statement of findings of need for the rule meets the criteria
15 listed in subsection (a) and whether the rule meets the standards in G.S. 150B-21.9 that
16 apply to review of a permanent rule. The court ~~may~~shall not grant an ex parte temporary
17 restraining order.

18 Filing a petition for rule making or a request for a declaratory ruling with the agency
19 that adopted the rule is not a prerequisite to filing an action under this subsection. A
20 person who files an action for declaratory judgment under this subsection ~~must~~shall
21 serve a copy of the complaint on the agency that adopted the rule being contested, the
22 Codifier of Rules, and the Commission.

23 (d) Effective Date and Expiration. – A temporary rule becomes effective on the
24 date specified in G.S. 150B-21.3. A temporary rule expires on the earliest of the
25 following dates:

- 26 (1) ~~The date specified in the rule or 180 days from the date the rule~~
27 ~~becomes effective, whichever comes first.~~ rule.
28 (2) The effective date of the permanent rule adopted to replace the
29 temporary rule, if the Commission approves the permanent rule.
30 (3) The date the Commission returns to an agency a permanent rule the
31 agency adopted to replace the temporary rule, if the Commission objects
32 to the permanent rule.

33 (e) Publication. – When the Codifier of Rules enters a temporary rule in the North
34 Carolina Administrative Code, the Codifier shall publish the rule in the North Carolina
35 Register. Publication of a temporary rule in the North Carolina Register serves as a
36 notice of rule-making proceedings for a permanent rule that does not differ substantially
37 from the published temporary rule."

38 (d) G.S. 150B-21.2 reads as rewritten:

39 "**§ 150B-21.2. Procedure for adopting a permanent rule.**

40 (a) Steps. – Before an agency adopts a permanent rule, it shall take the following
41 actions:

- 1 (1) Publish a notice of rule-making proceedings in the North Carolina
2 Register, unless the proposed rule is substantially the same as a
3 temporary rule published in the North Carolina Register.
- 4 (2) When required by G.S. 150B-21.4, prepare or obtain a fiscal note for the
5 proposed rule.
- 6 (3) Publish the text of the proposed rule in the North Carolina Register.
- 7 (4) When required by subsection (e) of this section, hold a public hearing
8 on the proposed rule after publication of the proposed text of the rule.
- 9 (5) Accept oral or written comments on the proposed rule as required by
10 subsection (f) of this section.

11 ~~Notice. — Before an agency adopts a permanent rule, it must publish notice of its intent to~~
12 ~~adopt a permanent rule in the North Carolina Register and as required by any other law.~~
13 ~~The notice published in the North Carolina Register must include all of the following:~~

- 14 ~~(1) Either the text of the proposed rule or a statement of the subject matter~~
15 ~~of the proposed rule making.~~
- 16 ~~(2) A short explanation of the reason for the proposed action.~~
- 17 ~~(3) A citation to the law that gives the agency the authority to adopt the~~
18 ~~proposed rule, if the notice includes the text of the proposed rule, or a~~
19 ~~citation to the law that gives the agency the authority to adopt a rule on~~
20 ~~the subject matter of the proposed rule making, if the notice includes~~
21 ~~only a statement of the subject matter of the proposed rule making.~~
- 22 ~~(4) The proposed effective date of the proposed rule, if the notice includes~~
23 ~~the text of the proposed rule, or the proposed effective date of a rule~~
24 ~~adopted on the subject matter of the proposed rule making, if the notice~~
25 ~~includes only a statement of the subject matter of the proposed rule~~
26 ~~making.~~
- 27 ~~(5) The date, time, and place of any public hearing scheduled on the~~
28 ~~proposed rule or subject matter of the proposed rule making.~~
- 29 ~~(6) Instructions on how a person may demand a public hearing on a~~
30 ~~proposed rule if the notice does not schedule a public hearing on the~~
31 ~~proposed rule and subsection (e) requires the agency to hold a public~~
32 ~~hearing on the proposed rule when requested to do so.~~
- 33 ~~(7) The period of time during which and the person to whom written~~
34 ~~comments may be submitted on the proposed rule or subject matter of~~
35 ~~the proposed rule making.~~
- 36 ~~(8) If a fiscal note has been prepared for the proposed rule or will be~~
37 ~~prepared when a rule is proposed on the subject matter of the proposed~~
38 ~~rule making, a statement that a copy of the fiscal note can be obtained~~
39 ~~from the agency.~~

40 (b) Notice of Rule-Making Proceedings. — A notice of rule-making proceedings
41 published in the North Carolina Register shall include all of the following:

- 42 (1) A statement of the subject matter of the proposed rule making.
- 43 (2) A short explanation of the reason for the proposed action.

1 (3) A citation to the law that gives the agency the authority to adopt a rule
2 on the subject matter of the proposed rule making.

3 (4) The person to whom questions or written comments may be submitted
4 on the subject matter of the proposed rule making.

5 Publication in the North Carolina Register of an agency's rule-making agenda satisfies
6 the requirements of this subsection if the agenda includes the information required by this
7 subsection.

8 (c) Text After Notice of Rule-Making Proceedings. – A notice of the proposed text
9 of a rule shall include all of the following:

10 (1) The text of the proposed rule.

11 (2) A short explanation of the reason for the proposed rule.

12 (3) A citation to the law that gives the agency the authority to adopt the
13 rule.

14 (4) The proposed effective date of the rule.

15 (5) The date, time, and place of any public hearing scheduled on the rule.

16 (6) Instructions on how a person may demand a public hearing on a
17 proposed rule if the notice does not schedule a public hearing on the
18 proposed rule and subsection (e) of this section requires the agency to
19 hold a public hearing on the proposed rule when requested to do so.

20 (7) The period of time during which and the person to whom written
21 comments may be submitted on the proposed rule.

22 (8) If a fiscal note has been prepared for the rule, a statement that a copy of
23 the fiscal note can be obtained from the agency.

24 An agency shall not publish the proposed text of a rule until at least 60 days after the
25 date the notice of rule-making proceedings for the proposed rule was published in the
26 North Carolina Register.

