

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 230
Committee Substitute Favorable 6/29/95
Third Edition Engrossed 7/1/95
Senate Appropriations Committee Substitute Adopted 7/13/95

Short Title: '95 Expansion/Cap. Approp.

(Public)

Sponsors:

Referred to:

February 21, 1995

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

The General Assembly of North Carolina enacts:

PART 1. INTRODUCTION AND TITLE OF ACT

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

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

1
2 **PART 2. EXPANSION - RECURRING/GENERAL FUND**
3

4 Sec. 2. Appropriations of recurring funds from the General Fund of the State
5 for the expansion of the State departments, institutions, and agencies, and for other
6 purposes as enumerated are made for the biennium ending June 30, 1997, according to
7 the schedule that follows.
8

9	<u>Expansion - Recurring - General Fund</u>	<u>1995-96</u>	<u>1996-97</u>
10			
11	Judicial	\$3,057,886	\$3,282,475
12			
13	Office of the Governor	138,608	183,383
14			
15	Department of State Treasurer	4,448,000	4,448,000
16			
17	Department of Public Education	9,318,436	10,665,220
18			
19	University of North Carolina -		
20	Board of Governors		
21	Institutional Programs	486,460	4,105,059
22			
23	Department of Justice	651,264	651,264
24			
25	Department of Administration	348,704	348,704
26			
27	Department of Insurance	485,000	4,885,000
28			
29	Economic and Natural Resources		
30	Department of Commerce	267,041	267,041
31	Department of Environment, Health,		
32	and Natural Resources	3,080,839	3,080,839
33	Total Economic and Natural Resources	\$3,347,880	\$3,347,880
34			
35	Department of Human Resources		
36	Division of Aging	500,000	500,000
37	Office of the Secretary	1,500,000	1,500,000
38	Division of Social Services	920,000	920,000
39	Division of Services for the Blind	175,000	175,000
40	Division of Mental Health,		
41	Developmental Disabilities,		
42	and Substance Abuse Services	13,000,000	18,182,213
43	Division of Vocational Rehab	1,330,795	2,049,212

1	Division of Youth Services	991,371	1,610,541
2			
3	Total Department of Human Resources	\$18,417,166	\$24,936,966
4			
5			
6	Department of Correction	5,534,088	44,310,450
7			
8	Department of Revenue	3,196,311	2,971,115
9			
10	Department of State Auditor	103,271	103,271
11			
12	Department of Cultural Resources	155,673	155,673
13			
14	Department of Crime Control		
15	and Public Safety	200,542	199,872
16			
17	Office of State Controller	419,666	419,666
18			
19	Debt Service	15,031,552	24,369,052
20			
21	Reserve for Compensation Increase	101,136,570	101,136,570
22			
23	Department of Community Colleges	4,380,314	4,380,314
24			
25	GRAND TOTAL CURRENT OPERATIONS		
26	GENERAL FUND RECURRING	\$170,857,391	\$234,899,934

PART 3. EXPANSION - NONRECURRING/GENERAL FUND

EXPANSION - NONRECURRING/GENERAL FUND

31 Sec. 3. Appropriations of nonrecurring funds from the General Fund of the
 32 State for the expansion of the State departments, institutions, and agencies, and for other
 33 purposes as enumerated are made for the biennium ending June 30, 1997, according to
 34 the schedule that follows.

35			
36	<u>Expansion - Nonrecurring-</u>		
37	<u>- General Fund</u>		<u>1995-96</u> <u>1996-97</u>
38			
39	Judicial	\$4,764,749	–
40			
41	Office of the Governor	1,559,571	–
42			
43	Department of Public Education	35,071,158	–

1			
2	University of North Carolina -		
3	Board of Governors		
4	Institutional Programs	10,400,000 –	
5			
6	Department of Justice		182,246 –
7			
8			
9	Department of Administration		216,735 –
10			
11	Department of Insurance		1,290,000 –
12			
13	NATURAL AND ECONOMIC RESOURCES		
14	Department of Agriculture	500,000 –	
15	Department of Commerce	5,100,000	1,300,000
16	NC Biotechnology Center	1,000,000 –	
17	Rural Economic Dev. Center	3,800,000 –	
18	Housing Finance Authority	2,000,000 –	
19	Environment, Health, and		
20	Natural Resources	4,936,190 –	
21	Total Natural & Economic Resources		\$17,336,190 \$1,300,000
22			
23	Department of Human Resources		
24	Division of Aging	175,000 –	
25	Division of Child Development		300,000 –
26	Office of the Secretary	2,000,000 –	
27	Division of Social Services	699,300 –	
28	Division of Mental Health,		
29	Developmental Disabilities,		
30	and Substance Abuse Services	400,000 –	
31	Total Department of Human Resources		\$3,574,300 –
32			
33	Department of Correction		1,778,631 808,932
34			
35	Department of Revenue		8,027,912 116,600
36			
37	Department of Cultural Resources		11,021,326 –
38			
39	Department of Crime Control		
40	and Public Safety	594,646 125,000	
41			
42	Office of State Controller		2,685,457 –
43			

1	State Board of Elections	1,560,000 –
2		
3	Department of State Auditor	12,800 –
4		
5	Department of Community Colleges	4,051,317 –
6		
7	GRAND TOTAL - CURRENT OPERATIONS-	
8	GENERAL FUND NONRECURRING	\$107,648,647 \$2,350,532

PART 4A. EXPANSION/CAPITAL/HIGHWAY FUND

11
12 Sec. 4A. Appropriations of funds from the Highway Fund of the State for the
13 expansion of the Department of Transportation are made for the biennium ending June
14 30, 1997, and for capital improvements for the 1995-96 fiscal year, according to the
15 following schedule.

16 1995-96 1996-97

17 A. EXPANSION PROJECTS

19	1. DOT Administration	\$8,086,537	\$8,636,463
20	2. Division of Highways		
21	a. Administration and		
22	Operations	102,849	102,849
23	b. State Construction		
24	01. Reserve for Spot-Safety		
25	Projects	6,000,000	6,000,000
26	c. State Maintenance		
27	01. Urban System	420,000	4,347,777
28	02. Contract Resurfacing	3,680,202	5,000,000
29	3. Division of Motor Vehicles	5,452,112	4,482,898
30	4. State Aid for Public		
31	Transportation	5,800,000	5,800,000
32	5. Reserve for Asphalt Plant		
33	Cleanup	1,000,000	1,000,000
34	6. Reserve for Pay Increase	7,914,055	7,914,055
35	7. Reserve for PCB Cleanup		1,000,000
36	Appropriations to Other State		
37	Agencies		
38	a. Crime Control & Public Safety	<u>1,662,525</u>	<u>1,035,175</u>
39			
40	Total	\$41,118,280	\$44,319,217

42 B. CAPITAL IMPROVEMENTS PROJECTS

43	1. Roof Replacements Statewide	\$	432,900
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1	2.	HVAC Replacements Statewide -	
2		DMV 123,800	
3	3.	Safety Upgrades Statewide - DMV	123,800
4	4.	Fire Alarm Renovations	
5		Materials and Test Lab,	
6		Raleigh, NC 72,800	
7	5.	Parking Lot Repairs Statewide -	
8		DMV 133,700	
9	6.	Roadside Environmental Warehouse	
10		Sylva, NC 463,000	
11	7.	District Engineer's Office	
12		Marion, NC 590,000	
13	8.	DMV/SHP Supplemental Funding	
14		Durham, NC 69,890	
15	9.	DMV/SHP Supplemental Funding	
16		Salisbury, NC 110,000	
17	10.	Equipment Shop	
18		Washington, NC 916,000	
19	11.	Equipment Shop	
20		Wentworth, NC 911,000	
21	12.	Equipment Shop	
22		Kinston, NC 916,000	
23	13.	Equipment Shop	
24		Meadows, NC 913,000	
25	14.	Materials and Test Lab	
26		Asheville, NC 389,000	
27	15.	DMV/SHP Addition and Renovation	
28		Morganton, NC 272,700	
29	16.	Exterior Renovation, Transportation	
30		Building, Raleigh, NC 169,900	
31	17.	Building and Land Purchase	
32		Williamston, NC 368,000	
33	18.	Electrical Upgrades Transportation	
34		Building, Raleigh, NC <u>1,922,100</u>	
35			
36	Total		\$8,897,590
37			
38	Fuel Tank Replacement - State Highway Patrol		
39	Provides funds for replacement of fuel		
40	tanks at 15 sites @ \$32,000 per site and		
41	\$20,000 for testing equipment. <u>\$ 500,000</u>		
42			

43 AVAILABILITY

1 Sec. 4B. Section 5 of Chapter 324 of the 1995 Session Laws reads as
2 rewritten:

3 "Sec. 5. The General Fund and availability used in developing the 1995-97 budget is
4 as shown below:

5 (1) Composition of the 1995-97 beginning availability:

6 a.	Revenue collections in 1994-95 in	(\$ Million)	
7	excess of authorized estimates	\$192.00	
8 b.	Unexpended appropriations		
9	during 1994-95 (reversions)	162.40	
10 c.	Balance brought forward	<u>33.40</u>	
11	Subtotal	387.80	
12 d.	Transfer to Savings Reserve	96.90	
13 e.	Transfer to Reserve		
14	for Repair and		
15	Renovations	<u>125.00</u>	
16	Ending Fund Balance	\$ 165.9	

17			
18		(\$ Million)	(\$ Million)
19		<u>1995-96</u>	<u>1996-97</u>
20 (2)	Beginning Unrestricted		
21	Fund Balance	\$ 165.9	\$ -
22			
23 (3)	Revenues Based on Existing Tax		
24	Structure	10,019.6	10,658.1
25			
26 (4)	94-95 Reserve for Tax		
27	Reductions	28.1	-

28 Changes:

29

30 1. Tax Changes

31 (a)	Personal Income	-235.0	-244.1	
32 (b)	Intangibles Repeal	-124.4	-124.5	
33 (c)	<u>H 396 Ports Tax Credit</u>	<u>-7</u>	<u>-7</u>	
34	<u>H 55 Aquaculture Sales Tax</u>			
35	Exemption	<u>-1</u>	<u>-1</u>	
36	<u>H 759 Nonprofit Home Sales</u>			
37	Tax Refunds	<u>-1.4</u>	<u>-1.4</u>	
38	<u>H 223 Soft Drink Tax</u>	<u>-</u>	<u>-9.6</u>	
39	<u>H 360 RR Diesel Sales Tax</u>			
40	Exemption	<u>-1.2</u>	<u>-1.5</u>	
41	<u>H 718 State Parks Trust Fund</u>	<u>-</u>	<u>-18.0</u>	
42	<u>H 202 Poultry Composting Credit</u>	<u>-0.3</u>	<u>-0.3</u>	
43	<u>Total Tax Changes</u>	<u>-363.1</u>	<u>-400.2</u>	

1				
2	2.	Local Sales Tax -		
3		Local Government Commission	1.5	1.5
4	3.	Insurance Regulatory Charges		3.7 3.7
5		<u>5.4</u> <u>4.2</u>		
6	4.	Treasurer's Banking Fees		-7 -7
7	5.	Disproportionate Share		
8		Receipts 106.9 117.7		
9	6.	Investment Income Electronic		
10		Fund Transfers 2.0 2.0		
11	<u>7.</u>	<u>S710 - Self-Insurance Guaranty Fund</u>		-1.8 -1.8
12	<u>8.</u>	<u>S611 - Increase Court Fees</u>		8.5 8.5
13	<u>9.</u>	<u>Reversions Sec. 26.1 and Sec. 26.3</u>		2.3 =
14		Availability	\$9,967.6	\$10,413.7
15		<u>\$9,974.6</u> <u>\$10,389.3"</u>		

PART 6. GENERAL PROVISIONS

Requested by: Senators Plyler, Perdue, Odom

BUDGETING OF PILOT PROGRAMS

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

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

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

Requested by: Senators Plyler, Perdue, Odom

AUTHORIZATION OF PRIVATE LICENSE TAGS ON STATE-OWNED MOTOR VEHICLE

Sec. 6.1. (a) Pursuant to the provisions of G.S. 14-250, for the 1995-97 fiscal biennium, the General Assembly authorizes the use of private license tags on State-owned motor vehicles only for the State Highway Patrol and for the following:

<u>Department</u>	<u>Exemption Category</u>	<u>Number</u>
Motor Vehicles	License and Theft	97
Justice	SBI Agents	277
Correction	Probation/Parole Surveillance Officers (intensive probation)	25
Crime Control and Public Safety	ALE Officers	92

1 Revenue 3
 2 Capital Area
 3 Police 2

4 (b) The 92 ALE vehicles authorized by this section to use private license tags shall
 5 be distributed as follows:

- 6 (1) 54 among Agent I officers;
- 7 (2) 20 among Agent II officers;
- 8 (3) 1 to the Deputy Director;
- 9 (4) 12 to the District Offices/Extra Vehicles; and
- 10 (5) 5 to the Director, to be distributed at the Director's discretion.

11 (c) Except as provided in this section, all State-owned motor vehicles shall bear
 12 permanent registration plates issued under G.S. 20-84.

13
 14 Requested by: Senators Plyler, Perdue, Odom

15 **AUTHORIZATION OF PRIVATE LICENSE TAGS ON STATE-OWNED**
 16 **MOTOR VEHICLE**

17 Sec. 6.2. (a) G.S 18B-500(f) is repealed.

18 (b) G.S. 20-39(h) reads as rewritten:

19 "(h) The Commissioner, notwithstanding any other provision of this Chapter, may
 20 lawfully and to the extent necessary, provide local, State or federal law-enforcement
 21 officers on special undercover assignments with motor vehicle drivers licenses and motor
 22 vehicle registration plates under assumed names using false or fictitious addresses. Such
 23 registration plates shall only be used on publicly owned or leased vehicles. Requests for
 24 these licenses and registration plates shall be made to the Commissioner by the head of
 25 the local, State or federal law-enforcement agency and be accompanied by approval in
 26 writing from the Director of the State Bureau of Investigation upon a specific finding by
 27 the Director that the request is justified and necessary. The Director shall keep a record
 28 of all such licenses, registration plates, assumed names, false or fictitious addresses, and
 29 law-enforcement officers using the licenses or registration plates, and shall request the
 30 immediate return of any license or registration plate that is no longer necessary. Licenses
 31 and registration plates provided under this subsection shall expire six months after initial
 32 issuance or subsequent validation after the request for extension has been approved in
 33 writing by the Director of the State Bureau of Investigation. The head of the local, State
 34 or federal law-enforcement agency shall be responsible for the use of the licenses and
 35 registration plates and shall return them immediately to the Commissioner for
 36 cancellation upon either (i) their expiration, (ii) request of the Director of the State
 37 Bureau of Investigation, or (iii) request of the Commissioner. Failure to return a license
 38 or registration plates issued pursuant to this subsection shall be punished as a Class 2
 39 misdemeanor. At no time shall the number of valid licenses and registration plates issued
 40 under this act exceed ~~one hundred, fifty,~~ and those issued shall be strictly monitored by
 41 the Director. All of the private registration plates issued to special agents of the State
 42 Bureau of Investigation under the Department of Justice and to alcohol law enforcement
 43 agents under the Department of Crime Control and Public Safety, pursuant to G.S. 14-

1 250, may be fictitious plates and shall not be counted in the total number of fictitious
2 plates authorized by this subsection."

3 (c) G.S. 114-17.1 is repealed.
4

5 Requested by: Senators Plyler, Perdue, Odom

6 **DELETE DUPLICATIVE REPORT ON OVEREXPENDITURES OF FUNDS**

7 Sec. 6.3. G.S. 143-23(a1) reads as rewritten:

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

12 (1) In a purpose or program for which funds were appropriated for that
13 fiscal period and the total amount spent for the purpose or program is no
14 more than was appropriated for the purpose or program for the fiscal
15 period;

16 (2) Required to continue a purpose or program because of unforeseen
17 events, so long as the scope of the purpose or program is not increased;

18 (3) Required by a court, Industrial Commission, or administrative hearing
19 officer's order or award or to match unanticipated federal funds;

20 (4) Required to respond to an unanticipated disaster such as a fire,
21 hurricane, or tornado; or

22 (5) Required to call out the National Guard.

23 ~~If the total of all overexpenditures of a line item approved by the Director of the Budget~~
24 ~~for a fiscal year for the purposes set out in subdivisions (1) and (2) of this subsection~~
25 ~~exceeds ten percent (10%) of the line item amount in the budget enacted by the General~~
26 ~~Assembly, the Director of the Budget shall report monthly to the Joint Legislative~~
27 ~~Commission on Governmental Operations. The report shall include the reasons that make~~
28 ~~overexpenditures necessary and any unforeseen events necessitating overexpenditures~~
29 ~~that occurred after the budget was enacted by the General Assembly.~~

30 The Director of the Budget shall report on a quarterly basis to the Joint Legislative
31 Commission on Governmental Operations, the Fiscal Research Division of the
32 Legislative Services Office, and the State Auditor the reason if the amount expended for
33 a purpose or program is more than the amount appropriated for it from all sources. If the
34 overexpenditure was authorized under subdivision (2) of this subsection, the Director of
35 the Budget shall identify in the report the unforeseen event that required the
36 overexpenditure."
37

38 Requested by: Senators Plyler, Perdue, Odom

39 **OVERREALIZED GENERAL FUND REVENUES**

40 Sec. 6.4. (a) If the Director of the Budget, the State Controller, and the Secretary
41 of Revenue jointly certify that General Fund revenue over collections in the 1994-95
42 fiscal year is in excess of the one hundred ninety-two million dollars (\$192,000,000)
43 reflected in the Budget Reform Statement in Section 4B of this act, the Director of the

1 Budget may use funds for the 1995-96 fiscal year to comply with court orders and to
 2 match federal funds for the purposes specifically designated in this section, and such
 3 funds are hereby appropriated:

- 4 (1) Compliance with court orders in the Willie M. and Thomas S. lawsuits
 5 by the Department of Human Resources;
- 6 (2) State match for federal funds for the implementation of the the North
 7 Carolina Client Access Network (NC CAN) program in the Department
 8 of Human Resources;
- 9 (3) State match for federal funds for the implementation of the Electronic
 10 Benefits Program in the Department of Human Resources; and
- 11 (4) State match for federal funds for the Global TransPark Training Center.

12 Prior to spending funds under this section, the Director of the Budget shall report on the
 13 intended expenditures to the Joint Legislative Commission on Governmental Operations
 14 and the Fiscal Research Division.

15 (b) If the Director of the Budget determines that no additional funds are needed for
 16 the purposes designated in subsection (a) of this section, the Director of the Budget may
 17 use any remaining funds to grant a bonus of up to three hundred dollars (\$300.00) per
 18 employee to each permanent State employee or officer of the State, and each State-paid
 19 public school employee or officer. If any such bonus is paid, all eligible persons shall
 20 receive a bonus of the same amount, except that persons whose work is less than full time
 21 shall receive a pro rata amount. The Director of the Budget shall determine any
 22 eligibility requirements which may include a length of service requirement and shall
 23 determine when the bonus is to be paid.

24
 25 **PART 7. SALARIES AND BENEFITS**

26
 27 Requested by: Senators Plyler, Perdue, Odom

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

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

30 "(a) The salary of the Governor shall be ~~ninety-seven thousand six hundred dollars~~
 31 ~~(\$97,600) ninety-eight thousand five hundred seventy-six dollars (\$98,576)~~ annually,
 32 payable monthly."

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

36 Council	of	State
37 Annual Salary		
38		
39 Lieutenant		Governor
40 \$87,000		
41 Attorney		General
42 87,000		

1	Secretary	of	State
2	87,000		
3	State		Treasurer
4	87,000		
5	State		Auditor
6	87,000		
7	Superintendent	of	Public Instruction
8	87,000		
9	Agriculture		Commissioner
10	87,000		
11	Insurance		Commissioner
12	87,000		
13	Labor		Commissioner
14	87,000		

15
 16 Requested by: Senators Plyler, Perdue, Odom

17 **NONELECTED DEPARTMENT HEAD/SALARY INCREASES**

18 Sec. 7.2. In accordance with G.S. 143B-9, the maximum annual salaries,
 19 payable monthly, for the nonelected heads of the principal State departments for the
 20 1995-96 and 1996-97 fiscal years are:

21	<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
22		
23		
24	Secretary of Administration	\$85,000
25	Secretary of Correction	85,000
26	Secretary of Cultural Resources	85,000
27	Secretary of Commerce	85,000
28	Secretary of Environment, Health, and Natural Resources	85,000
29	Secretary of Human Resources	85,000
30	Secretary of Revenue	85,000
31	Secretary of Transportation	85,000
32	Secretary of Crime Control and Public Safety	85,000

33
 34 Requested by: Senators Plyler, Perdue, Odom

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

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

38	<u>Executive Branch Officials</u>	<u>Annual Salary</u>
39		
40		
41	Chairman, Alcoholic Beverage Control Commission	\$ 77,365
42	State Controller	108,271
43	Commissioner of Motor Vehicles	77,365

1	Commissioner of Banks	77,365
2	Chairman, Employment Security Commission	77,365
3	State Personnel Director	85,000
4	Chairman, Parole Commission	70,643
5	Members of the Parole Commission	65,220
6	Chairman, Industrial Commission	69,510
7	Members of the Industrial Commission	67,817
8	Chairman of the Utilities Commission	81,381
9	Commissioner of the Utilities Commission	80,381
10	Executive Director, Agency for Public Telecommunications	65,220
11	General Manager, Ports Railway Commission	58,893
12	Director, Museum of Art	79,274
13	Executive Director, Wildlife Resources Commission	66,773
14	Executive Director, North Carolina Housing Finance Agency	95,746
15	Executive Director, North Carolina Agricultural Finance Authority	75,302
16	Director, Office of Administrative Hearings	76,500

17

18 Requested by: Senators Plyler, Perdue, Odom

19 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASE**

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

22

23	<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
24		
25	Chief Justice, Supreme Court	\$98,576
26	Associate Justice, Supreme Court	96,000
27	Chief Judge, Court of Appeals	93,600
28	Judge, Court of Appeals	92,000
29	Judge, Senior Regular Resident Superior Court	89,500
30	Judge, Superior Court	87,000
31	Chief Judge, District Court	79,000
32	Judge, District Court	76,500
33	District Attorney	80,600
34	Administrative Officer of the Courts	89,500
35	Assistant Administrative Officer of the Courts	75,160
36	Public Defender	80,600

37

38 (b) The district attorney or public defender of a judicial district, with the approval
 39 of the Administrative Officer of the Courts, shall set the salaries of assistant district
 40 attorneys or assistant public defenders, respectively, in that district such that the average
 41 salaries of assistant district attorneys or assistant public defenders in that district do not
 42 exceed forty-nine thousand five hundred eighty dollars (\$49,580), and the minimum

1 salary of any assistant district attorney or assistant public defender is at least twenty-five
 2 thousand three hundred twelve dollars (\$25,312) effective July 1, 1995.

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

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

9
 10 Requested by: Senator Rand

11 **REDEFINE SERVICE FOR PURPOSES OF LONGEVITY PAY FOR PUBLIC**
 12 **DEFENDERS AND ASSISTANT DISTRICT ATTORNEYS**

13 Sec. 7.4A. (a) G.S. 7A-465(b) reads as rewritten:

14 "(b) The public defender shall be an attorney licensed to practice law in North
 15 Carolina, and shall devote his full time to the duties of his office.

16 In lieu of merit and other increment raises paid to regular State employees, a public
 17 defender shall receive as longevity pay an amount equal to four and eight-tenths percent
 18 (4.8%) of the annual salary set forth in the Current Operations Appropriations Act
 19 payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10
 20 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, and
 21 nineteen and two-tenths percent (19.2%) after 20 years of service. 'Service' means service
 22 as a public ~~defender~~ defender, assistant public defender, justice or judge of the General
 23 Court of Justice, or clerk of superior court."

24 (b) G.S. 7A-65(d) reads as rewritten:

25 "(d) In lieu of merit and other increment raises paid to regular State employees, an
 26 assistant district attorney shall receive as longevity pay an amount equal to four and
 27 eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations
 28 Appropriations Act payable monthly after five years of service, nine and six-tenths
 29 percent (9.6%) after 10 years of service, and fourteen and four-tenths percent (14.4%)
 30 after 15 years of service. 'Service' means service as an assistant district ~~attorney~~ attorney
 31 or as a district attorney."

32
 33 Requested by: Senators Plyler, Perdue, Odom

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

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

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

39
 40 Assistant Clerks and Head Bookkeeper Annual Salary

41
 42 Minimum ~~\$21,126~~ \$21,549

43 Maximum ~~37,406~~ 38,154

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

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

"(c) Notwithstanding the provisions of subsection (a), the Administrative Officer of the Courts shall establish an incremental salary plan for assistant clerks and for deputy clerks based on a series of salary steps corresponding to the steps contained in the Salary Plan for State Employees adopted by the Office of State Personnel, subject to a minimum and a maximum annual salary as set forth below. On and after July 1, 1985, each assistant clerk and each deputy clerk shall be eligible for an annual step increase in his salary plan based on satisfactory job performance as determined by each clerk. Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the office of superior court clerk would warrant an annual salary greater than the salary first established under this section, that assistant or deputy clerk shall be eligible on and after July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps in his salary plan, and shall remain eligible for a two-step increase each year as recommended by each clerk until that assistant or deputy clerk's annual salary corresponds to his number of years of service. Any person covered by this subsection who would not receive a step increase in fiscal year ~~1994-95-1995-96~~ because that person is at the top of the salary range as it existed for fiscal year ~~1993-94-1994-95~~ shall receive a salary increase to the maximum annual salary provided by subsection (c1) of this section."

Requested by: Senators Plyler, Perdue, Odom

MAGISTRATES' PAY PLAN

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

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

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>

1	Step 2	27,770	<u>28,325</u>
2	Step 3	30,506	<u>31,116</u>
3	Step 4	33,503	<u>34,173</u>
4	Step 5	36,797	<u>37,533</u>
5	Step 6	40,420	<u>41,228</u> ."

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

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

10 Less than 1 year of service \$ ~~18,095~~18,457

11 1 or more but less than 3 years of service ~~19,025~~19,406

12 3 or more but less than 5 years of service ~~20,896~~21,314.

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

15
16 Requested by: Senators Plyler, Perdue, Odom

17 GENERAL ASSEMBLY

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

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

28
29 Requested by: Senators Plyler, Perdue, Odom

30 GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

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

32 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
33 entitled to other benefits available to permanent legislative employees and shall be paid
34 an annual salary of ~~fifty-four thousand dollars (\$54,000)~~fifty-five thousand eighty dollars
35 (\$55,080) payable monthly. The Legislative Services Commission shall review the
36 salary of the principal clerks prior to submission of the proposed operating budget of the
37 General Assembly to the Governor and Advisory Budget Commission and shall make
38 appropriate recommendations for changes in those salaries. Any changes enacted by the
39 General Assembly shall be by amendment to this paragraph."

40
41 Requested by: Senators Plyler, Perdue, Odom

42 SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES

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

1 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary
2 of ~~two hundred thirty-two dollars (\$232.00)~~ two hundred thirty-seven dollars (\$237.00)
3 per week, plus subsistence at the same daily rate provided for members of the General
4 Assembly, plus mileage at the rate provided for members of the General Assembly for
5 one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall
6 serve during sessions of the General Assembly and at such time prior to the convening of,
7 and subsequent to adjournment or recess of, sessions as may be authorized by the
8 Legislative Services Commission. The reading clerks shall serve during sessions only."
9

10 Requested by: Senators Plyler, Perdue, Odom

11 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

12 Sec. 7.11. The Legislative Administrative Officer shall increase the salaries of
13 nonelected employees of the General Assembly in effect for fiscal year 1994-95 by two
14 percent (2%). Nothing in this act limits any of the provisions of G.S. 120-32.
15

16 Requested by: Senators Plyler, Perdue, Odom

17 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

18 Sec. 7.12. The Director of the Budget shall transfer from the Reserve for
19 Salary Increases created in this act for fiscal year 1995-96 funds to the Department of
20 Community Colleges necessary to provide an average annual salary increase of two
21 percent (2%), including funds for the employer's retirement and social security
22 contributions, commencing July 1, 1995, for all permanent full-time community college
23 institutional personnel supported by State funds. The State Board of Community
24 Colleges shall establish guidelines for providing their salary increases to community
25 college institutional personnel. Salary funds shall be used to provide an average annual
26 salary increase of two percent (2%) to all full-time employees and part-time employees
27 on a pro rata basis.
28

29 Requested by: Senators Plyler, Perdue, Odom

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

31 Sec. 7.13. The Director of the Budget shall transfer to the Board of Governors
32 of The University of North Carolina sufficient funds from the Reserve for Salary
33 Increases created in this act for fiscal year 1995-96 to provide an annual average salary
34 increase of two percent (2%), including funds for the employer's retirement and social
35 security contributions, commencing July 1, 1995, for all employees of The University of
36 North Carolina, as well as employees other than teachers of the North Carolina School of
37 Science and Mathematics, supported by State funds and whose salaries are exempt from
38 the State Personnel Act (EPA). These funds shall be allocated to individuals according to
39 the rules adopted by the Board of Governors, or the Board of Trustees of the North
40 Carolina School of Science and Mathematics, as appropriate, and may not be used for any
41 purpose other than for salary increases and necessary employer contributions provided by
42 this section.
43

1 Requested by: Senators Plyler, Perdue, Odom

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

3 Sec. 7.14. (a) The salaries in effect June 30, 1995, of all permanent full-time State
4 employees whose salaries are set in accordance with the State Personnel Act, and who are
5 paid from the General Fund or the Highway Fund shall be increased, on or after July 1,
6 1995, unless otherwise provided by this act, by two percent (2%).

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

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

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

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

26 (f) No person may receive a salary increase under G.S. 126-7 during the 1995-
27 96 fiscal year, and no State employee or officer shall receive a merit increment during the
28 1995-96 and 1996-97 fiscal years except as otherwise provided by this act.

29

30 Requested by: Senators Plyler, Perdue, Odom

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

32 Sec. 7.15. (a) Salaries and related benefits for positions that are funded partially
33 from the General Fund or Highway Fund and partially from sources other than the
34 General Fund or Highway Fund shall be increased from the General Fund or Highway
35 Fund appropriation only to the extent of the proportionate part of the salaries paid from
36 the General Fund or Highway Fund.

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

40 (c) The salary increases provided in this Part are to be effective July 1, 1995, do
41 not apply to persons separated from State service due to resignation, dismissal, reduction
42 in force, death, or retirement, whose last workday is prior to July 1, 1995, or to

1 employees involved in final written disciplinary procedures. The employee shall receive
2 the increase on a current basis when the final written disciplinary procedure is resolved.

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

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

11 Any remaining appropriations for legislative salary increases not required for
12 that purpose may be used to supplement the Salary Adjustment Fund. First priority for
13 the use of these funds shall be to support the salary range revision approved for Dental
14 Hygienist in October 1993.

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

17
18 Requested by: Senators Plyler, Perdue, Odom

19 **LAW ENFORCEMENT SALARIES EQUALIZED**

20 Sec. 7.15A. The Office of State Personnel shall adjust the salaries of law
21 enforcement positions in Marine Fisheries and Wildlife Resources so that the average
22 salaries of these employees are the same as the average salaries of members of the
23 Highway Patrol in the same salary grade. Within each salary grade, each position shall
24 receive the same percentage increase, except that no salary shall be increased above the
25 top of the range.

26
27 Requested by: Senators Plyler, Perdue, Odom

28 **SALES TAX TRANSFER FOR WILDLIFE RESOURCES COMMISSION** 29 **SALARY INCREASES**

30 Sec. 7.15B. Effective July 1, 1995, G.S. 105-164.44B reads as rewritten:

31 "**§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**
32 **fishing supplies and equipment.**

33 Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter
34 from the State sales and use tax net collections received by the Department of Revenue
35 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the
36 Wildlife Resources Fund, one fourth of the amount transferred the preceding fiscal year
37 plus or minus the percentage of that amount by which the total collection of State sales
38 and use taxes increased or decreased during the preceding fiscal ~~year.~~ year plus the cost
39 of any legislative salary increase for employees of the Wildlife Resources Commission."

40
41 Requested by: Senators Plyler, Perdue, Odom

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

1 Sec. 7.16. (a) Superintendents, Assistant Superintendents, Associate
2 Superintendents, Supervisors, Directors/Coordinators, and Finance Officers. – The
3 Director of the Budget may transfer from the Reserve for Salary Increases created in this
4 act for fiscal year 1995-96 funds necessary to provide a salary increase of two percent
5 (2%), including funds for the employer's retirement and social security contributions,
6 commencing July 1, 1995, for all superintendents, assistant superintendents, associate
7 superintendents, supervisors, and directors/coordinators whose salaries are supported
8 from the State's General Fund. These funds may not be used for any purpose other than
9 for the salary increase and necessary employer contributions provided by this subsection.

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

18 (c) The fiscal year 1994-95 pay rates adopted by local boards of education for
19 school bus drivers shall be increased by at least two percent (2%) on and after July 1,
20 1995, to the extent that such rates of pay are supported by the allocation of State funds
21 from the State Board of Education. Local boards of education shall increase the rates of
22 pay for all school bus drivers who were employed during fiscal year 1994-95 and who
23 continue their employment for fiscal year 1995-96 by at least two percent (2%) on and
24 after July 1, 1995. The Director of the Budget may transfer from the salary increase
25 reserve fund created in this act for fiscal year 1995-96 funds necessary to provide the
26 salary increases for school bus drivers whose salaries are supported from the State's
27 General Fund in accordance with the provisions of this subsection.

28
29 Requested by: Senators Plyler, Perdue, Odom

30 **SCHOOL CENTRAL OFFICE SALARIES**

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

- 34 (1) School Administrator I: \$2,697 - \$4,338
- 35 (2) School Administrator II: \$2,862 - \$4,604
- 36 (3) School Administrator III: \$3,037 - \$4,886
- 37 (4) School Administrator IV: \$3,160 - \$5,084
- 38 (5) School Administrator V: \$3,287 - \$5,290
- 39 (6) School Administrator VI: \$3,488 - \$5,614
- 40 (7) School Administrator VII: \$3,629 - \$5,841

41 The local board of education shall determine the appropriate category and placement for
42 each assistant superintendent, associate superintendent, director/coordinator, supervisor,
43 or finance officer, within the salary ranges and within funds appropriated by the General

1 Assembly for central office administrators and superintendents. The category in which
2 an employee is placed shall be included in the contract of any employee hired on or after
3 July 1, 1995.

4 (b) The following monthly salary ranges apply to public school superintendents
5 for the 1995-96 fiscal year:

- 6 (1) Superintendent I (Up to 2,500 ADM): \$3,852 - \$6,199
7 (2) Superintendent II (2,501 - 5,000 ADM): \$4,088 - \$6,578
8 (3) Superintendent III (5,001 - 10,000 ADM): \$4,338 - \$6,981
9 (4) Superintendent IV (10,001 - 25,000 ADM): \$4,604 - \$7,408
10 (5) Superintendent V (Over 25,000 ADM): \$4,886 - \$7,861

11 The local board of education shall determine the appropriate category and placement for
12 the superintendent based on the average daily membership of the local school
13 administrative unit and within funds appropriated by the General Assembly for central
14 office administrators and superintendents.

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

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

21 (d) Superintendents, assistant superintendents, associate superintendents,
22 directors/coordinators, supervisors, and finance officers with certification based on
23 academic preparation at the six-year degree level shall receive a salary supplement of one
24 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
25 for pursuant to this section. Superintendents, assistant superintendents, associate
26 superintendents, directors/coordinators, supervisors, and finance officers with
27 certification based on academic preparation at the doctoral degree level shall receive a
28 salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to
29 the compensation provided for under this section.

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

33
34 Requested by: Senators Plyler, Perdue, Odom

35 **TEACHER SALARY SCHEDULES**

36 Sec. 7.18. (a) The Director of the Budget may transfer from the Reserve for Salary
37 Increases for the 1995-96 fiscal year funds necessary to implement the teacher salary
38 schedule set out in subsection (b) of this section, including funds for the employer's
39 retirement and social security contributions and funds for annual longevity payments at
40 one percent (1%) of base salary for 10 to 14 years of State service, one and one-half
41 percent (1.5%) of base salary for 15 to 19 years of State service, two percent (2%) of base
42 salary for 20 to 24 years of State service, and two and one-half percent (2.5%) of base
43 salary for 25 or more years of State service, commencing July 1, 1995, for all teachers

1 whose salaries are supported from the State's General Fund. These funds shall be
 2 allocated to individuals according to rules adopted by the State Board of Education and
 3 the Superintendent of Public Instruction. The longevity payment shall be paid in a lump
 4 sum once a year.

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

<u>Years of Experience</u>	<u>1995-96 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
24	3,379
25	3,447
26	3,516
27	3,586
28	3,658
29	3,731
30+	3,731

42 (2) Beginning July 1, 1995, the following monthly salary schedule shall
 43 apply to certified personnel of the public schools who are classified as

"G"teachers. The schedule contains 30 steps with each step corresponding to one year of teaching experience.

	<u>Years of Experience</u>	<u>1995-96 Salary</u>
5	00	\$2,191
6	01	2,235
7	02	2,280
8	03	2,371
9	04	2,418
10	05	2,466
11	06	2,515
12	07	2,565
13	08	2,616
14	09	2,668
15	10	2,721
16	11	2,775
17	12	2,831
18	13	2,888
19	14	2,946
20	15	3,005
21	16	3,065
22	17	3,126
23	18	3,189
24	19	3,253
25	20	3,318
26	21	3,384
27	22	3,452
28	23	3,521
29	24	3,591
30	25	3,663
31	26	3,736
32	27	3,811
33	28	3,887
34	29	3,965
35	30+	3,965

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

1 certified personnel of the public schools who are classified as
2 "G"teachers.

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

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

15 (d) Certified personnel of the public schools who are: (i) classified as
16 "A"teachers; (ii) at the maximum of their pay range on June 30, 1995; and (iii) employed
17 as teachers for the first three pay periods of the 1995-96 school year shall receive a one-
18 time bonus of seven hundred forty-six dollars (\$746.00), payable at the third payroll
19 period of the 1995-96 school year. Certified personnel of the public schools who are: (i)
20 classified as "G"teachers; (ii) at the maximum of their pay range on June 30, 1995; and
21 (iii) employed as teachers for the first three pay periods of the 1995-96 school year, shall
22 receive a one-time bonus of seven hundred ninety-three dollars (\$793.00), payable at the
23 third payroll period of the 1995-96 school year. Certified personnel of the public schools
24 who are: (i) certified based on academic preparation at the six-year degree level; (ii) at
25 the maximum of their pay range on June 30, 1995; and (iii) employed as teachers for the
26 first three pay periods of the 1995-96 school year shall receive a one-time bonus of eight
27 hundred eighteen dollars (\$818.00), payable at the third payroll period of the 1995-96
28 school year. Certified personnel of the public schools who are: (i) certified based on
29 academic preparation at the doctoral degree level; (ii) at the maximum of their pay range
30 on June 30, 1995; and (iii) employed as teachers for the first three pay periods of the
31 1995-96 school year shall receive a one-time bonus of eight hundred forty-four dollars
32 (\$844.00), payable at the third 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 1995-96 school year, shall receive a one-time bonus of nine hundred one dollars
37 (\$901.00), payable at the third payroll period of the 1995-96 school year. Certified
38 personnel of the public schools who are: (i) classified as psychologists with doctoral
39 degrees; (ii) at the maximum of their pay range on June 30, 1995; and (iii) employed as
40 school psychologists for the first three pay periods of the 1995-96 school year, shall
41 receive a one-time bonus of nine hundred twenty-six dollars (\$926.00), payable at the
42 third payroll period of the 1995-96 school year.

43

1 Requested by: Senators Plyler, Perdue, Odom

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	3,702
32	19	3,353	3,353	3,420	3,488	3,558	3,629	3,702	3,776	3,776
33	20	3,420	3,420	3,488	3,558	3,629	3,702	3,776	3,852	3,852
34	21	3,488	3,488	3,558	3,629	3,702	3,776	3,852	3,929	3,929
35	22	3,558	3,558	3,629	3,702	3,776	3,852	3,929	4,008	4,008
36	23	3,629	3,629	3,702	3,776	3,852	3,929	4,008	4,088	4,088
37	24	3,702	3,702	3,776	3,852	3,929	4,008	4,088	4,170	4,170
38	25	3,776	3,776	3,852	3,929	4,008	4,088	4,170	4,253	4,253
39	26	3,852	3,852	3,929	4,008	4,088	4,170	4,253	4,338	4,338
40	27	3,929	3,929	4,008	4,088	4,170	4,253	4,338	4,425	4,425
41	28	4,008	4,008	4,088	4,170	4,253	4,338	4,425	4,514	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		Number of Teachers
18	Classification	Supervised
19	Assistant Principal	
20	Principal I	Less than 11 Teachers
21	Principal II	11-21 Teachers
22	Principal III	22-32 Teachers
23	Principal IV	33-43 Teachers
24	Principal V	44-54 Teachers
25	Principal VI	55-65 Teachers
26	Principal VII	More than 65 Teachers
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 the
 12 principal is transferred to a school within a local school administrative
 13 unit with a smaller number of State-allotted teachers, the principal shall
 14 be placed on the salary schedule as if the principal had served the
 15 principal's entire career as a principal at the lower job classification.

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

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

25 (j) Certified personnel of the public schools who are school administrators
 26 during the third payroll period of the 1995-96 school year and who were at the maximum
 27 of their pay range on June 30, 1995, shall receive a one-time bonus as set out in the table
 28 below payable at the third payroll period of the 1995-96 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
Principal IV	1,220
Principal IV Advanced	1,250

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

11 (k) The State Board of Education shall compile information on the total
12 number of years each assistant principal employed for the 1995-96 fiscal year has worked
13 as an assistant principal.
14

15 Requested by: Senators Plyler, Perdue, Odom

16 **STATE EMPLOYEE RIF RIGHTS/OPTIONS**

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

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

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

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

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

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

40 (a2) The State Personnel Commission shall adopt rules to provide that priority
41 consideration for State employees separated from State employment as the result of
42 reductions in force is to enable a State employee's return to career service at a salary

1 grade and salary rate equal to that held in the most recent position. The State Personnel
2 Commission shall provide that a State employee who:

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

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

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

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

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

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

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

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

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

27 (2) Is determined qualified for that position

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

41 (c2) If the applicants for reemployment for a position include current State
42 employees, a State employee with more than 10 years of service shall receive priority
43 consideration over a State employee having less than 10 years of service in the same or

1 related position classification. This reemployment priority shall be given by all State
2 departments, agencies, and institutions with regard to positions subject to this Chapter.

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

5 (1) Training or education;

6 (2) Years of experience; and

7 (3) Other skills, knowledge, and abilities that bear a reasonable functional
8 relationship to the abilities and skills required in the job vacancy applied
9 for."

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

11
12 Requested by: Senators Plyler, Perdue, Odom

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

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

15 "(6) Notwithstanding the provisions of G.S. 135-40.11, employees formerly
16 covered by the provisions of this section, other than retired employees,
17 who have been employed for 12 or more months by an employing unit
18 and whose jobs are eliminated because of a reduction, in total or in part,
19 in the funds used to support the job or its responsibilities, provided the
20 employees were covered by the Plan at the time of separation from
21 service resulting from a job elimination. Employees covered by this
22 subsection shall be covered for a period of up to 12 months following a
23 separation from service because of a job elimination."

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

25 "(5) The spouses and eligible dependent children of enrolled employees,
26 retirees, former employees covered by the provisions of G.S. 135-
27 40.2(a)(6), and members of the General Assembly."

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

29 "(12) Notwithstanding the provisions of G.S. 135-40.11, former employees
30 covered by the provisions of G.S. 135-40.2(a)(6), and their spouses and
31 eligible dependent children who were covered by the Plan at the time of
32 the former employees' separation from service pursuant to G.S. 135-
33 40.2(a)(6), following expiration of the former employees' coverage
34 provided by G.S. 135-40.2(a)(6)."

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

36
37 Requested by: Senators Martin of Pitt, Warren, Kerr

38 **ASSIST VOLUNTEER SAFETY WORKERS**

39 Sec. 7.21A. (a) Article 87 of Chapter 58 of the General Statutes is amended by
40 adding a new section to read:

41 **"§ 58-87-10. Workers' Compensation for Volunteer Safety Workers.**

42 The State Fire and Rescue Commission shall provide workers' compensation benefits
43 to members of eligible fire departments and eligible rescue/EMS units. Chapter 97 of the

1 General Statutes governs the payment of benefits. Benefits are payable for compensable
2 injuries or deaths that occur on and after July 1, 1996. An eligible fire department or
3 rescue/EMS unit is a volunteer department or unit that is not part of a unit of local
4 government and is exempt from State income tax under G.S. 105-130.11.

5 Every eligible department and unit shall pay to the State Fire and Rescue Commission
6 an amount set annually by the Commission to ensure that the Commission will be able to
7 meet its payment obligations under this section. The amount shall be set as a per capita
8 fixed dollar amount for each member of the roster for every department and unit. The
9 payment shall be made to the Commission on or before July 1 of each year. If the
10 Commission does not receive an annual payment from an eligible department or unit by
11 July 1, then the department or unit that fails to make the payment will not be eligible for
12 workers' compensation coverage from the Fund for the fiscal year that begins that July 1.

13 The Commission shall contract with a third-party administrator to provide the benefit
14 payments. The contracting procedure is not subject to Article 3C of Chapter 143 of the
15 General Statutes. The Commission may adopt rules to implement this section."

16 (b) The first per member payment that eligible fire departments and rescue/EMS
17 units must make to the State Fire and Rescue Commission under G.S. 58-87-10 is
18 payable on or before July 1, 1996.

