

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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2

HOUSE BILL 1840
Committee Substitute Favorable 6/13/00

Short Title: 2000 Appropriations Act.

(Public)

Sponsors:

Referred to:

May 30, 2000

A BILL TO BE ENTITLED

**AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL
IMPROVEMENTS APPROPRIATIONS ACT OF 1999 AND TO MAKE OTHER
CHANGES IN THE BUDGET OPERATION OF THE STATE.**

The General Assembly of North Carolina enacts:

PART I. INTRODUCTION AND TITLE OF ACT

INTRODUCTION

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

TITLE OF ACT

Section 1.1. This act shall be known as "The Current Operations and Capital Improvements Appropriations Act of 2000."

PART II. CURRENT OPERATIONS/GENERAL FUND

Section 2. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated are made for the fiscal year ending June 30, 2001, according to the schedule that follows. Amounts set out in brackets are reductions from General Fund appropriations for the 2000-01 fiscal year.

<u>Current Operations - General Fund</u>	<u>2000-01</u>
General	Assembly
	\$ (52
2,500)	
Judicial	Department
	13,313,
192	
Office of the Governor	
01. Office of State Budget	
and Management	200,000
02. Office of State Budget and Management	
Special Appropriations	300,000
Department of Secretary of State	55,111
Department of State Auditor	28,054
Department of State Treasurer	567,817
Department of Public Instruction	(25,312
,654)	
Department of Justice	(238,31
6)	
Department of Administration	385,428
Department of Agriculture and	

1	Consumer		Services
2			1,462,9
3	25		
4			
5	Department	of	Labor
6			(300,00
7	0)		
8			
9	Department	of	Insurance
10			(21,403
11)		
12			
13	Department of Environment and		
14	Natural		Resources
15			(1,787,
16	030)		
17			
18	Office	of	Administrative
19			Hearings
20)		(73,178
21			
22	Rules Review Commission		48,000
23			
24	Department of Health and Human Services		
25	01. Office of the Secretary	(17,870,000)	
26	02. Division of Aging	250,000	
27	03. Division of Child Development	(4,600,000)	
28	04. Division of Services for the		
29	Deaf and Hard of Hearing	1,251,250	
30	05. Division of Social Services	5,450,000	
31	06. Division of Health Services	(3,309,871)	
32	07. Division of Medical Assistance	(107,645,129)	
33	08. Division of Services		
34	for the Blind	803,750	
35	09. Division of Mental Health,		
36	Developmental Disabilities, and		
37	Substance Abuse Services	23,482,474	
38	10. Division of Facility Services	1,649,000	
39	11. Division of Vocational		
40	Rehabilitation Services	5,358,672	
41			

1 Total Department of Health and Human Services
 2 (95,179
 3 ,854)
 4
 5 Department of Correction
 6 (13,068
 7 ,958)
 8
 9 Department of Commerce
 10 01. Commerce 2,605,480
 11 02. Biotechnology Center 1,000,000
 12 03. Rural Economic Development
 13 Center 963,693
 14 04. State Aid to non-State
 15 Entities 4,700,000
 16
 17 Department of Revenue
 18 (760,80
 19 5)
 20
 21 Department of Cultural Resources
 22 3,107,1
 23 42
 24
 25 Department of Crime Control
 26 and Public Safety
 27 (568,00
 28 0)
 29
 30 Office of the State Controller
 31 (115,00
 32 0)
 33
 34 University of North Carolina - Board
 35 of Governors
 36 01. General Administration (473,190)
 37 02. University Institutional
 38 Programs 36,386,455
 39 03. Related Educational Programs 3,257,457
 40 04. University of North Carolina
 41 at Chapel Hill
 42 a. Health Affairs (385,467)
 43 05. North Carolina State University

1 at Raleigh
 2 a. Academic Affairs (493,514)
 3 06. University of North Carolina at
 4 Wilmington (140,039)
 5 07. Western Carolina University (159,178)
 6 08. Winston-Salem State University (69,448)
 7 09. North Carolina Central
 8 University 10,646
 9 UNC Hospitals at Chapel Hill
 10 (2,691,
 11 748)
 12 Total University of North
 13 Carolina - Board of Governors
 14 35,241,
 15 974
 16
 17 Community Colleges System Office
 18 15,988,
 19 864
 20
 21 Debt Service
 22 (52,200
 23 ,000)
 24
 25 Office of Juvenile Justice 156,726
 26
 27 Reserve for Compensation Increase
 28 496,500
 29 ,000
 30
 31 Supplemental Retirement Contribution
 32 72,150,
 33 000
 34
 35 Retirement Contribution Adjustment
 36 (172,46
 37 6,000)
 38
 39 Reserve for Retirees Health Benefits
 40 (50,000
 41 ,000)
 42

1	Reserve	for	State	Health	Plan
2					(32,700
3	,000)				
4					
5	Death	Benefit	Contribution		Adjustment
6					(10,864
7	,000)				
8					
9	Reserve	for	Repairs	and	Renovations
10					100,000
11	,000				
12					
13	Clean	Water	Management	Trust	Fund
14					30,000,
15	000				
16					
17	Savings				Reserve
18					120,000
19	,000				
20					
21	GRAND TOTAL CURRENT OPERATIONS –				
22	GENERAL FUND				
23	442,596,708				
24					\$

PART III. CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND

Section 3. Appropriations from the Highway Fund of the State for the maintenance and operation of the Department of Transportation, and for other purposes as enumerated, are made for the fiscal year ending June 30, 2001, according to the schedule that follows. Amounts set out in brackets are reductions from Highway Fund appropriations for the 2000-2001 fiscal year.

33	<u>Current Operations - Highway Fund</u>		<u>2000-2001</u>
34			
35	Department of Transportation		
36	01. Administration	\$ 1,214,914	
37	02. Operations	-	
38	03. Construction and Maintenance		
39	a. Construction		
40	(01) Primary Construction		-
41	(02) Secondary		Construction
42	192,000		
43	(03) Urban Construction		-

1	(04)	Access and Public		
2		Service Roads		-
3	(05)	Discretionary Fund		-
4	(06)	Spot Safety Construction		-
5	b.	State Funds to Match Federal		
6		Highway Aid		-
7	c.	State Maintenance	20,926,120	
8	d.	Ferry Operations -		
9	e.	Capital Improvements	9,000,000	
10	f.	State Aid to Municipalities	192,000	
11	g.	State Aid for Public		
12		Transportation		and Railroads
13		7,700,000		
14	h.	OSHA - State	-	
15	04.	Governor's Highway Safety Program	-	
16	05.	Division of Motor Vehicles	765,284	
17	06.	Reserves and Transfers	<u>25,609,682</u>	
18	GRAND TOTAL CURRENT OPERATIONS/			
19	HIGHWAY FUND			
20				\$
20			65,600,000	

PART IV. HIGHWAY TRUST FUND

Section 4. Appropriations from the Highway Trust Fund are made for the fiscal year ending June 30, 2001, according to the schedule that follows. Amounts set out in brackets are reductions from Highway Trust Fund appropriations for the 2000-2001 fiscal year.