27 ~~(b)~~ (d) Mailing List. – An agency ~~must~~ shall maintain a mailing list of persons who
28 have requested notice of rule making. When an agency publishes ~~a rule-making notice in~~
29 ~~the North Carolina Register,~~ Register a notice of rule-making proceedings or the text of a
30 proposed rule, it ~~must~~ shall mail a copy of the notice or text to each person on the mailing
31 list who has requested notice of rule-making proceedings on the ~~rule or the~~ subject matter
32 for ~~rule making~~ described in the ~~notice.~~ notice or the rule affected. An agency may
33 charge an annual fee to each person on the agency's mailing list to cover copying and
34 mailing costs.

35 ~~(e)~~ (e) Hearing. – An agency ~~must~~ shall hold a public hearing on a rule it proposes
36 to adopt ~~in two circumstances and may hold a public hearing in other circumstances.~~
37 ~~When an agency is required to hold a public hearing on a proposed rule or decides to hold~~
38 ~~a public hearing on a proposed rule when it is not required to do so, the agency must~~
39 ~~publish in the North Carolina Register a notice of the date, time, and place of the public~~
40 ~~hearing. The hearing date of a public hearing held after the agency publishes notice of~~
41 ~~the hearing in the North Carolina Register must be at least 15 days after the date the~~
42 ~~notice is published.~~

1 An agency ~~must hold a public hearing on a rule it proposes to adopt in the following~~
2 ~~two circumstances:~~

- 3 (1) ~~The agency publishes a statement of the subject matter of the proposed~~
4 ~~rule making in the notice in the North Carolina Register.~~
- 5 (2) ~~The if the agency publishes the text of the~~
6 ~~proposed rule in the notice in the North Carolina Register and all the following apply:~~
- 7 a. ~~(1) The notice of rule-making proceedings does not schedule a public~~
8 ~~hearing on the proposed rule.~~
- 9 b. ~~(2) Within 15 days after the notice is published, the~~ The agency receives a
10 written request for a public hearing on the proposed rule. rule within 15
11 days after the notice of rule-making proceedings is published.
- 12 e. ~~The proposed rule is not part of a rule-making proceeding the agency~~
13 ~~initiated by publishing a statement of the subject matter of proposed rule~~
14 ~~making.~~
- 15 d. ~~(3) The proposed text is not a changed version of proposed text the agency~~
16 ~~previously published in the course of rule-making proceedings but did~~
17 ~~not adopt.~~

18 An agency may hold a public hearing on a proposed rule in other circumstances.
19 When an agency is required to hold a public hearing on a proposed rule or decides to hold
20 a public hearing on a proposed rule when it is not required to do so, the agency shall
21 publish in the North Carolina Register a notice of the date, time, and place of the public
22 hearing. The hearing date of a public hearing held after the agency publishes notice of
23 the hearing in the North Carolina Register shall be at least 15 days after the date the
24 notice is published.

25 ~~(d) Text After Subject Matter Notice. — When an agency publishes notice of the~~
26 ~~subject matter of proposed rule making in the North Carolina Register, it must~~
27 ~~subsequently publish in the North Carolina Register the text of the rule it proposes to~~
28 ~~adopt as a result of the public hearing and of any comments received on the subject~~
29 ~~matter. An agency may not publish the proposed text of a rule for which it published a~~
30 ~~subject matter notice before the public hearing on the subject matter.~~

31 ~~(e)~~ (f) Comments. — An agency shall accept comments on a notice of proposed
32 rule-making proceedings published in the North Carolina Register until the text of the
33 proposed rule that results from the notice is published. An agency shall accept comments
34 on the text of a proposed rule that is published in the North Carolina Register and that
35 requires a fiscal note under G.S. 150B-21.4(b1) for at least 60 days after the text is
36 published or until the date of any public hearing held on the proposed rule, whichever is
37 longer. An agency must shall accept comments on the text of a any other proposed rule
38 published in the North Carolina Register for at least 30 days after the text is published or
39 until the date of any public hearing held on the proposed rule, whichever is longer. An
40 agency must accept comments on a statement of the subject matter of proposed rule
41 making until the public hearing on the subject matter. — An agency must shall consider
42 fully all written and oral comments received.

1 ~~(f)~~ (g) Adoption. – An agency ~~may~~shall not adopt a rule until the time for
2 commenting on the proposed text of the rule has elapsed and ~~may~~shall not adopt a rule if
3 more than 12 months have elapsed since the end of the time for commenting on the
4 proposed text of the rule. An agency ~~may~~shall not adopt a rule that differs substantially
5 from the text of a proposed rule published in the North Carolina Register unless the
6 agency publishes the text of the proposed different rule in the North Carolina Register
7 and accepts comments on the proposed different rule for the time set in subsection ~~(e)~~(f)
8 of this section.

9 An adopted rule differs substantially from a proposed rule if it does one or more of the
10 following:

- 11 (1) Affects the interests of persons who, based on either the notice
12 published in the North Carolina Register of rule-making proceedings or
13 the proposed text of the rule, rule published in the North Carolina
14 Register, could not reasonably have determined that the rule would
15 affect their interests.
- 16 (2) Addresses a subject matter or an issue that is not addressed in the
17 proposed text of the rule.
- 18 (3) Produces an effect that could not reasonably have been expected based
19 on the proposed text of the rule.

20 When an agency adopts a rule, it ~~may~~shall not take subsequent action on the rule without
21 following the procedures in this Part.

22 ~~(g)~~ (h) Explanation. – An agency ~~must~~shall issue a concise written statement
23 explaining why the agency adopted a rule if, within 30 days after the agency adopts the
24 rule, a person asks the agency to do so. The explanation ~~must~~shall state the principal
25 reasons for and against adopting the rule and ~~must~~shall discuss why the agency rejected
26 any arguments made or considerations urged against the adoption of the rule.

27 ~~(h)~~ (i) Record. – An agency ~~must~~shall keep a record of a rule-making proceeding.
28 The record ~~must~~shall include all written comments received, a transcript or recording of
29 any public hearing held on the rule, and any written explanation made by the agency for
30 adopting the rule."

31 RULES REVIEW COMMISSION ROLE STRENGTHENED

32 (e) G.S. 150B-21.3 reads as rewritten:

33 "§ 150B-21.3. Effective date of rules.