19 (c) G.S. 58-78-5(a) is amended by adding a new subdivision to read:

20 "(16) To provide workers' compensation benefits under G.S. 58-87-10, to
21 create a Volunteer Safety Workers' Compensation board to assist it
22 in performing this duty, and to reimburse the members of the
23 Commission's Volunteer Safety Workers' Compensation board in
24 accordance with G.S. 138-5 for travel and subsistence expenses
25 incurred by them."

26 (d) G.S. 58-86-35 reads as rewritten:

27 **"§ 58-86-35. Firemen's application for membership in fund; monthly payments by**
28 **members; payments credited to separate accounts of members.**

29 Those firemen who are eligible pursuant to G.S. 58-86-25 may make application for
30 membership to the board. Each fireman upon becoming a member of the fund shall pay
31 the director of the fund the sum of ~~five-ten~~ dollars ~~(\$5.00)-(\$10.00)~~ per month. The
32 monthly payments shall be credited to the separate account of the member and shall be
33 kept by the custodian so it is available for payment on withdrawal from membership or
34 retirement."

35 (e) G.S. 58-86-40 reads as rewritten:

36 **"§ 58-86-40. Rescue squad worker's application for membership in funds; monthly**
37 **payments by members; payments credited to separate accounts of**
38 **members.**

39 Those rescue squad workers eligible pursuant to G.S. 58-86-30 may ~~make application~~
40 apply to the board for membership. ~~All persons who subsequently become rescue squad~~
41 ~~workers may make application for membership.~~ Each eligible rescue squad worker upon
42 becoming a member shall pay the director of the fund the sum of ~~five-ten~~ dollars ~~(\$5.00)~~
43 (\$10.00) per month. ~~A rescue squad worker who, on the date of the establishment of the~~

1 fund, has service as a rescue squad worker certified by the Department of State Treasurer,
2 may make a lump sum payment of five dollars (\$5.00) per month for each month of
3 service as an eligible rescue squad worker as defined by G.S. 58-86-30, on or before
4 December 31, 1983, for as many as 240 months together with interest at an annual rate of
5 six percent (6%). The

6 The monthly payments shall be credited to the separate account of the member and
7 shall be kept by the custodian so it is available for payment on withdrawal from
8 membership or retirement."

9 (f) G.S. 58-86-45(b) reads as rewritten:

10 "(b) ~~Effective April 1, 1987, any~~ An eligible fireman or rescue squad worker who
11 ~~has not reached his thirty-fifth birthday who is eligible and who is not yet 35 years old~~
12 and has not previously elected to become a member may ~~make application through~~ apply
13 to the board of trustees for membership in the fund at any time. The person shall Upon
14 becoming a member, the worker must make a lump sum payment of ~~five ten~~ ten dollars
15 ~~(\$5.00) (\$10.00)~~ per month retroactively to the time ~~he the worker~~ first became eligible to
16 become a member, plus interest at an annual rate to be set by the board of trustees, for
17 each year of ~~his~~ retroactive payments. Upon making this lump sum payment, the ~~person~~
18 worker shall be given credit for all prior service in the same manner as if ~~he the worker~~
19 had ~~made application~~ applied for membership at the time ~~he first became~~ upon first
20 becoming eligible. Any

21 A member who has not reached his thirty-fifth birthday is not yet 35 years old, who
22 ~~made application~~ applied for membership subsequent to the time ~~he was first eligible~~
23 after first becoming eligible, and who did not receive credit for prior service may receive
24 credit for such the prior service upon making a lump sum payment of five ten dollars
25 ~~(\$5.00) (\$10.00)~~ per for each month since the worker first became eligible, retroactively
26 ~~to the time he first became eligible,~~ plus interest at an annual rate to be set by the board
27 ~~of trustees,~~ for each year of ~~his~~ retroactive payments. Upon making this lump sum
28 payment, the date of membership shall be the same as if ~~he the worker~~ had ~~made~~
29 application applied for membership at the time ~~he was first~~ upon first becoming eligible."

30 (g) G.S. 58-86-55 reads as rewritten:

31 "**§ 58-86-55. Monthly pensions upon retirement.**

32 Any member who has served 20 years as an 'eligible fireman' or 'eligible rescue squad
33 worker' in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30,
34 and who has attained the age of 55 years is entitled to be paid a monthly pension from
35 this fund. The monthly pension shall be in the amount of one hundred ~~ten thirty-five~~
36 dollars (\$110.00) (\$135.00) per month. Any retired fireman receiving a pension of one
37 hundred ten dollars (\$110.00) per month shall, effective July 1, ~~1994,~~ 1995, receive a
38 pension of one hundred ~~ten thirty-five~~ dollars (\$110.00) (\$135.00) per month.

39 Members shall pay ~~five ten~~ ten dollars ~~(\$5.00) (\$10.00)~~ per month as required by G.S. 58-
40 86-35 and G.S. 58-86-40 for a period of no longer than 20 years. No 'eligible rescue
41 squad member' shall receive a pension prior to July 1, 1983. No ~~person member~~ shall be
42 entitled to a pension hereunder until ~~his the member's~~ official duties as a fireman or
43 rescue squad worker for which ~~he the member~~ is paid compensation shall have been

1 terminated and ~~he the member~~ shall have retired as such according to standards or rules
2 fixed by the board of trustees.

3 ~~Any A~~ member who is totally and permanently disabled while in the discharge of ~~his~~
4 the member's official duties as a result of bodily injuries sustained or as a result of
5 extreme exercise or extreme activity experienced in the course and scope of ~~his those~~
6 official duties and who leaves the fire or rescue squad service because of this disability
7 shall be entitled to be paid from the fund a monthly benefit in an amount of one hundred
8 ~~ten thirty-five~~ dollars ~~(\$110.00)-(\$135.00)~~ per month beginning the first month after ~~his~~
9 the member's fifty-fifth birthday. All applications for disability are subject to the approval
10 of the board who may appoint physicians to examine and evaluate the disabled member
11 prior to approval of ~~his the~~ application, and annually thereafter. Any disabled member
12 shall not be required to make the monthly payment of ~~five ten~~ dollars ~~(\$5.00)-(\$10.00)~~ as
13 required by G.S. 58-86-35 and G.S. 58-86-40.

14 ~~Any A~~ member who is totally and permanently disabled for any cause, other than line
15 of duty, who leaves the fire or rescue squad service because of this disability and who has
16 at least 10 years of service with the pension fund, may be permitted to continue making a
17 monthly contribution of ~~five ten~~ dollars ~~(\$5.00)-(\$10.00)~~ to the fund until ~~he the member~~
18 has paid into the fund the sum of one thousand two hundred dollars (\$1,200). made
19 contributions for a total of 240 months. The member shall upon attaining the age of 55
20 years be entitled to receive a pension as provided by this section. All applications for
21 disability are subject to the approval of the board who may appoint physicians to examine
22 and evaluate the disabled member prior to approval of ~~his the~~ application and annually
23 thereafter.

24 ~~Any A~~ member who, because his residence is annexed by a city under Part 2 or Part 3
25 of Article 4 of Chapter 160A of the General Statutes, or whose department is closed
26 because of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of
27 the General Statutes, and because of such annexation is unable to perform as a fireman of
28 any status, and if the member has at least 10 years of service with the pension fund, may
29 be permitted to continue making a monthly contribution of ~~five ten~~ dollars ~~(\$5.00)~~
30 (\$10.00) to the fund until ~~he the member~~ has paid into the fund the sum of one thousand
31 two hundred dollars (\$1,200). made contributions for a total of 240 months. The member
32 upon attaining the age of 55 years and completion of such contributions shall be entitled
33 to receive a pension as provided by this section. Any application to make monthly
34 contributions under this section shall be subject to a finding of eligibility by the Board of
35 Trustees upon application of the member.

36 The pensions provided shall be in addition to all other pensions or benefits under any
37 other statutes of the State of North Carolina or the United States, notwithstanding any
38 exclusionary provisions of other pensions or retirement systems provided by law."

39 (h) G.S. 58-86-30 reads as rewritten:

40 "**§ 58-86-30. 'Eligible rescue squad worker' defined; determination and certification**
41 **of eligibility.**

42 'Eligible rescue squad worker' means ~~any a~~ person who is a member of a rescue or
43 emergency medical services squad who that is eligible for membership in the North

1 Carolina Association of Rescue and Emergency Medical Services, ~~Squads, Inc.~~, and who
2 has attended a minimum of 36 hours of training and meetings in the last calendar year.
3 Each rescue or emergency medical services squad worker eligible for membership in the
4 North Carolina Association of Rescue and Emergency Medical Services, ~~Squads, Inc.~~,
5 must file a roster certified by the secretary of the association of those rescue or
6 emergency medical services squad workers meeting the ~~association requirements of this~~
7 section with the State Treasurer by January 1 of each calendar year.

8 'Eligible rescue squad worker' does not mean 'eligible fireman' as defined by G.S. 58-
9 86-25, nor may an 'eligible rescue squad worker' qualify also as an 'eligible fireman' in
10 order to receive double benefits available under this Article."

11 (i) The changes made to G.S. 58-86-45 and G.S. 58-86-55 by this Part do not
12 affect the credit received for service performed before July 1, 1995. The increase in
13 monthly pension contributions from five dollars (\$5.00) to ten dollars (\$10.00) in G.S.
14 58-86-55 does not affect the amount of monthly contributions made prior to July 1, 1995.

15 (j) The caption for Article 87 of Chapter 58 of the General Statutes reads as
16 rewritten:

17 **"ARTICLE 87.**

18 "~~Volunteer Fire Department and Rescue/EMS Funds. Safety Workers Assistance.~~"

19 (k) G.S. 58-87-1(b) reads as rewritten:

20 "(b) A fire department is eligible for a grant under this section ~~if~~ if it meets all of
21 the following conditions:

22 (1) It serves a response area of 6,000 or less in ~~population;~~ population.

23 (2) It is ~~all volunteer; and has no more than two paid members and~~
24 otherwise consists of volunteer members.

25 (3) It has been certified by the Department of Insurance.

26 In making the population determination under subdivision (1), the Department shall use
27 the ~~latest decennial U.S. Census population data.~~ most recent annual population estimates
28 certified by the State Planning Officer."

29 (l) G.S. 58-87-5(b) reads as rewritten:

30 "(b) A rescue or rescue/EMS unit is eligible for a grant under this section ~~if~~ if it
31 meets all of the following conditions:

32 (1) Repealed by Session Laws 1989 (Regular Session, 1990), c. 1066, s.
33 33(a), effective July 15, 1990.

34 (2) It is ~~all volunteer, except that the rescue or rescue/EMS unit may have~~
35 ~~paid members, not to exceed two positions, either full time or part time;~~
36 ~~and has no more than two paid members and otherwise consists of~~
37 volunteer members.

38 (3) It has been recognized by the Department as an organization that
39 provides rescue or rescue and emergency medical ~~services; and services.~~

40 (4) It satisfies the eligibility criteria established by the Department under
41 subsection (a) of this section."

42 (m) Subsections (d) through (i) of this section become effective July 1, 1995.

43 The remainder of this section becomes effective upon ratification.

1
2 Requested by: Senators Plyler, Perdue, Odom

3 **1995 RETIREMENT BENEFITS ACT**

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

5 "(zz) From and after July 1, 1995, the retirement allowance to or on account of
6 beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased
7 by two percent (2%) of the allowance payable on July 1, 1994, in accordance with G.S.
8 135-5(o). Furthermore, from and after July 1, 1995, the retirement allowance to or on
9 account of beneficiaries whose retirement commenced after July 1, 1994, but before June
10 30, 1995, shall be increased by a prorated amount of two percent (2%) of the allowance
11 payable as determined by the Board of Trustees based upon the number of months that a
12 retirement allowance was paid between July 1, 1994, and June 30, 1995."

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

14 "(p) From and after July 1, 1995, the retirement allowance to or on account of
15 beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased
16 by two percent (2%) of the allowance payable on July 1, 1994. Furthermore, from and
17 after July 1, 1995, the retirement allowance to or on account of beneficiaries whose
18 retirement commenced after July 1, 1994, but before June 30, 1995, shall be increased by
19 a prorated amount of two percent (2%) of the allowance payable as determined by the
20 Board of Trustees based upon the number of months that a retirement allowance was paid
21 between July 1, 1994, and June 30, 1995."

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

23 "(j) In accordance with subsection (a) of this section, from and after July 1, 1995,
24 the retirement allowance to or on account of beneficiaries whose retirement commenced
25 on or before January 1, 1995, shall be increased by two percent (2%) of the allowance
26 payable on January 1, 1995. Furthermore, from and after July 1, 1995, the retirement
27 allowance to or on account of beneficiaries whose retirement commenced after January 1,
28 1995, but before June 30, 1995, shall be increased by a prorated amount of two percent
29 (2%) of the allowance payable as determined by the Board of Trustees based upon the
30 number of months that a retirement allowance was paid between January 1, 1995, and
31 June 30, 1995."

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

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

36 a. Notwithstanding any other provision of this Chapter, any
37 member who separates from service prior to the attainment of the
38 age of 60 years for any reason other than death or retirement for
39 disability as provided in G.S. 128-27(c), after completing 15 or
40 more years of creditable service, and who leaves his total
41 accumulated contributions in said System shall have the right to
42 retire on a deferred retirement allowance upon attaining the age
43 of 60 years; provided that such member may 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; and further provided that in the case of a member who so separates from service on or after July 1, 1967, the aforesated requirement of 15 or more years of creditable service shall be reduced to 12 or more years of creditable service; and further provided that in the case of a member who so separates from service on or after July 1, 1971, or whose account is active on July 1, 1971, the aforesated requirement of 12 or more years of creditable service shall be reduced to five or more years of creditable service. Such 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	Reduction
Retirement	
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

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

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

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

1 c. Should a beneficiary who retired on an early or service
2 retirement allowance be reemployed, or otherwise engaged to
3 perform services, by an employer participating in the Retirement
4 System on a part-time, temporary, interim, or on fee-for-service
5 basis, whether contractual or otherwise, and if such beneficiary
6 earns an amount in any calendar year which exceeds fifty percent
7 (50%) of the reported compensation, excluding terminal
8 payments, during the 12 months of service preceding the
9 effective date of retirement, or twenty thousand dollars
10 (\$20,000), whichever is greater, as hereinafter indexed, then the
11 retirement allowance shall be suspended as of the first day of the
12 month following the month in which the reemployment earnings
13 exceed the amount above, for the balance of the calendar year.
14 The retirement allowance of the beneficiary shall be reinstated as
15 of January 1 of each year following suspension. The amount that
16 may be earned before suspension shall be increased on January 1
17 of each year by the ratio of the Consumer Price Index to the
18 Index one year earlier, calculated to the nearest tenth of a percent
19 (1/10 of 1%).

20 d. Should a beneficiary who retired on an early or service
21 retirement allowance be restored to service as an employee, then
22 the retirement allowance shall cease as of the first day of the
23 month following the month in which the beneficiary is restored
24 to service and the beneficiary shall become a member of the
25 Retirement System and shall contribute thereafter as allowed by
26 law at the uniform contribution payable by all members.

27 Upon his subsequent retirement, he shall be paid a retirement
28 allowance determined as follows:

29 1. For a member who earns at least three years' membership
30 service after restoration to service, the retirement
31 allowance shall be computed on the basis of his
32 compensation and service before and after the period of
33 prior retirement without restriction; provided, that if the
34 prior allowance was based on a social security leveling
35 payment option, the allowance shall be adjusted
36 actuarially for the difference between the amount received
37 under the optional payment and what would have been
38 paid if the retirement allowance had been paid without
39 optional modification.

40 2. For a member who does not earn three years' membership
41 service after restoration to service, the retirement
42 allowance shall be equal to the sum of the retirement
43 allowance to which he would have been entitled had he

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

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

13 "(oo) From and after July 1, 1995, the retirement allowance to or on account of
14 beneficiaries whose retirement commenced on or before July 1, 1994, shall be increased
15 by two percent (2%) of the allowance payable on July 1, 1994, in accordance with G.S.
16 128-27(k). Furthermore, from and after July 1, 1995, the retirement allowance to or on
17 account of beneficiaries whose retirement commenced after July 1, 1994, but before June
18 30, 1995, shall be increased by a prorated amount of two percent (2%) of the allowance
19 payable as determined by the Board of Trustees based upon the number of months that a
20 retirement allowance was paid between July 1, 1994, and June 30, 1995."

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

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

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

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

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

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

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

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

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

10 Requested by: Senators Plyler, Perdue, Odom

11 **SALARY RELATED CONTRIBUTIONS/CONFORM UNC OPTIONAL PLAN**

12 Sec. 7.22A. Section 7.1(b) of Chapter 324 of the 1995 Session Laws reads as
13 rewritten:

14 "(b) Effective July 1, 1995, the State's employer contribution rates budgeted for
15 retirement and related benefits as a percentage of covered salaries for the 1995-96 fiscal
16 year are (i) ten and eighty-three hundredths percent (10.83%) - Teachers and State
17 Employees; (ii) fifteen and eighty-three hundredths percent (15.83%) - State Law
18 Enforcement Officers; (iii) ~~nine and ten hundredths percent (9.10%)~~ nine and eighteen
19 hundredths percent (9.18%) - University Employees' Optional Retirement Program; (iv)
20 twenty-two and sixty-five hundredths percent (22.65%) - Consolidated Judicial
21 Retirement System; and (v) twenty-three and twenty-seven hundredths percent (23.27%)
22 - Legislative Retirement System. Each of the foregoing contribution rates includes two
23 percent (2%) for hospital and medical benefits. The rate for State Law Enforcement
24 Officers includes five percent (5%) for the Supplemental Retirement Income Plan. The
25 rates for Teachers and State Employees, State Law Enforcement Officers, and for the
26 University Employees' Optional Retirement Program includes fifty-two hundredths
27 percent (0.52%) for the Disability Income Plan."
28

29 Requested by: Senators Plyler, Perdue, Odom

30 **FURTHER 1995 RETIREMENT BENEFITS**

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

32 "(b15) Service Retirement Allowance of Members Retiring on or after July 1,
33 ~~1994-1994, but before July 1, 1995.~~ - Upon retirement from service in accordance with
34 subsection (a) or (a1) above, on or after July 1, 1994, but before July 1, 1995, a member
35 shall receive the following service retirement allowance:

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

39 a. If the member's service retirement date occurs on or after his
40 55th birthday, and completion of five years of creditable service
41 as a law enforcement officer, or after the completion of 30 years
42 of creditable service, the allowance shall be equal to one and
43 seventy-three hundredths percent (1.73%) of his average final

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

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

7 2. The service retirement allowance as computed under G.S.
8 135-5(b15)(2)a. reduced by five percent (5%) times the
9 difference between 30 years and his creditable service at
10 retirement; or

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

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

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

18 "(b16) Service Retirement Allowance of Members Retiring on or After July 1,
19 1995. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
20 or after July 1, 1995, a member 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-five hundredths percent (1.75%) of his average final
29 compensation, multiplied by the number of years of his
30 creditable service.

31 b. If the member's service retirement date occurs on or after his
32 50th birthday and before his 55th birthday with 15 or more years
33 of creditable service as a law enforcement officer and prior to the
34 completion of 30 years of creditable service, his retirement
35 allowance shall be equal to the greater of:

36 1. The service retirement allowance payable under G.S. 135-
37 5(b16)(1)a. reduced by one-third of one percent (1/3 of
38 1%) thereof for each month by which his retirement date
39 precedes the first day of the month coincident with or next
40 following the month the member would have attained his
41 55th birthday; or

42 2. The service retirement allowance as computed under G.S.
43 135-5(b16)(1)a. reduced by five percent (5%) times the

1 difference between 30 years and his creditable service at
2 retirement.

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

6 a. If the member's service retirement date occurs on or after his
7 65th birthday upon the completion of five years of creditable
8 service or after the completion of 30 years of creditable service
9 or on or after his 60th birthday upon the completion of 25 years
10 of creditable service, the allowance shall be equal to one and
11 seventy-five hundredths percent (1.75%) of his average final
12 compensation, multiplied by the number of years of creditable
13 service.

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

21 c. If the member's early service retirement date occurs on or after
22 his 50th birthday and before his 60th birthday and after
23 completion of 20 years of creditable service but prior to the
24 completion of 30 years of creditable service, his early service
25 retirement allowance shall be equal to the greater of:

26 1. The service retirement allowance as computed under G.S.
27 135-5(b16)(2)a. but reduced by the sum of five-twelfths of
28 one percent (5/12 of 1%) thereof for each month by which
29 his retirement date precedes the first day of the month
30 coincident with or next following the month the member
31 would have attained his 60th birthday, plus one-quarter of
32 one percent (1/4 of 1%) thereof for each month by which
33 his 60th birthday precedes the first day of the month
34 coincident with or next following his 65th birthday; or

35 2. The service retirement allowance as computed under G.S.
36 135-5(b16)(2)a. reduced by five percent (5%) times the
37 difference between 30 years and his creditable service at
38 retirement; or

39 3. If the member's creditable service commenced prior to
40 July 1, 1994, the service retirement allowance equal to the
41 actuarial equivalent of the allowance payable at the age of
42 60 years as computed in G.S. 135-5(b16)(2)b.

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

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

5 "(b14) Service Retirement Allowance of Members Retiring on or after July 1,
6 ~~1994.~~1994, but before July 1, 1995. – Upon retirement from service in accordance with
7 subsection (a) or (a1) above, on or after July 1, 1994, but before July 1, 1995, a member
8 shall receive the following service retirement allowance:

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

12 a. If the member's service retirement date occurs on or after his
13 55th birthday, and completion of five years of creditable service
14 as a law enforcement officer, or after the completion of 30 years
15 of creditable service, the allowance shall be equal to one and
16 seventy-one hundredths percent (1.71%) of his average final
17 compensation, multiplied by the number of years of his
18 creditable service.

19 b. This allowance shall also be governed by the provisions of G.S.
20 128-27(b8)(2).

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

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

32 b. This allowance shall also be governed by the provisions of G.S.
33 128-27(b7)(2a), (2b), and (3)."

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

35 "(b15) Service Retirement Allowance of Members Retiring on or After July 1,
36 1995. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
37 or after July 1, 1995, a member shall receive the following service retirement allowance:

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

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

1 of creditable service, the allowance shall be equal to one and
2 seventy-two hundredths percent (1.72%) of his average final
3 compensation, multiplied by the number of years of his
4 creditable service.

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

10 1. The service retirement allowance payable under G.S. 128-
11 27(b15)(1)a. reduced by one-third of one percent (1/3 of
12 1%) thereof for each month by which his retirement date
13 precedes the first day of the month coincident with or next
14 following the month the member would have attained his
15 55th birthday; or

16 2. The service retirement allowance as computed under G.S.
17 128-27(b15)(1)a. reduced by five percent (5%) times the
18 difference between 30 years and his creditable service at
19 retirement.

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

23 a. If the member's service retirement date occurs on or after his
24 65th birthday upon the completion of five years of creditable
25 service or after the completion of 30 years of creditable service
26 or on or after his 60th birthday upon the completion of 25 years
27 of creditable service, the allowance shall be equal to one and
28 seventy-two hundredths percent (1.72%) of his average final
29 compensation, multiplied by the number of years of creditable
30 service.

31 b. If the member's service retirement date occurs after his 60th and
32 before his 65th birthday and prior to his completion of 25 years
33 or more of creditable service, his retirement allowance shall be
34 computed as in G.S. 128-27(b15)(2)a. but shall be reduced by
35 one-quarter of one percent (1/4 of 1%) thereof for each month by
36 which his retirement date precedes the first day of the month
37 coincident with or next following his 65th birthday.

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

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

23 Requested by: Senators Plyler, Perdue, Odom

24 **ADDITIONAL RETIREMENT BENEFITS**

25 Sec. 7.23A. (a) G.S. 135-5(m) reads as rewritten:

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

- 32 (1) a. The member had attained such age and/or creditable service to be
33 eligible to commence retirement with an early or service retirement
34 allowance, or
35 b. The member had obtained 20 years of creditable service in which
36 case the retirement allowance shall be computed in accordance
37 with ~~G.S. 135-5(b15)(1)b.~~ G.S. 135-5(b16)(1)b. or ~~G.S. 135-~~
38 ~~5(b15)(2)e.,~~ G.S. 135-5(b16)(2)c., notwithstanding the
39 requirement of obtaining age 50.
40 (2) The member had designated as the principal beneficiary to receive a
41 return of his accumulated contributions one and only one person who
42 was living at the time of his death.

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

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

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

13 "(aaa) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1995. –
14 From and after July 1, 1995, the retirement allowance to or on account of beneficiaries on
15 the retirement rolls as of June 1, 1995, shall be increased by one and two-tenths of one
16 percent (1.2%) of the allowance payable on June 1, 1995. This allowance shall be
17 calculated on the allowance payable and in effect on June 30, 1995, so as not to be
18 compounded on any other increase granted by act of the 1995 General Assembly."

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

20 "(pp) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1995. –
21 From and after July 1, 1995, the retirement allowance to or on account of beneficiaries on
22 the retirement rolls as of June 1, 1995, shall be increased by six-tenths of one percent
23 (0.6%) of the allowance payable on June 1, 1995. This allowance shall be calculated on
24 the allowance payable and in effect on June 30, 1995, so as not to be compounded on any
25 other increase payable under subsection (k) of this section or otherwise granted by act of
26 the 1995 General Assembly.

27 (qq) From and after July 1, 1995, the retirement allowance to or on account of
28 beneficiaries whose retirement commenced on or before July 1, 1993, shall be increased
29 by seven-tenths of one percent (0.7%) of the allowance payable on July 1, 1993, in
30 accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1995, the retirement
31 allowance to or on account of beneficiaries whose retirement commenced after July 1,
32 1993, but before June 30, 1994, shall be increased by a prorated amount of seven-tenths
33 of one percent (0.7%) of the allowance payable as determined by the Board of Trustees
34 based upon the number of months that a retirement allowance was paid between July 1,
35 1993, and June 30, 1994.

36 (d) Effective October 1, 1995, G.S. 143-166.60(d) reads as rewritten:

37 "(d) The Boards of Trustees shall ~~promulgate~~ adopt such rules and regulations—as
38 are necessary to ~~establish~~ administer benefits under the Plan, within the availability of
39 funds, to provide:

40 (1) ~~An accident and sickness disability insurance benefit;~~

41 (2) A group life insurance benefit for participants employed by an employer
42 at the time of death, not to exceed ~~five~~ six thousand dollars (~~\$5,000~~;
43 \$6,000);

1 (3) A group life insurance benefit for participants who are eligible former
2 officers, not to exceed ~~four~~ ~~six~~ thousand dollars (~~\$4,000~~); (~~\$6,000~~); and

3 (4) An accidental line-of-duty insurance death benefit not to exceed two
4 thousand one hundred dollars (\$2,100) in total on account of the death
5 of a participant caused by an accident while in the actual performance of
6 duty as an officer."

7 (e) Subsection (d) of this section becomes effective October 1, 1995. The
8 remainder of this section becomes effective July 1, 1995.

9
10 Requested by: Senators Plyler, Perdue, Odom

11 **LRC STUDY CIVILIANIZATION**

12 Sec. 7.23B. Section 8.3 of Chapter 324 of the 1995 Session Laws reads as
13 rewritten:

14 "Sec. 8.3. The Legislative Research Commission may study issues related to
15 civilianizing certain State government law enforcement functions and positions, including
16 the appropriate use of nonsworn, noncertified personnel in positions for which sworn
17 status is not cost-effective or required. This study shall include the recommendations
18 made by the Government Performance Audit Committee on civilianization to the 1993
19 General Assembly.

20 The Legislative Research Commission may study what positions should be included
21 in the salary continuation provisions of G.S. 143-166.13(a).

22 The Legislative Research Commission may make an interim report, including any
23 legislative recommendations, to the 1995 General Assembly, Regular Session 1996, and
24 shall make a final report, including any legislative recommendations, to the 1997 General
25 Assembly."

26
27 Requested by: Senators Plyler, Perdue, Odom

28 **STUDY OF FEDERAL RETIREES' CLAIMS AGAINST THE STATE**

29 Sec. 7.23C. (a) There is established in the General Assembly a Legislative Study
30 Committee on Federal Retirees' Claims against the State. This Committee shall study the
31 issue of federal retirees' claims against the State for income tax paid on their retirement
32 benefits for tax years 1985 through 1988. As part of the study, the Committee shall
33 consider ways to compensate these federal retirees for taxes paid.

34 (b) The Committee shall be composed of 12 members appointed as follows:

35 (1) Six members appointed by the Speaker of the House of Representatives,
36 three of whom shall be members of the House of Representatives at the
37 time of their appointment; and

38 (2) Six members appointed by the President Pro Tempore of the Senate,
39 three of whom shall be members of the Senate at the time of their
40 appointment.

41 The Speaker of the House of Representatives and the President Pro Tempore of
42 the Senate shall each select a legislative member from their appointments to serve as
43 cochair of the committee. Meetings shall be called at the will of the cochairs.

1 All members shall serve at the will of their appointing officer. Unless removed
2 or unless resigning, members shall serve until the committee has made its report.
3 Vacancies in membership shall be filled by the appropriate appointing officer.

4 (c) The Committee may contract for consultant services as provided by G.S. 120-
5 32.02. Upon approval of the Legislative Services Commission, the Legislative
6 Administrative Officer shall assign professional and clerical staff to assist in the work of
7 the Committee. The professional staff shall include the appropriate staff from the Fiscal
8 Research, Research, and Legislative Drafting Divisions of the Legislative Services Office
9 of the General Assembly. Clerical staff shall be furnished to the Committee through the
10 offices of House of Representatives and Senate Supervisors of Clerks. The expenses of
11 employment of the clerical staff shall be borne by the Committee. The Committee may
12 meet in the Legislative Building or the Legislative Office Building upon the approval of
13 the Legislative Services Commission. The Committee, while in the discharge of official
14 duties, may exercise all the powers provided under the provisions of G.S. 120-19 through
15 G.S. 120-19.4, including the power to request all officers, agents, agencies, and
16 departments of the State to provide any information and any data within their possession
17 or ascertainable from their records, and the power to subpoena witnesses.

18 Members of the Committee shall receive per diem, subsistence, and travel
19 allowances as follows:

- 20 (1) Committee members who are members of the General Assembly, at the
21 rate established in G.S. 120-3.1;
- 22 (2) Committee members who are officials or employees of the State or of
23 local government agencies, at the rate established in G.S. 138-6; and
- 24 (3) All other Committee members, at the rate established in G.S. 138-5.
- 25 (d) The Committee shall report the results of its study and its recommendations to
26 the 1997 General Assembly within a week of its convening.

27
28 Requested by: Senators Warren, Plyler, Perdue, Odom

29 **RESTORE THE PROVISION FOR PURCHASE OF OUT-OF-STATE SERVICE**
30 **IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**
31 **AND THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM**

32 Sec. 7.23D. (a) G.S. 128-26 is amended by adding a new subsection to read:

33 "(j2) Notwithstanding any other provision of this Chapter, any member and any
34 retired member as herein described may purchase creditable service previously rendered
35 to any state, territory, or other governmental subdivision of the United States other than
36 this State by paying a total lump-sum payment determined as follows:

- 37 (1) For members who completed 10 years of prior and current membership
38 service, and retired members who completed 10 years of prior and
39 current membership service prior to retirement, and whose current
40 membership began on or before January 1, 1988, and who make such
41 purchase within three years after first becoming eligible, the cost shall
42 be an amount equal to the monthly compensation the member earned
43 when he first entered current membership service, times the employee

1 contribution rate at that time, times the months of service to be
2 purchased, times two, with sufficient interest added thereto so as to
3 equal the full cost of allowing such service, plus an administrative fee to
4 be set by the Board of Trustees.

- 5 (2) For members who complete five years of prior and current membership
6 service, and retired members who complete five years of prior and
7 current membership service prior to retirement, and eligible members
8 and retired members covered by subdivision (1) of this subsection,
9 whose current membership began on or before January 1, 1988, but who
10 did not or do not make such purchase within three years after first
11 becoming eligible, the cost shall be an amount equal to the full liability
12 of the service credits calculated on the basis of the assumptions used for
13 the purposes of the actuarial valuation of the System's liabilities and
14 shall take into account the retirement allowance arising on account of
15 the additional service credits commencing at the earliest age at which
16 the member could retire on an unreduced allowance, as determined by
17 the Board of Trustees upon the advice of the consulting actuary, plus an
18 administrative fee to be set by the Board of Trustees. Notwithstanding
19 the foregoing provisions of this subsection that provide for the purchase
20 of service credits, the term 'full liability' includes assumed
21 postretirement allowance increases, as determined by the Board of
22 Trustees, from the earliest age at which a member could retire on an
23 unreduced service retirement allowance.

24 Creditable service under this subsection shall be allowed only at the rate of one year of
25 out-of-state service for each two years of service in this State, with a maximum allowable
26 of 10 years of out-of-state service. Such service is limited to full-time service which
27 would be allowable under the laws governing this System. Credit will be allowed only if
28 no benefit is allowable in another public retirement system as a result of the service."

- 29 (b) G.S. 135-4 is amended by adding a new subsection to read:

30 "(11) Notwithstanding any other provision of this Chapter, any member and any
31 retired member as herein described may purchase creditable service previously rendered
32 to any state, territory, or other governmental subdivision of the United States other than
33 this State by paying a total lump-sum payment determined as follows:

- 34 (1) For members who completed 10 years of membership service, and
35 retired members who completed 10 years of membership service prior
36 to retirement, whose current membership began on or before July 1,
37 1981, and who make such purchase within three years after first
38 becoming eligible, the cost shall be an amount equal to the monthly
39 compensation the member earned when he first entered current
40 membership service, times the employee contribution rate at that time,
41 times the months of service to be purchased, times two, with sufficient
42 interest added thereto so as to equal the full cost of allowing such
43 service, plus an administrative fee to be set by the Board of Trustees.

1 (2) For members who complete five years of membership service, and
2 retired members who complete five years of membership service prior
3 to retirement, and eligible members and retired members covered by
4 subdivision (1) of this subsection, whose current membership began on
5 or before July 1, 1981, but who did not or do not make such purchase
6 within three years after first becoming eligible, the cost shall be an
7 amount equal to the full liability of the service credits calculated on the
8 basis of the assumptions used for the purposes of the actuarial valuation
9 of the System's liabilities and shall take into account the retirement
10 allowance arising on account of the additional service credits
11 commencing at the earliest age at which the member could retire on an
12 unreduced allowance, as determined by the Board of Trustees upon the
13 advice of the consulting actuary, plus an administrative fee to be set by
14 the Board of Trustees. Notwithstanding the foregoing provisions of this
15 subsection that provide for the purchase of service credits, the term 'full
16 liability' includes assumed postretirement allowance increases, as
17 determined by the Board of Trustees, from the earliest age at which a
18 member could retire on an unreduced service retirement allowance.

19 Creditable service under this subsection shall be allowed only at the rate of one year of
20 out-of-state service for each two years of current membership service in this State, with a
21 maximum allowable of 10 years of out-of-state service. Such service is limited to full-
22 time service which would be allowable under the laws governing this System. Credit will
23 be allowed only if no benefit is allowable in another public retirement system as a result
24 of the service."

25
26 Requested by: Senators Plyler, Perdue, Odom

27 **STATE EMPLOYEE HEALTH BENEFIT PLAN/INCREASED WELLNESS**
28 **BENEFITS**

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

30 "(e) Routine Diagnostic Examinations. – The Plan will pay one hundred percent
31 (100%) of allowable charges for routine diagnostic examinations and tests, including Pap
32 smears, breast, colon, rectal, and prostate exams, X rays, mammograms, blood and blood
33 pressure checks, urine tests, tuberculosis tests, and general health checkups that are
34 medically necessary for the maintenance and improvement of individual health but no
35 more often than once every three years for covered individuals to age 40 years, once
36 every two years for covered individuals to age 50 years, and once a year for covered
37 individuals age 50 years and older, unless a more frequent occurrence is warranted by a
38 medical condition when such charges are incurred in a medically supervised facility.
39 Provided, however, that charges for such examinations and tests are not covered by the
40 Plan when they are incurred to obtain or continue employment, to secure insurance
41 coverage, to comply with legal proceedings, to attend schools or camps, to meet travel
42 requirements, to participate in athletic and related activities, or to comply with

1 governmental licensing requirements. The maximum amount payable under this
2 subsection for a covered individual is one hundred fifty dollars (\$150.00) per fiscal year.

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

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

7 "s. Routine Diagnostic Examinations: Allowable charges for routine
8 diagnostic examinations and tests, including Pap smears, breast,
9 colon, rectal, and prostate exams, X rays, mammograms, blood
10 and blood pressure checks, urine tests, tuberculosis tests, and
11 general health checkups that are medically necessary for the
12 maintenance and improvement of individual health but no more
13 often than once every three years for covered individuals to age
14 40 years, once every two years for covered individuals to age ~~55~~
15 50 years, and once a year for covered individuals age ~~55-50~~
16 and older, unless a more frequent occurrence is warranted by a
17 medical condition when such charges are incurred in a medically
18 supervised facility. Provided, however, that charges for such
19 examinations and tests are not covered by the Plan when they are
20 incurred to obtain or continue employment, to secure insurance
21 coverage, to comply with legal proceedings, to attend schools or
22 camps, to meet travel requirements, to participate in athletic and
23 related activities or to comply with governmental licensing
24 requirements. ~~The maximum amount payable under this~~
25 ~~subdivision is one hundred fifty dollars (\$150.00) per fiscal~~
26 ~~year."~~

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

28
29 Requested by: Senators Plyler, Perdue, Odom

30 **STATE EMPLOYEE HEALTH BENEFIT PLAN/INCREASED LIFETIME**
31 **BENEFIT**

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

33 "**§ 135-40.9. Maximum benefits.**

34 The maximum lifetime benefit for each covered individual will be ~~one million dollars~~
35 ~~(\$1,000,000)-two million dollars (\$2,000,000)."~~

36
37 Requested by: Senators Plyler, Perdue, Odom

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

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

40 "f. Dental Services: Oral surgery, including extraction of teeth,
41 necessitated because of medical treatment. Dental surgery and
42 appliances for mouth, jaw, and tooth restoration necessitated
43 because of external violent and accidental means, such as the

1 impact of moving body, vehicle collision, or fall occurring while
2 an individual is covered under G.S. 135-40.3. No benefits are
3 provided in connection with injury incurred in the act of
4 chewing, nor for damage or breakage of an appliance such as
5 bridge or denture being cleaned or otherwise not in normal
6 mouth usage at the time of accident, nor for appliances for
7 orthodontic treatment when a class of malocclusion, other than
8 orthognathic, or cross bite has been diagnosed. Benefits for
9 temporomandibular joint (TMJ) dysfunction appliance therapy
10 are limited to cases where the TMJ dysfunction has been
11 diagnosed as solely resulting from accidental means as certified
12 by the attending practitioner and approved by the Claims
13 Processor.

14 Benefits shall include extractions, fillings, crowns, bridges, or
15 other necessary therapeutic and restorative techniques and
16 appliances to reasonably restore condition and function to that
17 existing immediately prior to the accident. Injury or breakage of
18 existing appliances such as bridges and dentures is limited to
19 repair of such appliances unless certified as damaged beyond
20 repair."

21
22 Requested by: Senators Plyler, Perdue, Odom

23 **STATE EMPLOYEE HEALTH BENEFIT PLAN/WAIVER OF INPATIENT**
24 **HOSPITAL CERTIFICATION PENALTY**

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

26 "f. Prior to admission for scheduled inpatient hospitalization, the
27 admitting physician shall contact the Plan and secure approval
28 certification for an inpatient admission, including a length of
29 stay, based upon clinical criteria established by the medical
30 community, before any in-hospital benefits are allowed under
31 G.S. 135-40.8(a). Immediately following an emergency or
32 unscheduled inpatient hospitalization, the admitting physician
33 shall contact the Plan and secure approval certification for the
34 admission's length of stay before any in-hospital benefits are
35 allowed under G.S. 135-40.8(a). Effective January 1, 1987,
36 failure to secure certification, or denial of certification, shall
37 result in in-hospital benefits being allowed at the rate maximum
38 amount of out-of-pocket expenses established by G.S. 135-
39 40.8(b). Denial of certification by the Plan shall be made only
40 after contact with the admitting physician and shall be subject to
41 appeal to the Executive Administrator and Board of Trustees.
42 Inpatient hospital admission and length of stay certifications
43 required by this subdivision do not apply to inpatient admissions

1 outside of the United States. While approval certification for
2 inpatient admissions is required to be initiated by the admitting
3 physician, the employee or individual covered by the Plan shall
4 be responsible for insuring that the required certification is
5 secured. Failure to secure certification for inpatient
6 hospitalization shall not result in a penalty to the employee or
7 individual when approval would have been given if requested."
8

9 Requested by: Senators Plyler, Perdue, Odom

10 **STATE EMPLOYEE HEALTH BENEFIT PLAN/RETIREE PREMIUMS BASED**
11 **ON RETIREMENT SERVICE CREDIT**

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

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

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

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

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

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

32 "(11) Retired teachers, State employees, and members of the General
33 Assembly with less than 10 years of retirement service credit,
34 provided they were first hired or took office on or after October 1,
35 1995."

36
37 Requested by: Senators Plyler, Perdue, Odom

38 **STATE EMPLOYEE HEALTH BENEFIT PLAN/PLAN YEAR CHANGED**

39 Sec. 7.28A. (a) G.S. 135-40.1(7a) reads as rewritten:

40 "(7a) Fiscal Year. – The period beginning July 1 and ending on June 30 of
41 the succeeding January 1 and ending on December 30 of the same
42 calendar year."

1 (b) Notwithstanding G.S. 135-40.1(7a), the period July 1, 1995, through
2 December 31, 1995, is a fiscal year for the purpose of Article 3 of Chapter 135 of the
3 General Statutes. For the fiscal year established by this subsection, any dollar amounts
4 set for a fiscal year under that Article shall be applied as half that amount.
5

6 Requested by: Senators Plyler, Perdue, Odom

7 **STATE EMPLOYEE HEALTH BENEFIT PLAN/INCREASED CHIROPRACTIC**
8 **BENEFITS**

9 Sec. 7.28B. G.S. 135-40.6(8)n. reads as rewritten:

10 "n. Chiropractic Services: Limited to the alignment of the spine and
11 releasing of pressure by manipulation in accordance with the
12 definitions in G.S. 90-143. Maximum benefits for x-rays,
13 manipulations, and modalities shall be ~~one thousand dollars~~
14 ~~(\$1,000)~~ two thousand dollars (\$2,000) per fiscal year."
15

16 Requested by: Senators Plyler, Perdue, Odom

17 **STATE EMPLOYEE HEALTH BENEFIT PLAN/DIRECT PAYMENT OF**
18 **LICENSED MARRIAGE AND FAMILY THERAPISTS**

19 Sec. 7.28C. (a) G.S. 135-40.7A(c) reads as rewritten:

20 "(c) Notwithstanding any other provision of this Part, provisions for benefits for
21 necessary care and treatment of chemical dependency under this Part shall provide for
22 benefit payments for the following providers of necessary care and treatment of chemical
23 dependency:

- 24 (1) The following units of a general hospital licensed under Article 5 of
25 General Statutes Chapter 131E:
26 a. Chemical dependency units in facilities licensed after October 1,
27 1984;
28 b. Medical units;
29 c. Psychiatric units; and
30 (2) The following facilities licensed after July 1, 1984, under Article 2
31 of General Statutes Chapter 122C:
32 a. Chemical dependency units in psychiatric hospitals;
33 b. Chemical dependency hospitals;
34 c. Residential chemical dependency treatment facilities;
35 d. Social setting detoxification facilities or programs;
36 e. Medical detoxification facilities or programs; and
37 (3) Duly licensed physicians and duly licensed practicing psychologists,
38 certified clinical social workers, licensed marriage and family
39 therapists, certified clinical specialists in psychiatric and mental
40 health nursing, and certified professionals working under the direct
41 supervision of such physicians or psychologists in facilities
42 described in (1) and (2) above and in day/night programs or

1 outpatient treatment facilities licensed after July 1, 1984, under
2 Article 2 of General Statutes Chapter 122C.

3 Provided, however, that nothing in this subsection shall prohibit the Plan from requiring
4 the most cost effective treatment setting to be utilized by the person undergoing
5 necessary care and treatment for chemical dependency."

6 (b) G.S. 135-40.7B(c) reads as rewritten:

7 "(c) Notwithstanding any other provisions of this Part, the following providers are
8 authorized to provide necessary care and treatment for mental illness under this section:

- 9 (1) Licensed psychiatrists;
- 10 (2) Licensed or certified doctors of psychology;
- 11 (3) Certified clinical social workers;
- 12 (3b) Licensed marriage and family therapists;
- 13 (4) Psychiatric nurses;
- 14 (5) Other social workers under the direct employment and supervision
15 of a licensed psychiatrist or licensed doctor of psychology;
- 16 (6) Psychological associates with a master's degree in psychology under
17 the direct employment and supervision of a licensed psychiatrist or
18 licensed or certified doctor of psychology;
- 19 (7) Licensed psychiatric hospitals and licensed general hospitals
20 providing psychiatric treatment programs; and
- 21 (8) Certified residential treatment facilities, community mental health
22 centers, and partial hospitalization facilities."

23 (c) This section becomes effective July 1, 1995, and applies to claims for
24 payment or reimbursement for services rendered on or after that date.