29	<u>Highway Trust Fund</u>			<u>2000-2001</u>
30				
31	01.	Intrastate System	\$ 48,538,626	
32	02.	Secondary Roads Construction	6,102,120	
33	03.	Urban Loops	19,626,998	
34	04.	State Aid - Municipalities	5,092,834	
35	05.	Program Administration	<u>4,119,422</u>	
36	GRAND TOTAL/HIGHWAY TRUST FUND			
37				\$
37			83,480,000	

PART V. BLOCK GRANT FUNDS

Requested by: Representatives Earle, Nye, Easterling, Redwine

DHHS BLOCK GRANT PROVISIONS

1 Section 5.(a) Appropriations from federal block grant funds are made for the
2 fiscal year ending June 30, 2001, according to the following schedule:

3
4 COMMUNITY SERVICES BLOCK GRANT

- 5
6 01. Community Action Agencies \$ 12,377,017
7
8 02. Limited Purpose Agencies 687,612
9
10 03. Department of Health and Human Services
11 to administer and monitor
12 the activities of the
13 Community Services Block Grant 687,612
14

15 TOTAL COMMUNITY SERVICES BLOCK GRANT \$
16 13,752,241

17
18 SOCIAL SERVICES BLOCK GRANT

- 19
20 01. County departments of social services \$ 27,395,663
21 (Transfer from TANF - \$4,500,000)
22
23 02. Allocation for in-home services provided
24 by county departments of
25 social services 2,101,113
26
27 03. Division of Mental Health, Developmental
28 Disabilities, and Substance Abuse Services 3,234,601
29
30 04. Division of Services for the Blind 3,105,711
31
32 05. Division of Facility Services 426,836
33
34 06. Division of Aging - Home and Community
35 Care Block Grant 1,840,234
36
37 07. Child Care Subsidies 3,000,000
38
39 08. Division of Vocational Rehabilitation -
40 United Cerebral Palsy 71,484
41
42 09. State administration 1,693,368
43

- 1 10. Child Medical Evaluation Program 238,321
- 2
- 3 11. Adult day care services 2,155,301
- 4
- 5 12. County departments of social services for
- 6 child abuse prevention and
- 7 permanency planning 394,841
- 8
- 9 13. Transfer to Preventive Health Services
- 10 Block Grant for emergency medical services 213,128
- 11
- 12 14. Transfer to Preventive Health Services Block
- 13 Grant for AIDS education, counseling, and
- 14 testing 66,939
- 15
- 16 15. Department of Administration
- 17 for the N.C. Commission of Indian Affairs
- 18 In-Home Services Program for the elderly 203,198
- 19
- 20 16. Division of Vocational Rehabilitation -
- 21 Easter Seals Society 116,779
- 22
- 23 17. UNC-CH CARES Program for training and
- 24 consultation services 247,920
- 25
- 26 18. Office of the Secretary - Office of Economic
- 27 Opportunity for N.C. Senior Citizens'
- 28 Federation for outreach services to
- 29 low-income elderly persons 41,302
- 30
- 31 19. Special Children Adoption Fund 511,687
- 32
- 33 20. Transfer from TANF Block Grant for
- 34 Enhanced Employee Assistance Program 1,000,000
- 35
- 36 21. Transfer from TANF Block Grant for
- 37 Division of Social Services - Child
- 38 Caring Agencies 1,500,000
- 39
- 40 22. Division of Mental Health,
- 41 Developmental Disabilities, and
- 42 Substance Abuse Services - Developmentally
- 43 Disabled Waiting List for services 5,000,000

1			
2	TOTAL SOCIAL SERVICES BLOCK GRANT		\$
3	54,558,426		
4			
5	LOW-INCOME ENERGY BLOCK GRANT		
6			
7	01. Energy Assistance Programs	\$ 8,092,113	
8			
9	02. Crisis Intervention	7,078,114	
10			
11	03. Administration	1,988,234	
12			
13	04. Department of Commerce -		
14	Weatherization Program	2,684,116	
15			
16	05. Department of Administration -		
17	N.C. Commission of Indian Affairs	39,765	
18			
19	TOTAL LOW-INCOME ENERGY BLOCK GRANT		\$
20	19,882,342		
21			
22	MENTAL HEALTH SERVICES BLOCK GRANT		
23			
24	01. Provision of community-based		
25	services in accordance with the		
26	Mental Health Study Commission's		
27	Adult Severe and Persistently		
28	Mentally Ill Plan	\$ 4,301,361	
29			
30	02. Provision of community-based		
31	services to children	1,898,520	
32			
33	03. Establish Child Residential		
34	Treatment Services Program	1,500,000	
35			
36	04. Administration	783,911	
37			
38	TOTAL MENTAL HEALTH SERVICES BLOCK GRANT		\$
39	8,483,792		
40			
41	SUBSTANCE ABUSE PREVENTION		
42	AND TREATMENT BLOCK GRANT		
43			

1	01.	Provision of community-based		
2		alcohol and drug abuse services,		
3		tuberculosis services, and services		
4		provided by the Alcohol and Drug Abuse		
5		Treatment Centers	\$ 15,043,841	
6				
7	02.	Continuation of services for		
8		pregnant women and women		
9		with dependent children	6,567,532	
10				
11	03.	Continuation of services to		
12		IV drug abusers and others at risk		
13		for HIV diseases	5,210,497	
14				
15	04.	Provision of services to children		
16		and adolescents	7,216,992	
17				
18	05.	Juvenile Services - Family Focus	893,811	
19				
20	06.	Juvenile offender services and substance		
21		abuse pilot	300,000	
22				
23	07.	Establish Child Residential Treatment		
24		Services Program	1,000,000	
25				
26	08.	Administration	2,623,049	
27				
28	TOTAL SUBSTANCE ABUSE PREVENTION			
29	AND TREATMENT BLOCK GRANT			\$
30	38,855,722			
31				
32	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT			
33				
34	01.	Child care subsidies	\$117,145,326	
35				
36	02.	Quality and availability initiatives	12,332,039	
37				
38	03.	Administrative expenses	6,814,598	
39				
40	04.	Transfer from TANF Block Grant for		
41		child care subsidies	57,957,188	
42				
43	05.	Transfer from TANF Block Grant for		

1	child care rate increases and quality		
2	initiatives 18,717,812		
3			
4	TOTAL CHILD CARE AND DEVELOPMENT FUND		
5	BLOCK		GRANT
6			\$2
7	12,966,963		
8			
9	TEMPORARY ASSISTANCE TO NEEDY FAMILIES		
10	(TANF) BLOCK GRANT		
11			
12	01. Work First Cash Assistance		
13	Standard Counties	\$ 81,859,561	
14	Electing Counties	24,331,095	
15			
16	02. Work First County Block Grants	92,018,855	
17			
18	03. Transfer to the Child Care and		
19	Development Fund Block Grant		
20	for child care subsidies	57,957,188	
21			
22	04. Allocation to the Division of Mental		
23	Health, Developmental Disabilities, and		
24	Substance Abuse Services for Work First		
25	substance abuse screening, diagnostic, and		
26	support treatment services and drug testing	3,500,000	
27			
28	05. Allocation to the Division of Social		
29	Services for Work First Evaluation	1,500,000	
30			
31	06. Allocation to the Division of Social		
32	Services for staff development	500,000	
33			
34	07. Reduction of out-of-wedlock births	1,600,000	
35			
36	08. Substance Abuse Services for Juveniles	1,182,280	
37			
38	09. Special Children Adoption Fund	2,300,000	
39			
40	10. Employment Security Commission -		
41	First Stop Employment Assistance	1,000,000	
42			
43	11. Transfer to Social Services Block Grant -		

1	Enhanced Employee Assistance Program	1,000,000
2		
3	12. Work First Job Retention and Follow-Up	
4	Initiatives	1,607,529
5		
6	13. Allocation to the Division of Public Health	
7	for teen pregnancy prevention	2,000,000
8		
9	14. Transfer to Social Services Block Grant	
10	for Child Caring Agencies	1,500,000
11		
12	15. Child Care Subsidies for TANF Recipients	26,621,241
13		
14	16. Work First Housing Initiative	3,000,000
15		
16	17. Transfer to Child Care and Development Fund	
17	Block Grant for Child Care Rate Increases	18,717,812
18		
19	18. Allocation to the Division of Social	
20	Services for Domestic Violence	
21	Prevention and Awareness	1,000,000
22		
23	19. County Child Protective Services,	
24	Foster Care and Adoption Workers	2,727,550
25		
26	20. Intensive Family Preservation Program	2,000,000
27		
28	21. Work First/Boys and Girls Clubs	1,000,000
29		
30	22. Transfer to Social Services Block Grant for	
31	County Departments of Social Services for	
32	Children's Services	4,500,000
33		
34	23. Adolescent Pregnancy Prevention Program	239,261
35		
36	24. Governor's One-on-One Program -	
37	Office of Juvenile Justice	950,674
38		
39	25. Expand Support Our Students -	
40	Office of Juvenile Justice	1,800,000
41		
42	26. Residential Substance Abuse Services	
43	for Women with Children	5,000,000