34 (a) Temporary Rule. – A temporary rule becomes effective on the date the
35 Codifier of Rules enters the rule in the North Carolina Administrative Code.

36 (b) Permanent Rule. – A permanent rule approved by the Commission becomes
37 effective ~~five business days after the Commission delivers the rule to the Codifier of~~
38 ~~Rules, unless the agency adopting the rule specifies a later effective date. If the agency~~
39 ~~specifies a later effective date, the rule becomes effective on that date.~~ on the thirty-first
40 legislative day of the next regular session of the General Assembly that begins at least 25
41 days after the date the Commission approved the rule, unless a later effective date applies
42 under this subsection. If a bill that specifically disapproves the rule is introduced in either
43 house of the General Assembly before the thirty-first legislative day of that session, the

1 rule becomes effective on the earlier of either the day an unfavorable final action is taken
2 on the bill or the day that session of the General Assembly adjourns without ratifying a
3 bill that specifically disapproves the rule. If the agency adopting the rule specifies a later
4 effective date than the date that would otherwise apply under this subsection, the later
5 date applies. A permanent rule that is not approved by the Commission becomes
6 effective five business days after the agency adopting the rule delivers the rule to the
7 Codifier of Rules, unless the agency adopting the rule specifies a later effective date. If
8 the agency specifies a later effective date, the rule becomes effective on that date. or that
9 is specifically disapproved by a bill ratified by the General Assembly before it becomes
10 effective does not become effective.

11 A bill specifically disapproves a rule if it contains a provision that refers to the rule by
12 appropriate North Carolina Administrative Code citation and states that the rule is
13 disapproved. Notwithstanding any rule of either house of the General Assembly, any
14 member of the General Assembly may introduce a bill during the first 30 legislative days
15 of any regular session to disapprove a rule that has been approved by the Commission
16 and that either has not become effective or has become effective by executive order under
17 subsection (c) of this section.

18 (c) Executive Order Exception. – The Governor may, by executive order, make
19 effective a permanent rule that has been approved by the Commission and has not
20 become effective under subsection (b) of this section upon finding that it is necessary that
21 the rule become effective in order to protect public health, safety, or welfare. A rule
22 made effective by executive order becomes effective on the date the order is issued or at a
23 later date specified in the order. When the Codifier of Rules enters in the North Carolina
24 Administrative Code a rule made effective by executive order, the entry shall reflect this
25 action.

26 A rule that is made effective by executive order remains in effect unless it is
27 specifically disapproved by the General Assembly in a bill ratified on or before the day of
28 adjournment of the regular session of the General Assembly that begins at least 25 days
29 after the date the executive order is issued. A rule that is made effective by executive
30 order and that is specifically disapproved by a bill ratified by the General Assembly is
31 repealed as of the date specified in the bill. If a rule that is made effective by executive
32 order is not specifically disapproved by a bill ratified by the General Assembly within the
33 time set by this subsection, the Codifier of Rules shall note this in the North Carolina
34 Administrative Code.

35 (d) Legislative Day and Day of Adjournment. – As used in this section:

36 (1) A 'legislative day' is a day on which either house of the General
37 Assembly convenes in regular session.

38 (2) The 'day of adjournment' of a regular session held in an odd-numbered
39 year is the day the General Assembly adjourns by joint resolution for
40 more than 10 days.

41 (3) The 'day of adjournment' of a regular session held in an even-numbered
42 year is the day the General Assembly adjourns sine die.

1 (e) (e) OSHA Standard. – A permanent rule concerning an occupational safety and
2 health standard that is adopted by the Occupational Safety and Health Division of the
3 Department of Labor and is identical to a federal regulation promulgated by the Secretary
4 of the United States Department of Labor becomes effective on the date the Division
5 delivers the rule to the Codifier of Rules, unless the Division specifies a later effective
6 date. If the Division specifies a later effective date, the rule becomes effective on that
7 date."

8 (e1) G.S. 150B-21.9(a) reads as rewritten:

9 "(a) Standards. – The Commission ~~must~~shall determine whether a rule meets all of
10 the following criteria:

11 (1) It is within the authority delegated to the agency by the General
12 Assembly.

13 (2) It is clear and unambiguous.

14 (3) It is reasonably necessary to fulfill a duty delegated to the agency by the
15 General ~~Assembly.~~Assembly, when considered in light of the
16 cumulative effect of all rules adopted by the agency related to the
17 specific purpose for which the rule is proposed and the legislative intent
18 of the General Assembly in delegating the duty.

19 The Commission may determine if a rule submitted to it was adopted in accordance
20 with Part 2 of this Article. The Commission may ask the Office of State Budget and
21 Management to determine if a rule has a substantial economic impact and is therefore
22 required to have a fiscal note. The Commission shall ask the Office of State Budget and
23 Management to make this determination if a fiscal note was not prepared for a rule and
24 the Commission receives a written request for a determination of whether the rule has a
25 substantial economic impact.

26 The Commission ~~must~~shall notify the agency that adopted the rule if it determines
27 that a rule was not adopted in accordance with Part 2 of this Article and ~~must~~shall return
28 the rule to the agency. Entry of a rule in the North Carolina Administrative Code after
29 review by the Commission is conclusive evidence that the rule was adopted in
30 accordance with Part 2 of this Article."

31 (e2) G.S. 150B-21.11 reads as rewritten:

32 "**§ 150B-21.11. Procedure when Commission approves permanent rule.**

33 When the Commission approves a permanent rule, it ~~must~~shall notify the agency that
34 adopted the rule of the Commission's ~~approval and must approval,~~ deliver the approved
35 rule to the Codifier of ~~Rules.~~Rules, and include the text of the approved rule and a
36 summary of the rule in its next report to the Joint Legislative Administrative Procedure
37 Oversight Committee. ~~The Commission must deliver an approved rule by the end of the~~
38 month in which the Commission approved the rule, unless the agency asks the
39 Commission to delay the delivery of the rule."

40 (e3) G.S. 150B-21.12 reads as rewritten:

41 "**§ 150B-21.12. Procedure when Commission objects to a permanent rule.**

42 (a) Action. – When the Commission objects to a permanent rule, it ~~must~~shall send
43 the agency that adopted the rule a written statement of the objection and the reason for

1 the objection. The agency that adopted the rule ~~must~~shall take one of the following
2 actions:

3 (1) Change the rule to satisfy the Commission's objection and submit the
4 revised rule to the Commission.