25

26 PART 8. GENERAL ASSEMBLY

27

28 Requested by: Senator Warren

29 CONFIDENTIALITY OF DOCUMENTS USED TO PREPARE FISCAL NOTES

30 Sec. 8.2. Effective upon ratification, G.S. 120-131.1(a) as enacted by Section
31 8.1 of Chapter 324 of the 1995 Session laws reads as rewritten:

32 "(a) A request made to an employee of a State agency other than the General
33 Assembly by an employee of the Fiscal Research Division for assistance in the
34 preparation of a fiscal note is confidential. An employee of a State agency other than the
35 General Assembly who receives such a request or who learns of such a request made to
36 another employee of his or her agency shall reveal the existence of the request only to
37 other employees of the agency to the extent that it is necessary to respond to the request,
38 and to the employee's supervisor and to the Office of State Budget and Management. All
39 documents prepared by the employee in response to the request of the Fiscal Research
40 Division are also confidential and shall be kept confidential in the same manner as the
41 original ~~request~~. request, except that documents submitted to the Fiscal Research
42 Division in response to the request cease to be confidential under this section when the
43 Fiscal Research Division releases a fiscal note based on the documents."

1
2 Requested by: Senator Martin of Pitt

3 **STUDY JOB TRAINING PROGRAMS**

4 Sec. 8.5. (a) There is created the Joint Legislative Study Commission on Job
5 Training Programs. The purpose of the Commission is to review State and federally
6 funded job training programs currently in existence to determine the feasibility of
7 eliminating or consolidating those which are duplicative, inefficient, or ineffective in
8 carrying out their purposes and activities.

9 (b) The Commission shall consist of six members of the House of
10 Representatives appointed by the Speaker of the House of Representatives and six
11 members of the Senate appointed by the President Pro Tempore of the Senate. Members
12 shall serve for the duration of the 1995-97 Session. Upon delivering its final report to the
13 1997 General Assembly the Commission shall expire. Vacancies on the Commission
14 shall be filled by the appointing authority. The President Pro Tempore of the Senate and
15 the Speaker of the House of Representatives shall each appoint one member to serve as
16 cochair of the Commission.

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

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

42 (d) The Commission shall make an interim report on its progress to the 1995
43 General Assembly, the Joint Legislative Commission on Governmental Operations, and

1 the Joint Legislative Education Oversight Committee not later than May 1, 1996, and
2 shall present its final report of findings and recommendations to the 1997 General
3 Assembly, the Joint Legislative Commission on Governmental Operations, and the Joint
4 Legislative Education Oversight Committee, upon its convening. The report shall
5 identify each job training program operating in this State as of January 1, 1995, and shall
6 recommend whether each program should be expanded, continued without change,
7 abolished, consolidated with another program, or otherwise modified.

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

12 (f) The Commission may use available clerical employees of the General
13 Assembly, with the approval of the Legislative Services Commission. The Commission
14 may, with the consent of the Legislative Services Commission, use employees of the
15 Fiscal Research, Legislative Automated Systems, General Research, Legislative Drafting,
16 and Public Information Divisions of the Legislative Services Commission.

17 (g) Notwithstanding G.S. 96-5(f), there is appropriated from the Worker
18 Training Trust Fund to the General Assembly the sum of twenty-five thousand dollars
19 (\$25,000) for the 1995-96 fiscal year and the sum of twenty-five thousand dollars
20 (\$25,000) for the 1996-97 fiscal year to implement this section.

21 22 **PART 10. OFFICE OF STATE BUDGET AND MANAGEMENT**

23
24 Requested by: Senator Warren

25 **LOCAL FIRE PROTECTION FUNDS**

26 Sec. 10. The Office of State Budget and Management, in conjunction with the
27 State Property Office, Department of Administration, shall study the current fire
28 protection grant process. The Office of State Budget and Management shall report to the
29 1995 General Assembly, 1996 Regular Session, regarding its findings and
30 recommendations.

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

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

41
42 Requested by: Senators Perdue, Martin of Pitt, Plyler, Odom, Rand

43 **OSBM STUDY STATE-OWNED AIRCRAFT MODIFIED**

1 Sec. 10.1. Section 10.4 of Chapter 324 of the 1995 Session Laws reads as
2 rewritten:

3 "Sec. 10.4. The Office of State Budget and Management shall study the use of State-
4 owned ~~aireraft~~aircraft, including associated and ancillary equipment such as aerial
5 photographic cameras and related instrumentation, and shall report the results of its study
6 to the Joint Legislative Commission on Governmental Operations on or before April 1,
7 1996. The study shall include consideration of the following:

- 8 (1) For each Department, the number and type of aircraft, the number of
9 pilots, and the number and type of support personnel for aircraft.
10 (2) For each Department, the budget for aircraft, the source of funding for
11 aircraft, the number of hours the aircraft is available, and the number of
12 hours the aircraft is used.
13 (3) The feasibility and desirability of consolidating any or all State-owned
14 aircraft operations.
15 (4) The feasibility and desirability of sharing of aircraft by Departments.
16 (5) The feasibility and desirability of Departments' contracting for aircraft
17 services rather than owning their own aircraft.
18 (6) Compilation and review of Departments' policies regarding authorized
19 passengers on the aircraft and which Departmental personnel is
20 responsible for determining which passengers are authorized."
21

22 **PART 11. DEPARTMENT OF ADMINISTRATION**

23
24 Requested by: Senator Warren

25 **COST SHARING OF THE PERSONNEL MANAGEMENT INFORMATION** 26 **SYSTEM**

27 Sec. 11. The Office of State Personnel shall develop a proposed schedule of
28 fees or charges to be paid by each department and university to cover data processing
29 costs that exceed the appropriation made by the General Assembly for maintenance of the
30 system. The Office of State Personnel shall present the recommendation for the fee
31 schedule to the Joint Appropriations Subcommittee on General Government and to the
32 Fiscal Research Division during the 1996 Regular Session of the 1995 General
33 Assembly. Departments and universities shall have on-line access to all data on their
34 employees and positions, as well as access to public information on all State employees.
35

36 Requested by: Senator Warren

37 **WORKERS' COMPENSATION COST CONTAINMENT PROGRAM/STUDY**

38 Sec. 11.1. The Office of State Budget and Management shall develop a plan
39 for a workers' compensation cost containment program designed to reduce the cost to
40 State government of workers' compensation claims filed by State employees. The Office
41 of State Budget and Management shall consult with the Office of State Personnel in
42 developing the plan. The plan shall include recommendations regarding all of the
43 following: an appropriate process of competitive bidding, the feasibility of having a third-

1 party administrator to manage claims processing, the services that would be provided by
2 a third-party administrator including the determination of compensability and related
3 questions, incident reporting analysis, incident investigation, medical case management,
4 disability management, and information management. The plan shall also include
5 recommendations regarding the reimbursement of a third-party administrator. The plan
6 shall further be based on the premise that lapsed salary funds from the salary accounts of
7 State agencies shall not be used for the purpose of paying workers' compensation claims
8 of employees of the participating agencies.

9 On or before April 1, 1996, the Office of State Budget and Management shall
10 submit the plan to the Joint Legislative Commission on Governmental Operations and the
11 Fiscal Research Division.

12
13 Requested by: Senator Warren

14 **GOVERNOR'S ADVOCACY COUNCIL FOR PERSONS WITH DISABILITIES**

15 Sec. 11.2. The Department of Human Resources shall continue to provide the
16 current office space for the four regional offices of the Governor's Advocacy Council for
17 Persons with Disabilities or office space that is comparable to that now used by the
18 Council.

19
20 Requested by: Senator Plyler

21 **CONSOLIDATE GRANTS PROCESS FOR CENTERS FOR VICTIMS OF** 22 **DOMESTIC VIOLENCE**

23 Sec. 11.3.(a) Federal and State grant funds are available for centers for victims
24 of domestic violence and the North Carolina Coalition Against Domestic Violence.
25 However, an applicant must apply to the Department of Human Resources to obtain a
26 grant funded by federal funds and to the Council on the Status of Women, Department of
27 Administration, to obtain a grant funded by State funds. To eliminate the needless
28 duplication of time, effort, and review, the Department of Administration and the
29 Department of Human Resources shall develop and implement a consolidated grant
30 application form and process for centers for victims of domestic violence and the North
31 Carolina Coalition Against Domestic Violence. The forms and process shall be
32 developed and implemented by July 1, 1996.

33 (b) The Fiscal Research Division shall study the feasibility of consolidating the
34 function of administering the federal and State grants for centers for victims of domestic
35 violence and the North Carolina Coalition Against Domestic Violence and shall report to
36 the 1995 General Assembly, 1996 Regular Session, regarding its findings and
37 recommendations.

38 39 **PART 11A. DEPARTMENT OF INSURANCE**

40
41 Requested by: Senator Warren

42 **DECREASE CONSUMER PROTECTION FUND**

43 Sec. 11A. (a) G.S. 58-2-215 reads as rewritten:

1 **"§ 58-2-215. Consumer Protection Fund.**

2 (a) A special fund is created in the Office of the State Treasurer, to be known as
3 the Department of Insurance Consumer Protection Fund. The Fund shall be placed in an
4 interest bearing account and any interest or other income derived from the Fund shall be
5 credited to the Fund. Moneys in the Fund shall only be spent pursuant to warrants drawn
6 by the Commissioner on the Fund through the State Treasurer. The Fund shall be subject
7 to the provisions of the Executive Budget Act; except that the provisions of Article 3C of
8 Chapter 143 of the General Statutes do not apply to subdivision (b)(1) of this section.

9 (b) All moneys credited to the Fund shall be used only to pay the following
10 expenses incurred by the Department:

11 (1) For the purpose of retaining outside actuarial and economic consultants,
12 legal counsel, and court reporting services in the review and analysis of
13 rate filings, in conducting all hearings, and through any final
14 adjudication.

15 (2) In connection with any delinquency proceeding under Article 30 of this
16 Chapter, for the purpose of locating and recovering the assets of or any
17 other obligations or liabilities owed to or due an insurer that has been
18 placed under such proceeding.

19 (3) In connection with any civil litigation, other than under Chapter 150B of
20 the General Statutes or any appeal from an order of the Commissioner
21 or his deputies, that is commenced against the Commissioner or his
22 deputies and that arises out of the performance of their official duties,
23 for the purpose of retaining outside consultants, legal counsel, and court
24 reporting services to defend such litigation.

25 (c) Moneys appropriated by the General Assembly shall be deposited in the Fund
26 and shall become a part of the continuation budget of the Department of Insurance. Such
27 continuation budget amount shall equal the actual expenditures drawn from the Fund
28 during the prior fiscal year plus the official inflation rate designated by the Director of the
29 Budget in the preparation of the State Budget for each ensuing fiscal year; provided that
30 if interest income on the Fund exceeds the amount yielded by the application of the
31 official inflation rate, such continuation budget amount shall be the actual expenditures
32 drawn from the Fund. ~~Fund, except that the appropriation for the 1995-96 fiscal year shall~~
33 ~~not exceed the sum of seven hundred fifty thousand dollars (\$750,000) and for the 1996-~~
34 ~~97 fiscal year shall not exceed the sum of two hundred fifty thousand dollars (\$250,000).~~
35 ~~In the event the amount in the Fund exceeds one million dollars (\$1,000,000) at the end~~
36 ~~of any fiscal year, two hundred fifty thousand dollars (\$250,000) at the end of any fiscal~~
37 ~~year, beginning with the 1995-96 fiscal year, such excess shall revert to the General~~
38 ~~Fund.~~

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

42 (b) Section 31 of Chapter 1069 of the 1989 Session Laws, Regular Session
43 1990, reads as rewritten:

1 "Sec. 31. Section 23 of this act does not apply to the 1990 automobile rate filing
2 made pursuant to Article 36 of Chapter 58 of the General Statutes. Section 27 of this act
3 shall expire at the end of the 1993-94 fiscal year and Section 28 shall become effective
4 upon the expiration of Section 27. ~~If the General Assembly does not appropriate or~~
5 ~~transfer funds in accordance with Sections 1, 22, 26, 27, or 28 of this act for a fiscal year,~~
6 ~~Sections 1 through 14 and Sections 23 through 30 of this act shall expire on the day after~~
7 ~~the General Assembly adjourns without making the appropriations or transfers; and the~~
8 ~~statutes amended by Sections 2 through 14, 23, and 26 shall read as they did immediately~~
9 ~~prior to the effective date of this act."~~

10
11 Requested by: Senator Warren

12 **AUDITS OF STATISTICAL AGENCIES AND RATING ORGANIZATIONS TO** 13 **VERIFY THE COLLECTION OF DATA**

14 Sec. 11A.1. Of the funds appropriated to the Department of Insurance for the
15 1995-96 fiscal year, the sum of seven hundred seventy-five thousand dollars (\$775,000)
16 shall be used to retain professional services to conduct audits required to verify the
17 collection of data related to private passenger automobile insurance by statistical agencies
18 and rating organizations or their member companies. The Department of Insurance shall
19 implement a bidding procedure for contracting with professionals similar to the
20 competitive bidding procedure under Article 3 of Chapter 143 of the General Statutes.

21 22 **PART 12. CULTURAL RESOURCES**

23
24 Requested by: Senator Warren

25 **REPEAL CAPITOL PRESERVATION COMMISSION**

26 Sec. 12. (a) Chapter 682 of the 1993 Session Laws is repealed.

27 (b) G.S. 121-9 is amended by adding a new subsection, which reenacts the law
28 as it existed prior to July 1, 1995:

29 "(h) Preservation and Custodial Care of State Capitol. – The rotunda, corridors, and
30 stairways of the first floor of the State Capitol and all portions of the second, third, and
31 loft floors of the said building shall be placed in the custody of the Department of
32 Cultural Resources; and the Department shall, subject to the availability of funds for the
33 purpose, care for and administer these areas for the edification of present and future
34 generations. The aforesaid areas shall be preserved as historic shrines and shall be
35 maintained insofar as practicable as they shall appear following the restoration of the
36 Capitol. The Department of Cultural Resources is authorized to deny the use of the
37 legislative chambers for meetings in order that they, with their historic furnishings, may
38 be better preserved for posterity; provided, however, that the General Assembly may hold
39 therein such sessions as it may by resolution deem proper.

40 The Department of Cultural Resources is hereby entrusted with the responsibilities
41 herein specified as being the agency with the experience best qualified to preserve and
42 administer historic properties in a suitable manner. However, for the purposes of carrying
43 out the provisions of this section, it is hereby directed that such cooperation and

1 assistance shall be made available to the said Department of Cultural Resources and such
 2 labor supplied, as may be feasible, by the Department of Administration.

3 The offices and working areas of the first floor as well as all washrooms and the
 4 exterior of the Capitol shall remain under the jurisdiction of the Department of
 5 Administration: Provided, however, that the Department of Administration shall seek the
 6 advice of the Department of Cultural Resources in matters relating to any alteration,
 7 renovation, and furnishing of said offices and areas."

8 (c) This section is effective upon ratification.

9
 10 Requested by: Senator Warren

11 **TECHNICAL CORRECTION/EXECUTIVE MANSION CURATOR**
 12 **TRANSFERRED**

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

15 "Sec. 11.1. The position of Executive Mansion Curator (~~position number 4129-0101-~~
 16 ~~0006-125~~)(position number 4149-0101-0006-125) is transferred from the Department of
 17 Administration to the Department of Cultural Resources. This transfer will permit the
 18 Department of Cultural Resources to better maintain the historical personal properties of
 19 the Executive Mansion. This provision does not affect, in any way, the jurisdiction of the
 20 Department of Administration over the Executive Mansion and its grounds."

21
 22 Requested by: Senator Warren

23 **NUMBER OF POSITIONS IN DEPARTMENT OF CULTURAL RESOURCES**
 24 **REDUCED**

25 Sec. 12.2. Notwithstanding Section 28.2 of Chapter 324 of the 1995 Session
 26 Laws, there is a total reduction in the Continuation Budget Operations for the Department
 27 of Cultural Resources of 19.5 positions for the 1995-96 fiscal year and of 19.5 positions
 28 for the 1996-97 fiscal year. The revisions in Chapter 324 of the 1995 Session Laws, the
 29 Continuation Budget Operations Appropriations Act, for the Department of Cultural
 30 Resources for the 1995-96 fiscal year and for the 1996-97 fiscal year are as follows:

	1995-96	1996-97
33 (1230) Archives and History	(\$90,618) R	(\$90,618)
34 R		
35	-3.00	-3.00
36 (1241) Historic Sites	(\$77,452) R	(\$77,452)
37 R		
38	-3.00	-3.00
39 (1270) Museum of History	(\$269,322) R	(\$269,322)
40 R		
41	-9.50	-9.50
42 (1320) Museum of Art	(\$29,495) R	(\$29,495)
43 R		

1 -1.00 -1.00

2
3 Requested by: Senator Warren

4 **HISTORIC SITES REPAIRS AND RENOVATIONS FUNDS**

5 Sec. 12.3. (a) Funds allocated in Section 5.3 of Chapter 324 of the 1995
6 Session Laws to the Office of State Budget and Management for the Repairs and
7 Renovations Fund may be used to make needed repairs and renovations at the State
8 Historic Sites and other historic sites.

9 (b) There is established the Historic Sites Repairs and Renovations Review
10 Committee. The Committee shall consist of the following members: The three co-chairs
11 of the Senate Appropriations and Base Budget Committee and the three co-chairs of the
12 House of Representatives Appropriations Committee. The Office of State Budget and
13 Management shall submit its proposal for the use of funds from the Repairs and
14 Renovations Fund for historic sites to the Committee before submitting the proposal to
15 the Joint Legislative Commission on Governmental Operations in accordance with
16 Section 5.3 of Chapter 324 of the 1995 Session Laws.

17
18 Requested by: Senator Warren

19 **GRANTS TO PUBLIC LIBRARIES**

20 Sec. 12.4. (a) Funds in the amount of three million dollars (\$3,000,000)
21 appropriated in this act to the Department of Cultural Resources for the 1995-96 fiscal
22 year shall be used as grants-in-aid for public libraries to assist in the purchase of books or
23 for construction costs of public libraries and public school libraries. The Secretary of
24 Cultural Resources shall award grants authorized by this section.

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

28
29 Requested by: Senator Warren

30 **GRANTS TO LOCAL MUSEUMS**

31 Sec. 12.5. (a) Funds in the amount of two million dollars (\$2,000,000)
32 appropriated in this act to the Department of Cultural Resources for the 1995-96 fiscal
33 year shall be used as grants-in-aid for local museums. The Secretary of Cultural
34 Resources may require a match by non-State funds as deemed appropriate.

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

38
39 Requested by: Senator Warren

40 **ROANOKE ISLAND COMMISSION**

41 Sec. 12.6. (a) G.S. 143B-131.1 reads as rewritten:
42 **"§ 143B-131.1. Commission established.**

1 There is established the Roanoke Island Commission. The Commission shall be an
2 independent commission, but shall be located within the Department of Cultural
3 Resources for organizational, budgetary, and administrative historic resource
4 management, organizational, and budgetary purposes."

5 (b) G.S. 143B-131.2 reads as rewritten:

6 "**§ 143B-131.2. Roanoke Island Commission –~~Powers~~Purpose, powers, and duties.**

7 (a) The Commission is created to combine various existing entities in the spirit of
8 cooperation for a cohesive body to protect, preserve, develop, and interpret the historical
9 and cultural assets of Roanoke Island. The Commission is further created to operate and
10 administer the Elizabeth II State Historic Site and Visitor Center, the Elizabeth II, Ice
11 Plant Island, and all other properties under the administration of the Department of
12 Cultural Resources located on Roanoke Island having historical significance to the State
13 of North Carolina, Dare County, or the Town of Manteo, except as otherwise determined
14 by the Commission.

15 (b) The Commission ~~may~~shall have the following powers and duties:

- 16 (1) ~~Advise~~To advise the Secretary of Transportation and adopt rules on
17 matters pertaining to, affecting, and encouraging restoration,
18 preservation, and enhancement of the ~~appearance and appearance,~~
19 maintenance, and aesthetic quality of U.S. Highway 64/264 and N.C.
20 400 travel corridors on Roanoke ~~Island~~Island and the grounds on Ice
21 Plant Island.
- 22 (2) ~~Advise the Secretary of the Department of Cultural Resources and adopt~~
23 ~~rules on matters pertinent to the operation and maintenance of~~To
24 operate the Elizabeth II State Historic Site and Visitor Center and the
25 Elizabeth II as permanent memorials commemorating the Roanoke
26 Voyages, 1584-1587.
- 27 (3) ~~Advise the Secretary of the Department of Cultural Resources and adopt~~
28 ~~rules on matters pertinent to~~To supervise the development of Ice Plant
29 Island and to manage future ~~facilities in cooperation with the~~
30 Department of Cultural Resources. ~~facilities.~~
- 31 (4) ~~Advise~~To advise the Secretary of the Department of Cultural Resources
32 on matters pertinent to historical and cultural events on Roanoke Island.
- 33 (5) With the assistance of the Department of Cultural Resources, to
34 identify, preserve, and protect properties located on Roanoke Island
35 having historical significance to the State of North Carolina, Dare
36 County, or the Town of Manteo consistent with applicable State laws
37 and ~~Department~~ rules.
- 38 (6) ~~Make recommendations to the Secretary of the Department of Cultural~~
39 ~~Resources for establishing and providing a proper~~To establish and
40 collect a charge for admission to the ship, and for the maintenance and
41 operation of the ship, the visitor center, and the grounds as a permanent
42 memorial and exhibit. any property or event operated by the
43 Commission.

- 1 (7) ~~Solicit~~ To solicit and accept gifts, grants, and donations.
- 2 (8) ~~Cooperate~~ To cooperate with the Secretary and Department of Cultural
3 Resources, the Secretary and Department of Transportation, the
4 Secretary and Department of Environment, Health, and Natural
5 Resources, and other governmental agencies, officials, and entities, and
6 provide them with assistance and advice.
- 7 (9) ~~Adopt~~ To adopt and enforce such bylaws, rules, regulations, and
8 guidelines that the Commission deems to be reasonably necessary in
9 order to carry out its powers and duties. Chapter 150B of the General
10 Statutes does not apply to the adoption of rules by the Commission.
- 11 (10) ~~Establish~~ To establish and maintain a "Roanoke Island Commission
12 Fund" separate fund composed of moneys which may come into its
13 hands from gifts, donations, grants, or bequests, which funds will be
14 used by the Commission for purposes of carrying out its duties and
15 purposes herein set forth. The Commission may also establish a reserve
16 fund to be maintained and used for contingencies and emergencies.
- 17 (11) By cooperative arrangement with other agencies, groups, individuals,
18 and other entities, to coordinate and schedule historical and cultural
19 events on Roanoke Island.
- 20 (12) Make recommendations to the Secretary of Cultural Resources
21 concerning personnel and budgetary matters.
- 22 (13) ~~Acquire~~ To acquire real and personal property by purchase, gift,
23 bequest, devise, and exchange.
- 24 (14) To administer the Roanoke Island Commission Fund and the Roanoke
25 Island Commission Endowment Fund as provided in G.S. 143B-131.8.
- 26 (b) ~~Contract Authority. The Commission may~~
- 27 (15) To procure supplies, services, and property as appropriate and may to
28 enter into contracts, leases, or other legal agreements consistent with
29 State laws and Department rules to carry out the purposes of this Part
30 and duties of the Commission."
- 31 (c) Part 27A of Article 2 of Chapter 143B of the General Statutes is amended by
32 adding the following sections:
- 33 **"§ 143B-131.8. Roanoke Island Commission Fund; Roanoke Island Commission**
34 **Endowment Fund.**
- 35 (a) The Roanoke Island Commission Fund is established as a nonreverting Fund
36 and shall be administered by the Roanoke Island Commission. Seventy-five percent
37 (75%) of the revenues collected from any property operated by the Roanoke Island
38 Commission shall be credited to the Fund. In addition, gifts, donations, grants, or
39 bequests received by the Commission for the purpose of carrying out its duties and
40 purposes may also be deposited in the Fund.
- 41 The funds in the Roanoke Island Commission Fund shall be used for the expenses of
42 the Roanoke Island Commission and the operation and maintenance of properties
43 operated by the Commission.

1 (b) The Roanoke Island Commission Endowment Fund is established as a
2 nonreverting Fund and shall be administered by the Commission. Twenty-five percent
3 (25%) of the revenue collected from any property operated by the Roanoke Island
4 Commission shall be credited to the Fund. Until July 1, 2000, the revenues credited to
5 the Roanoke Island Commission Endowment Fund and the interest earned on the revenue
6 shall be held in reserve to create the principal for the Fund.

7 On and after July 1, 2000, eighty percent (80%) of the interest generated by the
8 principal in the Roanoke Island Commission Endowment Fund shall be used by the
9 Roanoke Island Commission to carry out its duties and purposes as set out by this Part.
10 The Roanoke Island Commission may also use those interest funds for capital
11 expenditures for the properties operated by the Commission.

12 **"§ 143B-131.9. Roanoke Island Commission staff.**

13 The Commission shall appoint and fix the salary of an Executive Director to serve at
14 its pleasure and may hire other employees. Employees of the Commission who were
15 transferred from the Department of Cultural Resources as of July 1, 1995, and who were
16 subject to the State Personnel Act, Chapter 126 of the General Statutes, at the time of the
17 transfer shall continue to be subject to that act. Employees of the Commission who were
18 transferred but were not subject to the State Personnel Act at the time of transfer are not
19 subject to the State Personnel Act. Employees of the Commission who were not
20 transferred are not subject to the State Personnel Act unless the Commission designates
21 the employee's position as subject to the State Personnel Act when the employee is hired.
22 Once designated, a position remains subject to the State Personnel Act unless exempted
23 in accordance with that act.

24 **"§ 143B-131.10. Exceptions.**

25 Notwithstanding G.S. 143-28, the following provisions do not apply to this Part: G.S.
26 143-16.3 and G.S. 143-23."

27 (d) The personnel, personal property, and unexpended balances of appropriations,
28 allocations, or other funds for the Elizabeth II State Historic Site and Visitor Center, the
29 Elizabeth II, and the Roanoke Island Commission are transferred from the Department of
30 Cultural Resources to the Roanoke Island Commission.

31 (e) This section is effective upon ratification.

32
33 **PART 13. STATE BOARD OF ELECTIONS**

34
35 Requested by: Senator Warren

36 **STATEWIDE COMPUTERIZED VOTER REGISTRATION**

37 Sec. 13.2. (a) The State Board of Elections shall not encumber or expend any
38 funds from the reserve fund created by Section 16(b) of Chapter 762 of the 1993 Session
39 Laws prior to the adjournment sine die of the 1995 General Assembly, Regular Session.

40 (b) To the extent that this section conflicts with G.S. 163-82.11 through G.S. 163-
41 82.13 or Section 16 of Chapter 769 of the 1993 Session Laws, this section prevails to the
42 extent of the conflict. Except to the extent of the conflict, Section 16 of Chapter 762 of
43 the 1993 Session Laws remains in effect.

1
2 **PART 15. COLLEGES AND UNIVERSITIES.**
3

4 Requested by: Senators Plexico, Winner

5 **MEHARRY MEDICAL COLLEGE**

6 Sec. 15. The Board of Governors of The University of North Carolina shall
7 develop and implement a plan to recruit and attract graduates of Meharry Medical
8 College who are North Carolina residents for whom State financial support was provided
9 to Meharry Medical College. The Board's plan shall include informing the students of
10 the State support, providing information about medical residency opportunities in North
11 Carolina, and any other relevant information about opportunities for medical and dental
12 practice in North Carolina. The Office of Rural Health and the Area Health Education
13 Centers shall assist the Board in developing and implementing the plan. The Board shall
14 include State-supported graduates of Meharry Medical College in its monitoring report
15 required by G.S. 143-613(d) on primary care physicians. Meharry Medical College shall
16 supply information necessary for the Board to comply with this section.
17

18 Requested by: Senators Plexico, Winner

19 **SCHOOL OF SCIENCE AND MATHEMATICS**

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

21 "(b) Students. –

22 (1) Admission of Students. – The School shall admit students in accordance
23 with criteria, standards, and procedures established by the Board of
24 Trustees. To be eligible to be considered for admission, an applicant
25 must be a legal resident of the State, as defined by G.S. ~~116-143.1~~; 116-
26 143.1(a)(1); eligibility to remain enrolled in the School shall terminate
27 at the end of any school year during which a student becomes a
28 nonresident of the State. The Board of Trustees shall ensure, insofar as
29 possible without jeopardizing admission standards, that an equal
30 number of qualified rising high school juniors is admitted to the
31 program and to the residential summer institutes in science and
32 mathematics from each of North Carolina's congressional districts. In
33 no event shall the deviation in the number of rising high school juniors
34 offered admission to the program from each of North Carolina's
35 congressional districts deviate more than three percentage points from
36 the average number per district who are offered admission.

37 (2) School Attendance. – Every parent, guardian, or other person in this
38 State having charge or control of a child who is enrolled in the School
39 and who is less than 16 years of age shall cause such child to attend
40 school continuously for a period equal to the time which the School
41 shall be in session. No person shall encourage, entice, or counsel any
42 child to be unlawfully absent from the School. Any person who aids or
43 abets a student's unlawful absence from the School shall, upon

1 conviction, be guilty of a Class 3 misdemeanor. The Director of the
2 School shall be responsible for implementing such additional policies
3 concerning compulsory attendance as shall be adopted by the Board of
4 Trustees, including regulations concerning lawful and unlawful
5 absences, permissible excuses for temporary absences, maintenance of
6 attendance records, and attendance counseling.

- 7 (3) Student Discipline. – Rules of conduct governing students of the School
8 shall be established by the Board of Trustees. The Director, other
9 administrative officers, and all teachers, substitute teachers, voluntary
10 teachers, teacher aides and assistants, and student teachers in the School
11 may use reasonable force in the exercise of lawful authority to restrain
12 or correct pupils and maintain order."
13

14 Requested by: Senators Plexico, Winner, Kerr

15 **UNC VISUAL IMPAIRMENT TEACHER TRAINING CURRICULUM**

16 Sec. 15.2. (a) The Board of Governors of The University of North Carolina shall
17 select a school of education from within The University of North Carolina and direct the
18 school to establish an interstate consortium of universities located in the southeastern
19 United States with the following purposes:

- 20 (1) To collaboratively devise an appropriate curriculum for the training of
21 teachers to work with visually impaired students.
22 (2) To seek foundation grants to support the cooperative program of teacher
23 education.
24 (3) To work together in the implementation and operation of the program
25 providing the needed training experiences for students from those states
26 that become a part of the consortium.

27 (b) The school of education designated by the Board of Governors of The
28 University of North Carolina to establish the interstate consortium shall try to recruit one
29 university from each of the states in the southeastern United States. The program
30 developed by the interstate consortium shall be operated at the school of education
31 designated by the Board of Governors to undertake the project and shall utilize
32 technology for long-distance learning within the State and among the other states in the
33 consortium. The program shall be funded by all states participating in the consortium in
34 addition to grants obtained by the consortium.

35 (c) The program designed by the consortium shall be implemented collaboratively
36 with the North Carolina Department of Human Resources through the Division of
37 Services for the Blind. The Governor Morehead School shall be used as a clinical site for
38 the students in the program. The program shall be designed to meet certification
39 requirements that are set by the licensing agencies in the states participating in the
40 consortium. The program shall offer a masters degree in visual impairments and shall
41 also offer courses for special education teachers to enable them to extend their
42 certification to include visual impairments.

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

4
5 Requested by: Senators Plexico, Winner, Hoyle

6 **UNC CAPITAL IMPROVEMENT PRIORITIES**

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

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

15
16 Requested by: Senators Plexico, Winner, Warren

17 **ECU MEDICAL SCHOOL RECEIPTS**

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

20 **"§ 116-36.6. East Carolina University School of Medicine; Medicare receipts.**

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

25 (1) The portion of the Medicare reimbursement generated through the effort
26 and expense of the School of Medicine's Medical Faculty Practice Plan
27 shall be transferred to the appropriate Medical Faculty Practice Plan
28 account within the School of Medicine. The Medical Faculty Practice
29 Plan shall assume responsibility for any of these funds that subsequently
30 must be refunded due to final audit settlements.

31 (2) The funds from this source budgeted by the General Assembly as part of
32 the School of Medicine's general fund budget code shall be credited to
33 that code as a receipt.

34 (3) The remainder of the funds shall be transferred to a special fund account
35 on deposit with the State Treasurer. This special fund account shall be
36 used for any necessary repayment of Medicare funds due to final audit
37 settlements for funds allocated under subdivision (2) of this subsection.
38 When the amount of these reimbursement funds has been finalized by
39 audit for each year, those funds remaining in the special fund shall be
40 available for specific capital improvement projects for the East Carolina
41 University School of Medicine. Requests by East Carolina University
42 for use of these funds shall be made to the Board of Governors of The
43 University of North Carolina. Approval of projects by the Board of

1 Governors shall be reported to the Joint Legislative Commission on
2 Governmental Operations, and the reports shall include projected costs
3 and sources of funds for operation of the approved projects."
4

5 Requested by: Senators Plexico, Winner

6 **STATE EDUCATION ASSISTANCE AUTHORITY/FEDERAL MATCHING**
7 **FUNDS**

8 Sec. 15.5. Funds appropriated in Chapter 324 of the 1995 Session Laws to the
9 Board of Governors of The University of North Carolina for use by the State Education
10 Assistance Authority to match federal grants under the Federal State Student Incentive
11 Grant program shall remain available to assist needy students in meeting postsecondary
12 education expenses irrespective of the receipt by the State Education Assistance
13 Authority of any federal funds for such purpose. In the event federal funds are not
14 available for such purposes, the eligibility for funds under this section shall be limited to
15 resident students attending a constituent institution of The University of North Carolina, a
16 community college as defined by G.S. 115D-2(2), or a private institution as defined by
17 G.S. 116-22(1).
18

19 Requested by: Senators Perdue, Plexico, Rand, Winner, Odom, Plyler

20 **MILITARY PERSONNEL/BUDGETING OF SUMMER SCHOOL CREDIT**
21 **HOURS**

22 Sec. 15.6. For State budget purposes, credit hours taken in summer school at a
23 constituent institution of The University of North Carolina by military personnel as
24 defined in G.S. 116-143.3(a) and G.S. 116-143.3(b) shall be budgeted as resident credit
25 hours.
26

27 Requested by: Senators Plexico, Winner

28 **REPORTS ON UNC VENDING FACILITIES**

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

30 **"§ 116-36.4. Vending facilities.**

31 ~~The Board of Governors shall, not later than October 1 of each year, review an~~
32 ~~itemized annual report in a format to be determined by the Office of State Budget and~~
33 ~~Management. Each institution shall provide to the director of the Budget and the State~~
34 ~~Auditor such information as they may from time to time require concerning the use of net~~
35 ~~proceeds from operations of vending facilities for the previous fiscal year under G.S.~~
36 ~~116-36.1. Net proceeds may be used only as authorized by the Board of Governors, but~~
37 ~~this section does not authorize expenditures for purposes not otherwise authorized by~~
38 ~~law. The report shall be itemized by campus and by authorized purpose. The Board shall~~
39 ~~also review an annual report from the UNC Hospitals, monitoring compliance with G.S.~~
40 ~~143-12.1(f1). A copy of the report shall be provided to the Fiscal Research Division of~~
41 ~~the Legislative Services Office."~~
42

43 Requested by: Senators Plexico, Winner

ALLIED HEALTH PROFESSIONS

Sec. 15.8. Of the funds provided to the Board of Governors for expansion funding through receipts, the amount of one million seven hundred thousand dollars (\$1,700,000) each fiscal year of the biennium shall be allocated each year for expansion of program offerings and enrollment for training of allied health professionals.

Requested by: Senators Plexico, Winner

AHEC PRIMARY CARE

Sec. 15.9. Of the funds provided to the Board of Governors of The University of North Carolina for expansion funding through receipts for University Institutional Programs, the sum of two million dollars (\$2,000,000) shall be allocated for the 1995-96 fiscal year and two million five hundred thousand dollars (\$2,500,000) shall be allocated for the 1996-97 fiscal year for Area Health Education Centers for initiatives in primary care and training of mid-level practitioners.

Requested by: Senators Odom, Perdue, Plyler, Plexico, Rand, Winner

SELECTION OF DISTINGUISHED PROFESSORS

Sec. 15.12. G. S. 116-41.18 is amended by adding a new subsection to read:

"(a1) No rule shall prevent the constituent institutions of The University of North Carolina from selecting holders of Distinguished Professorships from among existing faculty members or newly hired faculty members."

Requested by: Senator Martin of Guilford

NORTH CAROLINA A & T STATE UNIVERSITY APPLIED MANUFACTURING AND EDUCATION CENTER

Sec. 15.13. Funds in the amount of three million five hundred thousand dollars (\$3,500,000) were appropriated in Section 6 of Chapter 561 of the 1993 Session Laws to the Board of Governors for the Applied Manufacturing and Education Center at North Carolina Agricultural and Technical State University. The remainder of those funds may be used by North Carolina Agricultural and Technical State University for the 1995-96 fiscal year and for the 1996-97 fiscal year for capital, operating, and equipment expenses of the Piedmont Triad Center for Advanced Manufacturing.

Requested by: Senator Perdue

OVERHEAD RECEIPTS

Sec. 15.14. The General Assembly intends to complete the elimination of the use of overhead receipts derived from reimbursement of indirect costs on contracts and grants as an offset to General Fund appropriations for The University of North Carolina in fiscal year 1997-98, as stated in Section 2(a) of Chapter 936 of the 1989 Session Laws. The continuation budget prepared by the Director of the Budget for the 1997-99 biennium shall not include any overhead receipts as offsets to General Fund current operations appropriations for any of the constituent institutions of The University of North Carolina.

1
2 Requested by: Senator Rand

3 **ACADEMIC ENHANCEMENT FUNDS**

4 Sec. 15.15. (a) Notwithstanding G.S. 116-143, the Board of Trustees of a
5 constituent institution designated as a Research University I campus of The University of
6 North Carolina may increase tuition at the constituent institution by an amount not to
7 exceed five hundred dollars (\$500.00) per full-time student per regular term academic
8 year. All additional revenues derived from these tuition increases shall remain for use on
9 that campus and are in addition to the operating budgets approved by the General
10 Assembly. If the Board of Trustees of an institution increases tuition, the chancellor must
11 allocate a minimum of thirty-five percent (35%) of the funds provided by the tuition
12 increase for need-based financial aid. The balance of the funds may be allocated for
13 faculty salaries or library budgets.

14 (b) Notwithstanding G.S. 116-143, the Board of Trustees of a constituent
15 institution of The University of North Carolina which has a professional school (law,
16 medicine, dentistry, pharmacy, and veterinary medicine) or masters degree in Business
17 Administration may increase tuition for students in the professional school by an amount
18 not to exceed three thousand dollars (\$3,000) per full-time nonresident student per
19 regular term academic year or by an amount not to exceed five hundred dollars (\$500.00)
20 per full-time resident student per regular term academic year. If the Board of Trustees of
21 an institution increases tuition for students in a professional school, the funds provided by
22 the increase shall remain on that campus and be used to enhance that professional school.
23 In no case shall a student attending a professional school be subject to a tuition increase
24 allowable under this section greater than the amounts stated in this subsection.

25 (c) Once a Board of Trustees decides to increase tuition at a constituent institution,
26 the institution shall notify the Board of Governors, the Office of State Budget and
27 Management, and the Fiscal Research Division of the amount of increase, additional
28 receipts anticipated, and the allocation of the funds among various programs in a format
29 prescribed by the Board of Governors of The University of North Carolina.

30
31 Requested by: Senator Winner

32 **UNC/UNIFORM REVERSION RATE**

33 Sec. 15.16. G.S. 116-30.3 reads as rewritten:

34 **"§ 116-30.3. Reversions.**

35 (a) Of the General Fund current operations appropriations credit balance
36 remaining at the end of each fiscal year in each budget code of a special responsibility
37 constituent ~~institution at the close of a fiscal year, institution, except for the budget code~~
38 of the Area Health Education Centers of the University of North Carolina at Chapel Hill,
39 any amount greater than ~~the percentage of the General Fund appropriations historically~~
40 ~~reverted to the State treasury over the preceding five fiscal years, multiplied by the~~
41 ~~General Fund appropriations for that budget code,~~ two percent (2%) of the General Fund
42 appropriation for that fiscal year may be carried forward by the institution to the next
43 fiscal year and may be used for one-time expenditures that will not impose additional

1 financial obligations on the State. Of the General Fund current operations appropriations
2 credit balance remaining in the budget code of the Area Health Education Centers of the
3 University of North Carolina at Chapel Hill, any amount greater than one percent (1%) of
4 the General Fund appropriation for that fiscal year may be carried forward in that budget
5 code to the next fiscal year and may be used for one-time expenditures that will not
6 impose additional financial obligations on the State. However, the amount carried
7 forward under this section shall not exceed two and one-half percent (2 1/2%) of the
8 General Fund appropriation. The historic reversion percentage shall be determined by the
9 Director of the Budget, after making adjustments for allotment reductions made to meet
10 revenue shortfalls and to force credit balances during the preceding five fiscal years
11 under the authority set forth in G.S. 143-25. The Director of the Budget, under the
12 authority set forth in G.S. 143-25, shall establish the General Fund current operations
13 credit balance remaining in each budget code of each institution.

14 (b) ~~Any special responsibility constituent institution that does not revert a~~
15 ~~percentage of the General Fund appropriations for the budget code equal to the five-year~~
16 ~~historic reversion rate established in this section. An institution shall cease to be a special~~
17 ~~responsibility constituent institution under the following circumstances:~~

18 (1) An institution, other than the Area Health Education Centers of the
19 University of North Carolina, does not revert at least two percent (2%)
20 of its General Fund current operations credit balance remaining in each
21 budget code of that institution, or

22 (2) The Area Health Education Centers of the University of North Carolina
23 at Chapel Hill does not revert at least one percent (1%) of its General
24 Fund current operations credit balance remaining in its budget code.

25 ~~unless the Board of Governors finds that the low reversion rate is due to adverse and~~
26 ~~unforeseen conditions. In this instance, However, if the Board of Governors finds that~~
27 ~~the low reversion rate is due to adverse and unforeseen conditions, the Board may allow~~
28 ~~the institution to remain a special responsibility constituent institution for one year to~~
29 ~~come into conformity with this section. The Board may make this exception only one~~
30 ~~time for any special responsibility constituent institution, and shall report these~~
31 ~~exceptions to the Joint Legislative Commission on Governmental Operations."~~

32
33 Requested by: Senators Plexico, Winner, and Hoyle

34 **UNC MISSION**

35 Sec. 15.17. G.S. 116-1 reads as rewritten:

36 "**§ 116-1. Purpose.**

37 (a) In order to foster the development of a well-planned and coordinated system of
38 higher education, to improve the quality of education, to extend its benefits and to
39 encourage an economical use of the State's resources, the University of North Carolina is
40 hereby redefined in accordance with the provisions of this Article.

41 (b) The University of North Carolina is a public, multicampus university dedicated
42 to the service of North Carolina and its people. It encompasses the 16 diverse constituent
43 institutions and other educational, research, and public service organizations. Each

1 shares in the overall mission of the university. That mission is to discover, create,
2 transmit, and apply knowledge to address the needs of individuals and society. This
3 mission is accomplished through instruction, which communicates the knowledge and
4 values and imparts the skills necessary for individuals to lead responsible, productive,
5 and personally satisfying lives; through research, scholarship, and creative activities,
6 which advance knowledge and enhance the educational process; and through public
7 service, which contributes to the solution of societal problems and enriches the quality of
8 life in the State. In the fulfillment of this mission, the university shall seek an efficient
9 use of available resources to ensure the highest quality in its service to the citizens of the
10 State.

11 Teaching and learning constitute the primary service that the university renders to
12 society. Teaching, or instruction, is the primary responsibility of each of the constituent
13 institutions. The relative importance of research and public service, which enhance
14 teaching and learning, varies among the constituent institutions, depending on their
15 overall missions."

16
17 Requested by: Senator Plexico

18 **UNC-ASHEVILLE/KELLOGG CENTER FUNDS**

19 Sec. 15.18. Of the funds appropriated to the Board of Governors of The
20 University of North Carolina for capital improvements the sum of five hundred thousand
21 dollars (\$500,000) for the 1995-96 fiscal year shall be used for the Kellogg Center at the
22 University of North Carolina at Asheville as a repository of mountain crafts.

23
24 Requested by: Senators Kerr, Winner, Plexico

25 **NCSU FORESTRY GENETICIST FUNDS**

26 Sec. 15.19. Of the funds provided through receipts to the Board of Governors
27 of The University of North Carolina the sum of one hundred fifty thousand dollars
28 (\$150,000) for the 1995-96 fiscal year and the sum of one hundred fifty thousand dollars
29 (\$150,000) for the 1996-97 fiscal year shall be used for North Carolina State University
30 to establish and maintain a forestry geneticist position and support services dedicated to
31 the development and use of the best genetic stock from the North Carolina Christmas tree
32 industry.

33
34 Requested by: Senator Plexico

35 **UNC TELEVISION TOWER REPAIR FUNDS**

36 Sec. 15.20. Of the funds allocated to the Board of Governors of The University
37 of North Carolina in Section 5.3 of Chapter 324 of the 1995 Session Laws for the 1995-
38 96 fiscal year, at least five hundred thousand dollars (\$500,000) shall be used to repair
39 the University of North Carolina television tower in Columbia.

40 41 **PART 16. COMMUNITY COLLEGES**

42
43 Requested by: Senators Plexico, Winner

CONTINUING BUDGET CONCEPT MODIFIED

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

(1) Community colleges that experience a decline in enrollment shall not receive a decrease in full-time equivalent student (FTE) enrollment funds until their enrollment declines more than five percent (5%). At that time, they shall experience a decline of only the amount over five percent (5%);

(2) Community colleges that experience an increase in enrollment shall not receive an increase in full-time equivalent student (FTE) enrollment funds until their enrollment increases more than three percent (3%). At that time, they shall experience an increase of only the amount over three percent (3%).