1			
2	27.	Domestic Violence Services	
3		for Work First families	3,000,000
4			
5	28.	Responsible Fatherhood Initiative	1,000,000
6			
7	29.	After-School Services for	
8		At-Risk Children	2,000,000
9			
10	30.	Business Process Reengineering Project	5,012,000
11			
12	31.	Division of Social Services -	
13		Administration	500,000
14			
15	32.	Child Welfare workers for local	
16		departments of social services	6,600,000
17			
18	33.	Work First Pilots	5,400,000
19			
20	TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES		
21	(TANF)	BLOCK	GRANT
22			\$3
23	64,925,046		
24			
25	MATERNAL AND CHILD HEALTH BLOCK GRANT		
26			
27	01.	Healthy Mothers/Healthy Children	
28		Block Grants to Local Health	
29		Departments	\$ 9,838,074
30			
31	02.	High-Risk Maternity Clinic Services,	
32		Perinatal Education and Training,	
33		Childhood Injury Prevention,	
34		Public Information and Education, and	
35		Technical Assistance to Local Health	
36		Departments	2,012,102
37			
38	03.	Services to Children With Special Health	
39		Care Needs	5,078,647
40			
41	TOTAL MATERNAL AND CHILD		
42	HEALTH BLOCK GRANT		
43	16,928,823		\$

1
2 PREVENTIVE HEALTH SERVICES BLOCK GRANT

3

4	01.	Statewide Health Promotion Programs	\$3,184,399		
5					
6	02.	Dental Services/Fluoridation	100,800		
7					
8	03.	Rape Crisis/Victims' Services			
9		Program - Council for Women	190,134		
10					
11	04.	Rape Prevention and Education			
12		Program - Division of Public			
13		Health and Council for Women	1,137,186		
14					
15	05.	Transfer from Social Services			
16		Block Grant -			
17		AIDS/HIV Education, Counseling,			
18		and Testing	66,939		
19					
20	06.	Transfer from Social Services			
21		Block Grant -			
22		Emergency Medical Services	213,128		
23					
24	07.	Office of Minority Health	159,459		
25					
26	08.	Administrative Costs	143,151		
27					
28	TOTAL	PREVENTIVE HEALTH SERVICES	BLOCK GRANT		
29					\$5
30					,195,196

31

32 Section 5.(b) Decreases in Federal Fund Availability. – If the United States
33 Congress reduces federal fund availability in the Social Services Block Grant below the
34 amounts appropriated in this section, then the Department of Health and Human Services
35 shall allocate these decreases giving priority first to those direct services mandated by
36 State or federal law, then to those programs providing direct services that have
37 demonstrated effectiveness in meeting the federally and State-mandated services goals
38 established for the Social Services Block Grant. The Department shall not include
39 transfers from TANF for specified purposes in any calculations of reductions to the
40 Social Services Block Grant.

41 If the United States Congress reduces the amount of TANF funds below the
42 amounts appropriated in this section after the effective date of this act, then the
43 Department shall allocate the decrease in funds after considering any underutilization of

1 the budget and the effectiveness of the current level of services. Any TANF Block Grant
2 fund changes shall be reported to the Senate Appropriations Committee on Human
3 Resources, the House of Representatives Appropriations Subcommittee on Health and
4 Human Services, and the Fiscal Research Division.

5 Decreases in federal fund availability shall be allocated for the Maternal and
6 Child Health and Preventive Health Services federal block grants by the Department of
7 Health and Human Services after considering the effectiveness of the current level of
8 services.

9 Section 5.(c) Increases in Federal Fund Availability. – Any block grant funds
10 appropriated by the United States Congress in addition to the funds specified in this act
11 shall be expended by the Department of Health and Human Services, with the approval of
12 the Office of State Budget and Management, provided the resultant increases are in
13 accordance with federal block grant requirements and are within the scope of the block
14 grant plan approved by the General Assembly.

15 Section 5.(d) Changes to the budgeted allocations to the block grants
16 appropriated in this act due to decreases or increases in federal funds shall be reported
17 immediately to the Senate Appropriations Committee on Human Resources, the House of
18 Representatives Appropriations Subcommittee on Health and Human Services, and the
19 Fiscal Research Division.

20 Section 5.(e) Limitations on Preventive Health Services Block Grant Funds. –
21 Twenty-five percent (25%) of funds allocated for Rape Prevention and Rape Education
22 shall be allocated as grants to nonprofit organizations to provide rape prevention and
23 education programs targeted for middle, junior high, and high school students.

24 If federal funds are received under the Maternal and Child Health Block Grant
25 for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C. §
26 710), for the 2000-2001 fiscal year, then those funds shall be transferred to the State
27 Board of Education to be administered by the Department of Public Instruction. The
28 Department of Public Instruction shall use the funds to establish an Abstinence Until
29 Marriage Education Program and shall delegate to one or more persons the responsibility
30 of implementing the program and G.S. 115C-81(e1)(4). The Department of Public
31 Instruction shall carefully and strictly follow federal guidelines in implementing and
32 administering the abstinence education grant funds.

33 Section 5.(f) The sum of one million five hundred thousand dollars
34 (\$1,500,000) appropriated to the Department of Health and Human Services, Division of
35 Social Services, in the TANF Block Grant for the 2000-2001 fiscal year for the
36 evaluation of the Work First Program shall be used to do each of the following:

37 (1) Expand the current evaluation of the Work First Program to assess
38 former recipients' earnings, barriers to advancement to economic self-
39 sufficiency, utilization of community support services, and other
40 longitudinal employment data. Assessment periods shall include six
41 and 18 months following closure of the case.

42 (2) Expand the current evaluation of the Work First Program to profile the
43 State's child-only caseload to include indicators of economic and social

1 well-being, academic and behavioral performance, demographic data,
2 description of living arrangements including length of placement out of
3 the home, social and other human services provided to families, and
4 other information needed to assess the needs of the child-only Work
5 First Family Assistance clients and families.

- 6 (3) Expand the current evaluation to profile clients and families exempted
7 from federal and State work participation requirements. The evaluation
8 shall include an assessment of the client and family needs including why
9 clients and families have been exempted.

10 The Department of Health and Human Services shall make a report on its
11 progress in complying with this subsection to the Senate Appropriations Committee on
12 Human Resources, the House of Representatives Appropriations Subcommittee on Health
13 and Human Services, and the Fiscal Research Division no later than September 30, 2001,
14 and shall make a final report no later than September 30, 2002.

15 Section 5.(g) The sum of one million six hundred seven thousand five hundred
16 twenty-nine dollars (\$1,607,529) appropriated to the Department of Health and Human
17 Services, Division of Social Services, in this section in the TANF Block Grant in the
18 2000-2001 fiscal year for the Work First job retention and follow-up model programs
19 shall be used to continue pilots and strategies that support TANF recipients in attaining
20 and maintaining self-sufficiency through job retention, family support services, and pre-
21 and post-TANF follow-up.