5 (2) Submit a written response to the Commission indicating that the agency
6 has decided not to change the rule.

7 (b) Time Limit. – An agency that is not a board or commission ~~must~~shall take
8 one of ~~these~~the actions listed in subsection (a) of this section within 30 days after
9 receiving the Commission's statement of objection. A board or commission ~~must~~shall
10 take one of these actions within 30 days after receiving the Commission's statement of
11 objection or within 10 days after the board or commission's next regularly scheduled
12 meeting, whichever comes later.

13 (c) Changes. – When an agency changes a rule in response to an objection by the
14 Commission, the Commission ~~must~~shall determine whether the change satisfies the
15 Commission's objection. If it does, the Commission ~~must~~shall approve the rule. If it
16 does not, the Commission ~~must~~shall send the agency a written statement of the
17 Commission's continued objection and the reason for the continued objection.

18 (d) Return of Rule. – A rule to which the Commission has objected remains under
19 review by the Commission until the agency that adopted the rule decides not to satisfy the
20 Commission's objection and makes a written request to the Commission to return the rule
21 to the agency. When the Commission returns a rule to which it has objected, it ~~may send~~
22 ~~to the President of the Senate and each member of the General Assembly a report of its~~
23 ~~objection to the rule.~~shall notify the Codifier of Rules of its action and shall send a copy
24 of the record of the Commission's review of the rule to the Joint Legislative
25 Administrative Procedure Oversight Committee in its next report to that Committee. The
26 record of review consists of the rule, the Commission's letter of objection to the rule, the
27 agency's written response to the Commission's letter, and any other relevant documents
28 before the Commission when it decided to object to the rule.

29 (b) Entry In Code.—~~When the Commission returns a rule to which it has objected~~
30 ~~to the agency that adopted the rule, the Commission must notify the Codifier of Rules of~~
31 ~~its action and of the basis of the Commission's objection. An agency whose rule is~~
32 ~~returned may file the rule with the Codifier of Rules. When the Codifier of Rules enters~~
33 ~~in the North Carolina Administrative Code a rule to which the Commission objected, the~~
34 ~~entry must reflect the Commission's objection and must state the standard on which the~~
35 ~~Commission based its objection."~~

36 (e4) G.S. 150B-21.15 is repealed. This subsection does not abate any action or
37 appeal brought under G.S. 150B-21.15 prior to the effective date of this section.

38 RULES REVIEW COMMISSION'S MONTHLY REPORT TO JOINT
39 LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT
40 COMMITTEE

41 (f) Part 3 of Article 2B of Chapter 150B of the General Statutes is amended by
42 adding a new section to read:

1 **"§ 150B-21.16. Report to Joint Legislative Administrative Procedure Oversight**
2 **Committee.**

3 The Commission shall make monthly reports to the Joint Legislative Administrative
4 Procedure Oversight Committee. The reports are due by the last day of the month. A
5 report shall include the rules approved by the Commission at its meeting held in the
6 month in which the report is due and the rules the Commission returned to agencies
7 during that month after the Commission objected to the rule. A report shall include any
8 other information requested by the Joint Legislative Administrative Procedure Oversight
9 Committee. When the Commission sends a report to the Joint Legislative Administrative
10 Procedure Oversight Committee, the Commission shall send a copy of the report to the
11 Codifier of Rules."

12 PUBLISHING AND CODIFYING OF RULES

13 (g) G.S. 150B-21.17(a) reads as rewritten:

14 "(a) Content. – The Codifier of Rules ~~must~~shall publish the North Carolina
15 Register. The North Carolina Register ~~must~~shall be published at least two times a month
16 and ~~must~~shall contain the following:

17 (1) Temporary rules entered in the North Carolina Administrative Code.

18 ~~(1a)~~ Notices of ~~proposed adoptions~~rule-making proceedings, the text of
19 ~~proposed rules.~~rules, and the text of permanent rules approved by the
20 Commission.

21 (2) Notices of receipt of a petition for municipal incorporation, as required
22 by G.S. 120-165.

23 (3) Executive orders of the Governor.

24 (4) Final decision letters from the United States Attorney General
25 concerning changes in laws that affect voting in a jurisdiction subject to
26 section 5 of the Voting Rights Act of 1965, as required by G.S. 120-
27 30.9H.

28 (5) Orders of the Tax Review Board issued under G.S. 105-241.2.

29 (6) Other information the Codifier determines to be helpful to the public."

30 (g1) G.S. 150B-21.19 reads as rewritten:

31 **"§ 150B-21.19. Requirements for including rule in Code.**

32 To be acceptable for inclusion in the North Carolina Administrative Code, a rule
33 ~~must~~shall:

34 (1) Cite the law under which the rule is adopted.

35 (2) Be signed by the head of the agency or the rule-making coordinator for
36 the agency that adopted the rule.

37 (3) Be in the physical form specified by the Codifier of Rules.

38 (4) Have been ~~reviewed~~approved by the Commission, if the rule is a
39 permanent rule."

40 CHANGES IN EXEMPTIONS FROM RULE MAKING

41 (h) G.S. 150B-1(d) reads as rewritten:

42 "(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to
43 the following:

- 1 (1) The Commission.
- 2 (2) The North Carolina Low-Level Radioactive Waste Management
3 Authority in administering the provisions of G.S. 104G-10 and G.S.
4 104G-11.
- 5 (3) The North Carolina Hazardous Waste Management Commission in
6 administering the provisions of G.S. 130B-13 and G.S. 130B-14.
- 7 (4) The Department of Revenue, ~~except that Parts 3 and 4 of Article 2A~~
8 apply to the Department with respect to the notice and hearing
9 requirements contained in Part 2 of Article 2A.
- 10 (5) The North Carolina Global TransPark Authority with respect to the
11 acquisition, construction, operation, or use, including fees or charges, of
12 any portion of a cargo airport complex.
- 13 (6) The Department of Correction, with respect to matters relating solely to
14 persons in its custody or under its supervision, including prisoners,
15 probationers, and parolees."