Requested by: Senators Plexico, Winner

RECEIPT ADJUSTMENT

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

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

Requested by: Senators Plexico, Winner

MISSION OF THE COMMUNITY COLLEGE SYSTEM

Sec. 16.7. The fundamental mission of the North Carolina Community College System is to provide job training programs in the State; therefore, the General Assembly hereby designates the North Carolina Community College System as the presumptive deliverer of job training programs in the State.

If the United States Congress allocates funds under the Job Training Partnership Act in a block grant, it is the intent of the General Assembly to transfer the responsibility for administering those funds from the Department of Commerce to the Department of Community Colleges.

Requested by: Senator Perdue

COORDINATION OF EFFORTS TO COORDINATE JOB TRAINING PROGRAMS

Sec. 16.8. The Governor shall direct all State agencies to compile a list of all State and federal funds in their budgets for workforce preparedness and to prepare a plan for cooperating with the Community College System in its mission as the presumptive deliverer of job training programs in the State. The Governor shall report on the

1 information received from State agencies to the Joint Legislative Education Oversight
2 Committee prior to March 1, 1996.

3
4 Requested by: Senator Perdue

5 **COMPREHENSIVE PLAN FOR DELIVERY OF JOB TRAINING**

6 Sec. 16.9. The Community College System is designated the presumptive
7 deliverer of job training. The Community College System shall develop strategies for
8 cooperating with other State State agencies in the performance of this role. The State
9 Board of Community Colleges shall review the facility and equipment needs of the
10 Community College System. The State Board shall submit to the State Education
11 Cabinet for its review prior to March 1, 1996, its report on those needs and on its
12 strategies for cooperating with other State agencies to be the presumptive deliverer of job
13 training programs. After that review, the State Board shall report the results of its study
14 to the Joint Legislative Education Oversight Committee by March 15, 1996.

15 16 **PART 17. PUBLIC SCHOOLS**

17
18 Requested by: Senators Winner, Plexico

19 **EXCEPTIONAL CHILDREN FUNDS**

20 Sec. 17. (a) The funds appropriated for exceptional children in Chapter 324 of
21 the 1995 Session Laws shall be allocated as follows:

- 22 (1) Each local school administrative unit shall receive for academically
23 gifted children the sum of \$680.21 per child for three and nine-tenths
24 percent (3.9%) of the 1994-95 actual average daily membership in the
25 local school administrative unit, regardless of the number of children
26 identified as academically gifted in the local school administrative unit.
27 The total number of children for which funds shall be allocated pursuant
28 to this subdivision is 44,609 for the 1995-96 school year.
- 29 (2) Each local school administrative unit shall receive for exceptional
30 children other than academically gifted children the sum of \$2,040.63
31 per child for the lesser of (i) all children who are identified as
32 exceptional children other than academically gifted children or (ii)
33 twelve and five-tenths percent (12.5%) of the 1994-95 actual average
34 daily membership in the local school administrative unit. The maximum
35 number of children for which funds shall be allocated pursuant to this
36 subdivision is 131,642 for the 1995-96 school year.
- 37 (3) Each local school administrative unit in which more than twelve and
38 five-tenths percent (12.5%) of the 1994-95 actual average daily
39 membership are identified as exceptional children other than
40 academically gifted children shall receive \$427.35 per child in excess of
41 the twelve and five-tenths percent (12.5%). These funds shall be used
42 only for nonrecurring expenditures and other expenditures for

1 exceptional children other than academically gifted children that do not
2 impose future obligations on the State or local governments.

3 The dollar amounts allocated under this subsection for exceptional children shall also
4 increase in accordance with legislative salary increments for personnel who serve
5 exceptional children.

6 (b) If House Bill 6 of the 1995 General Assembly is enacted, the State Board of
7 Education shall transfer part of these funds to a new allotment category for central office
8 administrators, in accordance with the provisions of House Bill 6.

9 (c) The State Board of Education shall evaluate and review (i) the current
10 process and criteria for designating students as children with special needs and (ii) the
11 adequacy of State funding for children with special needs. The State Board shall report
12 the results of its evaluation and review to the Joint Legislative Education Oversight
13 Committee prior to March 15, 1996.

14
15 Requested by: Senator Winner, Plexico

16 **SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES/SMALL SCHOOL**
17 **SYSTEM SUPPLEMENTAL FUNDING**

18 Sec. 17.1. (a) **Funds for supplemental funding.** – The General Assembly finds
19 that it is appropriate to provide supplemental funds in low-wealth counties to allow those
20 counties to enhance the instructional program and student achievement; therefore, of the
21 funds appropriated to Aid to Local School Administrative Units, the sum of forty-four
22 million seven hundred eighty-three thousand eight hundred nine dollars (\$44,783,809) for
23 the 1995-96 fiscal year and the sum of forty-four million seven hundred eighty-three
24 thousand eight hundred nine dollars (\$44,783,809) for the 1996-97 fiscal year shall be
25 used for supplemental funds for schools.

26 (b) **Use of funds for supplemental funding.** – Local school administrative units
27 shall use funds received pursuant to this section only to provide instructional positions,
28 instructional support positions, teacher assistant positions, clerical positions, instructional
29 supplies and equipment, staff development, and textbooks; Provided, however, local
30 school administrative units may also use up to ten percent (10%) of these funds for salary
31 supplements for instructional personnel and instructional support personnel.

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

33 (1) "Anticipated county property tax revenue availability" means the county
34 adjusted property tax base multiplied by the effective State average tax
35 rate.

36 (2) "Anticipated total county revenue availability" means the sum of the
37 a. Anticipated county property tax revenue availability,
38 b. Local sales and use taxes received by the county that are levied
39 under Chapter 1096 of the 1967 Session Laws or under
40 Subchapter VIII of Chapter 105 of the General Statutes,
41 c. Food stamp exemption reimbursement received by the county
42 under G.S. 105-164.44C,

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

- 1 b. Compute the percentage that the anticipated total county revenue
2 availability per student is of the anticipated State average revenue
3 availability per student and weight the resulting percentage by a
4 factor of four-tenths,
5 c. Compute the percentage that the county adjusted property tax
6 base per square mile is of the State adjusted property tax base per
7 square mile and weight the resulting percentage by a factor of
8 one-tenth,
9 d. Add the three weighted percentages to derive the county wealth
10 as a percentage of the State average wealth.
- 11 (9) " Effective county tax rate" means the actual county tax rate multiplied
12 by a weighted average of the three most recent annual sales assessment
13 ratio studies.
- 14 (10) " Effective State average tax rate" means the average of effective county
15 tax rates for all counties.
- 16 (10a) For the 1995-96 fiscal year, "local current expense funds" means the
17 most recent county current expense appropriations to public schools, as
18 reported by counties in the annual county financial information report to
19 the State Treasurer. For the 1996-97 fiscal year, "local current expense
20 funds" means the most recent county current expense appropriations to
21 public schools, as reported by local boards of education in the audit
22 report filed with the Secretary of the Local Government Commission
23 pursuant to G.S. 115C-447.
- 24 (11) " Per capita income" means the average for the most recent three years
25 for which data are available of the per capita income according to the
26 most recent report of the United States Department of Commerce,
27 Bureau of Economic Analysis, including any reported modifications for
28 prior years as outlined in the most recent report.
- 29 (12) " Sales assessment ratio studies" means sales assessment ratio studies
30 performed by the Department of Revenue under G.S. 105-289(h).
- 31 (13) For the 1995-96 fiscal year, "State average current expense
32 appropriations per student" means the most recent State total of county
33 current expense appropriations to public schools, as reported by
34 counties in the annual county financial information report to the State
35 Treasurer. For the 1996-97 fiscal year, "State average current expense
36 appropriations per student" means the most recent State total of county
37 current expense appropriations to public schools, as reported by local
38 boards of education in the audit report filed with the Secretary of the
39 Local Government Commission pursuant to G.S. 115C-447.
- 40 (14) " State average adjusted property tax base per square mile" means the
41 sum of the county adjusted property tax bases for all counties divided by
42 the number of square miles of land area in the State.

1 (14a) " Supplant" means to decrease local per student current expense
2 appropriations from one fiscal year to the next fiscal year.

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

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

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

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

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

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

39 (g) **Minimum effort required.** – A county that (i) maintains an effective
40 county tax rate that is at least one hundred percent (100%) of the effective State average
41 tax rate in the most recent year for which data are available or (ii) maintains a county
42 appropriation per student to the school local current expense fund of at least one hundred
43 percent (100%) of the current expense appropriations per student to the school local

1 current expense fund that the county could provide given the county's wealth and an
2 average effort to fund public schools, shall receive full funding under this section. A
3 county that maintains a county appropriation per student to the school local current
4 expense fund of less than one hundred percent (100%) of the current expense
5 appropriations per student to the school local current expense fund that the county could
6 provide given the county's wealth and an average effort to fund public schools shall
7 receive funding under this section at the same percentage that the county's appropriation
8 per student to the school local current expense fund is of the current expense
9 appropriations per student to the school local current expense fund that the county could
10 provide given the county's wealth and an average effort to fund public schools.

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

- 19 (1) The current expense appropriation of the county for the current year is
20 less than ninety-five percent (95%) of the average of the local current
21 expense appropriations for the three prior fiscal years; and
- 22 (2) The county cannot show (i) that it has remedied the deficiency in
23 funding, or (ii) that extraordinary circumstances caused the county to
24 supplant local current expense funds with funds allocated under this
25 section.

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

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

30 (j) **Department of Revenue reports.** – The Department of Revenue shall
31 provide to the Department of Public Instruction a preliminary report for the current fiscal
32 year of the assessed value of the property tax base for each county prior to March 1 of
33 each year and a final report prior to May 1 of each year. The reports shall include for
34 each county the annual sales assessment ratio and the taxable values of (i) total real
35 property, (ii) the portion of total real property represented by the present-use value of
36 agricultural land, horticultural land, and forestland as defined in G.S. 105-277.2, (iii)
37 property of public service companies determined in accordance with Article 23 of
38 Chapter 105 of the General Statutes, and (iv) personal property.

39 Sec. 17.2. (a) **Funds for small school systems.** – Except as provided in subsection
40 (b) of this section, the State Board of Education shall allocate funds appropriated for
41 small school system supplemental funding (i) to each county school administrative unit
42 with an average daily membership of less than 3,150 students and (ii) to each county
43 school administrative unit with an average daily membership of from 3,150 to 4,000

1 students if the county in which the local school administrative unit is located has a county
2 adjusted property tax base per student that is below the State adjusted property tax base
3 per student and if the total average daily membership of all local school administrative
4 units located within the county is from 3,150 to 4,000 students. The allocation formula
5 shall:

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

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

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

- 35 (1) The current expense appropriation of the county for the current year is
36 less than ninety-five percent (95%) of the average of the local current
37 expense appropriations for the three prior fiscal years; and
- 38 (2) The county cannot show (i) that it has remedied the deficiency in
39 funding, or (ii) that extraordinary circumstances caused the county to
40 supplant local current expense funds with funds allocated under this
41 section.

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

1 (c) **Phase-out provision.** – If a local school administrative unit becomes ineligible
2 for funding under this formula solely because of an increase in population or an increase
3 in the county adjusted property tax base per student of the county in which the local
4 school administrative unit is located, funding for that unit shall be phased-out over a two
5 year period. For the first year of ineligibility, the unit shall receive the same amount it
6 received for the prior fiscal year. For the second year of ineligibility, it shall receive half
7 of that amount.

8 (d) **Definitions.** – As used in this section:

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

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

18 (2a) For the 1995-96 fiscal year, "local current expense funds" means the
19 most recent county current expense appropriations to public schools, as
20 reported by counties in the annual county financial information report to
21 the State Treasurer. For the 1996-97 fiscal year, "local current expense
22 funds" means the most recent county current expense appropriations to
23 public schools, as reported by local boards of education in the audit
24 report filed with the Secretary of the Local Government Commission
25 pursuant to G.S. 115C-447.

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

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

31 (4a) " Supplant" means to decrease local per student current expense
32 appropriations from one fiscal year to the next fiscal year.

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

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

4
5 Requested by: Senators Winner, Plexico

6 **SCHOOL TECHNOLOGY RESERVE**

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

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

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

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

38
39 Requested by: Senators Winner, Plexico

40 **EDUCATION EXPENDITURE REPORT DUE DATE**

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

42 "(b) On or before ~~February 15~~ May 1 of each year the Local Government
43 Commission shall furnish to the General Assembly a report of the level of each county's

1 appropriations for public school capital outlay (including retirement of indebtedness
2 incurred and monies reserved for these purposes), include the amount each county has
3 provided for public school capital outlay for a period including at a minimum the most
4 recent five fiscal years, estimates of public school facility needs, the proportion of
5 revenue from taxes collected under Article 40 of this Chapter that has been provided for
6 public school capital outlay purposes (including retirement of indebtedness incurred and
7 monies reserved for these purposes), the proportion of revenue collected under this
8 Article that has been expended for a public school capital outlay purposes (including
9 retirement of indebtedness incurred and monies reserved for these purposes), and any
10 other factors it deems relevant to carrying out the intent stated in subsection (a) of this
11 section."

12
13 Requested by: Senators Winner, Plexico

14 **ELIMINATION OF OBSOLETE REPORTS ON MAINTENANCE CONTRACTS;**
15 **EXCHANGE OF INFORMATION WITHIN STATE EDUCATION AGENCIES**

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

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

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

22
23 Requested by: Senators Winner, Plexico

24 **EXPANSION BUDGET APPROPRIATIONS OF SAVINGS FROM THE**
25 **REORGANIZATION OF THE DEPARTMENT OF PUBLIC INSTRUCTION**

26 Sec. 17.7. Of the funds appropriated to State Aid to Local School
27 Administrative Units, the State Board of Education shall allocate the sum of nine million
28 three hundred eighteen thousand four hundred thirty-six dollars (\$9,318,436) for the
29 1995-96 fiscal year and the sum of ten million six hundred sixty-five thousand three
30 hundred forty-one dollars (\$10,665,220) for the 1996-97 fiscal year to local school
31 administrative units. Of these funds:

- 32 (1) The sum of \$2,917,575 for the 1995-96 fiscal year and the sum of
33 \$2,917,575 for the 1996-97 fiscal year shall be used for textbooks;
- 34 (2) The sum of \$6,400,861 for the 1995-96 fiscal year and the sum of
35 \$7,747,645 for the 1996-97 fiscal year shall be used to reduce the
36 funded allotment ratio to one teacher for every 23 students in first grade.

37
38 Requested by: Senators Winner, Plexico

39 **MODIFICATION OF TRANSFER FUNDS FOR TACS TO LOCAL SCHOOL**
40 **ADMINISTRATIVE UNITS**

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

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

11 The Technical Assistance Centers shall remain a part of the Department of Public
12 Instruction but shall be funded solely by receipts from local boards of education and from
13 other non-State sources. If no such funds are available for a Technical Assistance Center,
14 that Center shall be abolished or consolidated with another Center by the State Board.
15 The State Board shall establish a management structure for the Technical Assistance
16 Centers that enables superintendents, principals, and teachers from the local school
17 administrative units to be served by the Centers to have input into the priorities and
18 personnel decisions at the Centers."
19

20 Requested by: Senators Winner, Plexico

21 **ALTERNATIVE LEARNING PROGRAMS**

22 Sec. 17.9. (a) G.S. 115C-238.41(c)(3)d. reads as rewritten:

23 "d. Alternative Learning Program Model. – An Alternative Learning
24 Program is a program that ~~provides~~ serves students at any level, serves
25 suspended or expelled students, serves students whose learning styles
26 are better served in an alternative program, or is designed to use
27 multiple strategies, which serve students in the standard classroom or
28 provide individualized programs outside of a standard classroom setting
29 in a caring atmosphere in which students learn the skills necessary to
30 redirect their lives and return to a standard classroom setting. ~~The~~ A31 program should maintain State standards and may include smaller
32 classes and lower student/teacher ratios, school-to-work transition
33 activities, modification of curriculum and instruction to meet individual
34 needs, flexible scheduling, and necessary academic, vocational, and
35 support services for students and their families. A program also may be
36 provided under contract with a local, private, nonprofit 501(c)(3)
37 corporation. Services ~~may~~ also may include appropriate measures to
38 correct disruptive behavior, teach responsibility, good citizenship, and
39 respect for rules and authority.

40 An alternative learning program should have a well-defined
41 mission, offer appropriate educational opportunities, and hold high
42 expectations for staff and students. The goals of the program should
43 target ~~The goals of the alternative school programs should be to (i)~~

1 ~~reduce the school dropout rate~~ reducing school dropout rates through
2 improved student attendance, behavior, and educational ~~achievement;~~
3 ~~and (ii) achievement.~~ When appropriate, programs should increase
4 successful school-to-work transitions for students through educationally
5 linked job internships, mentored job shadowing experiences, and the
6 development of personalized education and career plans for
7 participating students."

8 (b) G.S. 115C-238.41(c) is amended by adding a new subdivision to read:

9 "(8) The process to be followed if students may be referred and placed on an
10 involuntary basis into alternative learning programs in connection with
11 suspension or expulsion. This process shall be based on model
12 guidelines developed by the State Board of Education."

13 (c) G.S. 115C-238.43 reads as rewritten:

14 "**§ 115C-238.43. Award of grants.**

15 (a) In selecting grant recipients, the State Board shall consider (i) the
16 recommendations of the Superintendent, (ii) the geographic location of the applicants,
17 and (iii) the demographic profile of the applicants. After considering these factors, the
18 State Board shall give priority to grant applications that will serve areas that have a high
19 incidence of juvenile crime and that propose different approaches that can serve as
20 models for other communities.

21 The State Board shall select the grant recipients prior to July 15, 1994, for local
22 programs that will be in operation at the beginning of the 1994-95 school year. The State
23 Board shall select the grant recipients prior to October 1, 1994, for local programs that
24 will be in operation after the beginning of the 1994-95 school year.

25 (b) Notwithstanding subsection (a) of this section, beginning with grant recipients
26 selected for the 1995-96 school year, in awarding grants for alternative learning
27 programs, the State Board shall give preference to applications from underserved areas or
28 areas with high incidences of juvenile crime."

29 (d) G.S. 115C-238.47 reads as rewritten:

30 "**§ 115C-238.47. Program evaluation; reporting requirements.**

31 (a) ~~The Department of Public Instruction~~ State Board of Education shall develop
32 and implement an evaluation system, ~~under the direction of the State Board of Education,~~
33 system that will assess the efficiency and effectiveness of the Intervention/Prevention
34 Grant Program. ~~The Department~~ State Board shall design this system to:

35 (1) Provide information to local program administrators and teachers, the
36 ~~Department~~ State Board, and to the General Assembly on how to
37 improve and refine the programs;

38 (2) Enable local program administrators and teachers, the ~~Department~~ State
39 Board, and the General Assembly to assess the overall quality,
40 efficiency, and impact of the existing programs;

41 (3) Enable the ~~Department~~ State Board and the General Assembly to
42 determine whether to modify the Intervention/Prevention Grant
43 Program; ~~and~~

1 (4) Provide a detailed fiscal analysis of how State funds for these programs
2 were ~~used~~-used; and

3 (5) Evaluate over a five-year period, beginning with the 1995-96 school
4 year, the success of, the quality of educational opportunities that are
5 offered in, and the effectiveness of alternative learning programs in the
6 public schools.

7 (a1) Before its annual report on February 15, 1996, and annually thereafter, the
8 Board shall provide an opportunity for local program administrators, and particularly
9 alternative learning program administrators and educators, to comment on the evaluation
10 system. The Board shall consider these comments in any proposed modification to the
11 system.

12 (b) The State Board of Education shall report to the General Assembly and the
13 Joint Legislative Education Oversight Committee by May 15, 1994, on its progress in
14 developing the evaluation system and in developing and implementing the program. It
15 shall report prior to February 1, 1995, on the evaluation system ~~developed by the~~
16 ~~Department~~ and on program implementation. The State Board of Education shall present
17 an annual report on ~~October 1, 1995, February 15, 1996,~~ and annually thereafter to the
18 General Assembly and to the Joint Legislative Education Oversight Committee on (i) the
19 implementation of the program, (ii) the results of the program evaluation, (iii) how the
20 funds appropriated by the General Assembly for the program are being used, (iv)
21 additional funds required to implement the program, ~~and~~ (v) any necessary modifications
22 to the ~~program~~-program, and (vi) comments received from local program administrators,
23 and particularly alternative learning program administrators and educators, concerning
24 the evaluation system and the program generally."

25 (e) The State Board of Education shall convene an Alternative Educators
26 Planning Group of up to 15 outstanding practicing alternative school educators so that
27 they may define the needs for technical assistance and training for alternative school
28 educators and determine how to best meet those needs. The educators shall represent the
29 geographic, racial, and gender diversity of the State and shall include administrators,
30 teachers, and counselors. The State Board shall solicit the recommendations of
31 alternative school educators to determine the membership of the group. The educators
32 shall elect a chairperson from among the group and shall determine a meeting schedule to
33 suit their needs. The State Board shall provide meeting space and clerical assistance.
34 The Planning Group shall report the plan for service to the State Board of Education and
35 the Joint Legislative Education Oversight Committee no later than February 1, 1996, at
36 which time the Planning Group shall terminate, though nothing in this act shall prevent
37 the group from continuing to meet on a voluntary basis. Members of the Alternative
38 Educators Planning Group shall receive per diem, subsistence, and travel allowances in
39 accordance with G.S. 138-5 or G.S. 138-6, as appropriate.

40 Based on the technical assistance and training needs identified by the
41 Alternative Educators Planning Group, the State Board of Education shall coordinate the
42 efforts of its specialists and, to the extent possible, of specialists in other public and
43 private agencies to provide coordinated assistance to alternative learning programs in

1 local school administrative units. The specialists should include, but are not limited to,
2 those in the areas of dropout prevention, drug abuse prevention, in-school suspension,
3 and children with special needs.

4 (f) The State Board of Education shall study the issue of referral and
5 placement of students into alternative learning programs and shall develop model
6 guidelines that local school administrative units may use for the referral and placement of
7 students into alternative learning programs. In developing these guidelines, the Board
8 shall consider the different methods of referral, whether placement in the programs is
9 voluntary or mandatory, and any due process or other legal issues that may apply. In
10 developing these guidelines, the Board shall consult with the Alternative Educators
11 Planning Group created in subsection (e) of this section, shall solicit comments from
12 other alternative school educators in the State, and may consult with representatives of
13 the North Carolina School Boards Association and other professional education
14 organizations. The Board shall develop and disseminate the model guidelines to local
15 school boards no later than February 1, 1996. The local school boards shall then
16 disseminate these guidelines to their alternative learning programs.

17 (g) The funds appropriated in this act for the 1995-96 fiscal year to State Aid
18 to Local School Administrative Units for alternative learning programs shall be used for
19 start-up costs for new or expanded programs to implement alternative learning programs.
20 These funds shall be available to a local school administrative unit for one year only.

21 Of these funds, up to two hundred thousand dollars (\$200,000) may be used by
22 the State Board of Education to implement this section, including the evaluation of
23 alternative learning programs.

24 (h) The funds appropriated in this act for the 1996-97 fiscal year to State Aid
25 to Local School Administrative Units for alternative learning programs shall be used by
26 the State Board to increase the Alternative Schools/At-Risk Student Allotment.

27 Of these funds, up to two hundred thousand dollars (\$200,000) may be used by
28 the State Board of Education to implement this section, including the evaluation of
29 alternative learning programs.

30 (i) The State Board of Education, working with local school administrative
31 units, shall develop a plan to provide access to alternative schools for secondary students
32 in all local school administrative units. In developing the plan, the State Board shall
33 consider redirecting existing funds for drop-out prevention, including federal funds,
34 intervention/prevention grant funds, and other State funds.

35
36 Requested by: Senators Winner, Plexico

37 **SCHOOL-BASED INCENTIVE AWARD FUNDS**

38 Sec. 17.10. (a) The State Board of Education shall use funds appropriated for
39 the 1995-96 fiscal year for school-based awards to establish a school-based incentive
40 award pilot program in up to 10 local school administrative units. The State Board of
41 Education may include all or part of the schools in a local school administrative unit.

1 (b) The State Board shall set goals for individual schools in local school
2 administrative units participating in the pilot program. Individual schools that exceed
3 those goals shall receive incentive grants in amounts set by the State Board.

4 A school may use these incentive funds in accordance with a plan that has
5 been:

6 (1) Developed by the school improvement team;

7 (2) Submitted to the principal, assistant principals, instructional personnel,
8 instructional support personnel, and teacher assistants assigned to that
9 school for their review and vote in the same manner that a school
10 improvement plan is approved under G.S. 115C-238.3(b1); and

11 (3) Approved by the local board of education.

12 The local board of education shall approve the plan developed by the school
13 unless the plan involves expenditures of funds that are not for a public purpose or that are
14 otherwise unlawful.

15 (c) The State Board of Education shall report plans for expanding the School-
16 Based Award Program on a statewide basis to the Joint Legislative Education Oversight
17 Committee by January 15, 1996.

18
19 Requested by: Senators Winner, Plexico

20 **FUNDS FOR NATIONAL BOARD FOR PROFESSIONAL TEACHING** 21 **STANDARDS**

22 Sec. 17.11. The National Board for Professional Teaching Standards (NBPTS)
23 was established in 1987 as an independent, nonprofit organization to establish high
24 standards for teachers' knowledge and performance and for development and operation of
25 a national voluntary system to assess and certify teachers who meet those standards. In
26 order to apply for the NBPTS certification process, teachers must have three years or
27 more of teaching experience, be currently teaching, have graduated from an accredited
28 college or university, and hold a valid State teaching license. Upon successful
29 completion of a year-long process of developing a portfolio of student work and
30 videotapes of teaching/learning activities for NBPTS review and then participating in
31 NBPTS assessment center simulation exercises, including performance-based activities
32 and a content knowledge examination, teachers may become NBPTS-certified.

33 Of the funds appropriated to the Department of Public Instruction in this act,
34 the sum of:

35 (1) Two hundred thirty thousand dollars (\$230,000) for the 1995-96 fiscal
36 year shall be used to pay for the National Board for Professional
37 Teaching Standards (NBPTS) participation fee and for up to three days
38 of approved paid leave for teachers participating in the NBPTS program
39 during the 1995-96 school year for State-paid teachers who (i) have
40 completed three years of teaching in North Carolina schools operated by
41 local boards of education, the Department of Human Resources, the
42 Department of Correction, or The University of North Carolina, or
43 affiliated with The University of North Carolina, prior to application for

1 NBPTS certification, and (ii) who have not previously received State
2 funds for participating in any certification area in the NBPTS program.
3 Teachers participating in the program shall take paid leave only with the
4 approval of their supervisors.

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

- 13 (2) Two hundred forty-five thousand five hundred eighty-two dollars
14 (\$245,582) shall be used for an annual bonus of four percent (4%) of the
15 teacher's State-paid salary for the 10-month school year for State-paid
16 teachers who (i) completed three years of teaching in North Carolina
17 schools operated by local boards of education, the Department of
18 Human Resources, the Department of Correction, or The University of
19 North Carolina prior to application for NBPTS certification and (ii)
20 complete the NBPTS certification process. The bonus for each fiscal
21 year shall be paid at the end of each full school year that the teacher
22 teaches full-time in a North Carolina school operated by local boards of
23 education, the Department of Human Resources, the Department of
24 Correction, or The University of North Carolina. Teachers shall
25 continue this bonus as long as they retain NBPTS certification.
26

27 Requested by: Senators Winner, Plexico

28 **FUNDS TO REDUCE CLASS SIZE IN GRADE 1**

29 Sec. 17.12. The funds appropriated in this act to reduce class size in first grade
30 shall be allocated by the State Board of Education to local school administrative units on
31 the basis of one teacher for every 23 students in first grade. Local school administrative
32 units shall use these funds (i) to reduce class size in first grade to 23 or fewer students or
33 (ii) to hire reading teachers within kindergarten through third grade or otherwise reduce
34 the student-teacher ratio within kindergarten through third grade.

35 For the purpose of calculating the maximum allowable class size for first
36 grade, the ratio of teachers to students shall be 1 to 26.
37

38 Requested by: Senators Albertson, Winner, Plexico

39 **TEACHER VACATION LEAVE FOR ADOPTIVE PARENTS**

40 Sec. 17.13. G.S. 115C-302 is amended by adding a new subsection to read:

41 "(f) A teacher may use annual leave, personal leave, or leave without pay to care
42 for a newborn child or for a child placed with the teacher for adoption or foster care. The
43 leave may be for consecutive workdays during the first 12 months after the date of birth

1 or placement of the child, unless the the teacher and local board of education agree
2 otherwise.

3 The total of all such leave time shall be no more than 12 weeks."
4

5 Requested by: Senator Perdue

6 **CONTINUE MORATORIUM ALGEBRA I RULE**

7 Sec. 17.14. Section 3 of Chapter 371 of the 1995 Session Laws reads as
8 rewritten:

9 "Sec. 3. This act is effective upon ratification, ~~and expires on June 30, 1997.~~
10 ratification."

11 Requested by: Senators Winner, Plexico

12 **RESERVE FOR EDUCATION PURPOSES/USES OF FUNDS**

13 Sec. 17.15. The Director of the Budget shall allocate funds transferred to the
14 Reserve for Education Purposes pursuant to Section 27.10A of this act as follows:

- 15 (1) Two-thirds of the funds shall be allocated to the State Board of
16 Education. These funds shall be allocated by the State Board of
17 Education to the credit of local school administrative units for textbooks
18 and school technology.
19 (2) One-third of the funds shall be allocated to the Department of
20 Community Colleges. The State Board of Community Colleges shall
21 allocate these funds to community colleges for equipment and
22 technology.
23

24 Requested by: Senator Perdue

25 **PUBLIC SCHOOL PLAN**

26 Sec. 17.16. The State Board of Education shall develop a plan to coordinate its
27 vocational education and job-training efforts with the Community College System. The
28 plan shall include a review of the public schools' facility and equipment needs
29 specifically related to vocational education and job training and an outline of necessary
30 modifications to existing public school policies. The State Board shall submit the results
31 of its study for review to the State Education Cabinet. After that review, the State Board
32 shall report the results of its study to the Joint Legislative Education Oversight
33 Committee by March 1, 1996.
34

35 **PART 18. DEPARTMENT OF TRANSPORTATION**

36 Requested by: Senator Hoyle

37 **NORTHEASTERN REGIONAL AIRPORT MATCHING FUNDS**

38 Sec. 18. Of the funds appropriated in the Continuation Budget Operations
39 Appropriations Act of 1995 to the Department of Commerce for allocation to the
40 Northeast North Carolina Regional Economic Development Commission, the sum of one
41 hundred twenty-five thousand dollars (\$125,000) in each fiscal year shall be transferred
42
43

1 to the Department of Transportation for allocation as a local match for projects at the
2 Northeastern Regional Airport in Edenton.

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

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

9
10 Requested by: Senator Hoyle

11 **JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE TO**
12 **STUDY LIENS ON TOWED AND STORED VEHICLES**

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

- 16 (1) Whether the time period after which a lien can be satisfied on a motor
17 vehicle for unpaid repair, towing, or storing charges should be
18 shortened, and whether any other time periods relating to liens on towed
19 and stored motor vehicles should be shortened;
- 20 (2) Whether the amount of time that a vehicle can be left on the property of
21 another person, including a business engaged in automobile repair,
22 towing, or storage, before that vehicle is considered to be abandoned
23 should be shortened;
- 24 (3) Whether the cost of towing should be included in the amount of a lien;
- 25 (4) Whether new procedures should be established for disposal of low-value
26 vehicles to satisfy liens;
- 27 (5) Whether the last registered owner of an abandoned vehicle that has been
28 towed and stored should be charged with a traffic offense, should be
29 liable for any restitution, or should be penalized in any other manner;
30 and
- 31 (6) Other issues related to the towing and storage of motor vehicles and
32 liens on those vehicles.

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

36
37 Requested by: Senator Hoyle

38 **DEPARTMENT OF TRANSPORTATION TO PROVIDE CONSTRUCTION AND**
39 **MAINTENANCE SERVICES AT THE GOVERNOR'S WESTERN RESIDENCE**

40 Sec. 18.1A. G.S. 136-18(13) reads as rewritten:

- 41 "(13) The Department of Transportation ~~is authorized and empowered to~~ may
42 construct and maintain all walkways and driveways within the Mansion
43 Square in the City of Raleigh and the Western Residence of the

1 Governor in the City of Asheville including the approaches connecting
2 with the city streets, and any funds expended therefor shall be a charge
3 against general maintenance."
4

5 Requested by: Senator Hoyle

6 **PURCHASE OF CENTURY CENTER CAMPUS FACILITY**

7 Sec. 18.3. Revenue collected into the Highway Trust Fund in excess of the
8 certified budget for the fiscal year ending June 30, 1995, may be reserved and used, to the
9 extent necessary, by the Department of Transportation to acquire the capital facility
10 known as the Century Center Campus.
11

12 Requested by: Senator Hoyle

13 **JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE TO**
14 **STUDY DIVISION OF MOTOR VEHICLES WAKE COUNTY SERVICE**
15 **FACILITY**

16 Sec. 18.4. The Joint Legislative Transportation Oversight Committee may
17 study a Division of Motor Vehicles Campus in Wake County, including a Customer
18 Service Facility. The Committee may consider:

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

26 The Department of Transportation, the State Construction Office, the Capital
27 Planning Commission, and other State agencies shall assist the Joint Legislative
28 Transportation Oversight Committee in conducting any study of these matters.

29 The Joint Legislative Transportation Oversight Committee may report its
30 findings on this matter to the 1995 General Assembly, Regular Session 1996.
31

32 Requested by: Senator Hoyle

33 **RESERVE FOR SPOT-SAFETY PROJECTS**

34 Sec. 18.5. Funds appropriated in this act to the Reserve for Spot-Safety
35 Projects shall be used statewide for spot-safety projects as approved by the Secretary of
36 the Department of Transportation.
37

38 Requested by: Senator Hoyle

39 **ORGANIZATIONAL AND BUSINESS PRACTICES STUDY OF THE DIVISION**
40 **OF MOTOR VEHICLES**

41 Sec. 18.14. The Department of Transportation shall conduct a study of the
42 Division of Motor Vehicles.

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

4 The Department of Transportation shall report its findings and
5 recommendations based on this study to the Joint Legislative Transportation Oversight
6 Committee no later than March 31, 1996 for transmittal to the 1995 General Assembly,
7 Regular Session 1996.

8
9 Requested by: Senator Hoyle

10 **INCREASE ALLOCATION TO WILDLIFE RESOURCES COMMISSION**

11 Sec. 18.16. G.S. 105-449.126, as enacted by Chapter 390 of the 1995 Session
12 Laws, reads as rewritten:

13 **"§ 105-449.126. Distribution of part of Highway Fund allocation to Wildlife 14 Resources Fund.**

15 The Secretary shall credit to the Wildlife Resources Fund one-sixth of one percent
16 (1/6 of 1%) of the amount that is allocated to the Highway Fund under G.S. 105-449.125
17 and is from the excise tax on ~~gasoline or blended fuel that contains gasoline.~~ motor fuel.
18 Revenue credited to the Wildlife Resources Fund under this section may be used only for
19 the boating and water safety activities described in G.S. 75A-3(c). The Secretary must
20 credit revenue to the Wildlife Resources Fund on an annual basis."

21
22 Requested by: Senator Hoyle

23 **VISITOR CENTER OPERATIONAL FUNDS**

24 Sec. 18.17. G.S. 20-79.7(c)(2), as rewritten by Section 18.7 of Chapter 324 of
25 the 1995 Session Laws, reads as rewritten:

26 "(2) From the funds remaining in the Special Registration Plate Account
27 after the deductions in accordance with subdivision (1) of this
28 subsection, there is appropriated from the Special Registration Plate
29 Account the sum of ~~four hundred fifty thousand dollars (\$450,000)~~ five
30 hundred twenty-five thousand dollars (\$525,000) for the 1995-96 fiscal
31 year to provide operating assistance for the Visitor and Welcome
32 Centers:

- 33 a. on U.S. Highway 17 in Camden County, (\$75,000);
- 34 b. on U.S. Highway 17 in Brunswick County, (\$75,000);
- 35 c. on U.S. Highway 441 in Macon County, (\$75,000);
- 36 d. in the Town of Boone, Watauga County, (\$75,000);
- 37 e. on U.S. Highway 29 in Caswell County, (\$75,000); ~~and~~
- 38 f. on U.S. Highway 70 in Carteret County, (\$75,000); ~~; and~~
- 39 g. on U.S. Highway 64 in Tyrrell County, (\$75,000)."

40
41 Requested by: Senator Hoyle

42 **BRANCH AGENT TRANSACTION RATE**

1 Sec. 18.18. Section 155 of the 1993 Session Laws, as amended by Section
2 20.1 of Chapter 769 of the 1993 Session Laws, reads as rewritten:

3 "Sec. 155. The Division of Motor Vehicles of the Department of Transportation shall
4 compensate a contractor with whom it has a contract under G.S. 20-63(h) at the rate of
5 ~~one dollar (\$1.00)~~ one dollar and twenty cents (\$1.20) for each transaction performed in
6 accordance with the requirements set by the Division. A transaction is any of the
7 following activities:

- 8 (1) Issuance of a registration plate, a registration card, a registration
9 renewal sticker, or a certificate of title.
- 10 (2) Issuance of a handicapped placard or handicapped identification card.
- 11 (3) Acceptance of an application for a personalized registration plate.
- 12 (4) Acceptance of a surrendered registration plate, registration card, or
13 registration renewal sticker, or acceptance of an affidavit stating why a
14 person cannot surrender a registration plate, registration card, or
15 registration renewal sticker.
- 16 (5) Cancellation of a title because the vehicle has been junked.
- 17 (6) Acceptance of an application for, or issuance of, a refund for a fee or a
18 tax, other than the highway use tax.
- 19 (7) Receipt of the civil penalty imposed by G.S. 20-309 for a lapse in
20 financial responsibility or receipt of the restoration fee imposed by that
21 statute.
- 22 (8) Acceptance of a notice of failure to maintain financial responsibility for
23 a motor vehicle.
- 24 (9) Collection of the highway use tax.

25 Performance at the same time of any combination of the items that are listed within
26 each subdivision or are listed within subdivisions (1) through (8) of this section is a
27 single transaction. Performance of the item listed in subdivision (9) of this section in
28 combination with any other items listed in this section is a separate transaction."
29

30 **PART 19. DEPARTMENT OF CORRECTION**

31
32 Requested by: Senators Ballance, Parnell

33 **PRIVATE PRISON BEDS**

34 Sec. 19. G.S. 148-37(g), as enacted by Section 19.10 of Chapter 324 of the
35 1995 Session Laws, reads as rewritten:

36 "(g) The Secretary of Correction may contract with private for-profit or nonprofit
37 firms for the provision and operation of two or more confinement facilities totaling up to
38 1,000 beds in the State to house State prisoners when to do so would most economically
39 and effectively promote the purposes served by the Department of Correction. This
40 1,000-bed limitation shall not apply to the 500 beds in private substance abuse treatment
41 centers authorized by the General Assembly prior to July 1, 1995. Contracts entered
42 under the authority of this subsection shall be for a period not to exceed 10 years, shall be
43 renewable from time to time for a period not to exceed 10 years, and are subject to the

1 approval of the Council of State and the Department of Administration, after consultation
2 with the Joint Legislative Commission on Governmental Operations. The Secretary of
3 Correction shall enter contracts under this subsection only if funds are appropriated for
4 this purpose by the General Assembly. Contracts entered under the authority of this
5 subsection may be subject to any requirements for the location of the confinement
6 facilities set forth by the General Assembly in appropriating those funds.

7 Contracts made under the authority of this subsection may provide the State with an
8 option to purchase the confinement facility or may provide for the purchase of the
9 confinement facility by the State. Contracts made under the authority of this subsection
10 shall state that plans and specifications for private confinement facilities shall be
11 furnished to and reviewed by the Office of State Construction. The Office of State
12 Construction shall inspect and review each project during construction to ensure that the
13 project is suitable for habitation and to determine whether the project would be suitable
14 for future acquisition by the State. The Department of Correction may give preference to
15 facilities intended for joint county and State use where such facilities are developed by
16 public/private partnerships and financed by tax-exempt bond issues, and where such
17 facilities offer general terms and conditions favorable to the State in the competitive
18 bidding process pursuant to Article 8 of Chapter 143 of the General Statutes. All
19 contracts for the housing of State prisoners in private confinement facilities shall require
20 a minimum of ten million dollars (\$10,000,000) of occurrence-based liability insurance
21 and shall hold the State harmless and provide reimbursement for all liability arising out of
22 actions caused by operations and employees of the private confinement facility.

23 Prisoners housed in private confinement facilities pursuant to this subsection shall
24 remain subject to the rules adopted for the conduct of persons committed to the State
25 prison system. The Secretary of Correction may review and approve the design and
26 construction of private confinement facilities before housing State prisoners in these
27 facilities. The rules regarding good time, gain time, and earned credits, discipline,
28 classification, extension of the limits of confinement, transfers, housing arrangements,
29 and eligibility for parole shall apply to inmates housed in private confinement facilities
30 pursuant to this subsection. The operators of private confinement facilities may adopt
31 any other rules as may be necessary for the operation of those facilities with the written
32 approval of the Secretary of Correction. Custodial officials employed by a private
33 confinement facility are agents of the Secretary of Correction and may use those
34 procedures for use of force authorized by the Secretary of Correction to defend
35 themselves, to enforce the observance of discipline in compliance with confinement
36 facility rules, to secure the person of a prisoner, and to prevent escape. Private firms
37 under this subsection shall employ inmate disciplinary and grievance policies of the
38 North Carolina Department of Correction."
39

40 Requested by: Senator Ballance

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

1 Sec. 19.1. Of the funds appropriated to the Department of Correction for the
2 1995-96 fiscal year, the Department shall use up to twenty-five thousand dollars
3 (\$25,000) to hire an external consultant to evaluate the DART prison substance abuse
4 program and private substance abuse programs funded by the Department as follows:

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

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

16
17 Requested by: Senator Ballance

18 NOTICE OF COMMUTATIONS

19 Sec. 19.3. (a) G.S 147-16 reads as rewritten:

20 "**§ 147-16. Records kept; certain original applications ~~preserved.~~ preserved; notice**
21 **of commutations.**

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

- 23 (1) A register of all applications for pardon, or for commutation of any
24 sentence, with a list of the official signatures and recommendations in
25 favor of such application.
- 26 (2) An account of all his official expenses and disbursements, including the
27 incidental expenses of his department, and the rewards offered by him
28 for the apprehension of criminals.

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

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

- 37 (1) The victim or victims of the crime for which the sentence was imposed;
- 38 (2) The victims' spouse, children, and parents;
- 39 (3) Any other members of the victims' family who request in writing to be
40 notified; and
- 41 (4) The Chairs of the Joint Legislative Corrections Oversight Committee."

42 (b) This section is effective upon ratification.

1 Requested by: Senator Ballance

2 **REIMBURSE COUNTIES FOR EXTRAORDINARY MEDICAL COSTS FOR**
3 **INMATES AWAITING TRANSFER TO STATE PRISON SYSTEM**

4 Sec. 19.4. The Secretary of Correction may use funds appropriated to the
5 Department of Correction for medical services to reimburse counties for extraordinary
6 medical costs, as defined in G.S. 148-32.1(a), incurred by inmates housed in local
7 confinement facilities awaiting transfer in the State prison system.

8

9 Requested by: Senators Ballance, Parnell

10 **CREATE NEW OFFENSE CLASS AND PUNISHMENT ROW FOR**
11 **MISDEMEANOR ASSAULTS/CREATE FELONY OFFENSE OF ASSAULT ON**
12 **A LAW ENFORCEMENT OFFICER/INCREASE PENALTIES FOR**
13 **POSSESSION OF A FIREARM BY A FELON/LENGTHEN MINIMUM**
14 **SENTENCES FOR FELONY OFFENSE CLASSES B2, C, AND D/AUTHORIZE**
15 **ACTIVE SENTENCE FOR PRIOR RECORD LEVELS I AND II OF FELONY**
16 **OFFENSE CLASS H/MAKE AIRPORT OBSTRUCTIONS ILLEGAL/LOWER**
17 **FOOD STAMP FRAUD FELONY THRESHOLD/INCREASE PENALTY FOR**
18 **FIRST DEGREE SEXUAL EXPLOITATION OF MINOR/INCREASE PENALTY**
19 **FOR PROMOTING PROSTITUTION OF MINOR**

20 Sec. 19.5. (a) Funds appropriated in this act to construct 1,384 prison beds shall
21 increase prison capacity to the level necessary to provide for the increases in criminal
22 penalties provided for in this section and the following section.

23 (b) G.S. 14-33 reads as rewritten:

24 **"§ 14-33. Misdemeanor assaults, batteries, and affrays, simple and aggravated;**
25 **punishments.**

26 (a) Any person who commits a simple assault or a simple assault and battery or
27 participates in a simple affray is guilty of a Class ~~1~~2 misdemeanor.

28 (b) Unless his conduct is covered under some other provision of law providing
29 greater punishment, any person who commits any assault, assault and battery, or affray is
30 guilty of a Class 1 misdemeanor if, in the course of the assault, assault and battery, or
31 affray, he:

32 (1) ~~Inflicts, or attempts to inflict, serious injury upon another person or uses~~
33 ~~a deadly weapon;~~

34 (2) ~~Assaults a female, he being a male person at least 18 years of age;~~

35 (3) ~~Assaults a child under the age of 12 years;~~

36 (4) ~~through (7) Repealed by Session Laws 1991, c. 525, s. 1;~~

37 (8) ~~Assaults an officer or employee of the State or of any political~~
38 ~~subdivision of the State, a company police officer certified pursuant to~~
39 ~~the provisions of Chapter 74E of the General Statutes, or a campus~~
40 ~~police officer certified pursuant to the provisions of Chapter 17C or~~
41 ~~Chapter 116 of the General Statutes, when the officer or employee is~~
42 ~~discharging or attempting to discharge his official duties; or~~

1 (9) Commits an assault and battery against a sports official when the sports
2 official is discharging or attempting to discharge official duties at a
3 sports event, or immediately after the sports event at which the sports
4 official discharged official duties. A 'sports official' is a person at a
5 sports event who enforces the rules of the event, such as an umpire or
6 referee, or a person who supervises the participants, such as a coach. A
7 'sports event' includes any interscholastic or intramural athletic activity
8 in a primary, middle, junior high, or high school, college, or university,
9 any organized athletic activity sponsored by a community, business, or
10 nonprofit organization, any athletic activity that is a professional or
11 semiprofessional event, and any other organized athletic activity in the
12 State.