22 The Department of Health and Human Services shall make a report on its use
23 of TANF funds for the Work First job retention pilots. This report shall include each of
24 the following:

- 25 (1) A description of the clients served by the program. This description
26 shall include demographic and geographic information about the clients.
27 (2) A description of services provided by the program.
28 (3) The effectiveness of services to clients. Effectiveness of services to
29 clients shall be measured, in part, by the percentage of clients who
30 remain employed at intervals of six months and one year after
31 commencement of employment.
32 (4) The estimated cost of services per client.
33 (5) A description of the development and design of the program and of any
34 evaluation mechanisms.
35 (6) A description of coordination efforts among local departments of social
36 services with other human services agencies.
37 (7) A description of progress in achieving other outcome goals such as
38 family economic progress and child/family well-being.

39 This report shall be made to the Senate Appropriations Committee on Human Resources,
40 the House of Representatives Appropriations Subcommittee on Health and Human
41 Services, and the Fiscal Research Division no later than April 1, 2001.

42 Section 5.(h) The sum of five hundred eleven thousand six hundred eighty-
43 seven dollars (\$511,687) appropriated in this section in the Social Services Block Grant

1 to the Department of Health and Human Services, Special Children Adoption Fund, for
2 the 2000-2001 fiscal year shall be used to implement this subsection. The Division of
3 Social Services, in consultation with the North Carolina Association of County Directors
4 of Social Services and representatives of licensed private adoption agencies, shall
5 develop guidelines for the awarding of funds to licensed public and private adoption
6 agencies upon the adoption of children described in G.S. 108A-50 and in foster care.
7 Payments received from the Special Children Adoption Fund by participating agencies
8 shall be used exclusively to enhance the adoption services program. No local match shall
9 be required as a condition for receipt of these funds.

10 Section 5.(i) If funds appropriated through the Child Care and Development
11 Fund for any program cannot be obligated or spent in that program within the obligation
12 or liquidation periods allowed by the federal grants, the Department may move funds to
13 other programs, in accordance with federal requirements of the grant, in order to use the
14 federal funds fully.

15 Section 5.(j) The sum of one million five hundred thousand dollars
16 (\$1,500,000) appropriated in this act in the TANF Block Grant and transferred to the
17 Social Services Block Grant to the Department of Health and Human Services, Division
18 of Social Services, for child caring agencies for the 2000-2001 fiscal year shall be
19 allocated to the State Private Child Caring Agencies Fund. These funds shall be
20 combined with all other funds allocated to the State Private Child Caring Agencies Fund
21 for the reimbursement of the State's portion of the cost of care for the placement of
22 certain children by the county departments of social services who are not eligible for
23 federal IV-E funds. These funds shall not be used to match other federal funds.

24 Section 5.(k) The sum of one million dollars (\$1,000,000) appropriated in this
25 section in the TANF Block Grant and transferred to the Social Services Block Grant to
26 the Department of Health and Human Services, Division of Mental Health,
27 Developmental Disabilities, and Substance Abuse Services, shall be used for the
28 Enhanced Employee Assistance Program, to continue a grant program of financial
29 incentives for private businesses employing former and current Work First recipients.
30 These grants may supply funds to private employers who agree to hire former or current
31 Work First recipients or their spouses at entry-level positions and wages and to supply
32 enhanced grant funds to private employers who agree to hire former or current Work First
33 recipients or their spouses at a level higher than entry-level positions, paying more than
34 the minimum wage, including fringe benefits.

35 Section 5.(l) The sum of four million two hundred thirty-seven thousand four
36 hundred fifty dollars (\$4,237,450) appropriated in this act in the TANF Block Grant to
37 the Department of Health and Human Services, Division of Social Services, for the 2000-
38 2001 fiscal year for Child Welfare Improvements shall be allocated to the county
39 departments of social services for hiring or contracting additional staff on or after July 1,
40 2000, to recruit, train, license, and support prospective foster and adoptive families, and
41 to provide interstate and post-adoption services for eligible families.

42 Section 5.(m) The sum of two million dollars (\$2,000,000) appropriated in this
43 act in the TANF Block Grant to the Department of Health and Human Services, Division

1 of Social Services, for the 2000-2001 fiscal year for the Intensive Family Preservation
2 Services (IFPS) Program shall be used by the Division, in consultation with local
3 departments of social services and other human services agencies, to plan and implement
4 a revised IFPS Program.

5 Notwithstanding the provisions of G.S. 143B-150.6, the Program shall provide
6 intensive services to children and families in cases of abuse, neglect, and dependency
7 where a child is at imminent risk of removal from the home and to children and families
8 in cases of abuse where a child is not at imminent risk of removal. The Program shall be
9 developed and implemented statewide on a regional basis. The revised IFPS Program
10 shall ensure the application of standardized assessment criteria for determining imminent
11 risk and clear criteria for determining out-of-home placement.

12 The Department shall reexamine the existing IFPS Program design to ensure
13 the application of a standardized assessment and clear criteria for the determination of
14 imminent risk of removal. Additionally, the Department shall assess the education and
15 skill levels required of staff providing intensive family preservation services in existing
16 programs.

17 The Department shall develop a revised evaluation model for the current and
18 expanded IFPS Program. This evaluation shall not include area mental health or juvenile
19 justice programs. The model shall be scientifically rigorous, including the use of
20 treatment comparison groups, a review and description of interventions provided to
21 families as compared to customary services provided to other child welfare children and
22 families, and data regarding the number and type of referrals made for other human
23 services and the utilization of those services.

24 The Department shall report on the use of the funds appropriated under this
25 subsection, including the revised evaluation model and IFPS Program, to the Senate
26 Appropriations Committee on Human Resources, the House of Representatives
27 Appropriations Subcommittee on Health and Human Services, and the Fiscal Research
28 Division no later than April 1, 2001.

29 Section 5.(n) The Department of Health and Human Services and the
30 Employment Security Commission shall report on the use of funds appropriated under
31 this section from the TANF Block Grant to the First Stop Employment Assistance
32 Program. This report shall include each of the following:

- 33 (1) The number of clients served since the inception of the program by
34 fiscal year.
- 35 (2) The amount of funds expended each fiscal year.
- 36 (3) A description of the clients served. This description shall include
37 demographic information about these clients.
- 38 (4) A description of coordination efforts with other human services
39 agencies, including local departments of social services.
- 40 (5) A description of specific services provided to both initial and intensive
41 First Stop clients.
- 42 (6) The placement rates of clients in both the initial and intensive programs.

- 1 (7) Statistics related to job retention, measured at least at intervals of six
2 months and one year after the commencement of employment.
3 (8) Statistics related to the wage history of clients.
4 (9) Any other information the Department and the Employment Security
5 Commission find relevant to an evaluation of the program.

6 This report shall be made to the Senate Appropriations Committee on Human
7 Resources, the House of Representatives Appropriations Subcommittee on Health and
8 Human Services, and the Fiscal Research Division no later than April 1, 2001.

9 Section 5.(o) The sum of one million dollars (\$1,000,000) appropriated in this
10 section to the Department of Health and Human Services in the TANF Block Grant for
11 Boys and Girls Clubs shall be used to make grants for approved programs. The
12 Department of Health and Human Services, in accordance with federal regulations for the
13 use of TANF Block Grant funds, shall administer a grant program to award funds to the
14 Boys and Girls Clubs across the State in order to implement programs that improve the
15 motivation, performance, and self-esteem of youth and to implement other initiatives that
16 would be expected to reduce school dropout and teen pregnancy rates. The Department
17 shall encourage and facilitate collaboration between the Boys and Girls Clubs and
18 Support Our Students, Communities in Schools, and similar programs to submit joint
19 applications for the funds if appropriate. The Department shall report on its progress in
20 complying with this subsection to the Senate Appropriations Committee on Human
21 Resources, the House of Representatives Appropriations Subcommittee on Health and
22 Human Services, and the Fiscal Research Division no later that April 1, 2001.

23 Section 5.(p) Payment for subsidized child care services provided with federal
24 TANF funds shall comply with all regulations and policies issued by the Division of
25 Child Development for the subsidized child care program.