16 CONFIRMING CHANGES

17 (i) [Employment Security Commission] G.S. 96-4(b) reads as rewritten:

18 "(b) Regulations and General and Special Rules. – General and special rules may be
19 adopted, amended, or rescinded by the Commission only after public hearing or
20 opportunity to be heard thereon, of which proper notice has been given by mail to the last
21 known address in cases of special rules, or by publication as herein provided, and by one
22 publication as herein provided as to general rules. The Commission shall not take final
23 action on a general or special rule that has a substantial economic impact, as defined in
24 G.S. 150B-21.4(b1), until 60 days after the Office of State Budget and Management has
25 prepared a fiscal note for the rule. General rules shall become effective 10 days after
26 filing with the Secretary of State and publication in one or more newspapers of general
27 circulation in this State. Special rules shall become effective 10 days after notification to
28 or mailing to the last known address of the individuals or concerns affected thereby.
29 Before the adoption, amendment, or repeal of any permanent regulation, the Commission
30 shall publish notice of the public hearing and offer any person an opportunity to present
31 data, opinions, and arguments. The notice shall be published in one or more newspapers
32 of general circulation in this State at least 10 days before the public hearing and at least
33 20 days prior to the proposed effective date of the proposed permanent regulation. The
34 published notice of public hearing shall include the time and place of the public hearing;
35 a statement of the manner in which data, opinions, and arguments may be submitted to or
36 before the Commission; a statement of the terms or substance of the proposed regulation;
37 a statement of whether a fiscal note has been or will be prepared for the proposed
38 regulation; and the proposed effective date of the regulation. Any permanent regulation
39 adopted after following the above procedure shall become effective on its effective date
40 and after it is published in the manner provided for in subsection (c) as well as such
41 additional publication as the Commission deems appropriate. Additionally, the
42 Commission shall provide notice of adoption by mail to the last known addresses of all
43 persons who submitted data, opinions, or arguments to the Commission with respect to

1 the regulation. Temporary regulations may be adopted, amended, or rescinded by the
2 Commission and shall become effective in the manner and at the time prescribed by the
3 Commission but shall remain in force for no longer than 120 days."

4 (i2) [Industrial Commission] G.S. 97-80(a) reads as rewritten:

5 "(a) The Commission may make rules, not inconsistent with this Article, for
6 carrying out the provisions of this Article. The Commission shall request the Office of
7 State Budget and Management to prepare a fiscal note for a proposed new or amended
8 rule that has a substantial economic impact, as defined in G.S. 150B-21.4(b1). The
9 Commission shall not take final action on a proposed rule change that has a substantial
10 economic impact until at least 60 days after the fiscal note has been prepared.

11 Processes, procedure, and discovery under this Article shall be as summary and
12 simple as reasonably may be."

13 (i3) [Department of Revenue] G.S. 105-262 reads as rewritten:

14 "**§ 105-262. Rules.**

15 (a) The Secretary of Revenue may adopt rules needed to administer a tax collected
16 by the Secretary or to fulfill another duty delegated to the Secretary. The Tax Review
17 Board shall review a new rule or a change to a rule before it is filed in the North Carolina
18 Administrative Code.

19 (b) The Secretary shall ask the Office of State Budget and Management to prepare
20 a fiscal note for a proposed new rule or a proposed change to a rule that has a substantial
21 economic impact, as defined in G.S. 150B-21.4(b1). The Secretary shall not take final
22 action on a proposed rule change that has a substantial economic impact until at least 60
23 days after the fiscal note has been prepared."

24 (i4) G.S.143-214.7(c) reads as rewritten:

25 "~~(c) The Commission shall hold public hearings in accordance with~~
26 ~~Article 2 of Chapter 150B. Prior to implementation of the rules, the Administrative Rules~~
27 ~~Review Commission shall review the rule pursuant to G.S. 143B-30.2 to determine~~
28 ~~whether the rule:~~

29 (1) ~~Is within the authority delegated to the agency by the General~~
30 ~~Assembly;~~

31 (2) ~~Is clear and unambiguous;~~

32 (3) ~~Is reasonably necessary to enable the administrative agency to perform a~~
33 ~~function assigned to it by statute or to enable or facilitate the~~
34 ~~implementation of a program or policy in aid of which the rule was~~
35 ~~adopted.~~

36 Chapter 150B of the General Statutes governs adoption of rules by the Commission."

37 (i5) [Building Code Council] G.S. 143-138(a) reads as rewritten:

38 "(a) Preparation and Adoption. – The Building Code Council is hereby empowered
39 to prepare and adopt, in accordance with the provisions of this Article, a North Carolina
40 State Building Code. Prior to the adoption of this Code, or any part thereof, the Council
41 shall hold at least one public hearing. A notice of such public hearing shall be given once
42 a week for two successive calendar weeks in a newspaper published in Raleigh, said
43 notice to be published the first time not less than 15 days prior to the date fixed for said

1 hearing. The Council may hold such other public hearings and give such other notice as
2 it may deem necessary.

3 The Council shall request the Office of State Budget and Management to prepare a
4 fiscal note for a proposed Code change that has a substantial economic impact, as defined
5 in G.S. 150B-21.4(b1). The Council shall not take final action on a proposed Code
6 change that has a substantial economic impact until at least 60 days after the fiscal note
7 has been prepared."

8 (i6) G.S. 143-215(c), 143-215(d), 143-215.107(f), and 143-215.107(g) are
9 repealed.

10 (i7) Notwithstanding G.S. 120-70.100(b), as enacted by subsection (a) of this
11 section, the terms of initial members of the Joint Legislative Administrative Procedure
12 Oversight Committee shall begin upon appointment and shall end on January 15, 1997.

13 (j) This section becomes effective October 1, 1995, and applies to all rules for
14 which a notice of rule making is published in the North Carolina Register on or after that
15 date and to rule and Building Code changes that are initiated on or after that date and that
16 are not subject to the rule-making procedures set out in Article 2A of Chapter 150B of the
17 General Statutes.