13 ~~(10) Assaults a school bus driver, school bus monitor, or school employee~~
14 ~~who is boarding the school bus or who is on the school bus.~~

15 (c) Unless the conduct is covered under some other provision of law providing
16 greater punishment, any person who commits any assault, assault and battery, or affray is
17 guilty of a Class A1 misdemeanor if, in the course of the assault, assault and battery, or
18 affray, he or she:

19 (1) Inflicts serious injury upon another person or uses a deadly weapon;

20 (2) Assaults a female, he being a male person at least 18 years of age;

21 (3) Assaults a child under the age of 12 years;

22 (4) Assaults an officer or employee of the State or any political subdivision
23 of the State, when the officer or employee is discharging or attempting
24 to discharge his official duties; or

25 (5) Assaults a school bus driver, school bus monitor, or school employee
26 who is boarding the school bus or who is on the school bus."

27 (c) Article 8 of Chapter 14 of the General Statutes is amended by adding a new
28 section to read:

29 **"§ 14-33.2. Habitual misdemeanor assault.**

30 A person commits the offense of habitual misdemeanor assault if that person violates
31 any of the provisions of G.S. 14-33(c) or G.S. 14-34 and has been convicted of five or
32 more prior misdemeanor convictions, two of which were assaults. A person convicted of
33 violating this section is guilty of a Class H felony."

34 (d) G.S. 14-34 reads as rewritten:

35 **"§ 14-34. Assaulting by pointing gun.**

36 If any person shall point any gun or pistol at any person, either in fun or otherwise,
37 whether such gun or pistol be loaded or not loaded, he shall be guilty of a Class ~~A1~~
38 misdemeanor."

39 (e) G.S. 15A-1332(c) reads as rewritten:

40 "(c) Presentence Commitment for Study. – When the court desires more detailed
41 information as a basis for determining the sentence to be imposed than can be provided
42 by a presentence investigation, the court may commit a defendant to the Department of
43 Correction for study for the shortest period necessary to complete the study, not to exceed

1 90 days, if that defendant has been charged with or convicted of any felony or a Class A1
2 or Class 1 misdemeanor crime or crimes for which he may be imprisoned for more than
3 six months and if he consents. The period of commitment must end when the study is
4 completed, and may not exceed 90 days. The Department must conduct a complete study
5 of a defendant committed to it under this subsection, inquiring into such matters as the
6 defendant's previous delinquency or criminal experience, his social background, his
7 capabilities, his mental, emotional and physical health, and the availability of resources
8 or programs appropriate to the defendant. Upon completion of the study or the end of the
9 90-day period, whichever occurs first, the Department of Correction must release the
10 defendant to the sheriff of the county in which his case is docketed. The Department
11 must forward the study to the clerk in that county, including whatever recommendations
12 the Department believes will be helpful to a proper resolution of the case. When a
13 defendant is returned from a presentence commitment for study, the conditions of pretrial
14 release which obtained for the defendant before the commitment continue until judgment
15 is entered, unless the conditions are modified under the provisions of G.S. 15A-534(e)."

16 (f) G.S. 15A-1340.14(b) reads as rewritten:

17 "(b) Points. – Points are assigned as follows:

18 (1) For each prior felony Class A conviction, 10 points.

19 (1a) For each prior felony Class B1 conviction, 9 points.

20 (2) For each prior felony Class B2, C, or D conviction, 6 points.

21 (3) For each prior felony Class E, F, or G conviction, 4 points.

22 (4) For each prior felony Class H or I conviction, 2 points.

23 (5) For each prior Class A1 or Class 1 misdemeanor conviction, 1 point,
24 except that convictions for Class 1 misdemeanor offenses under Chapter
25 20 of the General Statutes, other than conviction for misdemeanor death
26 by vehicle (G.S. 20-141.4(a2)), shall not be assigned any points for
27 purposes of determining a person's prior record for felony sentencing.

28 (6) If all the elements of the present offense are included in the prior
29 offense, 1 point.

30 (7) If the offense was committed while the offender was on probation or
31 parole, or while the offender was serving a sentence of imprisonment, or
32 while the offender was on escape from a correctional institution while
33 serving a sentence of imprisonment, 1 point.

34 For purposes of determining prior record points under this subsection, a conviction for
35 a first degree rape or a first degree sexual offense committed prior to the effective date of
36 this subsection shall be treated as a felony Class B1 conviction, and a conviction for any
37 other felony Class B offense committed prior to the effective date of this subsection shall
38 be treated as a felony Class B2 conviction."

39 (g) G.S. 15A-1340.23 reads as rewritten:

40 "**§ 15A-1340.23. Punishment limits for each class of offense and prior conviction**
41 **level.**

(a) Offense Classification; Default Classifications. – The offense classification is as specified in the offense for which the sentence is being imposed. If the offense is a misdemeanor for which there is no classification, it is as classified in G.S. 14-3.

(b) Fines. – Any judgment that includes a sentence of imprisonment may also include a fine. Additionally, when the defendant is other than an individual, the judgment may consist of a fine only. If a community punishment is authorized, the judgment may consist of a fine only. Unless otherwise provided for a specific offense, the maximum fine that may be imposed is two hundred dollars (\$200.00) for a Class 3 misdemeanor and one thousand dollars (\$1,000) for a Class 2 misdemeanor. The amount of the fine for a Class 1 misdemeanor and a Class A1 misdemeanor is in the discretion of the court.

(c) Punishment for Each Class of Offense and Prior Conviction Level; Punishment Chart Described. – Unless otherwise provided for a specific offense, the authorized punishment for each class of offense and prior conviction level is as specified in the chart below. Prior conviction levels are indicated by the Roman numerals placed horizontally on the top of the chart. Classes of offenses are indicated by the Arabic numbers placed vertically on the left side of the chart. Each grid on the chart contains the following components:

- (1) A sentence disposition or dispositions: 'C' indicates that a community punishment is authorized; 'I' indicates that an intermediate punishment is authorized; and 'A' indicates that an active punishment is authorized; and
- (2) A range of durations for the sentence of imprisonment: any sentence within the duration specified is permitted.

PRIOR CONVICTION LEVELS

MISDEMEANOR

OFFENSE CLASS	<u>LEVEL I</u> No Prior Convictions	<u>LEVEL II</u> One to Four Prior Convictions	<u>LEVEL III</u> Five or More Prior Convictions
---------------	--	--	--

A1 1-60 days C/I/A 1-75 days C/I/A 1-150 days C/I/A,
except as
provided in

subsection (d)

1	1-45 days C	1-45 days C/I/A	1-120 days C/I/A
2	1-30 days C	1-45 days C/I	1-60 days C/I/A
3	1-10 days C	1-15 days C/I	1-20 days C/I/A."

(h) G.S. 15A-1343.1 reads as rewritten:

"§ 15A-1343.1. Criteria for selection and sentencing to IMPACT.

The criteria for selecting and sentencing youthful offenders to the Intensive Motivational Program of Alternative Correctional Treatment as provided under G.S. 15A-1343(b1)(2a) shall be as follows:

- 1 (1) The offender must be between the ages of 16 and 25;
- 2 (2) The offender must be convicted of a Class 1 ~~misdemeanor~~
3 misdemeanor, Class A1 misdemeanor, or a felony.
- 4 (3) The offender must submit to a medical evaluation by a physician
5 approved by his probation or parole officer and must be certified by the
6 physician to be medically fit for program participation;
- 7 (4) The offender must not previously have served an active sentence in
8 excess of 120 days for an offense not subject to Article 81B of this
9 Chapter or of 30 days for an offense subject to Article 81B of this
10 Chapter."

11 (i) G.S. 14-34.2 reads as rewritten:

12 **"§ 14-34.2. Assault with a firearm or other deadly weapon upon governmental**
13 **officers or employees, company police officers, or campus police officers.**

14 ~~Any~~ Unless a person's conduct is covered under some other provision of law
15 providing greater punishment, any person who commits an assault with a firearm or any
16 other deadly weapon upon an officer or employee of the State or of any political
17 subdivision of the State, a company police officer certified pursuant to the provisions of
18 Chapter 74E of the General Statutes, or a campus police officer certified pursuant to the
19 provisions of Chapter 17C or Chapter 116 of the General Statutes, in the performance of
20 his duties shall be guilty of a Class F felony."

21 (j) Article 8 of Chapter 14 of the General Statutes is amended by adding a new
22 section to read:

23 **"§ 14-34.5. Assault with a firearm on a law enforcement officer.**

24 Any person who commits an assault with a firearm upon a law enforcement officer in
25 the performance of his or her duties is guilty of a Class E felony."

26 (k) G.S. 14-415.1(a) reads as rewritten:

27 "(a) It shall be unlawful for any person who has been convicted of any crime set out
28 in subsection (b) of this section to purchase, own, possess, or have in his custody, care, or
29 control any handgun or other firearm with a barrel length of less than 18 inches or an
30 overall length of less than 26 inches, or any weapon of mass death and destruction as
31 defined in G.S. 14-288.8(c), within five years from the date of such conviction, or the
32 unconditional discharge from a correctional institution, or termination of a suspended
33 sentence, probation, or parole upon such conviction, whichever is later.

34 Every person violating the provisions of this section shall be punished as a Class ~~H~~G
35 felon.

36 Nothing in this subsection would prohibit the right of any person to have possession
37 of a firearm within his own home or on his lawful place of business."

38 (l) G.S. 15A-1340.17(c) reads as rewritten:

39 "(c) Punishments for Each Class of Offense and Prior Record Level; Punishment
40 Chart Described. – The authorized punishment for each class of offense and prior record
41 level is as specified in the chart below. Prior record levels are indicated by the Roman
42 numerals placed horizontally on the top of the chart. Classes of offense are indicated by

1 the letters placed vertically on the left side of the chart. Each cell on the chart contains
 2 the following components:

- 3 (1) A sentence disposition or dispositions: 'C' indicates that a community
 4 punishment is authorized; 'I' indicates that an intermediate punishment
 5 is authorized; 'A' indicates that an active punishment is authorized; and
 6 'Life Imprisonment Without Parole' indicates that the defendant shall be
 7 imprisoned for the remainder of the prisoner's natural life.
- 8 (2) A presumptive range of minimum durations, if the sentence of
 9 imprisonment is neither aggravated or mitigated; any minimum term of
 10 imprisonment in that range is permitted unless the court finds pursuant
 11 to G.S. 15A-1340.16 that an aggravated or mitigated sentence is
 12 appropriate. The presumptive range is the middle of the three ranges in
 13 the cell.
- 14 (3) A mitigated range of minimum durations if the court finds pursuant to
 15 G.S. 15A-1340.16 that a mitigated sentence of imprisonment is
 16 justified; in such a case, any minimum term of imprisonment in the
 17 mitigated range is permitted. The mitigated range is the lower of the
 18 three ranges in the cell.
- 19 (4) An aggravated range of minimum durations if the court finds pursuant
 20 to G.S. 15A-1340.16 that an aggravated sentence of imprisonment is
 21 justified; in such a case, any minimum term of imprisonment in the
 22 aggravated range is permitted. The aggravated range is the higher of the
 23 three ranges in the cell.

24
 25 **PRIOR RECORD LEVEL**

26
 27 I II III IV V VI
 28 0 Pts 1-4 Pts 5-8 Pts 9-14 Pts 15-18 Pts 19+ Pts

29
 30 A Life Imprisonment or Death as Established by Statute

31
 32 A A A A A A DISPOSITION
 33 240-300 288-360 336-420 384-480 Life Imprisonment Aggravated
 34 Without Parole
 35 B1 192-240 230-288 269-336 307-384 346-433 384-480 PRESUMPTIVE
 36 144-192 173-230 202-269 230-307 260-346 288-384
 37 Mitigated

38
 39 A A A A A DISPOSITION
 40 ~~135-169~~ ~~163-204~~ ~~190-238~~ ~~216-270~~ ~~243-304~~ ~~270-338~~
 41 Aggravated
 42 B2 ~~108-135~~ ~~130-163~~ ~~152-190~~ ~~173-216~~ ~~194-243~~ ~~216-270~~ PRESUMPTIVE

1	81-108	98-130	114-152	130-173	146-194	162-216	
2	Mitigated						
3	<u>157-196</u>	<u>189-237</u>	<u>220-276</u>	<u>251-313</u>	<u>282-353</u>	<u>313-392</u>	
4	Aggravated						
5	B2 <u>125-157</u>	<u>151-189</u>	<u>176-220</u>	<u>201-251</u>	<u>225-282</u>	<u>251-313</u>	<u>PRESUMPTIVE</u>
6	<u>94-125</u>	<u>114-151</u>	<u>132-176</u>	<u>151-201</u>	<u>169-225</u>	<u>188-251</u>	
7	Mitigated						
8							
9	A	A	A	A	A	A	DISPOSITION
10	63-79	86-108	100-125	115-144	130-162	145-181	Aggravated
11	C 50-63	69-86	80-100	92-115	104-130	116-145	<u>PRESUMPTIVE</u>
12	38-50	52-69	60-80	69-92	78-104	87-116	Mitigated
13	<u>73-92</u>	<u>100-125</u>	<u>116-145</u>	<u>133-167</u>	<u>151-188</u>	<u>168-210</u>	Aggravated
14	C <u>58-73</u>	<u>80-100</u>	<u>93-116</u>	<u>107-133</u>	<u>121-151</u>	<u>135-168</u>	<u>PRESUMPTIVE</u>
15	<u>44-58</u>	<u>60-80</u>	<u>70-93</u>	<u>80-107</u>	<u>90-121</u>	<u>101-135</u>	Mitigated
16							
17	A	A	A	A	A	A	DISPOSITION
18	55-69	66-82	89-111	101-126	115-144	126-158	Aggravated
19	D 44-55	53-66	71-89	81-101	92-115	101-126	<u>PRESUMPTIVE</u>
20	33-44	40-53	53-71	61-81	69-92	76-101	Mitigated
21	<u>64-80</u>	<u>77-95</u>	<u>103-129</u>	<u>117-146</u>	<u>133-167</u>	<u>146-183</u>	Aggravated
22	D <u>51-64</u>	<u>61-77</u>	<u>82-103</u>	<u>94-117</u>	<u>107-133</u>	<u>117-146</u>	<u>PRESUMPTIVE</u>
23	<u>38-51</u>	<u>46-61</u>	<u>61-82</u>	<u>71-94</u>	<u>80-107</u>	<u>88-117</u>	Mitigated
24							
25	I/A	I/AA	A	A	A	A	DISPOSITION
26	25-31	29-36	34-42	46-58	53-66	59-74	Aggravated
27	E 20-25	23-29	27-34	37-46	42-53	47-59	<u>PRESUMPTIVE</u>
28	15-20	17-23	20-27	28-37	32-42	35-47	Mitigated
29							
30	I/A	I/AI/A	A	A	A	A	DISPOSITION
31	16-20	19-24	21-26	25-31	34-42	39-49	Aggravated
32	F 13-16	15-19	17-21	20-25	27-34	31-39	<u>PRESUMPTIVE</u>
33	10-13	11-15	13-17	15-20	20-27	23-31	Mitigated
34							
35	I/A	I/AI/A	I/A	A	A	A	DISPOSITION
36	13-16	15-19	16-20	20-25	21-26	29-36	Aggravated
37	G 10-13	12-15	13-16	16-20	17-21	23-29	<u>PRESUMPTIVE</u>
38	8-10	9-12	10-13	12-16	13-17	17-23	Mitigated
39							
40	C/I/A	I/A	I/A	I/A	A	A	DISPOSITION
41	6-8	8-10	10-12	11-14	15-19	20-25	Aggravated
42	H 5-6	6-8	8-10	9-11	12-15	16-20	<u>PRESUMPTIVE</u>
43	4-5	4-6	6-8	7-9	9-12	12-16	Mitigated

1								
2		C	C/II	I/A	I/A	I/A	DISPOSITION	
3		6-8	6-86-8	8-10	9-11	10-12	Aggravated	
4	I	4-6	4-6	5-6	6-8	7-9	8-10	PRESUMPTIVE
5		3-4	3-44-5	4-6	5-7	6-8	Mitigated	
6								

(m) Chapter 63 of the General Statutes is amended by adding a new section to read:

"§ 63-37.1. Airport obstructions illegal.

Any person, other than the owner or operator of an airport, who intentionally obstructs the lawful takeoff and landing operations and patterns of aircraft at an existing public or private airport shall be guilty of a Class 1 misdemeanor."

(n) G.S. 108A-53(a) reads as rewritten:

"(a) Any person, whether provider or recipient or person representing himself as such, who knowingly obtains or attempts to obtain, or aids or abets any person to obtain by means of making a willfully false statement or representation or by impersonation or by failing to disclose material facts or in any manner not authorized by this Part or the regulations issued pursuant thereto, transfers with intent to defraud any food stamps or authorization cards to which he is not entitled in the amount of ~~two thousand dollars (\$2,000)~~ one thousand dollars (\$1,000) or less shall be guilty of a Class 1 misdemeanor. Whoever knowingly obtains or attempts to obtain, or aids or abets any person to obtain by means of making a willfully false statement or representation or by impersonation or by failing to disclose material facts or in any manner not authorized by this Part or the regulations issued pursuant thereto, transfers with intent to defraud any food stamps or authorization cards to which he is not entitled in an amount more than ~~two thousand dollars (\$2,000)~~ one thousand dollars (\$1,000) shall be guilty of a Class I felony."

(o) G.S. 14-190.16(d) reads as rewritten:

"(d) Punishment and Sentencing. – Violation of this section is a Class ~~E~~D felony."

(p) G.S. 14-190.18(c) reads as rewritten:

"(c) Punishment and Sentencing. – Violation of this section is a Class ~~F~~D felony."

(q) This section becomes effective December 1, 1995, and applies to offenses committed on or after that date.

Requested by: Senator Gulley

FELONY TO COMMIT ASSAULT ON EMERGENCY SERVICES PERSONNEL

Sec. 19.6. (a) G.S. 14-288.9 reads as rewritten:

"§ 14-288.9. Assault on emergency personnel; punishments.

(a) An assault upon emergency personnel is an assault upon any person coming within the definition of 'emergency personnel' which is ~~committed in an area~~ committed:

(1) In an area in which a declared state of emergency exists; or

(2) Within the immediate vicinity ~~of~~ in which a riot is occurring or is ~~imminent~~ imminent; or

1 (3) While emergency personnel is discharging or attempting to discharge
2 official duties.

3 (b) The term 'emergency personnel' includes law-enforcement officers, firemen,
4 ambulance attendants, emergency medical services technicians, utility workers, doctors,
5 nurses, and other persons lawfully engaged in providing essential services during the
6 emergency.

7 (c) Any person who commits an assault upon emergency personnel is guilty of a
8 Class 1 misdemeanor. Any person who commits an assault upon emergency personnel
9 with or through the use of any dangerous weapon or substance shall be punished as a
10 ~~Class F~~ Class I felon.

11 (d) Any person who commits an assault upon emergency personnel with or
12 through the use of a firearm shall be punished as a Class F felon."

13 (b) This section becomes effective December 1, 1995, and applies to offenses
14 committed on or after that date.

15
16 Requested by: Senator Ballance

17 **HARRIET'S HOUSE FUNDS**

18 Sec. 19.7. Of the funds appropriated to the Department of Correction, the sum
19 of two hundred thousand dollars (\$200,000) for the 1995-96 fiscal year and the sum of
20 two hundred thousand dollars (\$200,000) for the 1996-97 fiscal year shall be used to
21 support the programs of Harriet's House, a transitional home for female ex-offenders and
22 their children. Harriet House shall report quarterly to the Joint Legislative Commission
23 on Governmental Operations on the expenditure of State appropriations and on the
24 effectiveness of the program including information on the number of clients served and
25 the number of clients who successfully complete the Harriet's House program.

26
27 Requested by: Senator Ballance

28 **DEPARTMENT OF CORRECTION/DEPARTMENT OF HUMAN RESOURCES**
29 **JOINT PLAN/RESERVE FOR SUBSTANCE ABUSE TREATMENT PILOT**
30 **PROGRAM FOR PAROLEES AND PROBATIONERS**

31 Sec. 19.8. (a) The balance of the five hundred eighty-three thousand dollars
32 (\$583,000) appropriated in Chapter 24 of the Session Laws of the 1994 Extra Session to
33 the Department of Correction for the 1994-95 fiscal year for an intensive out-patient
34 substance abuse treatment pilot program for parolees and probationers with serious
35 substance abuse histories shall not revert at the end of the fiscal year but shall remain in
36 the Department for that purpose. The Department of Correction and the Department of
37 Human Resources shall jointly report on the development and implementation of the pilot
38 program to the Chairs of the Senate and House Appropriations Committees and the
39 Chairs of the Senate and House Appropriations Subcommittees on Justice and Public
40 Safety not later than May 15, 1996.

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

42
43 Requested by: Senator Ballance

EXEMPTION FROM LICENSURE AND CERTIFICATE OF NEED

1 Sec. 19.9. (a) Inpatient chemical dependency or substance abuse facilities that
2 provide services exclusively to inmates of the Department of Correction shall be exempt
3 from licensure by the Department of Human Resources under Chapter 122C of the
4 General Statutes. If an inpatient chemical dependency or substance abuse facility
5 provides services both to inmates of the Department of Correction and to members of the
6 general public, the portion of the facility that serves inmates shall be exempt from
7 licensure.
8

9 (b) Any person who contracts to provide inpatient chemical dependency or
10 substance abuse services to inmates of the Department of Correction may construct and
11 operate a new chemical dependency or substance abuse facility for that purpose without
12 first obtaining a certificate of need from the Department of Human Resources pursuant to
13 Article 9 of Chapter 131E of the General Statutes. However, a new facility or addition
14 developed for that purpose without a certificate of need shall not be licensed pursuant to
15 Chapter 122C of the General Statutes and shall not admit anyone other than inmates
16 unless the owner or operator first obtains a certificate of need.

17 (c) This section applies to existing facilities, as well as future facilities contracting
18 with the Department of Correction.
19

20 Requested by: Senator Ballance

CORRECTIONS OVERSIGHT STUDY SALARY CONTINUATION

21 Sec. 19.10. (a) The Joint Legislative Corrections Oversight Committee shall
22 study the salary continuation program in the Department of Correction provided for in
23 Article 12B of Chapter 143 of the General Statutes. The Committee shall review:
24

- 25 (1) The numbers and types of positions in the Department of Correction
26 currently receiving the benefit;
- 27 (2) The number and types of accidents occurring for which employees
28 receive salary continuation;
- 29 (3) The application of this benefit to accidents and injuries on the job;
- 30 (4) The application of this benefit to certified positions and not to non-
31 certified positions;
- 32 (5) The costs of this benefit to the Department and methods for reducing
33 future costs.

34 (b) The Joint Legislative Corrections Oversight Committee shall report its findings
35 and recommendations to the 1995 General Assembly, 1996 Regular Session.
36

37 Requested by: Senator Ballance

DART AFTERCARE FUNDS

38 Sec. 19.11. Funds appropriated in this act to the Department of Correction for
39 a Drug Alcohol Recovery Treatment (DART) aftercare program shall be used to contract
40 for up to three pilot programs statewide to provide aftercare services, including
41 counseling and job referral services, for DART DWI offenders and other offenders who
42 have completed a DART program in the Division of Prisons.
43

1 The Department of Correction shall report on the pilot programs to the Chairs
2 of the Senate and House Appropriations Committees and the Chairs of the Senate and
3 House Appropriations Subcommittees on Justice and Public Safety by May 15, 1996.
4 The report shall include information on the number of clients served, the quality of
5 services, the cost-effectiveness of the services, and the benefits of the programs to
6 offenders.

8 **PART 20. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

10 Requested by: Senators Ballance, Parnell

11 **EMERGENCY MANAGEMENT FUNDS SHALL NOT REVERT**

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

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

20 **PART 21. JUDICIAL DEPARTMENT**

22 Requested by: Senator Ballance

23 **INCREASE MAXIMUM ALLOWABLE MAGISTRATES FOR CURRITUCK, 24 PASQUOTANK AND SURRY COUNTIES/DIVIDE DISTRICT COURT 25 DISTRICT 9**

26 Sec. 21.1. (a) Article 18 of Chapter 7A of the General Statutes is amended by
27 adding a new section to read:

28 **"§ 7A-200. District and set of districts defined; chief district court judges and their
29 authority.**

30 (a) In this section:

31 (1) 'District' means any district court district established by G.S. 7A-133
32 which consists exclusively of one or more entire counties;

33 (2) 'Set of districts' means any set of two or more district court districts
34 established under G.S. 7A-133, none of which consists exclusively of
35 one or more entire counties, but both or all of which include territory
36 from the same county or counties and together comprise all of the
37 territory of that county or those counties; and

38 (3) 'Chief district court judge' means in the case of a set of districts, the
39 chief district court judge for those districts, designated by the chief
40 justice from among the district court judges for the districts in the set of
41 districts.

(b) Whenever by law a duty is imposed upon the chief district court judge, it means for a set of districts the chief district court judge designated under subsection (a)(3) of this section."

(b) Article 14 of Chapter 7A of the General Statutes is amended by adding a new section to read:

"§ 7A-149. Jurisdiction; sessions.

(a) Notwithstanding any other provision of law, a district court judge of a district court district which is in a set of districts as defined by G.S. 7A-200 has jurisdiction in the entire county or counties in which the district is located to the same extent as if the district encompassed the entire county, and has jurisdiction in the entire set of districts to the same extent as if the district encompassed the entire set of districts.

(b) All sessions of district court shall be for an entire county, whether that county comprises or is located in a district or in a set of districts as defined in G.S. 7A-200, and at each session all matters and proceedings arising anywhere in the county may be heard.

(c) All clerks of court for a county have jurisdiction over the entire county, notwithstanding that the county may be part of a set of districts."

(c) G.S. 7A-133 reads as rewritten:

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

(a) Each district court district shall have the numbers of judges ~~and each county within the district shall have the numbers of magistrates and additional seats of court,~~ as set forth in the following table:

District	Judges	County	Magistrates		Seats of Court
			Min.	Max.	
1	4	Camden	1	2	
		Chowan	2	3	
		Currituck	1	2	
		Dare	3	8	
		Gates	2	3	
		Pasquotank	3	4	
		Perquimans	2	3	
2	3	Martin	5	8	
		Beaufort	4	8	
		Tyrrell	1	3	
		Hyde	2	4	
		Washington	3	4	
3A	3	Pitt	10	12	Ayden
		Farmville			
3B	4	Craven	7	10	Havelock
		Pamlico	2	3	
		Carteret	5	8	

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

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

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

19 (b) For district court districts of less than a whole county, or with part or all of one
 20 county with part of another, the composition of the district is as follows:

21 (1) District Court District 9 consists of Franklin and Granville Counties and
 22 the remainder of Vance County not in District Court District 9B.

23 (2) District Court District 9B consists of Warren County and East
 24 Henderson I, North Henderson I, North Henderson II, Middleburg,
 25 Townsville, and Williamsboro Precincts of Vance County.

26 Precinct boundaries as used in this section for Vance County are those shown on maps
 27 on file with the Legislative Services Office on May 1, 1991, and for other counties are
 28 those reported by the United States Bureau of the Census under Public Law 94-171 for
 29 the 1990 Census in the IVTD Version of the TIGER files.

30 (c) Each county shall have the numbers of magistrates and additional seats of
 31 district court, as set forth in the following table:

32				<u>Additional</u>
33			<u>Magistrates</u>	<u>Seats of</u>
34	<u>County</u>	<u>Min.-Max.</u>	<u>Court</u>	
35				
36	<u>Camden</u>	<u>1</u>	<u>2</u>	
37	<u>Chowan</u>	<u>2</u>	<u>3</u>	
38	<u>Currituck</u>	<u>1</u>	<u>3</u>	
39	<u>Dare</u>	<u>3</u>	<u>8</u>	
40	<u>Gates</u>	<u>2</u>	<u>3</u>	
41	<u>Pasquotank</u>	<u>3</u>	<u>5</u>	
42	<u>Perquimans</u>	<u>2</u>	<u>3</u>	
43	<u>Martin</u>	<u>5</u>	<u>8</u>	

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

1	<u>Cumberland</u>	<u>10</u>	<u>17</u>	
2	<u>Bladen 4</u>	<u>6</u>		
3	<u>Brunswick</u>	<u>4</u>	<u>7</u>	
4	<u>Columbus6</u>	<u>8</u>	<u>Tabor City</u>	
5	<u>Durham 8</u>	<u>12</u>		
6	<u>Alamance7</u>	<u>10</u>	<u>Burlington</u>	
7	<u>Orange 4</u>	<u>11</u>	<u>Chapel Hill</u>	
8	<u>Chatham 3</u>	<u>8</u>	<u>Siler City</u>	
9	<u>Scotland 3</u>	<u>5</u>		
10	<u>Hoke 4 5</u>			
11	<u>Robeson 8</u>	<u>16</u>	<u>Fairmont,</u>	
12				<u>Maxton,</u>
13				<u>Pembroke,</u>
14				<u>Red Springs,</u>
15				<u>Rowland,</u>
16				<u>St. Pauls</u>
17	<u>Rockingham</u>	<u>4</u>	<u>9</u>	<u>Reidsville,</u>
18				<u>Eden,</u>
19				<u>Madison</u>
20	<u>Stokes2 5</u>			
21	<u>Surry 5 9</u>	<u>Mt. Airy</u>		
22	<u>Guilford 20</u>	<u>26</u>	<u>High Point</u>	
23	<u>Cabarrus 5</u>	<u>9</u>	<u>Kannapolis</u>	
24	<u>Montgomery</u>	<u>2</u>	<u>4</u>	
25	<u>Randolph 5</u>	<u>8</u>	<u>Liberty</u>	
26	<u>Rowan 5</u>	<u>10</u>		
27	<u>Stanly 5 6</u>			
28	<u>Union 4 6</u>			
29	<u>Anson 4 5</u>			
30	<u>Richmond</u>	<u>5</u>	<u>6</u>	<u>Hamlet</u>
31	<u>Moore5 8</u>	<u>Southern</u>		
32				<u>Pines</u>
33	<u>Forsyth 3</u>	<u>15</u>	<u>Kernersville</u>	
34	<u>Alexander</u>	<u>2</u>	<u>3</u>	
35	<u>Davidson 7</u>	<u>10</u>	<u>Thomasville</u>	
36	<u>Davie 2 3</u>			
37	<u>Iredell 4 9</u>	<u>Mooreville</u>		
38	<u>Alleghany</u>	<u>1</u>	<u>2</u>	
39	<u>Ashe 3 4</u>			
40	<u>Wilkes 4</u>	<u>6</u>		
41	<u>Yadkin 3</u>	<u>5</u>		
42	<u>Avery 3 4</u>			
43	<u>Madison 4</u>	<u>5</u>		

1	<u>Mitchell</u>	<u>3</u>	<u>4</u>	
2	<u>Watauga</u>	<u>4</u>	<u>6</u>	
3	<u>Yancey</u>	<u>2</u>	<u>4</u>	
4	<u>Burke</u>	<u>4</u>	<u>7</u>	
5	<u>Caldwell</u>	<u>4</u>	<u>7</u>	
6	<u>Catawba</u>	<u>6</u>	<u>10</u>	<u>Hickory</u>
7	<u>Mecklenburg</u>	<u>15</u>	<u>26</u>	
8	<u>Gaston</u>	<u>11</u>	<u>20</u>	
9	<u>Cleveland</u>	<u>5</u>	<u>8</u>	
10	<u>Lincoln</u>	<u>4</u>	<u>6</u>	
11	<u>Buncombe</u>	<u>6</u>	<u>15</u>	
12	<u>Henderson</u>	<u>4</u>	<u>6</u>	
13	<u>McDowell</u>	<u>3</u>	<u>5</u>	
14	<u>Polk</u>	<u>3</u>	<u>4</u>	
15	<u>Rutherford</u>	<u>6</u>	<u>8</u>	
16	<u>Transylvania</u>	<u>2</u>	<u>4</u>	
17	<u>Cherokee</u>	<u>3</u>	<u>4</u>	
18	<u>Clay</u>	<u>1</u>	<u>2</u>	
19	<u>Graham</u>	<u>2</u>	<u>3</u>	
20	<u>Haywood</u>	<u>5</u>	<u>7</u>	<u>Canton</u>
21	<u>Jackson</u>	<u>3</u>	<u>4</u>	
22	<u>Macon</u>	<u>3</u>	<u>4</u>	
23	<u>Swain</u>	<u>2</u>	<u>3.</u> "	

24 (d) The Governor shall appoint the additional district court judge for District Court
 25 District 9B authorized by subsection (c) of this section. A successor shall be elected in
 26 the 1998 general election for a four-year term commencing the first Monday in December
 27 1998.

28 (e) Subsections (c) and (d) of this section become effective October 1, 1995,
 29 or 15 days after the date upon which those subsections are approved under Section 5 of
 30 the Voting Rights Act of 1965, whichever is later. Subsections (a) and (b) of this section
 31 become effective October 1, 1995.

32 (f) The provisions of this section are severable. If any provision of this section
 33 is held invalid by a court of competent jurisdiction, the invalidity does not affect other
 34 provisions of the section that can be given effect without the invalid provision.
 35

36 Requested by: Senator Ballance

37 **RECIDIVISM STUDY**

38 Sec. 21.2. The North Carolina Sentencing and Policy Advisory Commission
 39 shall contract with an external consultant to study recidivism of criminal offenders
 40 assigned to community correctional programs or released from prison. The community
 41 correctional programs to be studied shall include Treatment Alternative to Street Crime
 42 (TASC), Community Penalties Program, Community Service, and all supervised

1 probation and parole programs. The study shall identify those offenders rearrested within
2 two years or more after assignment to a program or release from prison.

3 Of the funds appropriated to the Judicial Department for the 1995-97
4 biennium, the Department may use up to fifty thousand dollars (\$50,000) during the
5 1995-97 biennium to contract with an external consultant for this study. The Department
6 shall provide the consultant's report to the Chairs of the Senate and House Appropriations
7 Committees and the Chairs of the Senate and House Appropriations Subcommittees on
8 Justice and Public Safety by May 1, 1996.

9
10 Requested by: Senator Ballance

11 **INDIGENT PERSONS' ATTORNEY FEE FUND**

12 Sec. 21.3. (a) Effective July 1, 1995, the Administrative Office of the Courts shall
13 each year of the 1995-97 biennium reserve funds for capital cases and for transcripts,
14 professional examinations, and expert witness fees from the Indigent Persons' Attorney
15 Fee Fund. The remaining available funds in the Indigent Persons' Attorney Fee Fund
16 shall be allotted for adult, juvenile, and guardian ad litem cases for the 1995-96 and
17 1996-97 fiscal years to each judicial district in which the superior and district court
18 districts are coterminous, and otherwise by county, according to the caseload of indigent
19 persons who were not represented by the public defender in the districts or counties
20 during 1994-95 and 1995-96 respectively.

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

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

33 (b) If the funds allotted pursuant to subsection (a) of this section are depleted in a
34 district or county prior to the end of the fiscal year, the Administrative Office of the
35 Courts shall allot the remaining funds from the Indigent Persons' Attorney Fee Fund in
36 the same manner as provided in subsection (a) of this section. However, if necessary and
37 appropriate due to unusual and unanticipated circumstances occurring in the current year,
38 the Administrative Office of the Courts may allocate funds to a district or county in a
39 manner calculated to result in the reasonably fair distribution of remaining funds. Such
40 funds shall be subject to the limitations and directions set out in subsection (a) of this
41 section.

42 (c) If the funds allotted pursuant to subsection (b) of this section are depleted in a
43 district or county prior to the end of the fiscal year, the Administrative Office of the

1 Courts is authorized to resume payments in such districts or counties only if and when it
2 is reasonably determined that the total projected expenditures will be less than the total
3 approved budget for the Indigent Persons' Attorney Fee Fund for the fiscal year.

4
5 Requested by: Senator Ballance

6 **DISPUTE SETTLEMENT FUNDS**

7 Sec. 21.5. (a) Of the three hundred eight thousand five hundred dollars (\$308,500)
8 appropriated in this act for each fiscal year of the 1995-97 biennium for new and
9 additional funding for dispute settlement centers, twenty-five thousand dollars (\$25,000)
10 shall be allocated for new funding for the Sandhills Mediation Center and ten thousand
11 dollars (\$10,000) shall be allocated for new funding for the Dispute Settlement Center of
12 Moore County. The remaining funds for each fiscal year shall be allocated for additional
13 funding as follows:

- 14 (1) \$5,000 for the Alamance County Dispute Settlement Center;
- 15 (2) \$25,000 for the Charlotte/Mecklenburg Community Relations
16 Committee/Dispute Settlement Program;
- 17 (3) \$10,000 for the Cumberland County Dispute Resolution Center;
- 18 (4) \$10,000 for The Dispute Settlement Center of Cape Fear;
- 19 (5) \$20,000 for the Dispute Settlement Center of Durham, Inc.;
- 20 (6) \$13,500 for the Henderson County Dispute Settlement Center;
- 21 (7) \$10,000 for The Mediation Center in Buncombe County;
- 22 (8) \$30,000 for the Mediation Center of Eastern Carolina to expand into
23 Craven and Carteret Counties;
- 24 (9) \$15,000 for the Mediation Center of Gaston County, Inc.;
- 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;
- 29 (14) \$13,000 for the Transylvania Dispute Settlement Center; and
- 30 (15) \$15,000 for the Robeson County Dispute Resolution Center.

31 (b) The provisions of subsection (c) of Section 21.5 of Chapter 324 of the 1995
32 Session Laws shall not apply to the Robeson County Dispute Resolution Center during
33 the 1995-97 biennium.

34
35 Requested by: Senator Ballance

36 **DRUG TREATMENT COURTS/FUNDS IN RESERVE**

37 Sec. 21.6. (a) Chapter 7A of the General Statutes is amended by adding a new
38 Subchapter to read:

39 **"SUBCHAPTER XIV. DRUG TREATMENT COURTS.**

40 **"ARTICLE 62.**

41 **"NORTH CAROLINA DRUG TREATMENT COURT ACT.**

42 **"§ 7A-790. Short title.**

1 This Article shall be known and may be cited as the 'North Carolina Drug Treatment
2 Court Act of 1995'.

3 **"§ 7A-791. Purpose.**

4 The General Assembly recognizes that a critical need exists in this State for criminal
5 justice system programs that will reduce the incidence of drug use and drug addiction and
6 crimes committed as a result of drug use and drug addiction. It is the intent of the
7 General Assembly by this Article to create a program to facilitate the creation of drug
8 treatment court pilot programs in a minimum of two judicial districts.

9 **"§ 7A-792. Goals.**

10 The goals of the drug treatment court programs funded under this Article include the
11 following:

- 12 (1) To reduce alcoholism and other drug dependencies among offenders;
- 13 (2) To reduce recidivism;
- 14 (3) To reduce the drug-related court workload;
- 15 (4) To increase the personal, familial, and societal accountability of
16 offenders; and
- 17 (5) To promote effective interaction and use of resources among criminal
18 justice personnel and community agencies.

19 **"§ 7A-793. Establishment of Program.**

20 The North Carolina Drug Treatment Court Program is established in the
21 Administrative Office of the Courts to facilitate the creation of drug treatment court
22 programs and the funding of pilot drug treatment court programs. Drug treatment court
23 programs funded pursuant to this Article shall be operated consistent with the guidelines
24 promulgated by the Director of the Administrative Office of the Courts in consultation
25 with the State Drug Treatment Court Advisory Committee established in G.S. 7A-795. In
26 promulgating the guidelines, the Director and the Advisory Committee shall consider the
27 Substance Abuse and the Courts Action Plan and other recommendations of the
28 Substance Abuse and the Courts State Task Force.

29 **"§ 7A-794. Fund administration.**

30 The Drug Treatment Court Program Fund is created in the Administrative Office of
31 the Courts and is administered by the Director of the Administrative Office of the Courts
32 in consultation with the State Drug Treatment Court Advisory Committee. The Director
33 of the Administrative Office of the Courts shall award grants from this Fund and
34 implement drug treatment court programs in a minimum of two judicial districts. Grants
35 shall be awarded based upon the general guidelines set forth by the Director of the
36 Administrative Office of the Courts and the State Drug Treatment Court Advisory
37 Committee.

38 **"§ 7A-795. State Drug Treatment Court Advisory Committee.**

39 The State Drug Treatment Court Advisory Committee is established to develop
40 guidelines for the drug treatment court program and to monitor programs wherever they
41 are implemented. The Committee shall be chaired by the Director of the Administrative
42 Office of the Courts or the Director's designee and shall consist of not less than seven

1 members appointed by the Director and broadly representative of the courts, corrections,
2 and substance abuse treatment communities.

3 **"§ 7A-796. Local drug treatment court management committee.**

4 Each judicial district choosing to establish a drug treatment court or applying to
5 participate in a funded pilot program shall form a local drug treatment court management
6 committee, which may consist of some or all of the following:

- 7 (1) A judge of the superior court;
- 8 (2) A judge of the district court;
- 9 (3) A district attorney or assistant district attorney;
- 10 (4) A public defender or assistant public defender in judicial districts served
11 by a public defender;
- 12 (5) A member of the private criminal defense bar;
- 13 (6) A clerk of superior court;
- 14 (7) The trial court administrator in judicial districts served by a trial court
15 administrator;
- 16 (8) A probation officer;
- 17 (9) A local law enforcement officer;
- 18 (10) A representative of the local community college;
- 19 (11) A representative of the treatment providers;
- 20 (12) The local program director provided for in G.S. 7A-798; and
- 21 (13) Any other persons selected by the local management committee.

22 Each local drug treatment court management committee shall be convened by the
23 senior resident superior court judge, who shall then appoint a chair from the membership
24 of the committee.

25 The local drug treatment court management committee shall develop local guidelines
26 and procedures, not inconsistent with the State guidelines, that are necessary for the
27 operation and evaluation of the local drug treatment court.

28 **"§ 7A-797. Eligible population; drug treatment court procedures.**

29 The Director of the Administrative Office of the Courts, in conjunction with the State
30 Drug Treatment Court Advisory Committee, shall develop criteria for eligibility and
31 other procedural and substantive guidelines for drug treatment court operation.

32 **"§ 7A-798. Drug treatment court grant application; local program director.**

33 (a) Grant applications for the pilot programs shall be submitted to the Director of
34 the Administrative Office of the Courts, in such form and with such information as the
35 Director may require consistent with the provisions of this Article. Grants shall be
36 awarded to two or more judicial districts that submit the most comprehensive and feasible
37 plans for the implementation and operation of a drug treatment court. The Director shall
38 award and administer grants in accordance with any laws made for that purpose,
39 including appropriations acts and provisions in appropriations acts, and may adopt rules
40 for the implementation, operation, and monitoring of grant-funded programs.

41 (b) Grant applications shall specify a local program director who shall be
42 responsible for local administration of the project. Grant funds may be used to fund a
43 full-time or part-time local program director position. The local program director may be

1 an employee of the grant recipient, an employee of the court, or a grant-established
 2 position under the senior resident superior court judge or chief district court judge.

3 **"§ 7A-799. Treatment not guaranteed.**

4 Nothing contained in this Article shall confer a right or an expectation of a right to
 5 treatment for a defendant or offender within the criminal justice system.

6 **"§ 7A-800. Payment of costs of treatment program.**

7 Each defendant shall contribute to the cost of the substance abuse treatment received
 8 in the drug treatment court program, based upon guidelines developed by the local drug
 9 treatment court management committee.

10 **"§ 7A-801. Plan for evaluation.**

11 Each grant application requesting funding for the pilot program shall include a
 12 method for evaluating the pilot program's effectiveness, based upon the goals stated in
 13 G.S. 7A-792. Each funded program shall submit evaluation reports to the Administrative
 14 Office of the Courts as requested. Additionally, the Administrative Office of the Courts
 15 shall be responsible for developing an evaluation model on the State level to compare the
 16 effectiveness of all pilot programs and shall submit a report to the General Assembly by
 17 May 1, 1998."

18 (b) Funds to implement and evaluate the pilot programs established under the
 19 North Carolina Drug Treatment Court Act shall be allocated from the reserve of eight
 20 hundred thousand dollars (\$800,000) created in Section 41 of Chapter 24 of the Session
 21 Laws of the 1994 Extra Session. These funds shall be used primarily to provide
 22 substance abuse treatment, but the sum of forty-three thousand seven hundred seventy-
 23 five dollars (\$43,775) for the 1995-96 fiscal year and the sum of fifty-two thousand five
 24 hundred fifty-one thousand dollars (\$52,551) for the 1996-97 fiscal year may be used to
 25 fund one program administrator position.

26 (c) Subsection (a) of this section becomes effective July 1, 1995, and expires June
 27 30, 1998. The remainder of this section becomes effective October 1, 1995.