26 Section 5.(q) The sum of three million dollars (\$3,000,000) appropriated in
27 this section in the TANF Block Grant to the Department of Health and Human Services,
28 Division of Social Services, for the Work First Housing Initiative shall be used only for
29 direct housing support to Work First clients and families. Direct housing support
30 includes using funds for rental assistance, loans, moving expenses, and other financial
31 assistance. These funds shall not be used for administration, counseling, or other similar
32 services.

33 Section 5.(r) The sum of five hundred thousand dollars (\$500,000)
34 appropriated in this section in the TANF Block Grant to the Department of Health and
35 Human Services, Division of Social Services, for the 2000-2001 fiscal year shall be used
36 to support administration of TANF-funded programs.

37 Section 5.(s) The sum of nine hundred fifty thousand six hundred seventy-four
38 dollars (\$950,674) appropriated in this section in the TANF Block Grant to the
39 Department of Health and Human Services and transferred to the Office of Juvenile
40 Justice for the 2000-2001 fiscal year shall be used to continue the Governor's One-on-
41 One Program.

42 Section 5.(t) The sum of five million dollars (\$5,000,000) appropriated in this
43 section in the TANF Block Grant to the Department of Health and Human Services,

1 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
2 for the 2000-2001 fiscal year shall be used to establish and expand regional residential
3 substance abuse treatment and services for women with children. The Department of
4 Health and Human Services, the Division of Social Services, and the Division of Mental
5 Health, Developmental Disabilities, and Substance Abuse Services, in consultation with
6 local departments of social services, area mental health programs, and other State and
7 local agencies or organizations, shall coordinate this effort in order to facilitate the
8 expansion of regionally based substance abuse services for women with children. These
9 services shall be culturally appropriate and designed for the unique needs of TANF
10 women with children.

11 In order to expedite the expansion of these services, the Secretary of the
12 Department of Health and Human Services may enter into contracts with service
13 providers.

14 The Department of Health and Human Services, the Division of Social
15 Services, and the Division of Mental Health, Developmental Disabilities, and Substance
16 Abuse Services, shall report on their progress in complying with this subsection no later
17 than October 1, 2000, and March 1, 2001, to the Senate Appropriations Committee on
18 Human Resources, the House of Representatives Appropriations Subcommittee on Health
19 and Human Services, and the Fiscal Research Division. These reports shall include all of
20 the following:

- 21 (1) The number and location of additional beds created.
- 22 (2) The types of facilities established.
- 23 (3) The delineation of roles and responsibilities at the State and local levels.
- 24 (4) Demographics of the women served, the number of women served, and
25 the cost per client.
- 26 (5) Demographics of the children served, the number of children served,
27 and the services provided.
- 28 (6) Job placement services provided to women.
- 29 (7) A plan for follow-up and evaluation of services provided with an
30 emphasis on outcomes.
- 31 (8) Barriers identified to the successful implementation of the expansion.
- 32 (9) Identification of other resources needed to appropriately and efficiently
33 provide services to Work First recipients.
- 34 (10) Other information as requested.

35 Section 5.(u) The sum of one million eight hundred thousand dollars
36 (\$1,800,000) appropriated under this section in the TANF Block Grant to the Department
37 of Health and Human Services and transferred to the Office of Juvenile Justice for the
38 2000-2001 fiscal year shall be used to expand the Support Our Students Program
39 statewide. These funds shall not be used for administration of the program.

40 Section 5.(v) The sum of three million dollars (\$3,000,000) appropriated under
41 this section in the TANF Block Grant to the Department of Health and Human Services,
42 Division of Social Services, for the 2000-2001 fiscal year shall be used to provide
43 domestic violence services to Work First recipients. The Division of Social Services, in

1 consultation with the Council for Women, shall develop and implement a mechanism by
2 which these funds may be used to facilitate delivery of domestic violence counseling,
3 support, and other direct services to clients. These funds shall not be used to establish
4 new domestic violence shelters, for State administration, or to facilitate lobbying efforts.
5 The Department of Health and Human Services and the Council for Women shall report
6 on the uses of these funds no later than February 1, 2001, to the Senate Appropriations
7 Committee on Human Resources, the House of Representatives Appropriations
8 Subcommittee on Health and Human Services, and the Fiscal Research Division.

9 Section 5.(w) The sum of one million dollars (\$1,000,000) appropriated in this
10 section in the TANF Block Grant to the Department of Health and Human Services,
11 Division of Public Health, for the 2000-2001 fiscal year shall be used to support the
12 Responsible Fatherhood Initiative. These funds shall be used to augment the existing
13 efforts targeted at males and to expand the responsible parenting programs to young-adult
14 males. These funds shall be targeted at counties with the highest needs as determined by
15 the Division of Public Health. The evaluation of this initiative shall be incorporated into
16 the overall evaluation of the pregnancy prevention and responsible parenting activities
17 currently in place. This initiative shall be administered as directed in subsection (x) of
18 this section.

19 Section 5.(x) The funds appropriated to the Department of Health and Human
20 Services, Division of Public Health, in this act for the 2000-2001 fiscal year for teen
21 pregnancy prevention shall be used in accordance with the provisions of this subsection.

22 Effective July 1, 2000, the Department of Health and Human Services,
23 Division of Public Health, shall adopt guidelines for the administration of funds for teen
24 pregnancy prevention and for parenting programs. The guidelines shall include the
25 following programmatic requirements:

- 26 (1) Council development at the local level is encouraged but not required
27 for program funding. Councils that received first-year funding for the
28 1999-2000 fiscal year for administrative expenses for coalition building
29 and partnership development shall receive funds committed for the
30 second year of organizational development. The Division shall
31 encourage programs that receive funding under this section to involve
32 Healthy Carolinians task forces in program efforts in lieu of forming
33 additional councils.
- 34 (2) In awarding grants, the Department shall target counties with the highest
35 teen pregnancy rates and greatest need for parenting programs. Grants
36 may be renewed based on program efficiency and effectiveness, teen
37 pregnancy rates, and the level of need for parenting programs. Amounts
38 awarded for grant renewals shall not be based on the five-year program
39 funding cycle established under G.S. 130A-131.15.
- 40 (3) The Division shall encourage all programs to implement best practice
41 models. All existing programs not using best practice models shall be
42 encouraged to transition to the use of best practice models.
- 43 (4) Programs are not required to provide a cash match for these funds.

1 Funds for State-level administrative expenses of the Program shall not exceed
2 ten percent (10%) of the total budget for teen pregnancy prevention and parenting
3 programs. Administrative expenses include staffing and contracted services for
4 evaluation and coalition-building activities.

5 The Department shall contract with an independent private consulting firm to
6 evaluate the programs. The evaluation shall include standard data collection utilizing the
7 mechanism that has been developed by the University of North Carolina at Chapel Hill,
8 School of Social Work, and shall be conducted in a manner that objectively measures the
9 effectiveness of each program evaluated.

10 The Department shall report annually on March 1, to the House of
11 Representatives Appropriations Subcommittee on Health and Human Services, the Senate
12 Appropriations Committee on Human Resources, and the Fiscal Research Division. The
13 report shall include information on all of the following for each teen pregnancy
14 prevention and parenting program:

- 15 (1) The program budget delineating all administrative expenses, contracts
16 for services, and technical assistance.
- 17 (2) A narrative describing each project funded and the amount of funds
18 received by the project.
- 19 (3) Effectiveness of the program in reducing teen pregnancy or developing
20 responsible parenting skills in young adults, as applicable.
- 21 (4) Status of the evaluation.