18
19 Requested by: Representatives Justus, Thompson

20 **WESTERN JUSTICE ACADEMY**

21 Sec. 27.9. Of the funds appropriated to the Department of Justice in this act for
22 the 1995-97 biennium, the sum of one million four hundred seventy thousand dollars
23 (\$1,470,000) shall be used for design and planning and the purchase of real property for
24 the Western Justice Academy at a site to be located at Edneyville in Henderson County.

25
26 Requested by: Representatives Justus, Thompson

27 **CONSOLIDATION OF PRISON FACILITIES/PRISON CONSTRUCTION**

28 Sec. 27.10. (a) In order to continue the recommendations of the Government
29 Performance Audit Committee pertaining to the consolidation of smaller prison units in
30 Western North Carolina into a lesser number of facilities, the Department of Correction
31 shall develop and implement plans to close Avery Correctional Center, Watauga
32 Correctional Center, and Yancey Correctional Center and replace them with a facility to
33 be constructed at a site in Avery and Mitchell Counties.

34 (b) The Office of State Construction of the Department of Administration may
35 contract for and supervise all aspects of administration, technical assistance, design,
36 construction, or demolition of prison facilities in order to implement the providing of
37 prison facilities under the provisions of this act.

38 The facilities authorized under this act shall be constructed in accordance with
39 the provisions of general law applicable to the construction of State facilities. If the
40 Secretary of Administration, after consultation with the Secretary of Correction, finds
41 that the delivery of prison facilities must be expedited for good cause, the Office of State
42 Construction of the Department of Administration shall be exempt from the following
43 statutes and rules implementing those statutes, to the extent necessary to expedite

1 delivery: G.S. 143-135.26, 143-128, 143-129, 143-131, 143-132, 143-134, 113A-1
2 through 113A-10, 113A-50 through 113A-66, 133-1.1(g), and 143-408.1 through 143-
3 408.7.

4 Prior to exercising the exemptions allowable under this section, the Secretary
5 of Administration shall give reasonable notice in writing of the Department's intent to
6 exercise the exemptions to the Speaker of the House, the President Pro Tempore of the
7 Senate, the Chairs of the House and Senate Appropriations Committees, the Chairs of the
8 House and Senate Appropriations Subcommittees on Justice and Public Safety, the Chairs
9 of the Joint Legislative Corrections Oversight Committee, and the Fiscal Research
10 Division. The written notice shall contain at least the following information: (i) the
11 specific statutory requirement or requirements from which the Department intends to
12 exempt itself; (ii) the reason the exemption is necessary to expedite delivery of prison
13 facilities; (iii) the way in which the Department anticipates the exemption will expedite
14 the delivery of prison facilities; and (iv) a brief summary of the proposed contract for the
15 project which is to be exempted.

16 The Office of State Construction of the Department of Administration shall
17 have a verifiable ten percent (10%) goal for participation by minority and women-owned
18 businesses. All contracts for the design, construction, or demolition of prison facilities
19 shall include a penalty for failure to complete the work by a specified date.

20 The Office of State Construction of the Department of Administration shall
21 involve the Department of Correction in all aspects of the projects to the extent that such
22 involvement relates to the Department's program needs and to its responsibility for the
23 care of the prison population.

24 (c) The Office of State Construction of the Department of Administration shall
25 provide quarterly reports to the Chairs of the Appropriations Committee and the Base
26 Budget Committee in the Senate, the Chairs of the Appropriations Committee in the
27 House, the Joint Legislative Commission on Governmental Operations, the Chairs of the
28 Joint Legislative Corrections Oversight Committee, and the Fiscal Research Division as
29 to any changes in projects and allocations made under this act. The report shall include
30 any changes in the projects and allocations made pursuant to this act, information on
31 which contractors have been selected, what contracts have been entered into, the
32 projected and actual occupancy dates of facilities contracted for, the number of beds to be
33 constructed on each project, the location of each project, and the projected and actual cost
34 of each project.

35 The Department of Insurance and the Department of Correction shall report
36 quarterly to the Joint Legislative Commission on Governmental Operations on their
37 involvement in the prison construction program.

38
39 Requested by: Representatives Gardner, Hayes

40 **DETENTION CENTER CAPITAL FUNDING**

41 Sec. 27.11. Of the funds for capital improvements appropriated to the Division
42 of Youth Services, Department of Human Resources, in this act, the sum of two hundred

1 forty-eight thousand dollars (\$248,000) shall be used to begin to plan, site select, build, or
2 renovate a single, centrally located detention center for boundovers.

3
4 Requested by: Representatives Mitchell, Weatherly

5 **WATER RESOURCES DEVELOPMENT PROJECTS FUNDS**

6 Sec. 27.12. (a) Of the funds appropriated in this act to the Department of
7 Environment, Health, and Natural Resources for the 1995-96 fiscal year, the sum of one
8 million eight hundred sixty-five thousand dollars (\$1,865,000) shall be used for water
9 resources development projects and the sum of two hundred thousand dollars (\$200,000)
10 shall be used for small watershed projects. The Department shall allocate funds for the
11 following projects whose estimated costs are as indicated:

- 12 (1) Wilmington Harbor \$374,000
13 Deepening Study
14
- 15 (2) Jordan Lake Water Supply 130,000
16 Repayment
17
- 18 (3) Wilmington Harbor 500,000
19 38-ft. Navigation
20 Maintenance Dredging
21
- 22 (4) Aquatic Plant Control 150,000
23 (Statewide) includes
24 Lake Gaston
25
- 26 (5) Rollinson Channel 160,000
27 Maintenance, Dare County
28
- 29 (6) Wilmington Harbor Channel 72,000
30 Widening
31
- 32 (7) State-Local Projects 199,000
33
- 34 (8) Repayment to New Hanover 130,000
35 County Spoil Disposal Area
36
- 37 (9) Dare County Beaches 100,000
38 Feasibility Study
39
- 40 (10) Planning Assistance to 50,000
41 Communities
42
- 43 (11) Limestone Creek Watershed Project 40,000

1 Duplin County

2
3 (12) Deep Creek Watershed Project 160,000

4 Yadkin County

5
6 Total \$2,065,000

7
8 (b) Where the actual costs are different from the estimated costs under subsection
9 (a) of this section, the Department may adjust the allocations among projects as needed.
10 If any projects listed in subsection (a) of this section are delayed and the budgeted State
11 funds cannot be used during the 1995-96 fiscal year, or if the projects listed in subsection
12 (a) of this section are accomplished at a lower cost, the Department may use the resulting
13 fund availability to fund any of the following:

14 (1) Corps of Engineers project feasibility studies.