28
 29 Requested by: Senator Ballance

30 **ADD ADDITIONAL ASSISTANT DISTRICT ATTORNEYS**

31 Sec. 21.7. G.S. 7A-60(a1) reads as rewritten:

32 "(a1) The counties of the State are organized into prosecutorial districts, and each
 33 district has the counties and the number of full-time assistant district attorneys set forth in
 34 the following table:

			No. of Full-Time Asst. District
Prosecutorial			
	District	Counties	Attorneys
	1	Camden, Chowan, Currituck,	7 8
		Dare, Gates, Pasquotank,	
		Perquimans	
	2	Beaufort, Hyde, Martin,	4
		Tyrrell, Washington	
	3A	Pitt	6 7

1	3B	Carteret, Craven, Pamlico	6
2	4	Duplin, Jones, Onslow, 10	
3		Sampson	
4	5	New Hanover, Pender	9
5	6A	Halifax	3
6	6B	Bertie, Hertford, 3	
7		Northampton	
8	7	Edgecombe, Nash, Wilson	10
9	8	Greene, Lenoir, Wayne	8
10	9	Franklin, Granville, 7 <u>8</u>	
11		Vance, Warren	
12	9A	Person, Caswell	2
13	10	Wake	19 <u>20</u>
14	11	Harnett, Johnston, Lee	9
15	12	Cumberland	12
16	13	Bladen, Brunswick, Columbus	6
17	14	Durham	9
18	15A	Alamance	6
19	15B	Orange, Chatham	5
20	16A	Scotland, Hoke	3
21	16B	Robeson	7
22	17A	Rockingham	4
23	17B	Stokes, Surry	4
24	18	Guilford	17 <u>18</u>
25	19A	Cabarrus	4
26	19B	Montgomery, Randolph	5
27	19C	Rowan	4
28	20	Anson, Moore, Richmond, 11 <u>12</u>	
29		Stanly, Union	
30	21	Forsyth	12
31	22	Alexander, Davidson, Davie, 11	
32		Iredell	
33	23	Alleghany, Ashe, Wilkes, 4	
34		Yadkin	
35	24	Avery, Madison, Mitchell, 3	
36		Watauga, Yancey	
37	25	Burke, Caldwell, Catawba	11
38	26	Mecklenburg	23
39	27A	Gaston	8
40	27B	Cleveland, 5	
41		Lincoln	
42	28	Buncombe	8
43	29	Henderson, McDowell, Polk, 8	

1 Rutherford, Transylvania
2 30 Cherokee, Clay, Graham, ~~6-7~~
3 Haywood, Jackson, Macon,
4 Swain."
5

6 Requested by: Senator Ballance

7 **ESTABLISH MEDIATED SETTLEMENT CONFERENCES IN CIVIL ACTIONS**
8 **IN SUPERIOR COURT**

9 Sec. 21.8. (a) Chapter 7A of the General Statutes is amended by adding the
10 following new sections to read:

11 **"§ 7A-38.1. Mediated settlement conferences in superior court civil actions.**

12 (a) Purpose. The General Assembly finds that a system of court-ordered mediated
13 settlement conferences should be established to facilitate the settlement of superior court
14 civil actions and to make civil litigation more economical, efficient, and satisfactory to
15 litigants and the State. Therefore, this section is enacted to require parties to superior
16 court civil actions and their representatives to attend a pretrial, mediated settlement
17 conference conducted pursuant to this section and pursuant to rules of the Supreme Court
18 adopted to implement this section.

19 (b) Definitions. As used in this section:

20 (1) 'Mediated settlement conference' means a pretrial, court-ordered
21 conference of the parties to a civil action and their representatives
22 conducted by a mediator.

23 (2) 'Mediation' means an informal process conducted by a mediator with the
24 objective of helping parties voluntarily settle their dispute.

25 (3) 'Mediator' means a neutral person who acts to encourage and facilitate a
26 resolution of a pending civil action. A mediator does not make an
27 award or render a judgment as to the merits of the action.

28 (c) Rules of procedure. The Supreme Court may adopt rules to implement this
29 section.

30 (d) Statewide implementation. Mediated settlement conferences authorized by this
31 section shall be implemented in all judicial districts as soon as practicable, as determined
32 by the Director of the Administrative Office of the Courts.

33 (e) Cases selected for mediated settlement conferences. The senior resident
34 superior court judge of any participating district may order a mediated settlement
35 conference for any superior court civil action pending in the district. The senior resident
36 superior court judge may by local rule order all cases, not otherwise exempted by the
37 Supreme Court rule, to mediated settlement conference.

38 (f) Attendance of parties. The parties to a superior court civil action in which a
39 mediated settlement conference is ordered, their attorneys and other persons or entities
40 with authority, by law or by contract, to settle the parties' claims shall attend the mediated
41 settlement conference unless excused by rules of the Supreme Court or by order of the
42 senior resident superior court judge. Nothing in this section shall require any party or

1 other participant in the conference to make a settlement offer or demand which it deems
2 is contrary to its best interests.

3 (g) Sanctions. Any person required to attend a mediated settlement conference
4 who, without good cause, fails to attend in compliance with this section and the rules
5 adopted under this section, shall be subject to any appropriate monetary sanction imposed
6 by a resident or presiding superior court judge, including the payment of attorneys' fees,
7 mediator fees, and expenses incurred in attending the conference. If the court imposes
8 sanctions, it shall do so, after notice and a hearing, in a written order, making findings of
9 fact and conclusions of law. An order imposing sanctions shall be reviewable upon
10 appeal where the entire record as submitted shall be reviewed to determine whether the
11 order is supported by substantial evidence.

12 (h) Selection of mediator. The parties to a superior court civil action in which a
13 mediated settlement conference is to be held pursuant to this section shall have the right
14 to designate a mediator. Upon failure of the parties to designate a mediator within the
15 time established by the rules of the Supreme Court, a mediator shall be appointed by the
16 senior resident superior court judge.

17 (i) Promotion of other settlement procedures. Nothing in this section is intended
18 to preclude the use of other dispute resolution methods within the superior court. Parties
19 to a superior court civil action are encouraged to select other available dispute resolution
20 methods. The senior resident superior court judge, at the request of and with the consent
21 of the parties, may order the parties to attend and participate in any other settlement
22 procedure authorized by rules of the Supreme Court or by the local superior court rules,
23 in lieu of attending a mediated settlement conference. Neutral third parties acting
24 pursuant to this section shall be selected and compensated in accordance with such rules
25 or pursuant to agreement of the parties. Nothing in this section shall prohibit the parties
26 from participating in, or the court from ordering, other dispute resolution procedures,
27 including arbitration to the extent authorized under State or federal law.

28 (j) Immunity. Mediator and other neutrals acting pursuant to this section shall
29 have judicial immunity in the same manner and to the same extent as a judge of the
30 General Court of Justice, except that mediators and other neutrals may be disciplined in
31 accordance with enforcement procedures adopted by the Supreme Court pursuant to
32 subsection (j) of this section.

33 (k) Costs of mediated settlement conference. Costs of mediated settlement
34 conferences shall be borne by the parties. Unless otherwise ordered by the court or
35 agreed to by the parties, the mediator's fees shall be paid in equal shares by the parties.
36 For purposes of this section, multiple parties shall be considered one party when they are
37 represented by the same counsel. The rules adopted by the Supreme Court implementing
38 this section shall set out a method whereby parties found by the court to be unable to pay
39 the costs of the mediated settlement conference are afforded an opportunity to participate
40 without cost.

41 (l) Inadmissibility of negotiations. Evidence of statements made and conduct
42 occurring in a mediated settlement conference shall not be subject to discovery and shall
43 be inadmissible in any proceeding in the action or other actions on the same claim.

1 However, no evidence otherwise discoverable shall be inadmissible merely because it is
2 presented or discussed in a mediated settlement conference.

3 No mediator shall be compelled to testify or produce evidence concerning statements
4 made and conduct occurring in a mediated settlement conference in any civil proceeding
5 for any purpose, except proceedings for sanctions under this section, disciplinary
6 hearings before the State Bar or any agency established to enforce standards of conduct
7 for mediators, and proceedings to enforce laws concerning juvenile or elder abuse.

8 (m) Right to jury trial. Nothing in this section or the rules adopted by the Supreme
9 Court implementing this section shall restrict the right to jury trial.

10 **"§ 7A-38.2. Regulation of mediators.**

11 (a) The Supreme Court is authorized to adopt standards for the certification and
12 conduct of mediators who participate in the mediated settlement conference program
13 established pursuant to G.S. 7A-38.1. The standards may also regulate mediator training
14 programs. The Supreme Court may adopt procedures for the enforcement of those
15 standards.

16 (b) The administration of mediator certification, regulation of mediator conduct,
17 and decertification shall be conducted through the Dispute Resolution Commission,
18 established under the Judicial Department. The rules and regulations governing the
19 operation of the Commission shall be adopted by the Supreme Court. The Commission
20 shall be administered under the direction and supervision of the Director of the
21 Administrative Office of the Courts. The Commission shall exercise all of its duties
22 independently of the Director, except all management functions shall be performed under
23 the direction and supervision of the Director.

24 (c) The Dispute Resolution Commission shall consist of nine members: two
25 judges appointed by the Chief Justice of the Supreme Court; two mediators certified to
26 conduct mediated settlement conferences appointed by the Chief Justice of the Supreme
27 Court; two practicing attorneys who are not certified as mediators appointed by the
28 President of the North Carolina State Bar; and three citizens knowledgeable about
29 mediation, one of whom shall be appointed by the Governor, one by the Speaker of the
30 House of Representatives, and one by the President Pro Tempore of the Senate.
31 Members shall serve four-year terms, except that one judge, one mediator, one attorney,
32 and the citizen member appointed by the Governor, shall be appointed for an initial term
33 of two years. Members may serve no more than two consecutive terms. The Chief
34 Justice shall designate one of the judge members to serve as chair for a two-year term.

35 (d) An administrative fee, not to exceed two hundred dollars (\$200.00), may be
36 charged by the Administrative Office of the Courts to applicants for certification and
37 annual renewal of certification for mediators and mediation training programs operated
38 under this Article. The fees collected may be used by the Director of the Administrative
39 Office of the Courts to establish and maintain the operations of the Commission and its
40 staff."

41 (b) G.S. 7A-38(o) reads as rewritten:

42 "(o) Report on pilot program. The Administrative Office of the Courts shall file a
43 written report with the General Assembly on the evaluation of the pilot program on or

1 ~~before May 1, 1995. The pilot program shall terminate on June 30, 1995. Continuation~~
 2 ~~and funding of the pilot program. Notwithstanding the above, the termination date of the~~
 3 ~~pilot program is extended to October 1, 1995. The Administrative Office of the Courts is~~
 4 ~~authorized to use funds available to the Judicial Department from July 1, 1995, to~~
 5 ~~October 1, 1995, for the purpose of operating the program."~~

6 (c) Effective October 1, 1995, G.S. 7A-38 is repealed.

7 (d) Of the funds appropriated to the Judicial Department for the 1995-96 fiscal
 8 year, the sum of sixty thousand seventeen dollars (\$60,017) shall be used to support the
 9 operation of the Dispute Resolution Commission. Any fees collected pursuant to G.S.
 10 7A-38.2(d) shall be placed in a reserve and may not be expended until the 1996-97 fiscal
 11 year.

12 (e) Subsection (b) of this section is effective upon ratification. Subsection (d)
 13 of this section becomes effective July 1, 1995. The remainder of this section becomes
 14 effective October 1, 1995, and shall apply, after the Supreme Court has adopted rules
 15 implementing this act, to all superior court civil actions filed in any county after the date
 16 this program is implemented in that county. This act also applies to all previously filed
 17 actions which are or have been specifically ordered to a mediated settlement conference
 18 by a senior resident superior court judge under G.S. 7A-38 prior to its repeal.

19 Requested by: Senator Ballance

20 **ESTABLISH AN ADDITIONAL SUPERIOR COURT JUDGESHIP AND FIVE**
 21 **ADDITIONAL ASSISTANT DISTRICT ATTORNEY POSITIONS FOR THE**
 22 **MECKLENBURG COUNTY DRUG COURT PROGRAM**

23 Sec. 21.9. (a) G.S. 7A-41(a) reads as rewritten:

24 "(a) The counties of the State are organized into judicial divisions and superior
 25 court districts, and each superior court district has the counties, and the number of regular
 26 resident superior court judges set forth in the following table, and for districts of less than
 27 a whole county, as set out in subsection (b) of this section:
 28

Judicial Division	Superior Court District	Counties	No. of Resident Judges
First	1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	2
	2	Beaufort, Hyde, Martin, Tyrrell, Washington	1
	3A	Pitt	2
	3B	Carteret, Craven, Pamlico	2

1	4A	Duplin, Jones,	1
2		Sampson	
3	4B	Onslow	1
4	5	New Hanover,	3
5		Pender	
6	6A	Halifax	1
7	6B	Bertie, Hertford,	1
8		Northampton	
9	7A	Nash	1
10	7B	(part of Wilson,	1
11		part of Edgecombe,	
12		see subsection (b))	
13	7C	(part of Wilson,	1
14		part of Edgecombe,	
15		see subsection (b))	
16	8A	Lenoir and Greene	1
17	8B	Wayne	1
18	Second 9	Franklin, Granville,	2
19		Vance, Warren	
20	9A	Person, Caswell	1
21	10A	(part of Wake,	2
22		see subsection (b))	
23	10B	(part of Wake,	2
24		see subsection (b))	
25	10C	(part of Wake,	1
26		see subsection (b))	
27	10D	(part of Wake,	1
28		see subsection (b))	
29	11	Harnett, Johnston,	2
30		Lee	
31	12A	(part of Cumberland,	1
32		see subsection (b))	
33	12B	(part of Cumberland,	1
34		see subsection (b))	
35	12C	(part of Cumberland,	2
36		see subsection (b))	
37	13	Bladen, Brunswick,	2
38		Columbus	
39	14A	(part of Durham,	1
40		see subsection (b))	
41	14B	(part of Durham,	3
42		see subsection (b))	
43	15A	Alamance	2

1	15B	Orange, Chatham	1
2	16A	Scotland, Hoke	1
3	16B	Robeson	2
4	Third 17A	Rockingham	2
5	17B	Stokes, Surry	2
6	18A	(part of Guilford,	1
7		see subsection (b))	
8	18B	(part of Guilford,	1
9		see subsection (b))	
10	18C	(part of Guilford,	1
11		see subsection (b))	
12	18D	(part of Guilford,	1
13		see subsection (b))	
14	18E	(part of Guilford,	1
15		see subsection (b))	
16	19A	Cabarrus	1
17	19B	Montgomery,	1
18		Randolph	
19	19C	Rowan	1
20	20A	Anson, Moore,	2
21		Richmond	
22	20B	Stanly, Union	2
23	21A	(part of Forsyth,	1
24		see subsection (b))	
25	21B	(part of Forsyth,	1
26		see subsection (b))	
27	21C	(part of Forsyth,	1
28		see subsection (b))	
29	21D	(part of Forsyth,	1
30		see subsection (b))	
31	22	Alexander, Davidson,	2
32		Davie, Iredell	
33	23	Alleghany, Ashe,	1
34		Wilkes, Yadkin	
35	Fourth 24	Avery, Madison,	1
36		Mitchell,	
37		Watauga, Yancey	
38	25A	Burke, Caldwell	2
39	25B	Catawba	2
40	26A	(part of Mecklenburg,	2 <u>3</u>
41		see subsection (b))	
42	26B	(part of Mecklenburg,	2
43		see subsection (b))	

1	26C	(part of Mecklenburg,	2
2		see subsection (b))	
3	27A	Gaston	2
4	27B	Cleveland, Lincoln	2
5	28	Buncombe	2
6	29	Henderson,	2
7		McDowell, Polk,	
8		Rutherford,	
9		Transylvania	
10	30A	Cherokee, Clay,	1
11		Graham, Macon,	
12		Swain	
13	30B	Haywood, Jackson	1"

14 (b) Effective July 1, 1995, the Governor shall appoint the superior court judge for
 15 District 26A authorized by subsection (a) of this section, whose term shall expire
 16 December 31, 1996. The judge's successor shall be elected in the 1996 general election.

17 (c) G.S. 7A-60(a1), as amended by Section 21.7 of this act, reads as rewritten:

18 "(a1) The counties of the State are organized into prosecutorial districts, and each
 19 district has the counties and the number of full-time assistant district attorneys set forth in
 20 the following table:

21			No. of Full-Time
22 Prosecutorial			Asst. District
23 District	Counties	Attorneys	
24 1	Camden, Chowan, Currituck,	8	
25	Dare, Gates, Pasquotank,		
26	Perquimans		
27 2	Beaufort, Hyde, Martin,4		
28	Tyrrell, Washington		
29 3A	Pitt	7	
30 3B	Carteret, Craven, Pamlico	6	
31 4	Duplin, Jones, Onslow, 10		
32	Sampson		
33 5	New Hanover, Pender	9	
34 6A	Halifax	3	
35 6B	Bertie, Hertford, 3		
36	Northampton		
37 7	Edgecombe, Nash, Wilson		10
38 8	Greene, Lenoir, Wayne	8	
39 9	Franklin, Granville, 8		
40	Vance, Warren		
41 9A	Person, Caswell	2	
42 10	Wake		20
43 11	Harnett, Johnston, Lee	9	

1	12	Cumberland	12
2	13	Bladen, Brunswick, Columbus	6
3	14	Durham	9
4	15A	Alamance	6
5	15B	Orange, Chatham	5
6	16A	Scotland, Hoke	3
7	16B	Robeson	7
8	17A	Rockingham	4
9	17B	Stokes, Surry	4
10	18	Guilford	18
11	19A	Cabarrus	4
12	19B	Montgomery, Randolph	5
13	19C	Rowan	4
14	20	Anson, Moore, Richmond,	12
15		Stanly, Union	
16	21	Forsyth	12
17	22	Alexander, Davidson, Davie,	11
18		Iredell	
19	23	Alleghany, Ashe, Wilkes,	4
20		Yadkin	
21	24	Avery, Madison, Mitchell,	3
22		Watauga, Yancey	
23	25	Burke, Caldwell, Catawba	11
24	26	Mecklenburg	23 <u>28</u>
25	27A	Gaston	8
26	27B	Cleveland,	5
27		Lincoln	
28	28	Buncombe	8
29	29	Henderson, McDowell, Polk,	8
30		Rutherford, Transylvania	
31	30	Cherokee, Clay, Graham,	7
32		Haywood, Jackson, Macon,	
33		Swain."	

35 Requested by: Senators Ballance, Rand

36 **CRIMINAL CASE MANAGEMENT FUNDS**

37 Sec. 21.10. Of the funds appropriated to the Judicial Department for the 1995-
 38 97 biennium, the Administrative Office of the Courts shall use the sum of fifty thousand
 39 dollars (\$50,000) for the 1995-96 fiscal year and the sum of fifty thousand dollars
 40 (\$50,000) for the 1996-97 fiscal year to establish a criminal case management pilot
 41 program in the Twelfth and Thirteenth Judicial Districts to help reduce the backlog of
 42 court cases and resolve new court cases quicker. A case management facilitator position
 43 shall be added to the district attorney's office in both of those judicial districts to help

1 implement the pilot program and the positions shall be filled after consultation with the
2 Senior Resident Superior Court Judges in both of those judicial districts.

3 The Administrative Office of the Courts shall report by May 1, 1996 to the
4 Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate
5 and House Appropriations Subcommittees on Justice and Public Safety on the
6 implementation of the pilot program.

7 8 **PART 22. DEPARTMENT OF JUSTICE**

9
10 Requested by: Senator Ballance

11 **ADDITIONAL STAFF FOR RECORD CHECKS**

12 Sec. 22. From the funds appropriated in this act to the Department of Justice,
13 Reserve for Criminal Records Checks, the Department of Justice may add one
14 Fingerprint Identification Technician II position and one-half of a Processing Assistant
15 III position for every 10,000 fingerprint record checks that are performed as a result of
16 legislation ratified during the 1995 Session. These positions shall be filled as needed
17 during the 1995-96 and 1996-97 fiscal years.

18 19 **PART 23. DEPARTMENT OF HUMAN RESOURCES**

20
21 Requested by: Senator Martin of Guilford

22 **PHYSICIAN SERVICES**

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

31
32 Requested by: Senator Martin of Guilford

33 **AREA AUTHORITY BOARD TRAINING**

34 Sec. 23.3. Effective August 1, 1995, Part 2 of Article 4 of Chapter 122C of the
35 General Statutes is amended by inserting the following new section to read:

36 **"§ 122C-119.1. Area Authority board members' training.**

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

42
43 Requested by: Senator Martin of Guilford

CONFIDENTIAL CLIENT INFORMATION SHARING CLARIFIED

Sec. 23.4. Effective October 1, 1995, G.S. 122C-53(i) reads as rewritten:

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

Requested by: Senator Martin of Guilford

NONMEDICAID REIMBURSEMENT CHANGES

Sec. 23.5. Section 23.16 of Chapter 324 of the 1995 Session Laws reads as rewritten:

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

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

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

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

<u>Family Size</u>	<u>Medical Eye Care Adults</u>	<u>All Rehabilitation</u>	<u>Other</u>
1	\$ 4,860	\$ 8,364	\$ 4,200
2	5,940	10,944	5,300
3	6,204	13,500	6,400
4	7,284	16,092	7,500
5	7,824	18,648	7,900
6	8,220	21,228	8,300
7	8,772	21,708	8,800

1 8 9,312 22,220 9,300

2

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

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

14 Income State Participation Client Participation
 15 (% of poverty)

16			
17	<u>0-100%</u>	<u>100%</u>	<u>0%</u>
18	<u>101-120%</u>	<u>95%</u>	<u>5%</u>
19	<u>121-140%</u>	<u>85%</u>	<u>15%</u>
20	<u>141-160%</u>	<u>75%</u>	<u>25%</u>
21	<u>161-180%</u>	<u>65%</u>	<u>35%</u>
22	<u>191-180%</u>	<u>65%</u>	<u>35%</u>
23	<u>201-220%</u>	<u>45%</u>	<u>55%</u>
24	<u>221-240%</u>	<u>35%</u>	<u>65%</u>
25	<u>241-260%</u>	<u>25%</u>	<u>75%</u>
26	<u>261-280%</u>	<u>15%</u>	<u>85%</u>
27	<u>281-300%</u>	<u>5%</u>	<u>95%</u>
28	<u>301%-over</u>	<u>0%</u>	<u>100%.</u>

29

30 The Department of Human Resources shall contract at, or as close as possible to,
 31 Medicaid rates for medical services provided to residents of State facilities of the
 32 Department."

33

34 Requested by: Senator Martin of Guilford

35 **LEGISLATIVE RESEARCH COMMISSION STUDY OF ISSUE OF THE**
 36 **POTENTIAL IMPACT OF FEDERAL BLOCK GRANT FUNDING AND OTHER**
 37 **FEDERAL ACTIONS ON MEDICAID ON NORTH CAROLINA**

38 Sec. 23.5A. The Legislative Research Commission may study the issue of the
 39 potential impact of federal block grant funding and other federal actions on Medicaid on
 40 North Carolina.

41 This study shall include:

- 1 (1) An examination of the potential impacts on all of North Carolina's
2 diverse populations effected by Medicaid and on all of North Carolina's
3 organizations that provide programs and services related to Medicaid;
4 (2) A determination of the fiscal and organizational adjustments that would
5 need to be made to balance each of the potential impacts;
6 (3) A recommendation of how best the General Assembly may address
7 Medicaid and related issues; and
8 (4) Any other Medicaid-related issues.

9 The Commission may make an interim report of its study, together with any
10 legislative proposals, to the 1995 General Assembly, Regular Session 1996, and may
11 make a final report of its study, together with any legislative proposals, to the 1997
12 General Assembly.

13
14 Requested by: Senator Martin of Guilford

15 **CLARIFICATION OF LIMITATIONS ON STATE ABORTION FUND**

16 Sec. 23.8A. Subsection (b) of Section 23.27 of Chapter 324 of the 1995
17 Session Laws reads as rewritten:

18 "(b) Eligibility for services of the State Abortion Fund shall be limited to women
19 whose income is below the federal poverty level, as revised annually, ~~or~~ and who are not
20 eligible for Medicaid. The State Abortion Fund shall be used to fund abortions only to
21 terminate pregnancies resulting from cases of rape or incest, or to terminate pregnancies
22 that, in the written opinion of one doctor licensed to practice medicine in North Carolina,
23 endanger the life of the mother."

24
25 Requested by: Senator Martin of Guilford

26 **CONTINUATION OF THE LEGISLATIVE STUDY OF THE EFFECT OF** 27 **FEDERAL BUDGETARY POLICY ON WELFARE REFORM**

28 Sec. 23.8B. (a) The Legislative Study Commission on Welfare Reform,
29 established by Section 47 of Chapter 24, 1993 Session Laws, Extra Session 1994, is
30 continued. Subsections (d) and (e) of Section 47 of Chapter 24, 1993 Session Laws,
31 Extra Session 1994, are repealed. The Commission's continued study shall focus on the
32 effects of federal budgetary policy on welfare reform.

33 (b) The continued Legislative Study Commission on Welfare Reform shall
34 submit a final report to the General Assembly on or before the first day of the 1995
35 General Assembly, Regular Session 1996, or on or before the first day of any extra
36 session of the 1995 General Assembly called specifically to address welfare reform.
37 Upon filing its final report, the Commission shall terminate, unless reauthorized by the
38 General Assembly.

39
40 Requested by: Senator Martin of Guilford

41 **CLARIFICATION OF AUTHORIZED ADDITIONAL USE OF HIV FOSTER** 42 **CARE FUNDS**

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

- 5 (1) To provide medical training in avoiding HIV transmission in the home;
6 and
7 (2) To transfer funds to the Department of Environment, Health, and
8 Natural Resources to create three social work positions within the
9 Department of Environment, Health, and Natural Resources, for the
10 eastern part of North Carolina to enable the case-managing of families
11 with HIV-infected children so that the children and the parents get
12 access to medical care and so that child protective services issues are
13 addressed rapidly and effectively. The three positions shall be
14 medically based and located:
15 a. One in the northeast, covering Northampton, Hertford, Halifax,
16 Gates, Chowan, Perquimans, Pasquotank, Camden, Currituck,
17 Bertie, Wilson, Edgecombe, and Nash Counties;
18 b. One in the central east, covering Martin, Pitt, Washington,
19 Tyrrell, Dare, Hyde, Beaufort, Jones, Greene, Craven, and
20 Pamlico Counties; and
21 c. One in the southeast, covering New Hanover, Robeson,
22 Brunswick, Carteret, Onslow, Lenoir, Pender, Duplin, Bladen,
23 and Columbus Counties.

24
25 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

26 **ADULT CARE HOME REIMBURSEMENT RATE**

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

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

34 (c) Effective August 1, 1995, the Department of Human Resources may use the
35 remaining funds available from the State/County Special Assistance appropriation to
36 provide:

- 37 (1) Needed Medicaid-covered services, specifically one hour of personal
38 care services per day to all Medicaid-eligible residents and a maximum
39 of 50 additional hours per month of personal care services for residents
40 who require heavy care;
41 (2) Funds to the area mental health authorities to provide wraparound
42 services for adult home care residents with mental health conditions;

1 (3) Funds for the implementation of the provisions of G.S. 131D-4.1 and
2 G.S. 131D-4.2, including funds for necessary additional staff.

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

7
8 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

9 **ADULT CARE HOME ALLOCATION OF NONFEDERAL COST OF**
10 **MEDICAID PAYMENTS**

11 Sec. 23.11. Effective August 1, 1995, the State shall pay fifty percent (50%)
12 and the county shall pay fifty percent (50%) of the nonfederal costs of Medicaid services
13 paid to adult care home facilities. As Medicaid personal care requirements increase, the
14 county matching share shall be capped until it equals fifteen percent (15%) of the
15 nonfederal Medicaid personal care requirements.

16
17 Requested by: Senator Martin of Guilford

18 **DOMICILIARY CARE REPORT**

19 Sec. 23.11A. The Secretary of the Department of Human Resources shall
20 report quarterly, beginning October 1, 1995, to the Joint Legislative Commission on
21 Governmental Operations and the Fiscal Research Division of the Legislative Services
22 Office on the planning and status of implementation of the following:

- 23 (1) Rate setting and financing of domiciliary care, including the use of
24 Medicaid funds for personal care services;
- 25 (2) Quality assurance and enhancement of domiciliary care, including case
26 management for residents with special care needs, monitoring of
27 domiciliary care facilities and specialized training of direct care staff;
28 and
- 29 (3) The process for the evaluation of the Domiciliary Care Financing and
30 Quality Assurance Program.

31
32 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

33 **LIMITATION ON USE OF SPECIAL ALZHEIMER'S UNIT IN WILSON**

34 Sec. 23.11B. The Special Alzheimer's Unit established in Wilson by funds
35 appropriated in this act shall serve only those clients who cannot be served by any similar
36 private facility.

37
38 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

39 **ALZHEIMER'S ASSOCIATION OF NORTH CAROLINA FUNDS**

40 Sec. 23.11C. Of the funds appropriated to the Division of Aging, Department
41 of Human Resources, in this act, the sum of one hundred thousand dollars (\$100,000) for
42 the 1995-96 fiscal year shall be divided equally among the four chapters of the
43 Alzheimer's Association of North Carolina, which are the Western Alzheimer's Chapter,

1 the Southern Piedmont Alzheimer's Chapter, the Eastern Alzheimer's Chapter, and the
2 Triad Alzheimer's Chapter. Each Chapter shall submit to the Division of Aging, for
3 approval, a plan for the use of these funds, prior to receipt of these funds.
4

5 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

6 **IN-HOME AIDE FUNDS**

7 Sec. 23.11D. Of the funds appropriated to the Division of Aging, Department
8 of Human Resources, in this act, the sum of five hundred thousand dollars (\$500,000) for
9 the 1995-96 fiscal year and the sum of five hundred thousand dollars (\$500,000) for the
10 1996-97 fiscal year shall be allocated via the Home and Community Care Block Grant
11 and used to fund in-home aide services and caregiver support services. These funds shall
12 be used only for direct services.
13

14 Requested by: Senators Perdue, Plyler, Odom, Martin of Guilford

15 **SERVICES TO OLDER AND DISABLED ADULTS, AT-RISK CHILDREN AND**
16 **YOUTH, AND FAMILIES**

17 Sec. 23.11E. Of the funds appropriated to the Department of Human
18 Resources in this act for the 1995-96 fiscal year, the sum of two million dollars
19 (\$2,000,000) shall be allocated as grants-in-aid to public and private nonprofit human
20 services organizations for programs that provide services, including vocational
21 rehabilitation services, to older and disabled adults, at-risk children and youth, and
22 families. Prior to any allocation, programs requesting funds shall submit a plan to the
23 Department detailing the use of these funds.
24

25 Requested by: Senators Plyler, Perdue, Odom, Martin of Guilford

26 **INDEPENDENT LIVING REHABILITATION FUNDS**

27 Sec. 23.11F. (a) The Division of Vocational Rehabilitation Services,
28 Department of Human Resources, shall implement the Independent Living Rehabilitation
29 Program statewide by establishing two new offices in Stanly and Pasquotank Counties in
30 1995-96 and one new office in Wake County in 1996-97 to facilitate Independent Living
31 Rehabilitation Program services in the 20 remaining unserved counties and by providing
32 adequate administrative support to existing offices and the new offices established
33 pursuant to this section.

34 (b) Any funds appropriated in this act for the 1995-96 fiscal year for the
35 purpose specified in subsection (a) of this section that are not required to be expended or
36 encumbered for this purpose may be used during the 1995-96 fiscal year for one-time
37 service purchases for Independent Living Rehabilitation Program clients waiting for
38 services in existing offices.
39

40 Requested by: Senators Martin of Guilford, Forrester

41 **PRIMARY CARE FUNDS**

42 Sec. 23.12. The Department of Human Resources may combine and allocate
43 funds appropriated for the Office of Rural Health and Resource Development for

1 recruitment and retention of primary care providers in medically underserved areas into
2 one Provider Incentive Fund. Funds in the Provider Incentive Fund may be allocated for
3 purposes of enhancing recruitment and retention of primary care providers in medically
4 underserved areas and for other purposes related to the enhancement of health services to
5 medically underserved communities.

6
7 Requested by: Senator Martin of Guilford

8 **MODIFIED WILDERNESS EDUCATION CAMP PROGRAM**

9 Sec. 23.13. Of the three million thirty-six thousand three hundred fifty-two
10 dollars (\$3,036,352) appropriated in Chapter 324 of the 1995 Session Laws for two
11 additional Wilderness Camps approved by the 1993 General Assembly, Extra Session
12 1994, one million five hundred eighteen thousand one hundred seventy-six dollars
13 (\$1,518,176) shall be used to fund a Modified Wilderness Education Camp Program in
14 the Department of Human Resources that shall emphasize education for juveniles under
15 the age of 16 referred by the public schools. If the Modified Wilderness Education Camp
16 is discontinued, funds for this purpose shall be directed to operate a traditional
17 Wilderness Camp Program.

18
19 Requested by: Senator Martin of Guilford

20 **DETENTION FACILITY CONSTRUCTION FUNDS**

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

26
27 Requested by: Senator Martin of Guilford

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

29 Sec. 23.17. (a) Of the funds appropriated to the Division of Services for the
30 Deaf and Hard of Hearing, Department of Human Resources, in Chapter 324 of the 1995
31 Session Laws for family support services, the sum of five hundred thousand dollars
32 (\$500,000) for each fiscal year of the biennium shall be used to contract with a private,
33 nonprofit corporation licensed to do business in North Carolina to perform those services
34 currently being offered by the Family Resource Centers within the Division of Services
35 for the Deaf and Hard of Hearing, including family support and advocacy services as well
36 as technical assistance to professionals who work with families of hearing impaired
37 children.

38 (b) The Office of State Budget and Management shall perform a performance
39 audit of the private, nonprofit contract program at the end of this first year in accordance
40 with the United States General Accounting Office auditing standards. The Office of State
41 Budget and Management shall report the results of this audit to the General Assembly,
42 the Fiscal Research Division of the Legislative Services Office, and the Department of
43 Human Resources by December 1, 1996.

1 (c) From funds appropriated in Chapter 324 of the 1995 Session Laws for the
2 1995-96 fiscal year to the Division of Services for the Deaf and Hard of Hearing,
3 Department of Human Resources, for early intervention services, the Division shall
4 develop, with participation from the Department of Public Instruction, the Department of
5 Environment, Health, and Natural Resources, and Beginnings, Inc., (i) a comprehensive
6 plan for early intervention, outreach, evaluation, and training to serve deaf education
7 statewide and (ii) a plan to use the Central North Carolina School for the Deaf in
8 Greensboro as a statewide resource.

9
10 Requested by: Senator Martin of Guilford

11 **PERFORMANCE EVALUATION OF CARING PROGRAM FOR CHILDREN,**
12 **INC.**

13 Sec. 23.19A. The Office of State Budget and Management shall perform a
14 performance audit of the Caring Program for Children, Inc.'s program for providing
15 health care for children in accordance with the United States General Accounting Office
16 auditing standards and shall report the results of this audit to the Joint Legislative
17 Commission on Governmental Operations and to the Fiscal Research Division of the
18 Legislative Services Office by May 1, 1996.

19
20 Requested by: Senator Martin of Guilford

21 **BRAILLE LITERACY FUNDS**

22 Sec. 23.21. Of the funds appropriated in this act to the Division of Services for
23 the Blind, Department of Human Resources, the sum of one hundred seventy-five
24 thousand dollars (\$175,000) for the 1995-96 fiscal year and the sum of one hundred
25 seventy-five thousand dollars (\$175,000) for the 1996-97 fiscal year, shall be used for
26 braille literacy, for up to four professionals certified as teachers of the visually impaired
27 to assist local school administrative units primarily in rural areas of the State in providing
28 appropriate services for students who are visually impaired.

29
30 Requested by: Senator Martin of Guilford

31 **EMERGENCY BACKUP FOR HEART-LUNG BYPASS MACHINE**

32 Sec. 23.22. (a) The acquisition of a second heart-lung bypass machine by a
33 health service facility that has only one heart-lung bypass machine is exempt from the
34 requirements of Article 9 of Chapter 131E of the General Statutes, in order to ensure
35 appropriate coverage for emergencies. In no instance shall both machines be scheduled
36 for use simultaneously after the second machine is acquired.

37 (b) This section continues in effect until repealed.

38
39 Requested by: Senator Odom

40 **THOMAS S. LAWSUIT COMPLIANCE**

41 Sec. 23.23. The Department of Justice and the Department of Human
42 Resources shall pursue all administrative and legal options necessary to enable the State

1 to resolve the Thomas S. lawsuit in the most expeditious and cost-effective manner
2 possible and to seek elimination of the necessity for oversight by a special master.

3
4 Requested by: Senator Odom

5 **MENTAL HEALTH STUDY COMMISSION STUDY OF FUNDING FOR**
6 **SINGLE PORTAL OF ENTRY AND EXIT FOR AREA MENTAL HEALTH**
7 **AUTHORITIES**

8 Sec. 23.24. The Mental Health Study Commission shall study the issue of how
9 the mandate for a single portal of entry and exit for area mental health authorities should
10 be funded. The Commission shall include the results of this study in its report to the
11 1995 General Assembly, Regular Session 1996.

12
13 **PART 23A. HEALTH CARE REFORM**

14
15 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

16 **INSURANCE REFORM**

17 Sec. 23A.1. (a) Article 3 of Chapter 58 of the General Statutes is amended by
18 adding a new section to read:

19 **"§ 58-3-173. Guaranteed renewability; provisions.**

20 (a) As used in this section:

21 (1) 'Health benefit plan' means a plan covering a group of persons and in
22 the form of: an accident and health insurance policy or certificate; a
23 nonprofit hospital or medical service corporation contract; a health
24 maintenance organization subscriber contract; a plan provided by a
25 multiple employer welfare arrangement; or a plan provided by another
26 benefit arrangement, to the extent permitted by the Employee
27 Retirement Income Security Act of 1974, as amended, or by other
28 federal law or regulation. 'Health benefit plan' does not mean any of the
29 following kinds of insurance:

30 a. Accident

31 b. Credit

32 c. Disability income

33 d. Long-term or nursing home care

34 e. Medicare supplement

35 f. Specified disease

36 g. Dental or vision

37 h. Coverage issued as a supplement to liability insurance

38 i. Workers' compensation

39 j. Medical payments under automobile or homeowners

40 k. Hospital income or indemnity

41 l. Insurance under which benefits are payable with or without
42 regard to fault and that is statutorily required to be contained in
43 any liability policy or equivalent self-insurance.

- 1 (2) 'Insurer' includes an entity subject to Articles 49, 65, or 67 of this
2 Chapter.
- 3 (b) An insurer shall not modify any health benefit plan with respect to any insured
4 through riders, endorsements, or otherwise, in order to restrict or exclude coverage for
5 certain diseases or medical conditions otherwise covered by the health benefit plan.
- 6 (c) Renewal of the health benefit plans shall be guaranteed by the insurer except:
- 7 (1) For nonpayment of the required premium by the policyholder or
8 contract holder.
- 9 (2) For fraud or material misrepresentation by the policyholder or contract
10 holder.
- 11 (3) When the insurer ceases providing health benefit plans, provided notice
12 of the decision to cease providing health benefit plans is given to the
13 Commissioner and to the policyholder or contract holder six months
14 before the renewal of the health benefit plan would have taken effect."
- 15 (b) G.S. 58-50-130(a)(2) reads as rewritten:
16 "(2) In determining whether a preexisting-conditions provision applies to an
17 eligible employee or to a dependent, all health benefit plans shall credit
18 the time the person was covered under a previous group health benefit
19 plan if the previous coverage was continuous to a date not more than 60
20 days before the effective date of the new coverage, exclusive of any
21 applicable waiting period under the plan. As used in this subdivision
22 with respect to previous coverage, 'health benefit plan' is not limited to
23 plans subject to this act under G.S. 58-50-115."
- 24 (c) G.S. 58-51-80(b)(3) reads as rewritten:
25 "(3) Policies may contain a provision limiting coverage for preexisting
26 conditions. Preexisting conditions must be covered no later than 12
27 months after the effective date of coverage. Preexisting conditions are
28 defined as 'those conditions for which medical advice or treatment was
29 received or recommended or which could be medically documented
30 within the 12-month period immediately preceding the effective date of
31 the person's coverage.' Preexisting conditions exclusions may not be
32 implemented by any successor plan as to any covered persons who have
33 already met all or part of the waiting period requirements under any
34

~~prior group~~ previous plan. Credit must be given for that portion of the
35 waiting period which was met under the ~~prior~~ previous plan. As used in
36 this subdivision, a 'previous plan' includes any health benefit plan
37 provided by a health insurer, as those terms are defined in G.S. 58-51-
38 115, or any government plan or program providing health benefits or
39 health care. For employer groups of 50 or more ~~persons~~ persons and
40 for groups under subdivision (1a) of this subsection and under G.S. 58-
41 51-81: In determining whether a preexisting condition provision applies
42 to an eligible ~~employee~~ employee, association member, student, or to a
43 dependent, all health benefit plans shall credit the time the person was

1 covered under a previous ~~group health benefit~~ plan if the previous plan's
2 coverage was continuous to a date not more than 60 days before the
3 effective date of the new coverage, exclusive of any applicable waiting
4 period under the new coverage."

5 (d) G.S. 58-51-80(h) reads as rewritten:

6 "(h) Nothing contained in this section ~~shall be deemed applicable~~ applies to any
7 contract issued by any corporation defined in ~~Articles Article~~ 65 and 66 of this Chapter.
8 Subdivision (b)(3) of this section applies to MEWAs, as defined in G.S. 58-49-30(a)."

9 (e) G.S. 58-65-60(e)(2) reads as rewritten:

10 "(2) Employer master group contracts may contain a provision limiting
11 coverage for preexisting conditions. Preexisting conditions must be
12 covered no later than 12 months after the effective date of coverage.
13 Preexisting conditions are defined as 'those conditions for which
14 medical advice or treatment was received or recommended or which
15 could be medically documented within the 12-month period
16 immediately preceding the effective date of the person's coverage.'
17 Preexisting conditions exclusions may not be implemented by any
18 successor plan as to any covered persons who have already met all or
19 part of the waiting period requirements under any ~~prior group previous~~
20 plan. Credit must be given for that portion of the waiting period which
21 was met under the ~~prior previous~~ plan. As used in this subdivision, a
22 'previous plan' includes any health benefit plan provided by a health
23 insurer, as those terms are defined in G.S. 58-51-115, or any
24 government plan or program providing health benefits or health care.
25 For employer groups of 50 or more persons: In determining whether a
26 preexisting condition provision applies to an eligible employee or to a
27 dependent, all health benefit plans shall credit the time the person was
28 covered under a previous ~~group health benefit~~ plan if the previous
29 plan's coverage was continuous to a date not more than 60 days before
30 the effective date of the new coverage, exclusive of any applicable
31 waiting period under the new coverage."

32 (f) G.S. 58-67-85(c) reads as rewritten:

33 "(c) Employer master group contracts may contain a provision limiting coverage
34 for preexisting conditions. Preexisting conditions must be covered no later than 12
35 months after the effective date of coverage. Preexisting conditions are defined as 'those
36 conditions for which medical advice or treatment was received or recommended or which
37 could be medically documented within the 12-month period immediately preceding the
38 effective date of the person's coverage.' Preexisting conditions exclusions may not be
39 implemented by any successor plan as to any covered persons who have already met all
40 or part of the waiting period requirements under any ~~prior group previous~~ plan. Credit
41 must be given for that portion of the waiting period which was met under the ~~prior~~
42 previous plan. As used in this subsection, a 'previous plan' includes any health benefit
43 plan provided by a health insurer, as those terms are defined in G.S. 58-51-115, or any

1 government plan or program providing health benefits or health care. For employer
2 groups of 50 or more persons:—In determining whether a preexisting condition provision
3 applies to an eligible employee or to a dependent, all health benefit plans shall credit the
4 time the person was covered under a previous group health benefit plan if the previous
5 plan's coverage was continuous to a date not more than 60 days before the effective date
6 of the new coverage, exclusive of any applicable waiting period under the new coverage."

7 (g) G.S. 58-51-15(a)(2)b. reads as rewritten:

8 "b. ~~No claim for loss incurred or disability (as defined in the policy)~~
9 ~~commencing after two years from the date of issue of this policy~~
10 ~~shall be reduced or denied on the ground that a disease or~~
11 ~~physical condition not excluded from coverage by name or~~
12 ~~specific description effective on the date of loss had existed prior~~
13 ~~to the effective date of coverage of this policy.—This policy~~
14 ~~contains a provision limiting coverage for preexisting conditions.~~
15 ~~Preexisting conditions must be covered no later than one year~~
16 ~~after the effective date of coverage. Preexisting conditions are~~
17 ~~defined as 'those conditions for which medical advice or~~
18 ~~treatment was received or recommended or that could be~~
19 ~~medically documented within the one-year period immediately~~
20 ~~preceding the effective date of the person's coverage.'~~
21 ~~Preexisting conditions exclusions may not be implemented by~~
22 ~~any successor plan as to any covered persons who have already~~
23 ~~met all or part of the waiting period requirements under any~~
24 ~~previous plan. Credit must be given for that portion of the~~
25 ~~waiting period that was met under the previous plan. As used in~~
26 ~~this policy, the term 'previous plan' includes any health benefit~~
27 ~~plan provided by a health insurer, as those terms are defined in~~
28 ~~G.S. 58-51-115, or any government plan or program providing~~
29 ~~health benefits or health care. In determining whether a~~
30 ~~preexisting condition provision applies to an insured person, all~~
31 ~~health benefit plans must credit the time the person was covered~~
32 ~~under a previous plan if the previous plan's coverage was~~
33 ~~continuous to a date not more than 60 days before the effective~~
34 ~~date of the new coverage, exclusive of any applicable waiting~~
35 ~~period under the new coverage."~~

36 (h) G.S. 58-50-130(a)(5) reads as rewritten:

37 "(5) Notwithstanding any other provision of this Chapter, no small employer
38 carrier, insurer, subsidiary ~~or~~ of an insurer, or controlled individual of
39 an insurance holding company shall act as an administrator or claims
40 paying agent, as opposed to an insurer, on behalf of small groups which,
41 if they purchased insurance, would be subject to this section. ~~No small~~
42 ~~employer carrier, insurer, subsidiary of an insurer, or controlled~~
43 ~~individual of an insurance holding company shall provide stop loss,~~

1 ~~eatastrophic, or reinsurance coverage to small employers that does not~~
2 ~~comply with the underwriting, rating, and other applicable standards in~~
3 ~~this Act."~~
4

5 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

6 **MALPRACTICE CASES/ALTERNATIVE DISPUTE RESOLUTION**

7 Sec. 23A.2. The Administrative Office of the Courts shall study the efficiency
8 and effectiveness of requiring that parties to medical malpractice actions attempt to
9 resolve their dispute through alternative dispute resolution proceedings before proceeding
10 to trial. The study shall specifically address whether mandatory alternative dispute
11 resolution is appropriate for all medical malpractice cases.