22 Section 5.(y) The sum of two million dollars (\$2,000,000) appropriated in this
23 section in the TANF Block Grant to the Department of Health and Human Services,
24 Division of Social Services, shall be used to expand after-school programs and services
25 for at-risk children. The Department shall develop and implement a grant program to
26 award grants to community-based programs that demonstrate the ability to reach children
27 at risk of teen pregnancy and school dropout. The Department shall award grants to
28 community-based organizations that demonstrate the ability to develop and implement
29 linkages with local departments of social services, area mental health programs, schools,
30 and other human services programs in order to provide support services and assistance to
31 the child and family. These funds may be used to establish one position within the
32 Division of Social Services to coordinate at-risk after-school programs and shall not be
33 used for other State administration. The Department shall report no later than March 1,
34 2001, on its progress in complying with this section to the Senate Appropriations
35 Committee on Human Resources, the House of Representatives Subcommittee on Health
36 and Human Services, and the Fiscal Research Division.

37 Section 5.(z) The sum of five million twelve thousand dollars (\$5,012,000)
38 appropriated in this section in the TANF Block Grant to the Department of Health and
39 Human Services shall be used to continue the Business Process Reengineering Project.
40 The Department shall report directly to the Information Resource Management
41 Commission in accordance with the Commission's requirements. The Department shall
42 report on the use of these funds no later than April 1, 2001, to the Senate Appropriations

1 Committee on Human Resources, the House of Representatives Appropriations
2 Subcommittee on Health and Human Services, and the Fiscal Research Division.

3 Section 5.(aa) The sum of six million six hundred thousand dollars
4 (\$6,600,000) appropriated in this section in the TANF Block Grant to the Department of
5 Health and Human Services, Division of Social Services, for the 2000-2001 fiscal year
6 for Child Welfare Improvements shall be allocated to the county departments of social
7 services for hiring or contracting additional staff on or after July 1, 2000, to investigate
8 and provide services in Child Protective Services cases; to recruit, train, license, and
9 support prospective foster and adoptive families; and to provide interstate and post-
10 adoption services for eligible families.

11 Section 5.(bb) The sum of one million five hundred thousand dollars
12 (\$1,500,000) appropriated in this section in the Mental Health Block Grant to the
13 Department of Health and Human Services, Division of Mental Health, Developmental
14 Disabilities, and Substance Abuse Services, for the 2000-2001 fiscal year and the sum of
15 one million dollars (\$1,000,000) appropriated in this section in the Substance Abuse
16 Prevention and Treatment Block Grant to the Department of Health and Human Services,
17 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
18 for the 2000-2001 fiscal year shall be used to establish a Child Mental Health Residential
19 Treatment/Services Program in accordance with Section 11.19 of this act.

20
21
22 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

23 **NER BLOCK GRANT FUNDS**

24 Section 5.1.(a) Appropriations from federal block grant funds are made for the
25 fiscal year ending June 30, 2001, according to the following schedule:

26
27 **COMMUNITY DEVELOPMENT BLOCK GRANT**

28			
29	01.	State Administration	1,000,000
30			
31	02.	Urgent Needs and Contingency	1,000,000
32			
33	03.	Scattered Site Housing	10,340,000
34			
35	04.	Economic Development	8,710,000
36			
37	05.	Community Revitalization	13,500,000
38			
39	06.	State Technical Assistance	450,000
40			
41	07.	Housing Development	3,000,000
42			
43	08.	Infrastructure	7,000,000

1
2 TOTAL COMMUNITY DEVELOPMENT3 BLOCK GRANT - 2001 Program Year \$ 45,000,000
4

5 Section 5.1.(b) Decreases in Federal Fund Availability. – Decreases in federal fund
6 availability for the Community Development Block Grants. – If federal funds are reduced
7 below the amounts specified above after the effective date of this act, then every program
8 in each of these federal block grants shall be reduced by the same percentage as the
9 reduction in federal funds.

10 Section 5.1.(c) Increases in Federal Fund Availability for Community Development
11 Block Grant. – Any block grant funds appropriated by the Congress of the United States
12 in addition to the funds specified in this section shall be expended as follows: – Each
13 program category under the Community Development Block Grant shall be increased by
14 the same percentage as the increase in federal funds.

15 Section 5.1.(d) Limitations on Community Development Block Grant Funds. – Of
16 the funds appropriated in this section for the Community Development Block Grant, the
17 following shall be allocated in each category for each program year: up to one million
18 dollars (\$1,000,000) may be used for State administration; up to one million dollars
19 (\$1,000,000) may be used for Urgent Needs and Contingency; up to ten million three
20 hundred forty thousand dollars (\$10,340,000) may be used for Scattered Site Housing; up
21 to eight million seven hundred ten thousand dollars (\$8,710,000) may be used for
22 Economic Development; not less than thirteen million five hundred thousand dollars
23 (\$13,500,000) shall be used for Community Revitalization; up to four hundred fifty
24 thousand dollars (\$450,000) may be used for State Technical Assistance; up to three
25 million dollars (\$3,000,000) may be used for Housing Development; up to seven million
26 dollars (\$7,000,000) may be used for Infrastructure. If federal block grant funds are
27 reduced or increased by the Congress of the United States after the effective date of this
28 act, then these reductions or increases shall be allocated in accordance with subsection (b)
29 or (c) of this section, as applicable.

30 Section 5.1.(e) Increase Capacity for Nonprofit Organizations. – Assistance to
31 nonprofit organizations to increase their capacity to carry out CDBG-eligible activities in
32 partnership with units of local government is an eligible activity under any program
33 category in accordance with federal regulations. Capacity building grants may be made
34 from funds available within program categories, program income, or unobligated funds.

35 Section 5.1.(f) Future CDBG Proposals. – In developing future CDBG
36 proposals, the Department of Commerce shall consider ways in which to address the
37 abatement of outhouses in the State.

38
39 **PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY**
40 **STATEMENTS**41
42 **GENERAL FUND AVAILABILITY STATEMENT**

1 Section 6.(a) The General Fund availability used to adjust the 2000-2001 fiscal
2 year budget is shown below:

		FY 2000-2001
3		
4		
5	Budget Reform Statement (\$ million)	
6	Beginning Unreserved Credit Balance	0.0
7		
8	Tax Revenues - Current Tax Law	13,216.3
9	Non-Tax Revenues:	
10	Investment Income	214.0
11	Judicial Fees	106.7
12	Disproportionate Share	105.0
13	Insurance	41.7
14	Highway Trust Fund Transfer	170.0
15	Highway Fund Transfer	13.8
16	Other Non-Tax Revenues	96.3
17		
18		Subtotal
19		13,964.0
20	HB 1854 - 2000 Fee Bill	6.1
21	Railroad Debt Repayment	11.0
22	Y2K Reserve Transfer	9.0
23	Hurricane Fran Reserve Transfer	26.0
24	HB 1559 IRC Conformity Adjustment	(2.0)
25	Disproportionate Share Reserve Transfer	1.0
26	Crime Victims Compensation Fund Reversion	1.0
27	State/Federal Retirees Administrative	
28	Cost Reimbursement	0.1
29	Federal Retirees Refund Reversion	0.3
30		
31	TOTAL GENERAL FUND AVAILABILITY	14,016.3
32		

33 Section 6.(b) Effective June 30, 2000, the Director of the Budget shall transfer
34 from the 11th/12th month carryforward balance in the State Aid to Local School
35 Administrative Units the sum of two hundred forty million dollars (\$240,000,000) to a
36 reserve in the Department of State Treasurer. These funds shall be held in reserve for
37 allocation pursuant to a consent order entered in Wake County Superior Court for the
38 Class B plaintiffs in Smith, et al. v. State, 95 CVS 06715 and for all plaintiffs in Shaver,
39 et al. v. State, 98 CVS 00625.

40 Section 6.(c) The unencumbered balance remaining in the Department of
41 Commerce Y2K Conversion Fund shall be transferred to the General Fund on July 1,
42 2000.

1 Section 6.(d) Of the unencumbered balance remaining in Budget Code 13017-
2 1710, the Hurricane Fran Disaster Relief Fund, the sum of twenty-six million dollars
3 (\$26,000,000) shall be transferred to the General Fund on July 1, 2000.