15 (2) Corps of Engineers projects whose schedules have advanced and require
16 State matching funds in fiscal year 1995-96.

17 (3) State-local Water Resources Development Projects.

18 (4) Soil Conservation Projects whose schedules have advanced and require
19 State matching funds in fiscal year 1995-96.

20 Funds not expended or encumbered for these purposes shall revert to the General
21 Fund at the end of the 1996-97 fiscal year.

22 (c) The Department shall make quarterly reports on the use of these funds to the
23 Joint Legislative Commission on Governmental Operations, the Fiscal Research
24 Division, and the Office of State Budget and Management. Each report shall include all
25 of the following:

26 (1) All projects listed in this section.

27 (2) The estimated cost of each project.

28 (3) The date that work on each project began or is expected to begin.

29 (4) The date that work on each project was completed or is expected to be
30 completed.

31 (5) The actual cost of each project.

32 The quarterly reports shall also show those projects advanced in schedule, those
33 projects delayed in schedule, and an estimate of the amount of funds expected to revert to
34 the General Fund.

35
36 **PART 28. GENERAL CAPITAL AND MISCELLANEOUS BUDGET**
37 **PROVISIONS**

38
39 Requested by: Representatives Holmes, Creech, Esposito

40 **PROCEDURES FOR DISBURSEMENT**

41 Sec. 28. The appropriations made by the 1995 General Assembly for capital
42 improvements shall be disbursed for the purposes provided by this act. Expenditure of
43 funds shall not be made by any State department, institution, or agency, until an allotment

1 has been approved by the Governor as Director of the Budget. The allotment shall be
2 approved only after full compliance with the Executive Budget Act, Article 1 of Chapter
3 143 of the General Statutes. Prior to the award of construction contracts for projects to
4 be financed in whole or in part with self-liquidating appropriations, the Director of the
5 Budget shall approve the elements of the method of financing of those projects including
6 the source of funds, interest rate, and liquidation period. Provided, however, that if the
7 Director of the Budget approves the method of financing a project, the Director shall
8 report that action to the Joint Legislative Commission on Governmental Operations at its
9 next meeting.

10 Where direct capital improvement appropriations include the purpose of
11 furnishing fixed and movable equipment for any project, those funds for equipment shall
12 not be subject to transfer into construction accounts except as authorized by the Director
13 of the Budget. The expenditure of funds for fixed and movable equipment and
14 furnishings shall be reviewed and approved by the Director of the Budget prior to
15 commitment of funds.

16 Capital improvement projects authorized by the 1995 General Assembly shall
17 be completed, including fixed and movable equipment and furnishings, within the limits
18 of the amounts of the direct or self-liquidating appropriations provided, except as
19 otherwise provided in this act.

20
21 Requested by: Representatives Holmes, Creech, Esposito

22 **RESERVE FOR ADVANCE PLANNING**

23 Sec. 28.1. The Office of State Budget and Management shall report to the
24 Joint Legislative Commission on Governmental Operations and to the Fiscal Research
25 Division on how it intends to spend funds from the Reserve for Advance Planning at least
26 45 days before it spends the funds.

27 The Office of State Budget and Management shall also report the results of
28 any project on which it uses funds from the Reserve for Advance Planning to the Joint
29 Legislative Commission on Governmental Operations and to the Fiscal Research
30 Division.

31
32 Requested by: Representatives Holmes, Creech, Esposito

33 **ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND**

34 Sec. 28.2. When each capital improvement project appropriated by the 1993
35 General Assembly, other than those projects under the Board of Governors of The
36 University of North Carolina, is placed under a construction contract, direct
37 appropriations shall be encumbered to include all costs for construction, design,
38 investigation, administration, movable equipment, and a reasonable contingency.
39 Unencumbered direct appropriations remaining in the project budget shall be placed in a
40 project reserve fund credited to the Office of State Budget and Management. Funds in
41 the project reserve may be used for emergency repair and renovation projects at State
42 facilities with the approval of the Director of the Budget. The project reserve fund may
43 be used, at the discretion of the Director of the Budget, to allow for award of contracts

1 where bids exceed appropriated funds, if those projects supplemented were designed
2 within the scope intended by the applicable appropriation or any authorized change in it,
3 and if, in the opinion of the Director of the Budget, all means to award contracts within
4 the appropriation were reasonably attempted. At the discretion of the Director of the
5 Budget, any balances in the project reserve fund shall revert to the original source.

6
7 Requested by: Representatives Holmes, Creech, Esposito

8 **PROJECT COST INCREASE**

9 Sec. 28.3. Upon the request of the administration of a State agency,
10 department, or institution, the Director of the Budget may, when in the Director's opinion
11 it is in the best interest of the State to do so, increase the cost of a capital improvement
12 project. Provided, however, that if the Director of the Budget increases the cost of a
13 project, the Director shall report that action to the Joint Legislative Commission on
14 Governmental Operations at its next meeting. The increase may be funded from gifts,
15 federal or private grants, special fund receipts, excess patient receipts above those
16 budgeted at University of North Carolina Hospitals at Chapel Hill, or direct capital
17 improvement appropriations to that department or institution.

18
19 Requested by: Representatives Holmes, Creech, Esposito

20 **NEW PROJECT AUTHORIZATION**

21 Sec. 28.4. Upon the request of the administration of any State agency,
22 department, or institution, the Governor may authorize the construction of a capital
23 improvement project not specifically authorized by the General Assembly if such project
24 is to be funded by gifts, federal or private grants, special fund receipts, excess patient
25 receipts above those budgeted at University of North Carolina Hospitals at Chapel Hill,
26 or self-liquidating indebtedness. Provided, however, that if the Director of the Budget
27 authorizes the construction of such a capital improvement project, the Director shall
28 report that action to the Joint Legislative Commission on Governmental Operations at its
29 next meeting.