12 The Administrative Office of the Courts shall report its findings and
13 recommendations to the General Assembly not later than May 1, 1996. The AOC shall
14 indicate in its report whether legislation is necessary to carry out its recommendations.

15
16 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

17 **NORTH CAROLINA HEALTH PLANNING COMMISSION**
18 **REORGANIZATION**

19 Sec. 23A.3. (a) G.S. 143-611 reads as rewritten:

20 **"§ 143-611. Commission established; members; terms of office; quorum;**
21 **compensation.**

22 (a) Establishment. – There is established the North Carolina Health Planning
23 Commission with the powers and duties specified in this Article. The Commission shall
24 be located within the Office of the Secretary, Department of Human Resources, for
25 organizational, budgetary, and administrative purposes.

26 (b) Membership and Terms. – The Commission shall consist of 16 members, as
27 follows:

- 28 (1) ~~The Governor;~~ Governor or the Governor's designee;
29 (2) The Lieutenant Governor;
30 (3) The Speaker of the House of Representatives;
31 (4) The President Pro Tempore of the Senate;
32 (5) ~~Five~~ Four members appointed by the Speaker of the House of
33 Representatives, at least two of whom are members of the House of
34 Representatives at the time of appointment; ~~appointed by the Speaker of~~
35 ~~the House of Representatives;~~
36 (6) ~~Five~~ Four members appointed by the President Pro Tempore of the
37 Senate, at least two of whom are members of the Senate at the time of
38 the appointment; ~~and appointed by the President Pro Tempore of the~~
39 ~~Senate; and~~
40 (7) ~~The following nonvoting members, ex officio:~~
41 a. ~~The Secretary of the Department of Environment, Health, and~~
42 ~~Natural Resources; and~~
43 b. ~~The Secretary of the Department of Human Resources.~~

1 (7a) Four members appointed by the Governor, two of whom shall be
2 members of the majority party in this State and two of whom shall be
3 members of the minority party in this State.

4 Members shall serve two-year terms. Vacancies in membership shall be filled by the
5 appointing authority in accordance with this section.

6 (c) Compensation. – The Commission members shall receive no salary as a result
7 of serving on the Commission but shall receive necessary subsistence and travel expenses
8 in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable.

9 (d) Meetings. – The Governor shall convene the Commission. Meetings shall be
10 held as often as necessary, but not less than six times a year.

11 (e) Quorum. – A majority of the voting members of the Commission shall
12 constitute a quorum for the transaction of business. The affirmative vote of a majority of
13 the members present at meetings of the Commission shall be necessary for action to be
14 taken by the Commission."

15 (b) G.S. 143-612 is repealed.

16 (c) Article 65 of Chapter 143 of the General Statutes is amended by adding the
17 following new section to read:

18 "**§ 143-612A. Powers and duties of the Commission.**

19 (a) Administrative Powers. – The Commission shall have the following
20 administrative powers:

21 (1) To appoint a director, who shall be exempt from the State Personnel
22 Act, and to employ other staff as it deems necessary, subject to the State
23 Personnel Act, and to fix their compensation;

24 (2) To enter into contracts to carry out the purposes of this Article;

25 (3) To conduct investigations and inquiries and compel the submission of
26 information and records the Commission deems necessary; and

27 (4) To accept grants, contributions, devises, bequests, and gifts for the
28 purpose of providing financial support to the Commission. Such funds
29 shall be retained by the Commission.

30 (b) Monitoring. – The Commission shall monitor health care reform efforts in the
31 State and shall report to the Governor and the General Assembly on the following:

32 (1) Cost-containment measures;

33 (2) Accessibility to health care in rural and medically underserved areas
34 through the enhancement of provider payments;

35 (3) Availability of affordable health insurance for small businesses,
36 including the Health Care Purchasing Alliances, to determine if these
37 are meeting the health insurance needs of small business employers and
38 their employees;

39 (4) Efforts to increase the purchasing power of government health
40 programs;

41 (5) How closely health expenditures for the public and private sectors relate
42 to the rate of real economic growth and determine the cumulative effect
43 on cost-containment; and

1 (6) The number of persons who lack access to primary care providers.
2 (c) Study. – The Commission shall study the following issues and may
3 recommend to the General Assembly actions to address these issues:

4 (1) The steps necessary to include the populations served by Medicaid,
5 including a statement of any necessary federal waivers;

6 (2) The steps necessary to obtain an exemption from the federal Employee
7 Retirement and Income Security Act (ERISA);

8 (3) Examine the roles of other existing publicly financed systems of health
9 coverage such as Medicare, federal employee health benefits, health
10 benefits for armed services members, the Veterans Administration, the
11 CHAMPUS program (10 U.S.C. § 1071 et seq.), and any other health
12 benefits currently mandated by State or federal law or funded by State
13 agencies;

14 (4) The means by which the delivery of health care will ensure that the
15 needs of special populations of eligible residents such as low-income
16 persons, people living in rural and underserved areas, and people with
17 disabilities and chronic or unusual medical needs will be met;

18 (5) The role of the existing county health care system in health care reform
19 efforts;

20 (6) Feasibility of consolidating the health care components of workers'
21 compensation and automobile insurance to avoid duplication of
22 coverage;

23 (7) The appropriate means of financing medical education and medical
24 research;

25 (8) The means by which North Carolina's need for long-term care services
26 can best be met, including an examination of the appropriateness and
27 availability of home- and community-based services;

28 (9) Methods to increase the number of mobile health care units that provide
29 services to communities that are underserved with respect to health care;

30 (10) The impact on health care cost and efficiency of rule changes made by
31 State and local government agencies pertaining to health care services.
32 The study shall include the impact of the frequency of such rule
33 changes;

34 (11) The impact of managed care on persons living in rural communities and
35 accessibility of these persons to health services within a reasonable
36 distance and length of time;

37 (12) Privatization of administrative, clinical, and mental health functions
38 performed by governmental agencies and entities;

39 (13) The impact of federal budget decisions on underserved and
40 underinsured populations;

41 (14) The need for additional primary care practitioners, including primary
42 care physicians, physician assistants, and family nurse practitioners;

- 1 (15) The appropriate method of collecting data for both quality assurance
2 and cost containment, and in guiding the proliferation of new medical
3 technologies;
- 4 (16) The need for additional benefits and population-based services to be
5 offered in the community, based on the established priorities for
6 improving community health status in the community;
- 7 (17) Quality of care currently provided and recommend necessary activities
8 to assure that health care is of sufficient quality to adequately serve the
9 health needs of the citizenry and to improve overall health status of the
10 State's population;
- 11 (18) Ways in which employer-based coverage may be maximized;
- 12 (19) Trends in the numbers of uninsured and underinsured persons and the
13 barriers to access by these persons;
- 14 (20) Ways to maintain emergency medical services when hospital beds are
15 reconfigured;
- 16 (21) Study effectiveness of different types of preventive health services;
- 17 (22) Study mechanisms to promote price competition through the
18 development of standardized benefits plans which shall be offered on a
19 guarantee-to-issue and guaranteed renewability basis. In conducting the
20 study, the Commission shall consider:
- 21 a. Whether such products should be available in the nongroup as
22 well as the group market;
- 23 b. The feasibility of offering parity for mental health and substance
24 abuse services in at least one of the standardized benefit plans;
- 25 c. The feasibility of offering full coverage of preventive services in
26 at least one of the standardized benefit plans; and
- 27 d. Mechanisms for periodic review of the products offered with the
28 elimination and replacement of any plans that have proven to be
29 unmarketable.
- 30 (d) Other Duties. – The Commission shall do the following and shall report to the
31 Governor and the General Assembly on the progress of these activities:
- 32 (1) Develop methods to ensure adequate primary care for all eligible
33 residents and appropriate compensation for primary care services to
34 achieve that end;
- 35 (2) Review and identify initiatives and incentives to enhance the practice of
36 primary care medicine in rural areas of the State;
- 37 (3) Identify or develop incentives to encourage diversification in health care
38 facilities in rural and other areas of the State; and
- 39 (4) Develop incentives and initiatives pertaining to the development of
40 community-based health networks in rural areas, including:
- 41 a. Review of existing community-based and provider-based health
42 networks;

1 b. Efforts that encourage community leaders and local health care
2 providers to work together to develop community-based health
3 networks; and

4 c. Development of health networks that emphasize health status in
5 the community;

6 (5) Develop cost assessments for the following:

7 a. Total expenditures;

8 b. Public expenditures including Medicaid and State Health Plan
9 benefits;

10 c. Private expenditures including amounts for traditional insurance,
11 HMOs, individual out-of-pocket and uncompensated care; and

12 d. Types of service including primary, secondary, or tertiary care,
13 physician, or hospital care.

14 In evaluating this data, the Commission shall determine the sectors of
15 the health care system that are growing the fastest, and shall educate the
16 public and government leaders about the real cost of delivering health
17 care to North Carolina's citizens;

18 (6) Assess the impact of the locum tenens program;

19 (7) Develop alternative ways of expanding coverage to uninsured persons;

20 (8) Determine the feasibility of establishing a procedure for the
21 development and issuance of report cards that are consistent statewide
22 and that enable consumers and payers to compare the quality and value
23 of services provided by different insurance carriers and health plans.
24 The study shall include an examination of information already collected
25 by private organizations providing quality review;

26 (9) Review current conflict-of-interest laws; and

27 (10) Review proposals on collaborative practice.

28 (e) Notwithstanding any other provision in this Article or Article 68A of Chapter
29 58 of the General Statutes, the Commission may develop its own health care proposals or
30 plans or make any other recommendations to the General Assembly.

31 (f) The Commission shall appoint such advisory, technical, and professional
32 panels as it deems necessary to advise it on the performance and administration of its
33 functions. Each panel shall consist of experts drawn from the health professions, health
34 educational institutions, providers of services, insurers, and other sources, including
35 consumers.

36 (g) The Commission shall report annually to the General Assembly on or before
37 January 1 of each fiscal year, on its duties and responsibilities under this section."

38
39 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

40 **HEALTH PROFESSIONAL LICENSING BOARD REPORTING**

41 Sec. 23A.4. Effective October 1, 1995, Chapter 93B of the General Statutes is
42 amended by adding the following new section to read:

1 **"§ 93B-12. Information from licensing boards having authority over health care**
2 **providers.**

3 (a) Every occupational licensing board having authority to license physicians,
4 physician assistants, nurse practitioners, and nurse midwives in this State shall modify
5 procedures for license renewal to include the collection of information specified in this
6 section for each board's regular renewal cycle. The purpose of this requirement is to
7 assist the State in tracking the availability of health care providers to determine which
8 areas in the State suffer from inequitable access to specific types of health services and to
9 anticipate future health care shortages which might adversely affect the citizens of this
10 State. Occupational licensing boards, in consultation with the North Carolina Health
11 Planning Commission, shall collect, report, and update the following information:

12 (1) Area of health care specialty practice;

13 (2) Address of all locations where the licensee practices; and

14 (3) Other information the occupational licensing board in consultation with
15 the North Carolina Health Planning Commission deems relevant to
16 assisting the State in achieving the purpose set out in this section.

17 (b) Every occupational licensing board required to collect information pursuant to
18 subsection (a) of this section shall report and update the information on an annual basis to
19 the North Carolina Health Planning Commission. Information provided by the
20 occupational licensing board pursuant to this subsection may be provided in such form as
21 to omit the identity of the health care licensee."

22
23 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

24 **PRIMARY CARE PROVIDERS**

25 Sec. 23A.5. G.S. 143-613 reads as rewritten:

26 **"§ 143-613. Medical education; primary care ~~physicians.~~ physicians and other**
27 **providers.**

28 (a) In recognition of North Carolina's need for primary care physicians,
29 Bowman Gray School of Medicine and Duke University School of Medicine shall each
30 prepare a plan with the goal of encouraging North Carolina residents to enter the primary
31 care disciplines of general internal medicine, general pediatrics, family medicine,
32 obstetrics/gynecology, and combined medicine/pediatrics and to strive to have at least
33 fifty percent (50%) of North Carolina residents graduating from each school entering
34 these disciplines. These schools of medicine shall present their plans to the Board of
35 Governors of The University of North Carolina by April 15, ~~1994-1996,~~ and shall update
36 and present their plans every two years thereafter. The Board of Governors shall report
37 to the Joint Legislative Education Oversight Committee by May 15, ~~1994-1996,~~ and
38 every two years thereafter on the status of these efforts to strengthen primary health care
39 in North Carolina.

40 (b) The Board of Governors of The University of North Carolina shall set goals for
41 the Schools of Medicine at the University of North Carolina at Chapel Hill and the
42 School of Medicine at East Carolina University for increasing the percentage of graduates
43 who enter residencies and careers in primary care. A minimum goal should be at least

1 sixty percent (60%) of graduates entering primary care disciplines. Each school shall
2 submit a plan with strategies to reach these goals of increasing the number of graduates
3 entering primary care disciplines to the Board by April 15, ~~1994~~, 1996, and shall update
4 and present the plans every two years thereafter. The Board of Governors shall report to
5 the Joint Legislative Education Oversight Committee by May 15, ~~1994~~, 1996, and every
6 two years thereafter on the status of these efforts to strengthen primary health care in
7 North Carolina.

8 Primary care shall include the disciplines of family medicine, general pediatric
9 medicine, general internal medicine, internal medicine/pediatrics, and
10 obstetrics/gynecology.

11 (b1) The Board of Governors of The University of North Carolina shall set goals for
12 State-operated health professional schools that offer training programs for licensure or
13 certification of physician assistants, nurse practitioners, and nurse midwives for
14 increasing the percentage of the graduates of those programs who enter clinical programs
15 and careers in primary care. Each State-operated health professional school shall submit
16 a plan with strategies for increasing the percentage to the Board by April 15, 1996, and
17 shall update and present the plan every two years thereafter. The Board of Governors
18 shall report to the Joint Legislative Education Oversight Committee by May 15, 1996,
19 and every two years thereafter on the status of these efforts to strengthen primary health
20 care in North Carolina.

21 (c) The Board of Governors of The University of North Carolina shall further
22 initiate whatever changes are necessary on admissions, advising, curriculum, and other
23 policies for State-operated medical schools and health professional schools to ensure that
24 larger proportions of ~~medical~~-students seek residencies and clinical training in primary
25 care disciplines. The Board shall work with the Area Health Education Centers and other
26 entities, adopting whatever policies it considers necessary to ensure that residency and
27 clinical training programs have sufficient ~~medical~~-residency and clinical positions for
28 ~~medical school~~-graduates in these primary care specialties. As used in this subsection,
29 health professional schools are those schools or institutions that offer training for
30 licensure or certification of physician assistants, nurse practitioners, and nurse midwives.

31 (d) The progress of the private and ~~public~~-State-operated medical schools and
32 State-operated health professional schools towards increasing the number and proportion
33 of graduates entering primary care shall be monitored annually by the Board of
34 Governors of The University of North Carolina. Monitoring data shall include (i) the
35 entry of State-supported ~~medical~~-graduates into primary care ~~residencies~~, residencies and
36 clinical training programs, and (ii) the specialty practices by a physician and each
37 midlevel provider who were State-supported graduates as of a date five years after
38 graduation. The Board of Governors shall certify data on graduates, their ~~residencies~~,
39 residencies and clinical training programs, and subsequent careers by October 1 of each
40 calendar year, beginning in October of 1995, to the Fiscal Research Division of the
41 Legislative Services Office and to the Joint Legislative Education Oversight Committee.

1 (e) The information provided in subsection (d) of this section shall be made
2 available to the Appropriations Committees of the General Assembly for their use in
3 future funding decisions on medical and health professional education."
4

5 Requested by: Senators Martin of Guilford, Forrester, Perdue, Rand

6 PUBLIC HEALTH STUDY COMMISSION

7 Sec. 23A.6. (a) G.S. 120-196 reads as rewritten:

8 "§ 120-196. Commission duties.

9 The Commission shall study the availability and accessibility of public health services
10 to all citizens throughout the State. In conducting the study the Commission shall:

- 11 (1) Determine whether the public health services currently available in each
12 county or district health department conform to the mission and
13 essential services established under G.S. 130A-1.1;
- 14 (2) Study the workforce needs of each county or district health department,
15 including salary levels, professional credentials, and continuing
16 education requirements, and determine the impact that shortages of
17 public health professional personnel have on the delivery of public
18 health services in county and district health departments;
- 19 (3) Review the status and needs of local health departments relative to
20 facilities, and the need for the development of minimum standards
21 governing the provision and maintenance of these facilities;
- 22 (4) Propose a long-range plan for funding the public health system, which
23 plan shall include a review and evaluation of the current structure and
24 financing of public health in North Carolina and any other
25 recommendations the Commission deems appropriate based on its study
26 activities; ~~and~~
- 27 (5) Conduct any other studies or evaluations the Commission considers
28 necessary to effectuate its ~~purpose.~~ purpose; and
- 29 (6) Study the capacity of small counties to meet the core public health
30 functions mandated by current State and federal law. The Commission
31 shall consider whether the current county and district health departments
32 should be organized into a network of larger multidistrict community
33 administrative units. In making its recommendations on this study, the
34 Commission shall consider whether the State should establish minimum
35 populations for local health departments, and if so, shall recommend the
36 number of and configuration for these multicounty administrative units
37 and shall recommend a series of incentives to ease county transition into
38 these new arrangements."

39 (b) Section 8.1 of Chapter 771 of the 1993 Session Laws reads as rewritten:

40 "Sec. 8.1. This act is effective upon ratification. ~~Part II of this act is repealed on June~~
41 ~~30, 1995."~~
42

43 PART 24. DEPARTMENT OF AGRICULTURE

1
2 Requested by: Senator Martin of Pitt

3 **CATTLE AND LIVESTOCK EXPOSITION CENTER**

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

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

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

17
18 Requested by: Senators Martin of Pitt, Kerr

19 **DAIRY FACILITY AT CHERRY FARM UNIT**

20 Sec. 24.1. The sum of two hundred fifty thousand dollars (\$250,000) shall be
21 transferred from the Department of Agriculture's timber sales capital improvement
22 account, established pursuant to G.S. 146-30, to the Department of Agriculture for the
23 1995-96 fiscal year and shall be used to construct and equip a new dairy facility to be
24 located at the Cherry Farm Unit.

25
26 **PART 25. DEPARTMENT OF COMMERCE**

27
28 Requested by: Senator Martin of Pitt

29 **INDUSTRIAL COMMISSION/FRAUD CHECK**

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

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

- 34 (1) Perform investigations regarding all cases of suspected fraud and all
35 violations related to workers' compensation claims, by or against
36 insurers or self-funded employers, and refer possible criminal violations
37 to the appropriate prosecutorial authorities;
38 (2) Conduct administrative violation proceedings; and
39 (3) Assess and collect penalties and restitution."

40 (b) Of the funds appropriated in this act to the Department of Commerce, the sum
41 of one hundred thousand dollars (\$100,000) for the 1995-96 fiscal year and the sum of
42 one hundred thousand dollars (\$100,000) for the 1996-97 fiscal year shall be used for the
43 North Carolina Industrial Commission to implement subsection (a) of this section.

1
2 Requested by: Senators Perdue, Martin of Pitt, Odom

3 **WANCHESE SEAFOOD INDUSTRIAL PARK FUNDS**

4 Sec. 25.1. Funds appropriated in Chapter 324 of the 1995 Session Laws to the
5 Department of Commerce for the Wanchese Seafood Industrial Park may be expended by
6 the North Carolina Seafood Industrial Park Authority for operations, maintenance, repair,
7 and capital improvements in accordance with Article 23C of Chapter 113 of the General
8 Statutes.

9
10 Requested by: Senator Martin of Pitt

11 **INDUSTRIAL RECRUITMENT COMPETITIVE FUND REPORTING**
12 **REQUIREMENT**

13 Sec. 25.2. The Department of Commerce shall report on or before October 1,
14 1995 and quarterly thereafter to the Joint Legislative Commission on Governmental
15 Operations on the commitment, allocation, and use of funds allocated from the Industrial
16 Recruitment Competitive Fund.

17
18 Requested by: Senator Martin of Pitt

19 **NORTH CAROLINA BIOTECHNOLOGY CENTER FUNDS**

20 Sec. 25.3. Of the funds appropriated in this act to the North Carolina
21 Biotechnology Center, the sum of one million dollars (\$1,000,000) for the 1995-96 fiscal
22 year shall be used to expand the special biotechnology program initiative for North
23 Carolina's Public Historically Black Universities and Pembroke State University. The
24 reporting requirements applicable to the North Carolina Biotechnology Center under
25 Section 25.8 of Chapter 324 of the 1995 Session Laws shall apply to funds allocated
26 under this section.

27
28 Requested by: Senators Martin of Pitt, Ballance, Lucas, C.R. Edwards, Gulley, Rand,
29 Kerr, Cooper

30 **FUNDS FOR ECONOMIC DEVELOPMENT**

31 Sec. 25.4. Of the funds appropriated in this act to the Rural Economic
32 Development Center, Inc., the sum of three million eight hundred thousand dollars
33 (\$3,800,000) for the 1995-96 fiscal year shall be placed in an Economic and Community
34 Development Program Reserve and shall be allocated by the Center for economic and
35 community development projects. Programs and purposes for which funds may be
36 allocated from the Reserve include technical assistance to institutions that make loans to
37 low-income applicants, assistance to low-income applicants for business loans, aid to
38 rural, low-income families, job training programs, community development programs,
39 supplemental funding for infrastructure, and economic development policy analysis,
40 information, and technical assistance. The Rural Economic Development Center, Inc.
41 shall report to the Joint Legislative Commission on Governmental Operations on October
42 1 and March 1 of each fiscal year, and more frequently as requested by the Commission,
43 on the amounts and uses of funds allocated pursuant to this section.

1
2 Requested by: Senator Martin of Pitt

3 **CLEVELAND COUNTY PARTICIPATION IN ECONOMIC DEVELOPMENT**
4 **COMMISSION**

5 Sec. 25.5. (a) Effective August 1, 1995, G.S. 158-8.1(a) reads as rewritten:

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

15 (b) The Department of Commerce shall allocate Cleveland County's pro rata
16 share of economic development funds appropriated to the Department pursuant to Section
17 25.4 of Chapter 324 of the 1995 Session Laws to the Carolinas Partnership, Inc.,
18 Economic Development Commission, of which Cleveland County has been and is
19 currently a dues-paying member.

20
21 Requested by: Senator Martin of Pitt

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

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

26 **"ARTICLE 4.**

27 **"JOB TRAINING, EDUCATION, AND PLACEMENT**
28 **INFORMATION MANAGEMENT.**

29 **"§ 96-30. Findings and purpose.**

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

38 **"§ 96-31. Definitions.**

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

40 (1) 'CFS' means the common follow-up information management system
41 developed by the Employment Security Commission of North Carolina
42 as authorized under this Article.

43 (2) 'ESC' means the Employment Security Commission of North Carolina.

1 (3) 'OSBM' means the Office of State Budget and Management.

2 (4) 'State job training, education, and placement program' or 'State-funded
3 program' means a program operated by a State or local government
4 agency or entity and supported in whole or in part by State or federal
5 funds, that provides job training and education or job placement services
6 to program participants. The term does not include on-the-job training
7 provided to current employees of the agency or entity for the purposes
8 of professional development.

9 **"§ 96-32. Common follow-up information management system created.**

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

20 (b) The ESC in consultation with OSBM shall adopt rules in accordance with
21 Chapter 150B of the General Statutes pertaining to the development and implementation
22 of the CFS authorized under this section. Rules shall address the following:

23 (1) Method of collection, organization, dissemination, and analysis of data
24 and information reported by State agencies subject to this Article.

25 (2) Provisions relating to reporting requirements, including submission
26 deadlines and forms of reporting.

27 (3) Provisions for ensuring confidentiality of information with respect to
28 identification of individuals about whom data is collected.

29 (4) Provisions ensuring that the only data collected on individuals is that
30 which is necessary to carry out the purposes for which the system is
31 maintained. Data collected may include the name, social security
32 number, race, sex, date of birth, and employment status of individual
33 program participants provided that information publicly disseminated is
34 done so in the aggregate and protects the confidentiality and identity of
35 individual program participants.

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

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

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

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

5 (c) Based on data collected under the CFS, the Office of State Budget and
6 Management shall evaluate the effectiveness of job training, education, and placement
7 programs to determine if specific program goals and objectives are attained, to determine
8 placement and completion rates for each program, and to make recommendations
9 regarding the continuation of State funding for programs evaluated. The ESC shall
10 provide to OSBM data collected under the CFS in a manner and with the frequency
11 necessary for the Office of State Budget and Management to conduct the evaluation
12 required under this subsection. The ESC shall consult with OSBM to determine the most
13 efficient and effective method for providing to OSBM data collected under the CFS. The
14 OSBM shall maintain the same levels of confidentiality with respect to CFS data received
15 from the ESC as is required of the ESC under this Article. OSBM shall coordinate with
16 the Office of State Planning to determine what data will be collected to support the State
17 planning and budgetary process.

18 **"§ 96-33. State agencies required to provide information and data.**

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

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

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

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

38 **"§ 96-35. Reports on common follow-up system activities.**

39 (a) The Employment Security Commission of North Carolina shall present
40 annually by May 1 to the General Assembly and to the Governor a report of CFS
41 activities for the preceding calendar year. The report shall include information on and
42 evaluation of job training, education, and placement programs for which data was

1 reported by State and local agencies subject to this Article. Evaluation of the programs
2 shall be on the basis of fiscal year data.

3 (b) The Office of State Budget and Management shall report to to the Governor
4 and to the General Assembly upon the convening of each biennial session, its evaluation
5 of and recommendations regarding job training, education, and placement programs for
6 which data was provided to the CFS.

7
8 Requested by: Senator Martin of Pitt

9 **PETROLEUM OVERCHARGE FUND ALLOCATION**

10 Sec. 25.7. (a) The funds and interest thereon received from the case of the
11 United States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds.
12 There is appropriated from the Special Reserve to the Department of Commerce the sum
13 of one million six hundred fifty thousand dollars (\$1,650,000) for the 1995-96 fiscal year
14 and the sum of one million six hundred fifty thousand dollars (\$1,650,000) for the 1996-
15 97 fiscal year to be used for projects under the State Energy Conservation Plan.

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

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

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

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

37
38 Requested by: Senator Martin of Pitt

39 **PETROLEUM OVERCHARGE ATTORNEY FEES**

40 Sec. 25.8. (a) Unless prohibited by federal law, rule, or regulation or
41 preexisting settlement agreement, no later than October 1, 1989, the North Carolina
42 Attorney General shall direct the withdrawal of all funds received in the cases of United
43 States v. Exxon and Stripper Well that are held in accounts or reserves located out-of-

1 state for payment of attorney fees and reasonable expenses incurred in connection with
2 oil overcharge litigation authorized by the Attorney General. The Attorney General shall
3 deposit these funds, and all funds to be received from Petroleum Overcharge Funds in the
4 future for attorney fees and reasonable expenses, into the Special Reserve for Oil
5 Overcharge Funds.

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

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

15
16 Requested by: Senator Martin of Pitt

17 **WORKER TRAINING TRUST FUND APPROPRIATIONS**

18 Sec. 25.9. (a) There is appropriated from the Worker Training Trust Fund to the
19 Employment Security Commission of North Carolina the sum of five million eight
20 hundred thirty-nine thousand nine hundred sixty-four dollars (\$5,839,964) for the 1995-
21 96 fiscal year and the sum of five million eight hundred thirty-nine thousand nine
22 hundred sixty-four dollars (\$5,839,964) for the 1996-97 fiscal year for the operation of
23 local offices.

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

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

33 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
34 Worker Training Trust Fund to the following agencies the following sums for the 1995-
35 96 and the 1996-97 fiscal years for the following purposes:

36 (1) \$2,400,000 for the 1995-96 fiscal year and \$2,400,000 for the 1996-97
37 fiscal year to the Department of Community Colleges to enhance the
38 curriculum funding formula for community colleges job training
39 programs;

40 (2) \$1,000,000 for the 1995-96 fiscal year and \$1,000,000 for the 1996-97
41 fiscal year to the Department of Labor for customized training of the
42 unemployed and the working poor for specific jobs needed by
43 employers through the Department's Pre-Apprenticeship Division;

- 1 (3) \$1,528,067 for the 1995-96 fiscal year and \$1,528,067 for the 1996-97
2 fiscal year to the Department of Human Resources to assist welfare
3 recipients in gaining employment through the federally funded Job
4 Opportunities and Basic Skills Program in such a way as to gain the
5 maximum match of federal funds for the State dollars appropriated;
6 (4) \$1,746,000 for the 1995-96 fiscal year and \$1,746,000 for the 1996-97
7 fiscal year to the Department of Community Colleges to continue the
8 Focused Industrial Training Program;
9 (5) \$225,000 for the 1995-96 fiscal year and \$225,000 for the 1996-97
10 fiscal year to the Employment Security Commission for the
11 Occupational Information Coordinating Committee to develop and
12 operate an interagency system to track former participants in State
13 education and training programs; and
14 (6) \$300,000 for the 1995-96 fiscal year and \$300,000 for the 1996-97
15 fiscal year to the Department of Community Colleges for a training
16 program in entrepreneurial skills to be operated by North Carolina
17 REAL Enterprises.
18

19 Requested by: Senator Cochrane

20 **ESC VOTER REGISTRATION FUNDS**

21 Sec. 25.10. (a) There is appropriated from the Worker Training Trust Fund to
22 the Department of Commerce, Employment Security Commission, the sum of three
23 hundred thousand dollars (\$300,000) for the 1995-96 fiscal year to carry out the
24 provisions of the National Voter Registration Act (P.L. 103-31).

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

- 29 (1) Its methodology for charging costs against the appropriation;
30 (2) Detailing of the costs by categories;
31 (3) How much of the costs supplanted federal funds and how much were
32 incremental costs; and
33 (4) Whether employer contribution rates can be reduced to the extent that
34 federal funds were supplanted, and what State or federal legislation
35 would be required to make such rate reductions.

36 (c) Section 73 of Chapter 762 of the 1993 Session Laws reads as rewritten:

37 "Sec. 73. Sections 1 through 68 of this act become effective January 1, 1995, and
38 apply to all primaries and elections occurring on or after that date. The remainder of this
39 act is effective upon ratification and shall apply to all primaries and elections occurring
40 on or after the date of ratification. Prosecutions for, or sentences based on, offenses
41 occurring before the effective date of any section of this act are not abated or affected by
42 this act and the statutes that would be applicable to those prosecutions or sentences but
43 for the provisions of this act remain applicable to those prosecutions or sentences. G.S.

1 163-82.20(a)(3) and G.S. 163-82.20(b1) as enacted in Section 2 of this act expire ~~January~~
2 July 1, 1996."

3 (d) Section 16.1(b) of Chapter 769 of the 1993 Session Laws is extended
4 through December 31, 1995.

5
6 Requested by: Senator Hobbs

7 **FUNDS FOR ESC NOTIFICATION OF EARNED INCOME CREDIT**

8 Sec. 25.11. The Department of Commerce, Employment Security
9 Commission, may spend up to twenty-five thousand dollars (\$25,000) in each fiscal year
10 from the Special Employment Security Administration Fund to reprint and mail notices
11 regarding the federal Earned Income Credit to unemployment insurance recipients.

12
13 Requested by: Senator Martin of Pitt

14 **NORTH CAROLINA TECHNOLOGICAL DEVELOPMENT**
15 **AUTHORITY/REPORTING**

16 Sec. 25.12. The North Carolina Technological Development Authority, Inc.
17 shall report on all of its programs to the Joint Legislative Commission on Governmental
18 Operations and the Fiscal Research Division on March 1 of each fiscal year, and more
19 frequently as requested by the Commission. The reports shall include information on the
20 activities and the accomplishments during the past fiscal year, itemized expenditures
21 during the past fiscal year with sources of funding, planned activities, and
22 accomplishments for at least the next 12 months, and itemized anticipated expenditures
23 with sources of funding for the next 12 months.

24
25 Requested by: Senator Martin of Pitt

26 **INDUSTRIAL COMMISSION MEDIATION/SUNSET OFF**

27 Sec. 25.13. Section 5 of Chapter 399 of the 1993 Session Laws reads as
28 rewritten:

29 "Sec. 5. Section 3 of this act is effective upon ratification. Sections 1, 2, and 4 of this
30 act become effective October 1, 1993, only if the General Assembly appropriates funds to
31 implement the purpose of these sections, ~~expire June 30, 1995,~~ and apply to claims
32 pending on or filed after the effective date."

33
34 Requested by: Senator Martin of Pitt

35 **WORLD TRADE CENTER FUNDS**

36 Sec. 25.14. Of the funds appropriated in this act to the Department of
37 Commerce, the sum of two hundred thousand dollars (\$200,000) for the 1995-96 fiscal
38 year shall be allocated to the North Carolina World Trade Center to continue to provide
39 education programs for small and medium sized businesses. The Department shall report
40 to the Joint Legislative Commission on Governmental Operations on the use of these
41 funds on or before March 1 of each fiscal year, and more frequently as required by the
42 Commission.

43

1 **PART 26. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL**
2 **RESOURCES**

3
4 Requested by: Senator Martin of Pitt

5 **STATEWIDE AQUATIC WEED ASSESSMENT**

6 Sec. 26. (a) Of the funds appropriated in this act to the Department of
7 Environment, Health, and Natural Resources, the sum of thirty thousand dollars
8 (\$30,000) for the 1995-96 fiscal year shall be used by the Department of Environment,
9 Health, and Natural Resources and the North Carolina Aquatic Weed Council to study
10 aquatic weed infestation on a statewide basis.

11 (b) The Department of Environment, Health, and Natural Resources and the North
12 Carolina Aquatic Weed Council shall report their findings to the Joint Legislative
13 Commission on Governmental Operations by March 15, 1996.

14 (c) The report shall identify relevant research related to the control and
15 eradication of noxious aquatic plants, include an assessment of the environmental and
16 economic impacts caused by infestation, an assessment of the impact of federal
17 regulations, and a discussion of the issues and options related to control and eradication,
18 enforcement and funding mechanisms. The report shall also include options to reduce or
19 eliminate aquatic weed infestation and a recommended statewide action plan. The report
20 shall consider funding issues and shall address both total budgetary requirements and
21 alternative sources of funding, including fees and other receipts.

22
23 Requested by: Senator Martin of Pitt

24 **WATERSHED FUNDS/REVERSIONS**

25 Sec. 26.1. (a) The Office of State Budget and Management shall revert funds
26 allocated in subdivisions (a)(14) and (15) of Section 107 of Chapter 561 of the 1993
27 Session Laws as provided in subsection (b) of Section 107 of Chapter 561 of the 1993
28 Session Laws.

29 (b) Notwithstanding any other provision of law, the funds allocated in subdivision
30 (a)(17) of Section 107 of Chapter 561 of the 1993 Session Laws shall not revert until
31 June 30, 1997.

32
33 Requested by: Senator Martin of Pitt

34 **RANDLEMAN DAM RESERVE RELEASE RESTRICTIONS**

35 Sec. 26.2. The funds appropriated in Chapter 769 of the 1993 Session Laws
36 for the Randleman Dam shall be held in a reserve until a signed contract for construction
37 is secured and delivered and construction is begun.

38
39 Requested by: Senator Martin of Pitt

40 **AGRICULTURE COST SHARE PROGRAM**

41 Sec. 26.2A. Of the funds appropriated in Chapter 324 of the 1995 Session
42 Laws to the Department of Environment, Health, and Natural Resources for the 1995-96
43 fiscal year for the Agriculture Cost Share Program for Nonpoint Source Pollution

1 Control, the sum of fifty thousand dollars (\$50,000) shall be used for additional funding
2 for the demonstration project authorized in Section 165 of Chapter 689 of the 1991
3 Session Laws. These funds shall be used in accordance with the match requirements
4 specified in G.S. 143-215.74(b)(6).

5
6 Requested by: Senators Martin of Pitt, Albertson

7 **AGRICULTURE COST SHARE FUNDS FOR CAPITAL FOR THE**
8 **MANAGEMENT OF AGRICULTURE WASTE**

9 Sec. 26.2B. Of the funds appropriated in this act to the Department of
10 Environment, Health, and Natural Resources, Division of Soil and Water Conservation,
11 for the 1995-96 fiscal year for the Agriculture Cost Share Program for Nonpoint Source
12 Pollution Control, the sum of five hundred thousand dollars (\$500,000) shall be used for
13 the 1995-96 fiscal year for capital expenses associated with developing agriculture waste
14 management measures that reduce agricultural nonpoint source discharges, consistent
15 with G.S. 143-214.5(a). These funds shall be used in accordance with the match and
16 program requirements set forth in G.S. 143-215.74(b). Any funds remaining at the end of
17 the 1995-96 fiscal year shall not revert, but shall remain available for the use authorized
18 by this subsection.

19
20 Requested by: Senator Martin of Pitt

21 **TOWN FORK CREEK SOIL CONSERVATION PROJECT FUNDS REVERT**

22 Sec. 26.3 The funds appropriated in Chapter 480 of the 1985 Session Laws
23 and Chapter 754 of the 1989 Session Laws for construction of the Town Fork Reservoir
24 Project in Stokes County, the funds appropriated in Section 107(a)(16) of Chapter 561 of
25 the 1993 Session Laws, and the funds appropriated in Section 41(a)(6) of Chapter 769 of
26 the 1993 Session Laws for State-local projects that were to be used for the Town Fork
27 Reservoir Project in Stokes County shall revert on the date of ratification of this act.

28
29 Requested by: Senator Martin of Pitt

30 **MARINE FISHERIES LAW ENFORCEMENT PERSONNEL**

31 Sec. 26.4. The additional law enforcement positions authorized by this act for
32 the Division of Marine Fisheries, Department of Environment, Health, and Natural
33 Resources shall not be located in Raleigh.

34
35 Requested by: Senator Martin of Pitt

36 **MARINE FISHERIES**

37 Sec. 26.5. (a) Subsection (a) of Section 3 of Chapter 675 of the 1993 Session
38 Laws, Regular Session 1994, reads as rewritten:

39 "(a) Except as provided in subsections (b), (c), ~~or (e1), (c1), or (c2)~~, the Department
40 shall not issue any new licenses for a ~~two-year~~ period beginning July 1, 1994, and ending
41 June 30, ~~1996-1997~~, under the following statutes:

42 (1) G.S. 113-152. Vessel licenses.

43 (2) G.S. 113-153.1. Crab License.

1 (3) G.S. 113-154. Shellfish license

2 (4) G.S. 113-154.1. Nonvessel endorsements to sell fish."

3 (b) G.S. 113-154 is amended by adding a new subsection to read:

4 "(c1) A shellfish leaseholder under G.S. 113-202, or a water column leaseholder
5 under G.S. 113-202.1 or G.S. 113-202.2 who purchases an individual shellfish license
6 under this section, may utilize up to two additional persons to take shellfish from the
7 leaseholder's lease without purchasing additional individual shellfish licenses. The
8 leaseholder shall be on the premises supervising the person or persons and the person or
9 persons shall be restricted to taking shellfish only from the leaseholder's lease."

10 (c) G.S. 113-182(b) is amended by adding a new subdivision to read:

11 "(3) The possession, transportation, importation, exportation, sale, purchase,
12 acquisition, and disposition of all fish taken in the Atlantic Ocean out to
13 a distance of 200 miles from the State's mean low watermark, when the
14 harvest or landing of the fish is controlled by a quota imposed on the
15 State by a federal fisheries management plan."

16 (d) Section 3 of Chapter 576 of the 1993 Session Laws is amended by adding a
17 new subsection to read:

18 "(c2) During the moratorium, a license required to participate in a fishery regulated
19 by a federal fisheries management plan under G.S. 113-182(b)(3) may only be issued to a
20 person who:

21 (1) Held a valid vessel license issued under G.S. 113-152, a valid land or
22 sell license issued under G.S. 113-153, or a combination of the two
23 licenses, during at least two of the three years immediately preceding
24 ratification;

25 (2) Participated in the fishery for which a license or permit is required
26 during at least two of the three years immediately preceding
27 ratification;

28 (3) Landed in North Carolina during each year of participation in the
29 fishery the minimum pounds of fish as established by the Commission
30 in duly adopted rules."

31 (e) Of the funds appropriated in this act to the Department of Environment,
32 Health, and Natural Resources for the 1995-96 fiscal year and for the 1996-97 fiscal year
33 the sum of twenty- five thousand dollars (\$25,000) shall be allocated each fiscal year to
34 support the activities of the Moratorium Steering Committee.

35 (f) Of the funds appropriated to the Department of Environment, Health, and
36 Natural Resources for the 1995-96 fiscal year and for the 1996-97 fiscal year the sum of
37 ten thousand dollars (\$10,000) shall be allocated each fiscal year to support the activities
38 of the Appeals Panel during the moratorium on fisheries licenses.

39 (g) Subsection (c) of this section is effective upon ratification.

40

41 Requested by: Senator Martin of Pitt

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, Scotland,
8 Vance, Warren, Washington, Wayne, and Wilson Counties shall participate in the pilot
9 program. The Beaver Damage Control Advisory Board shall act in an advisory capacity
10 to the Wildlife Resources Commission in the implementation of the program. In
11 developing the 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
43 seventy-two thousand six hundred ninety dollars (\$372,690) to provide the State share

1 necessary to continue the beaver damage control pilot program established by Section 69
2 of Chapter 1044 of the 1991 Session Laws, as amended by Section 111 of Chapter 561 of
3 the 1993 Session Laws and Section 27.3 of the 1993 Session Laws, in Bladen,
4 Brunswick, Carteret, Chatham, Craven, Columbus, Duplin, Edgecombe, Franklin,
5 Greene, Halifax, Hertford, Johnston, Lincoln, Nash, Onslow, Pamlico, Pender, Pitt,
6 Robeson, Sampson, Scotland, Vance, Warren, Washington, Wayne, and Wilson
7 Counties, provided the sum of twenty-five thousand dollars (\$25,000) in federal funds is
8 available in each fiscal year to provide the federal share. These funds shall be matched
9 by four thousand dollars (\$4,000) of local funds in each fiscal year from each of the 27
10 participating counties.

11
12 Requested by: Senator Martin of Pitt

13 **STUDY ALTERNATIVES FOR DISPOSAL OF DREDGING MATERIALS**

14 Sec. 26.7. The Department of Environment, Health, and Natural Resources
15 shall study the feasibility and benefit of using the materials dredged from waterways to
16 create artificial wetlands or island marshes as an alternative method of disposing of
17 dredge material. The Department shall consider the "island marshes" located offshore of
18 the Aransas National Wildlife Refuge on the Texas coast as a model. The Department
19 shall report to the Joint Legislative Commission on Governmental Operations regarding
20 its findings and recommendations by March 1, 1996.

21
22 Requested by: Senator Hoyle

23 **FOOD SANITATION FUNDS**

24 Sec. 26.8. (a) Of the funds appropriated in this act to the Department of
25 Environment, Health, and Natural Resources, the sum of one hundred thousand dollars
26 (\$100,000) for the 1995-96 fiscal year and the sum of one hundred thousand dollars
27 (\$100,000) for the 1996-97 fiscal year shall be used to conduct regional conferences to
28 provide continuing education and training of environmental health specialists.

29 (b) Effective January 1, 1996, G.S. 130A-248(a3), as amended by Chapter 123 of
30 the 1995 Session Laws, reads as rewritten:

31 "(a3) The rules adopted by the Commission pursuant to subsections (a), (a1), and
32 (a2) of this section shall address, but not be limited to, the following:

- 33 (1) Sanitation requirements for cleanliness of floors, walls, ceilings, storage
34 spaces, utensils, ventilation equipment, and other areas and items;
- 35 (2) Requirements for:
 - 36 a. Lighting and water supply;
 - 37 b. Wastewater collection, treatment, and disposal facilities; and
 - 38 c. Lavatory and toilet facilities, food protection, and waste disposal;
- 39 (3) The cleaning and bactericidal treatment of eating and drinking utensils
40 and other food-contact surfaces;
- 41 (3a) The appropriate and reasonable use of gloves or utensils by employees
42 who handle unwrapped food;

- 1 (4) The methods of food preparation, transportation, catering, storage, and
2 serving;
- 3 (5) The health of employees;
- 4 (6) Animal and vermin control; and
- 5 (7) The prohibition against the offering of unwrapped food samples to the
6 general public unless the offering and acceptance of the samples are
7 continuously supervised by an agent of the entity preparing or offering
8 the samples or by an agent of the entity on whose premises the samples
9 are made available. As used in this subdivision, 'food samples' means
10 unwrapped food prepared and made available for sampling by and
11 without charge to the general public for the purpose of promoting the
12 food made available for sampling. This subdivision does not apply to
13 unwrapped food prepared and offered in buffet, cafeteria, or other style
14 in exchange for payment by the general public or by the person or entity
15 arranging for the preparation and offering of such unwrapped food.
16 This subdivision shall not apply to open air produce markets nor to
17 farmer market facilities operated on land owned or leased by the State
18 of North Carolina or any local government.