4 Section 6.(e) Of the unencumbered balance in budget code 24701 in the
5 Department of Revenue, the sum of three hundred fifty thousand dollars (\$350,000) shall
6 be transferred to the General Fund on July 1, 2000.

7 Section 6.(f) The Commissioner of Insurance shall transfer funds quarterly
8 from the Department of Insurance Fund to the General Fund to repay the funds
9 appropriated to the Department of Insurance from the General Fund for each fiscal year,
10 plus accrued interest at a rate determined by the State Treasurer.

11 Section 6.(g) Disproportionate Share Receipts reserved at the end of the 1999-
12 2000 fiscal year shall be deposited with the Department of State Treasurer as a nontax
13 revenue for the 2000-2001 fiscal year.

14 **HIGHWAY FUND AVAILABILITY**

15 Section 6.1. The Highway Fund appropriations availability used in developing
16 modifications to the 2000-2001 Highway Fund budget contained in this act is shown
17 below:
18

	<u>2000-2001</u>
19	
20	
21 Beginning Credit Balance	\$6,980,000
22 Estimated Revenue	1,240,030,000
23 Additional Reversions	—
24	
25 TOTAL HIGHWAY FUND AVAILABILITY	\$1,247,010,000
26	

27 **PART VII. GENERAL PROVISIONS**

28
29 Requested by: Representatives Easterling, Redwine

30 **CONTROLLER FINANCIAL STATEMENT REPORTING CLARIFICATION**

31 Section 7.(a) G.S. 143-20.1 reads as rewritten:

32 **"§ 143-20.1. Annual financial statements.**

33 ~~Beginning with fiscal years ending in 1984 and each and every year thereafter, Every~~
34 ~~fiscal year, all State agencies and component units of the State, as defined by generally~~
35 ~~accepted accounting principles, shall prepare annual financial statements on all funds~~
36 ~~administered by them no later than 60 days subsequent to the close after the end of the~~
37 ~~State's fiscal year then ended in accordance with generally accepted accounting principles~~
38 ~~as described in authoritative pronouncements and interpreted and/or or prescribed by the~~
39 ~~State Controller, and in such form as he may require. the form required by the State~~
40 ~~Controller. The State Controller shall publish guidelines specifying the procedures to~~
41 ~~implement the necessary records, procedures, and accounting systems to reflect these~~
42 ~~statements on the proper basis of accounting.~~

1 Accordingly, the State Controller shall combine the financial statements for the
2 various agencies into a Comprehensive Annual Financial Report for the State of North
3 Carolina in accordance with generally accepted accounting principles. These statements,
4 along with the opinion of the State Auditor, shall be published as the official financial
5 statements of the State and shall be distributed to the Governor, the Office of State
6 Budget and Management, members of the General Assembly, heads of departments,
7 ~~agencies~~ agencies, and institutions of the State, and other interested parties. The State
8 Controller shall notify the Director of the Budget of any ~~and all~~ State agencies ~~which and~~
9 ~~component units of the State, as defined by generally accepted accounting principles, that~~
10 ~~have not complied fully with the requirements of this provision~~ section within the
11 specified time, and the Director of the Budget shall employ whatever means necessary,
12 including the withholding of allotments, to ensure immediate corrective actions."

13 Section 7.(b) G.S. 143B-426.39 reads as rewritten:

14 **"§ 143B-426.39. Powers and duties of the State Controller.**

15 The State Controller shall:

- 16 (1) Prescribe, develop, operate, and maintain in accordance with generally
17 accepted principles of governmental accounting, a uniform state
18 accounting system for all state agencies. The system shall be designed
19 to assure compliance with all legal and constitutional requirements
20 including those associated with the receipt and expenditure of, and the
21 accountability for public funds.
- 22 (2) On the recommendation of the State Auditor, prescribe and supervise
23 the installation of any changes in the accounting systems of an agency
24 that, in the judgment of the State Controller, are necessary to secure and
25 maintain internal control and facilitate the recording of accounting data
26 for the purpose of preparing reliable and meaningful statements and
27 reports. The State Controller shall be responsible for seeing that a new
28 system is designed to accumulate information required for the
29 preparation of budget reports and other financial reports.
- 30 (3) Maintain complete, accurate and current financial records that set out all
31 revenues, charges against funds, fund and appropriation balances,
32 interfund transfers, outstanding vouchers, and encumbrances for all
33 State funds and other public funds including trust funds and institutional
34 funds available to, encumbered, or expended by each State agency, in a
35 manner consistent with the uniform State accounting system.
- 36 (4) Prescribe the uniform classifications of accounts to be used by all State
37 agencies including receipts, expenditures, assets, liabilities, fund types,
38 organization codes, and purposes. The State Controller shall also, after
39 consultation with the Office of State Budget and Management, prescribe
40 a form for the periodic reporting of financial accounts, transactions, and
41 other matters that is compatible with systems and reports required by the
42 State Controller under this section. Additional records, accounts, and
43 accounting systems may be maintained by agencies when required for

- 1 reporting to funding sources provided prior approval is obtained from
2 the State Controller.
- 3 (4a) Prescribe that, unless exempted by the State Controller, newly created
4 or acquired component units of the State are required to have the same
5 fiscal year as the State.
- 6 (5) Prescribe the manner in which disbursements of the State agencies shall
7 be made, in accordance with G.S. 143-3.
- 8 (6) Operate a central payroll system, in accordance with G.S. 143-3.2 and
9 143-34.1.
- 10 (7) Keep a record of the appropriations, allotments, expenditures, and
11 revenues of each State agency, in accordance with G.S. 143-20.
- 12 (8) Make appropriate reconciliations with the balances and accounts kept by
13 the State Treasurer.
- 14 (9) Develop, implement, and amend as necessary a uniform statewide cash
15 management plan for all State agencies in accordance with G.S. 147-
16 86.11.
- 17 (9a) Implement a statewide accounts receivable program in accordance with
18 Article 6B of Chapter 147 of the General Statutes.
- 19 (10) Prepare and submit to the Governor, the State Auditor, the State
20 Treasurer, and the Office of State Budget and Management each month,
21 a report summarizing by State agency and appropriation or other fund
22 source, the results of financial transactions. This report shall be in the
23 form that will most clearly and accurately set out the current fiscal
24 condition of the State. The State Controller shall also furnish each State
25 agency a report of its transactions by appropriation or other fund source
26 in a form that will clearly and accurately present the fiscal activities and
27 condition of the appropriation or fund source.
- 28 (11) Prepare and submit to the Governor, the State Auditor, the State
29 Treasurer, and the Office of State Budget and Management, at the end
30 of each quarter, a report on the financial condition and results of
31 operations of the State entity for the period ended. This report shall
32 clearly and accurately present the condition of all State funds and
33 appropriation balances and shall include comments, recommendations,
34 and concerns regarding the fiscal affairs and condition of the State.
- 35 (12) Prepare on or before October 31 of each year, a Comprehensive Annual
36 Financial Report in accordance with generally accepted accounting
37 principles of the preceding fiscal year, in accordance with G.S. 143-
38 20.1. The report shall include State agencies and component units of
39 the State, as defined by generally accepted accounting principles.
- 40 (13) Perform additional functions and duties assigned to the State Controller,
41 within the scope and context of the Executive Budget Act, Chapter 143,
42 Article 1 of the General Statutes.
- 43 (14) through (16) Recodified by Session Laws 1997-148, s. 3."