30
31 Requested by: Representatives Holmes, Creech, Esposito

32 **ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS**

33 Sec. 28.5. Funds that become available by gifts, excess patient receipts above
34 those budgeted at University of North Carolina Hospitals at Chapel Hill, federal or
35 private grants, receipts becoming a part of special funds by act of the General Assembly
36 or any other funds available to a State department or institution may be utilized for
37 advance planning through the working drawing phase of capital improvement projects,
38 upon approval of the Director of the Budget. The Director of the Budget may make
39 allocations from the Advance Planning Fund for advance planning through the working
40 drawing phase of capital improvement projects, except that this revolving fund shall not
41 be utilized by the Board of Governors of The University of North Carolina or the State
42 Board of Community Colleges.

1 Requested by: Representatives Holmes, Creech, Esposito

2 **APPROPRIATIONS LIMITS/REVERSION OR LAPSE**

3 Sec. 28.6. Except as permitted in previous sections of this act, the
4 appropriations for capital improvements made by the 1993 General Assembly may be
5 expended only for specific projects set out by the 1993 General Assembly and for no
6 other purpose. Construction of all capital improvement projects enumerated by the 1993
7 General Assembly shall be commenced, or self-liquidating indebtedness with respect to
8 them shall be incurred, within 12 months following the first day of the fiscal year in
9 which the funds are available. If construction contracts on those projects have not been
10 awarded or self-liquidating indebtedness has not been incurred within that period, the
11 direct appropriation for those projects shall revert to the original source, and the self-
12 liquidating appropriation shall lapse; except that direct appropriations may be placed in a
13 reserve fund as authorized in this act. This deadline with respect to both direct and self-
14 liquidating appropriations may be extended with the approval of the Director of the
15 Budget up to an additional 12 months if circumstances and conditions warrant such
16 extension.

17
18 Requested by: Representatives Holmes, Creech, Esposito

19 **EXECUTIVE BUDGET ACT APPLIES**

20 Sec. 28.7. The provisions of the Executive Budget Act, Chapter 143, Article 1
21 of the General Statutes are reenacted and shall remain in full force and effect and are
22 incorporated in this act by reference.

23
24 Requested by: Representatives Holmes, Creech, Esposito

25 **COMMITTEE REPORT**

26 Sec. 28.8. (a) The House Appropriations Committee Report on Expansion
27 Budget/Capital Budget, dated June 29, 1995, which was distributed in the Senate and
28 House of Representatives and used to explain this act, shall indicate action by the General
29 Assembly on this act and shall therefore be used to construe this act, as provided in G.S.
30 143-15 of the Executive Budget Act, and for these purposes shall be considered a part of
31 this act.

32 (b) The budget enacted by the General Assembly for the maintenance of the
33 various departments, institutions, and other spending agencies of the State for the 1995-
34 97 fiscal biennium is a line item budget, in accordance with the Budget Code Structure
35 and the State Accounting System Uniform Chart of Accounts set out in the
36 Administrative Policies and Procedures Manual of the Office of the State Controller.
37 This budget includes the appropriations made from all sources including the General
38 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental
39 receipts.

40 The General Assembly amended the itemized budget requests submitted to the
41 General Assembly by the Director of the Budget and the Advisory Budget Commission,
42 in accordance with the steps that follow, and the line item detail in the budget enacted by
43 the General Assembly may be derived accordingly:

- 1 (1) Negative reserves set out in the submitted budget were deleted and the
2 totals were increased accordingly.
- 3 (2) The base budget was adjusted in accordance with the base budget cuts
4 and additions that were set out in the Senate and House Conference
5 Report on the Continuation Budget, dated June 21, 1995.
- 6 (3) Transfers of funds supporting programs were made in accordance with
7 the House and Senate Conference Report on the Continuation Budget,
8 dated June 21, 1995.
- 9 (4) The expansion budget items were added in accordance with the House
10 Appropriations Committee Report on Expansion Budget/Capital
11 Budget, dated June 28, 1995. Some of those expansion budget items
12 were in the budget submitted to the General Assembly by the Director
13 of the Budget and the Advisory Budget Commission.

14 Expansion budget items that were funded from new receipts are
15 included in the budget enacted by the General Assembly with program-
16 level detail.

17 The budget enacted by the General Assembly shall also be interpreted in
18 accordance with the special provisions in this act and in accordance with other
19 appropriate legislation.

20 In the event that there is a conflict between the line item budget certified by the
21 Director of the Budget and the budget enacted by the General Assembly, the budget
22 enacted by the General Assembly shall prevail.

23
24 Requested by: Representatives Holmes, Creech, Esposito

25 **MOST TEXT APPLIES ONLY TO 1995-97**

26 Sec. 28.9. Except for statutory changes or other provisions that clearly indicate
27 an intention to have effects beyond the 1995-97 fiscal year, the textual provisions of this
28 act apply only to funds appropriated for, and activities occurring during, the 1994-95
29 fiscal year.

30
31 Requested by: Representatives Holmes, Creech, Esposito

32 **1995-97 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

33 Sec. 28.10. . (a) Except where expressly repealed or amended by this act, the
34 provisions of Chapter 284 of the 1995 Session Laws remain in effect.

35 (b) Notwithstanding any modifications by this act in the amounts appropriated,
36 except where expressly repealed or amended, the limitations and directions for the 1995-
37 97 fiscal year in Chapter 284 of the 1995 Session Laws, that applied to appropriations to
38 particular agencies or for particular purposes apply to the newly enacted appropriations
39 and budget reductions of this act for those same particular purposes.

40
41 Requested by: Representatives Holmes, Creech, Esposito

42 **EFFECT OF HEADINGS**

1 Sec. 28.11. The headings to the titles, parts, and sections of this act are a
2 convenience to the reader and are for reference only. The headings do not expand, limit,
3 or define the text of this act.
4

5 Requested by: Representatives Holmes, Creech, Esposito

6 **SEVERABILITY CLAUSE**

7 Sec. 28.12. If any section or provision of this act is declared unconstitutional
8 or invalid by the courts, it does not affect the validity of this act as a whole or any part
9 other than the part so declared to be unconstitutional or invalid.
10

11 Requested by: Representatives Holmes, Creech, Esposito

12 **EFFECTIVE DATE**

13 Sec. 28.13. Except as otherwise provided, this act becomes effective July 1,
14 1995.