19 The rules shall contain a system for grading facilities, such as Grade A, Grade B, and
20 Grade C. The rules shall be written in a manner that promotes consistency in both the
21 interpretation and application of the grading system."

22 (c) Effective January 1, 1996, G.S. 130A-39(b) reads as rewritten:

23 "(b) A local board of health may adopt a more stringent rule in an area regulated by
24 the Commission for Health Services or the Environmental Management Commission
25 where, in the opinion of the local board of health, a more stringent rule is required to
26 protect the public health; otherwise, the rules of the Commission for Health Services or
27 the rules of the Environmental Management Commission shall prevail over local board of
28 health rules. However, a local board of health may not adopt a rule concerning the
29 grading-grading, operating, and permitting of food and lodging facilities as listed in Part 6
30 of Article 8 of this Chapter and as defined in G.S. 130A-247(1), and a local board of
31 health may adopt rules concerning wastewater collection, treatment and disposal systems
32 which are not designed to discharge effluent to the land surface or surface waters only in
33 accordance with G.S. 130A-335(c)."

34 (d) G.S. 130A-30(a) reads as rewritten:

35 "(a) The Commission for Health Services shall consist of ~~12~~13 members, four of
36 whom shall be elected by the North Carolina Medical Society and ~~eight~~nine of whom
37 shall be appointed by the Governor."

38 (e) The Department of Environment, Health, and Natural Resources, in
39 consultation with the North Carolina Restaurant Association, shall review all rules and
40 forms that govern the sanitation of restaurants and other food handling establishments for
41 vagueness, inconsistency, and lack of specificity and shall develop a plan to improve
42 uniformity of interpretation and application of these rules across the State. The
43 Department shall present the plan to the Commission for Health Services by December

1 31, 1996, along with any recommendations for rule modification. The Department, in
2 consultation with the Association, shall continue to monitor and address the interpretation
3 and application of the rules, forms, and other food service matters.
4

5 Requested by: Senators Martin of Pitt, Warren

6 **FUNDS FOR HEART DISEASE AND STROKE PREVENTION TASK FORCE**

7 Sec. 26.9. (a) Of the funds appropriated in this act to the Department of
8 Environment, Health, and Natural Resources, the sum of one hundred thousand dollars
9 (\$100,000) for the 1995-96 fiscal year and the sum of one hundred thousand dollars
10 (\$100,000) for the 1996-97 fiscal year shall be used to support the North Carolina Heart
11 Disease and Stroke Prevention Task Force created under this section.

12 (b) The North Carolina Heart Disease and Stroke Prevention Task Force is created
13 in the Division of Adult Health Promotion, Department of Environment, Health, and
14 Natural Resources.

15 (c) The Task Force shall have 27 members. The Governor shall appoint the Chair,
16 and the Vice-Chair shall be elected by the Task Force. The Director of the Division of
17 Adult Health Promotion in the Department of Environment, Health, and Natural
18 Resources, the Director of the Division of Medical Assistance in the Department of
19 Human Resources, and the Director of the Division of Aging in the Department of
20 Human Resources, or their designees, shall be members of the Task Force.
21 Appointments to the Task Force shall be made as follows:

22 (1) By the General Assembly upon the recommendation of the President
23 Pro Tempore of the Senate, as follows:

- 24 a. Three members of the Senate;
25 b. A heart attack survivor;
26 c. A local health director;
27 d. A certified health educator;
28 e. A hospital administrator; and
29 f. A representative of the North Carolina Association of Area
30 Agencies on Aging.

31 (2) By the General Assembly upon the recommendation of the Speaker of
32 the House of Representatives, as follows:

- 33 a. Three members of the House of Representatives;
34 b. A stroke survivor;
35 c. A county commissioner;
36 d. A registered dietitian;
37 e. A pharmacist; and
38 f. A registered nurse.

39 (3) By the Governor, as follows:

- 40 a. A practicing family physician, pediatrician, or internist;
41 b. A president or chief executive officer of a business upon
42 recommendation of a North Carolina wellness council which is a
43 member of the Wellness Councils of America;

- 1 c. A news director of a newspaper or television or radio station;
- 2 d. A volunteer of the North Carolina Affiliate of the American
- 3 Heart Association;
- 4 e. A representative from the North Carolina Cooperative Extension
- 5 Service;
- 6 f. A representative of the Governor's Council on Physical Fitness
- 7 and Health; and
- 8 g. Two members at large.

9 (d) Each appointing authority shall assure insofar as possible that its appointees to
10 the Task Force reflect the composition of the North Carolina population with regard to
11 ethnic, racial, age, gender, and religious composition.

12 (e) The General Assembly and the Governor shall make their appointments to the
13 Task Force not later than 30 days after the adjournment of the 1995 General Assembly,
14 Regular Session 1995. A vacancy on the Task Force shall be filled by the original
15 appointing authority, using the criteria set out in this section for the original appointment.

16 (f) The Task Force shall meet at least quarterly or more frequently at the call of
17 the Chair.

18 (g) The Task Force Chair may establish committees for the purpose of making
19 special studies pursuant to its duties, and may appoint non-Task Force members to serve
20 on each committee as resource persons. Resource persons shall be voting members of the
21 committees and shall receive subsistence and travel expenses in accordance with G.S.
22 138-5 and G.S. 138-6. Committees may meet with the frequency needed to accomplish
23 the purposes of this section.

24 (h) Members of the Task Force shall receive per diem and necessary travel and
25 subsistence expenses in accordance with G.S. 120-3.1, 138-5 and 138-6, as applicable.

26 (i) A majority of the Task Force shall constitute a quorum for the transaction of its
27 business.

28 (j) The Task Force may use funds allocated to it to establish two positions and for
29 other expenditures needed to assist the Task Force in carrying out its duties.

30 (k) The Heart Disease and Stroke Prevention Task Force has the following duties:

- 31 (1) To undertake a statistical and qualitative examination of the incidence
32 of and causes of heart disease and stroke deaths and risks, including
33 identification of subpopulations at highest risk for developing heart
34 disease and stroke, and establish a profile of the heart disease and stroke
35 burden in North Carolina.
- 36 (2) To publicize the profile of the heart disease and stroke burden and its
37 preventability in North Carolina.
- 38 (3) To identify priority strategies which are effective in preventing and
39 controlling risks for heart disease and stroke.
- 40 (4) To identify, examine limitations of, and recommend to the Governor
41 and the General Assembly changes to existing laws, regulations,
42 programs, services, and policies to enhance heart disease and stroke
43 prevention by and for the people of North Carolina.

- 1 (5) To determine and recommend to the Governor and the General
2 Assembly the funding and strategies needed to enact new or to modify
3 existing laws, regulations, programs, services, and policies to enhance
4 heart disease and stroke prevention by and for the people of North
5 Carolina.
- 6 (6) To adopt and promote a statewide comprehensive Heart Disease and
7 Stroke Prevention Plan to the general public, State and local elected
8 officials, various public and private organizations and associations,
9 businesses and industries, agencies, potential funders, and other
10 community resources.
- 11 (7) To identify and facilitate specific commitments to help implement the
12 Plan from the entities listed in subdivision (6) above.
- 13 (8) To facilitate coordination of and communication among State and local
14 agencies and organizations regarding current or future involvement in
15 achieving the aims of the Heart Disease and Stroke Prevention Plan.
- 16 (9) To receive and consider reports and testimony from individuals, local
17 health departments, community-based organizations, voluntary health
18 organizations, and other public and private organizations statewide, to
19 learn more about their contributions to heart disease and stroke
20 prevention, and their ideas for improving heart disease and stroke
21 prevention in North Carolina.

22 (l) The Task Force shall submit to the Governor and to the General Assembly a
23 preliminary report by January 1, 1996; an interim report within the first week of the
24 convening of the 1997 General Assembly; and a final report by October 1, 1997. The
25 reports shall address the Plan, actions and resources needed to fully implement the Plan,
26 and progress in achieving implementation of the Plan to reduce the occurrence of and
27 burden from heart disease and stroke in North Carolina. The reports shall include an
28 accounting of funds expended and anticipated funding needs for full implementation of
29 recommended plans and programs.

30 (m) Upon submission of its final report to the Governor and the 1997 General
31 Assembly, the Task Force shall expire.

32
33 Requested by: Senator Martin of Pitt

34 **ABOVEGROUND STORAGE TANKS INSPECTION AND MONITORING**

35 Sec. 26.10. (a) Of the funds appropriated to the Department of Environment,
36 Health, and Natural Resources in this act for the 1995-96 fiscal year, the sum of four
37 hundred thousand dollars (\$400,000) shall be used to conduct periodic inspections at
38 major oil terminal facilities, as defined in G.S. 143-215.77, and bulk petroleum facilities
39 and the equipment at these facilities to determine whether oil or any other hazardous
40 substance is being discharged into the environment and, at the facility and in the area
41 surrounding the facility, to monitor the quality of the air, water, and soil and analyze air,
42 water, and soil samples to determine the presence of toxic emissions, water quality
43 degradation, or soil contamination.

1 (b) Beginning October 1, 1995, and quarterly thereafter, the Department of
2 Environment, Health, and Natural Resources shall submit a report of its inspection and
3 monitoring activities pursuant to subsection (a) of this section to the Environmental
4 Review Commission.

5
6 Requested by: Senators Martin of Pitt, Odom, Perdue, Plyler, Hobbs, McKoy

7 **ANIMAL WASTE SYSTEM COMPLIANCE INSPECTORS**

8 Sec. 26.11. (a) Of the funds appropriated to the Department of Environment,
9 Health, and Natural Resources in this act, the sum of four hundred fifty-nine thousand
10 two hundred ninety-two dollars (\$459,292) for the 1995-96 fiscal year and the sum of
11 four hundred twenty-four thousand seven hundred ninety-two dollars (\$424,792) for the
12 1996-97 fiscal year shall be used for staff and operating expenses for the Department to
13 conduct inspections, enforcement activities, and laboratory analyses to ensure compliance
14 with the animal waste certification requirements that become effective December 1997.

15 (b) The staff who conduct inspections pursuant to subsection (a) of this section
16 shall cooperate with owners and operators of agricultural operations and shall provide
17 planning assistance and oversight to ensure proper implementation of the animal waste.
18

19 Requested by: Senators Cooper, Ballance, Speed

20 **MULTI-COUNTY WATER CONSERVATION AND INFRASTRUCTURE**
21 **DISTRICT**

22 Sec. 26.12. Effective upon ratification, Chapter 158 of the General Statutes is
23 amended by adding a new Article to read:

24 **"ARTICLE 2A.**

25 **"MULTI-COUNTY WATER CONSERVATION AND INFRASTRUCTURE**
26 **DISTRICT.**

27 **"§ 158-15.1. Multi-County Water Conservation and Infrastructure District.**

28 (a) There is established the Multi-County Water Conservation and Infrastructure
29 District, which is a public authority for the purpose of the Local Government Budget and
30 Fiscal Control Act.

31 (b) The member counties of the Multi-County Water Conservation and
32 Infrastructure District are Bertie, Granville, Halifax, Martin, Northampton, Person, Vance
33 and Warren.

34 (c) The governing body of the Multi-County Water Conservation and
35 Infrastructure District is the Multi-County Water Commission, which has eight members.
36 One shall be appointed by the board of commissioners of each member county for a
37 three-year term.

38 (d) All monies received by the State of North Carolina for sale of water under the
39 Roanoke River Basin Compact, if enacted, shall be paid to the Multi-County Water
40 Conservation and Infrastructure District.

41 (e) The District may accept for any of its purposes and functions any and all
42 donations, grants of money, equipment, supplies, materials and services (conditional or
43 otherwise) from any state or the United States or any subdivision or agency thereof, or

1 interstate agency, or from any political subdivision of this State or any other state, or
 2 from any institution, person, firm or corporation, and may receive, utilize and dispose of
 3 the same. The nature, amount and condition, if any, attendant upon any donation or grant
 4 accepted pursuant to this subsection together with the identity of the donor or grantor,
 5 shall be detailed in the annual audit of the District.

6 (f) At times specified by the Multi-County Water Commission, net revenues after
 7 operating expenses of the District shall be paid to the member counties according to the
 8 following formula: (i) one-half pro-rata based on population of each member county; and
 9 (ii) one-half pro-rata based on land area of each county.

10 (g) Member counties may use funds received under this section for public
 11 purposes relating to infrastructure development, economic development, and water
 12 conservation.

13 (h) The Commission may adopt such rules as may be needful for operation of its
 14 affairs, and shall employ and terminate personnel as if it were a county."

15
 16 **PART 26A. CAPITAL IMPROVEMENTS - GENERAL FUND**

17
 18 Sec. 26A. The appropriations made by the 1995 General Assembly for capital
 19 improvements are for constructing, repairing, or renovating State buildings, utilities, and
 20 other capital facilities, for acquiring sites for them where necessary, and for acquiring
 21 buildings and land for State government purposes.

22 Sec. 26A.1. Appropriations from the General Fund for the 1995-96 fiscal year
 23 for use by the State departments, institutions, and agencies to provide for capital
 24 improvement projects according to the following schedule:

		<u>1995-96</u>
	<u>1996-97</u>	
	<u>Capital Improvements</u>	
	Department of Administration (Total)	\$44,273,400 \$31,298,000
1.	Indian Culture Center	
	Various site improvements	175,000
2.	Construct New Prison Beds	
	Funds to construct 1,384 new beds	43,284,700 31,298,000
	Facility	Number of Beds
	Female Facility-Triad Area	104
	Female Boot Camp-Hoffman	60
	Western Area GPAC	
	Consolidation Unit	624
	Segregation Unit	40

1	Expand Polk Youth Center		104
2		144	
3		100	
4	Expand Warren Corr.		
5	Institution	168	
6	Segregation Unit	40	
7			
8	Total	1,384	
9			

10 Southern Piedmont Area - Plan, design, site development,
 11 and begin construction for a 624-bed facility with 40
 12 segregation cells in FY 1995-96.

13
 14
 15 3. Electronic Intrusion System
 16 Install Electronic Intrusion System at
 17 N.C. Correctional Institution
 18 for Women 813,700

19
 20 **Department of Agriculture (Total)** **3,257,200 3,000,000**

21
 22 4. Dairy Facility - Cherry Farm
 23 Cherry Farm

24
 25 Total Requirements 507,200
 26 Less: Timber Sales
 27 Receipts 250,000 257,200

28
 29 5. Eastern N.C. Agricultural Center
 30 Continued Development 3,000,000 3,000,000

31
 32 **Department of Crime Control and**
 33 **Public Safety (Total)** **200,000**

34
 35 6. Kinston National Guard Armory
 36 Additional State match for bid
 37 overrun 200,000

38
 39 **Department of Cultural Resources (Total)** **8,350,000**

40
 41 7. Reserve for
 42 Land acquisition and development 3,000,000

43 8. Elizabeth II State Historic Site 5,000,000

1	9.	Museum of Art-Facilities Planning	250,000	
2	10.	N.C. Pottery Center-Planning	100,000	
3				
4		Department of Human Resources (Total)		1,020,000
5				
6	11.	Gaston Detention Center	270,000	
7	12.	Leonard Secure Unit-		
8		Renovate Richmond Correction Center		
9		as Single Detention Center		
10		for Bound-Overs	750,000	
11				
12		Department of Justice (Total)		1,741,000 2,795,600
13				
14	13.	N.C. Justice Academy-		
15		Replace Blue Bell Building at N.C.		
16		Justice Academy	1,500,000	
17	14.	N.C. Justice Academy-		
18		Replace maintenance shed	445,400	
19	15.	N.C. Justice Academy-		
20		Construct new classroom		
21		building	1,295,600 1,295,600	
22				
23		Environment, Health, and Natural		
24		Resources (Total)		19,065,000
25				
26	16.	State Parks and Natural Areas		
27		Preservation, development, and		
28		acquisition	10,000,000	
29	17.	North Carolina Aquariums		
30		Planning	1,300,000	
31	18.	Museum of Natural Science Exhibits		
32		Planning and Design	400,000	
33	19.	Water Resources Projects	2,065,000	
34	20.	Marine Fisheries		
35		Replacement of law enforcement		
36		vessel	300,000	
37	21.	Water and Sewer Demonstration		
38		Projects		
39		New technology projects particularly		
40		in the area of environmental		
41		disposal and system creation	5,000,000	
42				
43		State Budget and Management (Total)		285,000

1			
2	22.	Global TransPark	
3		Engineering and design for Kinston	
4		Regional Jet Port Military	
5		Construction Project (State Match)	285,000
6			
7		UNC Board of Governors (Total)	27,560,200 52,325,500
8			
9	23.	NC State University	
10		Centennial Center Funds	4,000,000 3,000,000
11	24.	UNC-Chapel Hill/N.C. State University	
12		Marine Science Facility	500,000 7,300,000
13	25.	UNC-TV Southeastern Tower in	
14		Lumberton	1,980,000
15	26.	UNC-Chapel Hill	
16		Law School	5,057,600 5,000,000
17	27.	UNC-Chapel Hill School of Pharmacy	
18		Planning	1,000,000
19	28.	East Carolina University-	
20		Life Sciences Building	2,700,000 4,423,800
21	29.	NC A&T State University	
22		Classroom Building Planning	1,000,000
23	30.	UNC-Asheville	
24		Kellogg Center	500,000
25	31.	UNC-General Administration	
26		Administrator's Academy	9,871,100
27	32.	NC State University	
28		4-H Environmental Education	
29		Center	2,545,300
30	33.	NC Central University	
31		Education Building	6,031,700 9,600,000
32	34.	Elizabeth City State University	
33		Vaughan Center Addition	2,190,500
34	35.	Fayetteville State University	
35		Student Center Addition	3,790,900
36	36.	UNC-Chapel Hill	
37		Center for Dramatic Art	8,394,800
38	37.	UNC-Chapel Hill	
39		Medical Biomolecular and Neuro-	
40		sciences Research Building.	1,000,000
41			
42		TOTAL CAPITAL	\$105,751,800 \$89,419,100
43			

PART 27. CAPITAL AND SPECIAL PROVISIONS

Requested by: Senator Warren

NORTH CAROLINA INFORMATION HIGHWAY FUNDS

Sec. 27. (a) The funds appropriated in this act to the Office of the State Controller for the operation of the North Carolina Information Highway shall be used only for costs incurred by the Office of the State Controller related to the operations and support of the North Carolina Information Highway. No funds appropriated in this act shall be expended to pay Minimum Monthly Usage charges for North Carolina Information Highway services until such time as the Controller certifies to the General Assembly that the network is capable of performing all services for which the State has contracted and that the network equipment and service providers are capable of providing full and adequate support for the network's functions and to all qualified users.

(b) Beginning October 1, 1995, the Controller shall report quarterly to the Joint Legislative Commission on Governmental Operations regarding the costs incurred by the Office of the State Controller related to the operations and support of the North Carolina Information Highway, and shall make a final report to the General Government Appropriations Subcommittees for the Senate and the House of Representatives and to the 1995 General Assembly, 1996 Regular Session.

(c) For purposes of this section the term "North Carolina Information Highway" means the new, high-capacity optical fiber network that uses SONET transmission technology and ATM switching.

Requested by: Senator Warren

DATA PROCESSING RESERVE

Sec. 27.1. The Office of State Controller and the Office of State Budget and Management shall jointly study the State Computer Center, demand estimates, and shall submit to the 1995 General Assembly, Regular Session 1996, by May 1, 1996, a comprehensive report detailing projected cost needs for the 1996-97 fiscal year and the funding source for those needs in excess of the level funded in Chapter 324 of the 1995 Session Laws, the Continuation Budget Appropriations Act of 1995, and in this act.

Requested by: Senator Warren

LOCAL HISTORICAL ORGANIZATIONS GRANTS

Sec. 27.5. Of the funds appropriated in this act for the 1995-96 fiscal year to the Department of Cultural Resources the sum of three million dollars (\$3,000,000) shall be distributed as grants-in-aid to nonprofit historical organizations, nonprofit museums, or local governmental entities on a competitive basis in accordance with administrative guidelines issued by the Secretary of the Department of Cultural Resources. The purpose of the grants shall be to encourage, through the use of grants-in-aid, the protection, preservation, and interpretation of historic assets with local or regional significance. Priority consideration shall be given to the local historical organization's educational

1 objectives. Grants shall be limited to amounts of one hundred thousand dollars
2 (\$100,000) or less.

3
4 Requested by: Senator Warren

5 **LOCAL CULTURAL AND ARTISTIC ORGANIZATIONS GRANTS**

6 Sec. 27.6. Of the funds appropriated in this act for the 1995-96 fiscal year to
7 the Department of Cultural Resources the sum of three million dollars (\$3,000,000) shall
8 be distributed as grants-in-aid to nonprofit local cultural or artistic organizations or local
9 governmental entities on a competitive basis in accordance with administrative guidelines
10 issued by the Secretary of the Department of Cultural Resources. The purpose of the
11 grants shall be to support and promote, through the use of grants-in-aid, local cultural and
12 artistic organizations with local or regional significance. Priority consideration shall be
13 given to the local cultural or artistic organization's educational objectives. Grants shall
14 be limited to amounts of one hundred thousand dollars (\$100,000) or less.

15
16 Requested by: Senator Ballance

17 **CONSOLIDATION OF PRISON FACILITIES/PRISON CONSTRUCTION**

18 Sec. 27.10. (a) In order to continue the recommendations of the Government
19 Performance Audit Committee pertaining to the consolidation of smaller prison units in
20 Western North Carolina into a lesser number of facilities, the Department of Correction
21 shall develop and implement plans to close Avery Correctional Center, Watauga
22 Correctional Center, and Yancey Correctional Center and replace them with a facility to
23 be constructed at a site in Avery, Mitchell, Yancey, or Watauga County.

24 (b) The Office of State Construction of the Department of Administration may
25 contract for and supervise all aspects of administration, technical assistance, design,
26 construction, or demolition of prison facilities in order to implement the providing of
27 prison facilities under the provisions of this act.

28 The facilities authorized under this act shall be constructed in accordance with
29 the provisions of general law applicable to the construction of State facilities. If the
30 Secretary of Administration, after consultation with the Secretary of Correction, finds
31 that the delivery of prison facilities must be expedited for good cause, the Office of State
32 Construction of the Department of Administration shall be exempt from the following
33 statutes and rules implementing those statutes, to the extent necessary to expedite
34 delivery: G.S. 143-135.26, 143-128, 143-129, 143-131, 143-132, 143-134, 113A-1
35 through 113A-10, 113A-50 through 113A-66, 133-1.1(g), and 143-408.1 through 143-
36 408.7.

37 Prior to exercising the exemptions allowable under this section, the Secretary
38 of Administration shall give reasonable notice in writing of the Department's intent to
39 exercise the exemptions to the Speaker of the House, the President Pro Tempore of the
40 Senate, the Chairs of the House and Senate Appropriations Committees, the Chairs of the
41 House and Senate Appropriations Subcommittees on Justice and Public Safety, the Chairs
42 of the Joint Legislative Corrections Oversight Committee, and the Fiscal Research
43 Division. The written notice shall contain at least the following information: (i) the

1 specific statutory requirement or requirements from which the Department intends to
2 exempt itself; (ii) the reason the exemption is necessary to expedite delivery of prison
3 facilities; (iii) the way in which the Department anticipates the exemption will expedite
4 the delivery of prison facilities; and (iv) a brief summary of the proposed contract for the
5 project which is to be exempted.

6 The Office of State Construction of the Department of Administration shall
7 have a verifiable ten percent (10%) goal for participation by minority and women-owned
8 businesses. All contracts for the design, construction, or demolition of prison facilities
9 shall include a penalty for failure to complete the work by a specified date.

10 The Office of State Construction of the Department of Administration shall
11 involve the Department of Correction in all aspects of the projects to the extent that such
12 involvement relates to the Department's program needs and to its responsibility for the
13 care of the prison population.

14 (c) The Office of State Construction of the Department of Administration shall
15 provide quarterly reports to the Chairs of the Appropriations Committee and the Base
16 Budget Committee in the Senate, the Chairs of the Appropriations Committee in the
17 House, the Joint Legislative Commission on Governmental Operations, the Chairs of the
18 Joint Legislative Corrections Oversight Committee, and the Fiscal Research Division as
19 to any changes in projects and allocations made under this act. The report shall include
20 any changes in the projects and allocations made pursuant to this act, information on
21 which contractors have been selected, what contracts have been entered into, the
22 projected and actual occupancy dates of facilities contracted for, the number of beds to be
23 constructed on each project, the location of each project, and the projected and actual cost
24 of each project.

25 The Department of Insurance and the Department of Correction shall report
26 quarterly to the Joint Legislative Commission on Governmental Operations on their
27 involvement in the prison construction program.

28
29 Requested by: Senator Ballance

30 **MATCHING FUNDS FOR FEDERAL PRISON CONSTRUCTION FUNDS**

31 Sec. 27.10A. Appropriations made in this act to the Office of State
32 Construction of the Department of Administration for construction of new prison beds,
33 excluding the sum of ten million eight hundred eighty-seven thousand nine hundred
34 dollars (\$10,887,900) to be used for the design and preliminary site work, are to match
35 federal funds available for prison construction in the 1996 federal fiscal year or
36 subsequent federal fiscal years. If the federal match is not made available by January 1,
37 1996, these State funds shall be made available to the Office of State Construction of the
38 Department of Administration for construction of new prison beds, segregation units, and
39 support buildings and systems as specified in this act. To the extent that the Director of
40 the Budget finds that State funds appropriated in this act for construction of new prison
41 beds are not required for prison construction because of the availability of federal funds,
42 the sum of six million dollars (\$6,000,000) shall be made available to the Department of
43 Justice for construction of the SBI Operations Building. Any remaining funds that the

1 Director of the Budget finds are not needed for prison construction, not to exceed the sum
2 of fifty million dollars (\$50,000,000), shall be transferred to a Reserve for Education
3 Purposes in the Office of State Budget and Management.

4 The Office of State Construction shall report to the Chairs of the Joint
5 Legislative Commission on Governmental Operations, the Chairs of the Senate and
6 House Appropriations Committees, and the Chairs of the Senate and House
7 Appropriations Subcommittees on Justice and Public Safety on the availability of federal
8 prison construction matching funds.

9
10 Requested by: Senator Ballance

11 REVERSION OF CERTAIN INSURANCE SETTLEMENT PROCEEDS

12 Sec. 27.10B. Section 22(b) of Chapter 324 of the 1995 Session Laws reads as
13 rewritten:

14 "(b) Any funds received by the Department of Justice in settlement of insurance
15 claims arising from damage to the Blue Bell building at the North Carolina Justice
16 Academy shall be expended by the Department for replacement of the building and for no
17 other purpose. ~~If any appropriation is made to the Department for replacement of the~~
18 ~~Blue Bell Building, then any~~ Any funds received by the Department in excess of one
19 million one hundred thousand dollars (\$1,100,000) as insurance settlement proceeds shall
20 revert to the General Fund."

21
22 Requested by: Senator Martin of Pitt

23 WATER RESOURCES DEVELOPMENT PROJECTS FUNDS

24 Sec. 27.12. (a) Of the funds appropriated in this act to the Department of
25 Environment, Health, and Natural Resources for the 1995-96 fiscal year, the sum of one
26 million eight hundred sixty-five thousand dollars (\$1,865,000) shall be used for water
27 resources development projects and the sum of two hundred thousand dollars (\$200,000)
28 shall be used for small watershed projects. The Department shall allocate funds for the
29 following projects whose estimated costs are as indicated:

- 30 (1) Wilmington Harbor \$374,000
31 Deepening Study
32
33 (2) Jordan Lake Water Supply 130,000
34 Repayment
35
36 (3) Wilmington Harbor 500,000
37 38-ft. Navigation
38 Maintenance Dredging
39
40 (4) Aquatic Plant Control 150,000
41 (Statewide) includes
42 Lake Gaston
43

1	(5)	Rollinson Channel	160,000
2		Maintenance, Dare County	
3			
4	(6)	Wilmington Harbor Channel	72,000
5		Widening	
6			
7	(7)	State-Local Projects	199,000
8			
9	(8)	Repayment to New Hanover	130,000
10		County Spoil Disposal Area	
11			
12	(9)	Dare County Beaches	100,000
13		Feasibility Study	
14			
15	(10)	Planning Assistance to	50,000
16		Communities	
17			
18	(11)	Limestone Creek Watershed Project	40,000
19		Duplin County	
20			
21	(12)	Deep Creek Watershed Project	160,000
22		Yadkin County	
23			
24	Total	\$2,065,000	
25			

26 (b) Where the actual costs are different from the estimated costs under subsection
27 (a) of this section, the Department may adjust the allocations among projects as needed.
28 If any projects listed in subsection (a) of this section are delayed and the budgeted State
29 funds cannot be used during the 1995-96 fiscal year, or if the projects listed in subsection
30 (a) of this section are accomplished at a lower cost, the Department may use the resulting
31 fund availability to fund any of the following:

- 32 (1) Corps of Engineers project feasibility studies.
- 33 (2) Corps of Engineers projects whose schedules have advanced and require
34 State matching funds in fiscal year 1995-96.
- 35 (3) State-local Water Resources Development Projects.
- 36 (4) Soil Conservation Projects whose schedules have advanced and require
37 State matching funds in fiscal year 1995-96.

38 Funds not expended or encumbered for these purposes shall revert to the General
39 Fund at the end of the 1996-97 fiscal year.

40 (c) The Department shall make quarterly reports on the use of these funds to the
41 Joint Legislative Commission on Governmental Operations, the Fiscal Research
42 Division, and the Office of State Budget and Management. Each report shall include all
43 of the following:

- 1 (1) All projects listed in this section.
- 2 (2) The estimated cost of each project.
- 3 (3) The date that work on each project began or is expected to begin.
- 4 (4) The date that work on each project was completed or is expected to be
- 5 completed.
- 6 (5) The actual cost of each project.

7 The quarterly reports shall also show those projects advanced in schedule, those
 8 projects delayed in schedule, and an estimate of the amount of funds expected to revert to
 9 the General Fund.

10
 11 Requested by: Senator Martin of Pitt

12 **STATE PARKS CAPITAL**

13 Sec. 27.13. Of the funds appropriated in this act to the Department of
 14 Environment, Health, and Natural Resources for the 1995-96 fiscal year for capital
 15 improvements and land acquisition at State Parks, no more than three percent (3%) may
 16 be used by the Department for operating expenses associated with managing capital
 17 improvements projects and acquiring land.

18
 19 Requested by: Senator Martin of Pitt

20 **REPAIRS AND RENOVATIONS FUNDS FOR REPAIR OF UNSAFE**
 21 **BUILDINGS**

22 Sec. 27.14. Notwithstanding any other provision of law, funds in the Reserve
 23 for Repairs and Renovations for the 1995-96 fiscal year may be allocated to the
 24 Department of Agriculture to repair or replace any structure that the Department of
 25 Insurance declares is in violation of the State Building Code and is unsafe to the extent
 26 that occupancy may be denied.

27
 28 Requested by: Senator Sherron

29 **UNC SELF-LIQUIDATING PROJECT AUTHORIZED**

30 Sec. 27.15. (a) The purpose of this section is to authorize the construction by certain
 31 constituent institutions of The University of North Carolina and the University of North
 32 Carolina Hospitals at Chapel Hill, of the capital improvements projects listed in the act
 33 for the respective institutions, and authorize the financing of these projects with funds
 34 available to the institutions from gifts, grants, receipts, including patient receipts at the
 35 University of North Carolina Hospitals at Chapel Hill, self-liquidating indebtedness, or
 36 other funds, or any combination of these funds, but not including funds appropriated from
 37 the General Fund of the State.

38 (b) The capital improvements projects authorized by this section to be constructed
 39 and financed as provided in subsection (a) of this section are as follows:

- 40 1. Appalachian State University
- 41 Improvements to Student Residence Facilities \$ 3,697,600
- 42 Replacement of Artificial Surfaces
- 43 in Kidd Brewer Stadium \$1,140,000.

- 1
- 2 2. East Carolina University
- 3 Dowdy-Ficklen Stadium Expansion \$11,183,800
- 4 Renovations and Addition to the Student
- 5 Health Center \$ 3,048,800
- 6 Removal of Architectural Barriers \$13,805,300
- 7 3. North Carolina A & T State University
- 8 Student Union Renovation and Addition \$ 4,395,000
- 9 4. North Carolina Central University
- 10 Renovation of Track and Football Stadium \$ 2,835,000
- 11 5. North Carolina State University
- 12 Partners' II Building \$ 8,077,500
- 13 Partners' III Building (Engineering
- 14 Corporate Building) \$10,311,700
- 15 Student Health Services Center \$ 7,104,500
- 16 6. The University of North Carolina at Asheville
- 17 180-Bed Residence Hall \$ 3,750,600
- 18 7. The University of North Carolina at Chapel Hill
- 19 Addition to the Biological Sciences Research
- 20 Center Building \$ 9,374,000
- 21 Residence Hall Video Network and
- 22 Communications Wiring \$ 4,000,500
- 23 Printing Services Center \$ 2,083,100
- 24 8. The University of North Carolina at Charlotte
- 25 1000 Space Parking Deck \$ 7,525,200
- 26 Cameron Applied Research Center \$ 4,876,100
- 27 9. The University of North Carolina at Greensboro
- 28 Baseball Stadium \$ 3,759,100
- 29 10. The University of North Carolina at Wilmington
- 30 200 Student Residence Hall \$ 5,942,700
- 31 Campus Recreation Facility \$10,484,500
- 32 11. Western Carolina University
- 33 Renovation of Hinds University Center \$ 4,250,000
- 34 12. The University of North Carolina Hospitals at
- 35 Chapel Hill
- 36 North Carolina Children's Hospital, North
- 37 Carolina Women's Hospital and Support
- 38 Services - Phase II \$59,970,800.

39 (c) At the request of The University of North Carolina Board of Governors and
40 upon determining that it is in the best interest of the State to do so, the Director of the
41 Budget may authorize an increase or decrease in the scope of or a change in the method
42 of funding the project authorized by this section. In making a determination of whether
43 to authorize a change in scope or funding, the Director of the Budget may consult with

1 the Advisory Budget Commission. In no event may appropriations from the General
2 Fund be used for a project authorized by this section.

3 Sec. 27.16. (a) The purpose of this section is to amend Section 2 of the 1993
4 Session Laws, Chapter 451, as it relates to the University of North Carolina at
5 Greensboro by increasing the amount authorized for the McIver Street Parking Deck
6 from five million seven hundred eight thousand six hundred dollars (\$5,708,600) to eight
7 million forty-one thousand four hundred dollars (\$8,041,400).

8 (b) Section 2 of Chapter 451 of the 1993 Session Laws under the institutional
9 subheading "6. The University of North Carolina at Greensboro" as indicated, and
10 affecting only the project listed in this act is amended to read as follows:

11 "c. McIver Street Parking Deck \$8,041,400".
12

13 **PART 28. GENERAL CAPITAL AND MISCELLANEOUS BUDGET** 14 **PROVISIONS**

15
16 Requested by: Senators Plyler, Perdue, Odom

17 **PROCEDURES FOR DISBURSEMENT**

18 Sec. 28. The appropriations made by the 1995 General Assembly for capital
19 improvements shall be disbursed for the purposes provided by this act. Expenditure of
20 funds shall not be made by any State department, institution, or agency, until an allotment
21 has been approved by the Governor as Director of the Budget. The allotment shall be
22 approved only after full compliance with the Executive Budget Act, Article 1 of Chapter
23 143 of the General Statutes. Prior to the award of construction contracts for projects to
24 be financed in whole or in part with self-liquidating appropriations, the Director of the
25 Budget shall approve the elements of the method of financing of those projects including
26 the source of funds, interest rate, and liquidation period. Provided, however, that if the
27 Director of the Budget approves the method of financing a project, the Director shall
28 report that action to the Joint Legislative Commission on Governmental Operations at its
29 next meeting.

30 Where direct capital improvement appropriations include the purpose of
31 furnishing fixed and movable equipment for any project, those funds for equipment shall
32 not be subject to transfer into construction accounts except as authorized by the Director
33 of the Budget. The expenditure of funds for fixed and movable equipment and
34 furnishings shall be reviewed and approved by the Director of the Budget prior to
35 commitment of funds.

36 Capital improvement projects authorized by the 1995 General Assembly shall
37 be completed, including fixed and movable equipment and furnishings, within the limits
38 of the amounts of the direct or self-liquidating appropriations provided, except as
39 otherwise provided in this act.
40

41 Requested by: Senators Plyler, Perdue, Odom

42 **RESERVE FOR ADVANCE PLANNING**

1 Sec. 28.1. The Office of State Budget and Management shall report to the
2 Joint Legislative Commission on Governmental Operations and to the Fiscal Research
3 Division on how it intends to spend funds from the Reserve for Advance Planning at least
4 45 days before it spends the funds.

5 The Office of State Budget and Management shall also report the results of
6 any project on which it uses funds from the Reserve for Advance Planning to the Joint
7 Legislative Commission on Governmental Operations and to the Fiscal Research
8 Division.

9
10 Requested by: Senators Plyler, Perdue, Odom

11 **ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND**

12 Sec. 28.2. When each capital improvement project appropriated by the 1995
13 General Assembly, other than those projects under the Board of Governors of The
14 University of North Carolina, is placed under a construction contract, direct
15 appropriations shall be encumbered to include all costs for construction, design,
16 investigation, administration, movable equipment, and a reasonable contingency.
17 Unencumbered direct appropriations remaining in the project budget shall be placed in a
18 project reserve fund credited to the Office of State Budget and Management. Funds in
19 the project reserve may be used for emergency repair and renovation projects at State
20 facilities with the approval of the Director of the Budget. The project reserve fund may
21 be used, at the discretion of the Director of the Budget, to allow for award of contracts
22 where bids exceed appropriated funds, if those projects supplemented were designed
23 within the scope intended by the applicable appropriation or any authorized change in it,
24 and if, in the opinion of the Director of the Budget, all means to award contracts within
25 the appropriation were reasonably attempted. At the discretion of the Director of the
26 Budget, any balances in the project reserve fund shall revert to the original source.

27
28 Requested by: Senators Plyler, Perdue, Odom

29 **PROJECT COST INCREASE**

30 Sec. 28.3. Upon the request of the administration of a State agency,
31 department, or institution, the Director of the Budget may, when in the Director's opinion
32 it is in the best interest of the State to do so, increase the cost of a capital improvement
33 project. Provided, however, that if the Director of the Budget increases the cost of a
34 project, the Director shall report that action to the Joint Legislative Commission on
35 Governmental Operations at its next meeting. The increase may be funded from gifts,
36 federal or private grants, special fund receipts, excess patient receipts above those
37 budgeted at University of North Carolina Hospitals at Chapel Hill, or direct capital
38 improvement appropriations to that department or institution.

39
40 Requested by: Senators Plyler, Perdue, Odom

41 **NEW PROJECT AUTHORIZATION**

42 Sec. 28.4. Upon the request of the administration of any State agency,
43 department, or institution, the Governor may authorize the construction of a capital

1 improvement project not specifically authorized by the General Assembly if such project
2 is to be funded by gifts, federal or private grants, special fund receipts, excess patient
3 receipts above those budgeted at University of North Carolina Hospitals at Chapel Hill,
4 or self-liquidating indebtedness. Provided, however, that if the Director of the Budget
5 authorizes the construction of such a capital improvement project, the Director shall
6 report that action to the Joint Legislative Commission on Governmental Operations at its
7 next meeting.

8
9 Requested by: Senators Plyler, Perdue, Odom

10 **ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS**

11 Sec. 28.5. Funds that become available by gifts, excess patient receipts above
12 those budgeted at University of North Carolina Hospitals at Chapel Hill, federal or
13 private grants, receipts becoming a part of special funds by act of the General Assembly
14 or any other funds available to a State department or institution may be utilized for
15 advance planning through the working drawing phase of capital improvement projects,
16 upon approval of the Director of the Budget. The Director of the Budget may make
17 allocations from the Advance Planning Fund for advance planning through the working
18 drawing phase of capital improvement projects, except that this revolving fund shall not
19 be utilized by the Board of Governors of The University of North Carolina or the State
20 Board of Community Colleges.

21
22 Requested by: Senators Plyler, Perdue, Odom

23 **APPROPRIATIONS LIMITS/REVERSION OR LAPSE**

24 Sec. 28.6. Except as permitted in previous sections of this act, the
25 appropriations for capital improvements made by the 1995 General Assembly may be
26 expended only for specific projects set out by the 1995 General Assembly and for no
27 other purpose. Construction of all capital improvement projects enumerated by the 1995
28 General Assembly shall be commenced, or self-liquidating indebtedness with respect to
29 them shall be incurred, within 12 months following the first day of the fiscal year in
30 which the funds are available. If construction contracts on those projects have not been
31 awarded or self-liquidating indebtedness has not been incurred within that period, the
32 direct appropriation for those projects shall revert to the original source, and the self-
33 liquidating appropriation shall lapse; except that direct appropriations may be placed in a
34 reserve fund as authorized in this act. This deadline with respect to both direct and self-
35 liquidating appropriations may be extended with the approval of the Director of the
36 Budget up to an additional 12 months if circumstances and conditions warrant such
37 extension.

38
39 Requested by: Senators Plyler, Perdue, Odom

40 **EXECUTIVE BUDGET ACT APPLIES**

41 Sec. 28.7. The provisions of the Executive Budget Act, Chapter 143, Article 1
42 of the General Statutes are reenacted and shall remain in full force and effect and are
43 incorporated in this act by reference.

1
2 Requested by: Senators Plyler, Perdue, Odom

3 **COMMITTEE REPORT**

4 Sec. 28.8. (a) The Senate Appropriations Committee Report on Expansion
5 Budget/Capital Budget, dated July 12, 1995, which was distributed in the Senate and used
6 to explain this act, shall indicate action by the General Assembly on this act and shall
7 therefore be used to construe this act, as provided in G.S. 143-15 of the Executive Budget
8 Act, and for these purposes shall be considered a part of this act.

9 (b) The budget enacted by the General Assembly for the maintenance of the
10 various departments, institutions, and other spending agencies of the State for the 1995-
11 97 fiscal biennium is a line item budget, in accordance with the Budget Code Structure
12 and the State Accounting System Uniform Chart of Accounts set out in the
13 Administrative Policies and Procedures Manual of the Office of the State Controller.
14 This budget includes the appropriations made from all sources including the General
15 Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental
16 receipts.

17 The General Assembly amended the itemized budget requests submitted to the
18 General Assembly by the Director of the Budget and the Advisory Budget Commission,
19 in accordance with the steps that follow, and the line item detail in the budget enacted by
20 the General Assembly may be derived accordingly:

- 21 (1) Negative reserves set out in the submitted budget were deleted and the
22 totals were increased accordingly.
- 23 (2) The base budget was adjusted in accordance with the base budget cuts
24 and additions that were set out in the Senate and House Conference
25 Report on the Continuation Budget, dated June 21, 1995.
- 26 (3) Transfers of funds supporting programs were made in accordance with
27 the House and Senate Conference Report on the Continuation Budget,
28 dated June 21, 1995.
- 29 (4) The expansion budget items were added in accordance with the Senate
30 Appropriations Committee Report on Expansion Budget/Capital
31 Budget, dated July 12, 1995. Some of those expansion budget items
32 were in the budget submitted to the General Assembly by the Director
33 of the Budget and the Advisory Budget Commission.

34 Expansion budget items that were funded from new receipts are
35 included in the budget enacted by the General Assembly with program-
36 level detail.

37 The budget enacted by the General Assembly shall also be interpreted in
38 accordance with the special provisions in this act and in accordance with other
39 appropriate legislation.

40 In the event that there is a conflict between the line item budget certified by the
41 Director of the Budget and the budget enacted by the General Assembly, the budget
42 enacted by the General Assembly shall prevail.

43

1 Requested by: Senators Plyler, Perdue, Odom

2 **MOST TEXT APPLIES ONLY TO 1995-97**

3 Sec. 28.9. Except for statutory changes or other provisions that clearly indicate
4 an intention to have effects beyond the 1995-97 fiscal biennium, the textual provisions of
5 this act apply only to funds appropriated for, and activities occurring during, the 1995-97
6 fiscal biennium.

7
8 Requested by: Senators Plyler, Perdue, Odom

9 **1995-97 APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

10 Sec. 28.10. (a) Except as amended by this act, the provisions of Chapter 324 of
11 the 1995 Session Laws remain in effect.

12 (b) Notwithstanding any modifications by this act in the amounts appropriated,
13 except where expressly repealed or amended, the limitations and directions for the 1995-
14 97 fiscal biennium in Chapter 324 of the 1995 Session Laws, that applied to
15 appropriations to particular agencies or for particular purposes apply to the newly enacted
16 appropriations and budget reductions of this act for those same particular purposes.

17

18 Requested by: Senators Plyler, Perdue, Odom

19 **EFFECT OF HEADINGS**

20 Sec. 28.11. The headings to the titles, parts, and sections of this act are a
21 convenience to the reader and are for reference only. The headings do not expand, limit,
22 or define the text of this act.

23

24 Requested by: Senators Plyler, Perdue, Odom

25 **SEVERABILITY CLAUSE**

26 Sec. 28.12. If any section or provision of this act is declared unconstitutional
27 or invalid by the courts, it does not affect the validity of this act as a whole or any part
28 other than the part so declared to be unconstitutional or invalid.

29

30 Requested by: Senators Plyler, Perdue, Odom

31 **EFFECTIVE DATE**

32 Sec. 28.13. Except as otherwise provided, this act becomes effective July 1,
33 1995.