1 Section 7.(c) G.S. 115D-58.5(a) reads as rewritten:

2 "(a) Each institution shall establish and maintain an accounting system consistent
3 with procedures as prescribed by the Community Colleges System Office and the State
4 Auditor, Controller, which shows its assets, liabilities, equities, revenues, and
5 expenditures."
6

7 Requested by: Representatives Easterling, Redwine, Nesbitt, Walend

8 **RAISE STATE TORT CLAIMS LIMIT**

9 Section 7.1.(a) G.S. 143-291(a) reads as rewritten:

10 "(a) The North Carolina Industrial Commission is hereby constituted a court for the
11 purpose of hearing and passing upon tort claims against the State Board of Education, the
12 Board of Transportation, and all other departments, institutions and agencies of the State.
13 The Industrial Commission shall determine whether or not each individual claim arose as
14 a result of the negligence of any officer, employee, involuntary servant or agent of the
15 State while acting within the scope of his office, employment, service, agency or
16 authority, under circumstances where the State of North Carolina, if a private person,
17 would be liable to the claimant in accordance with the laws of North Carolina. If the
18 Commission finds that there was such negligence on the part of an officer, employee,
19 involuntary servant or agent of the State while acting within the scope of his office,
20 employment, service, agency or authority, which was the proximate cause of the injury
21 and that there was no contributory negligence on the part of the claimant or the person in
22 whose behalf the claim is asserted, the Commission shall determine the amount of
23 damages which the claimant is entitled to be paid, including medical and other expenses,
24 and by appropriate order direct the payment of such damages by the department,
25 institution or agency concerned, but in no event shall the amount of damages awarded
26 exceed the sum of ~~one hundred fifty thousand dollars (\$150,000)~~ five hundred thousand
27 dollars (\$500,000) cumulatively to all claimants on account of injury and damage to any
28 one person. Community colleges and technical colleges shall be deemed State agencies
29 for purposes of this Article. The fact that a claim may be brought under more than one
30 Article under this Chapter shall not increase the foregoing maximum liability of the
31 State."

32 Section 7.1.(b) G.S. 143-291.3 reads as rewritten:

33 **"§ 143-291.3. Counterclaims by State.**

34 The filing of a claim under this Article shall constitute consent by the plaintiff(s)
35 to the jurisdiction of the Industrial Commission to hear and determine any
36 counterclaim of ~~one hundred fifty thousand dollars (\$150,000)~~ five hundred thousand
37 dollars (\$500,000) or less ~~which~~ that may be filed on behalf of a State department,
38 institution, or agency or a county or city board of education. A final award of the
39 Industrial Commission awarding damages on a counterclaim shall be filed with the Clerk
40 of the Superior Court of the county wherein the case was heard. These awards shall be
41 docketed and shall be enforceable in the same manner as judgments of the General Court
42 of Justice. Notwithstanding the provisions of Rule 12 of the Rules of Civil Procedure,
43 nothing in this section shall require the filing of such a counterclaim."

1 Section 7.1.(c) G.S. 143-299.2 reads as rewritten:

2 **"§ 143-299.2. Limitation on payments by the State.**

3 The maximum amount which the State may pay cumulatively to all claimants on
4 account of injury and damage to any one person, whether the claim or claims are brought
5 under this Article or Article 31A or Article 31B, shall be ~~one hundred fifty thousand~~
6 ~~dollars (\$150,000),~~ five hundred thousand dollars (\$500,000), less any commercial
7 liability insurance purchased by the State and applicable to the claim or claims under G.S.
8 143-291(b), 143-300.6(c), or 143-300.16(c). The fact that a claim or claims may be
9 brought under more than one Article under this Chapter shall not increase the above
10 maximum liability of the State."

11 Section 7.1.(c1) For any claim payable during the 2000-2001 fiscal year by the
12 State under Article 31, as amended by this section, Article 31A, or Article 31B, of
13 Chapter 143 of the General Statutes and payable out of State agency funds, the Director
14 of the Budget shall pay that portion that is in excess of one hundred fifty thousand dollars
15 (\$150,000). Each General Fund agency shall transfer to the Office of State Budget and
16 Management its proportionate share of that agency's estimated lapsed salaries, as
17 determined by the Director of the Budget, and these transferred funds shall be used for
18 those portions of claims paid under this subsection that are in excess of one hundred fifty
19 thousand dollars (\$150,000).

20 Section 7.1.(d) This section is effective when it becomes law and applies to all
21 judgments, orders, or awards entered and all settlements finalized on or after that date.

22
23 Requested by: Representatives Easterling, Redwine

24 **NORTH CAROLINA RAILROAD DEBT REPAYMENT**

25 Section 7.2.(a) The North Carolina Railroad Company shall pay to the General
26 Fund on January 31st of each year, the interest due under the interest-bearing investment
27 demand note executed under the authorization of subsection 32.30(b) of S.L. 1997-443
28 until the note is satisfied.

29 The applicable rate of interest with respect to any month or portion thereof
30 during the term of this note shall be the net rate of return generated by the State
31 Treasurer's Short Term Investment Fund for the preceding calendar month.

32 Section 7.2.(b) Notwithstanding G.S. 136-16.6(a), the North Carolina Railroad
33 Company shall pay annual dividends to the General Fund based on the amount of the
34 annual lease payments received by the Company from the operating company less the
35 interest payments made pursuant to subsection (a) of this section.

36 Section 7.2.(c) Notwithstanding any other provision of law, the outstanding
37 principal amount to be repaid on the interest-bearing investment demand note described
38 in subsection (a) of this section shall be reduced by the dividend payments made pursuant
39 to subsection (b) of this section.

40 Section 7.2.(d) This section shall expire when the interest-bearing demand note has
41 been satisfied and all required amounts have been repaid in full to the State.

42
43 Requested by: Representatives Easterling, Redwine

1 **STATE** **SUPPORTED** **SCIENCE/TECHNOLOGY**
2 **RECOMMENDATIONS/STUDY**

3 Section 7.3.(a) The General Assembly finds that significant State funding or
4 in-kind support of scientific or technological development activity by a non-State entity
5 has been provided, but questions have arisen about whether there has been adequate
6 provision for reimbursement of these expenses or a sharing by the State of the returns on
7 the activities. The General Assembly desires to develop a policy to ensure that the State
8 will share in the return on these development activities in return for the substantial
9 investment provided by the State, without discouraging traditional scientific or
10 technological development activities provided through research institutions in the
11 University system. The General Assembly finds that any solution should not cause
12 unintended consequences, but shall protect the interest of the taxpayers who have
13 provided the funds.

14 Section 7.3.(b) The Legislative Research Commission shall study whether,
15 consistent with the findings of subsection (a) of this section, the following should be
16 required from the non-State entity as conditions of the funding or in-kind support:

- 17 (1) An acknowledgement that State funding or in-kind support is provided
18 to serve a public purpose.
- 19 (2) A copy of the non-State entity's audited annual financial report for the
20 year before and then each year after the extension of State funding or in-
21 kind support.
- 22 (3) A quarterly report of marketing activities related to any of its scientific
23 or technological development activity that has received State funding or
24 in-kind support.
- 25 (4) Prior notice of any acquisition, merger, or corporate activity by the non-
26 State entity that would:
- 27 a. Affect the public purpose and public benefit contemplated in the
28 extension of State funding or in-kind support.
- 29 b. Benefit any of its corporate officers in the form of receiving
30 directly or indirectly stock, stock options, or other valuable
31 interest in a for-profit entity.

32 Section 7.3.(c) The Legislative Research Commission shall further study, consistent
33 with the findings in subsection (a) of this section, whether the State shall provide funding
34 or in-kind support to a non-State entity for scientific or technological development only
35 as a contractual agreement and whether a condition of the contract shall be that the non-
36 State entity do the following:

- 37 (1) Reimburse the State for all State support of any invention, innovation,
38 discovery, or process that is transferred or marketed for a profit by the
39 non-State entity.
- 40 (2) Agree to provide to the State prospectively a share in the future profits
41 generated by a State-supported scientific or technological development.

42 Section 7.3.(d) The Legislative Research Commission shall report its
43 recommendations to the 2001 Session of the General Assembly.

1
2 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
3 **BUDGETING OF FUNDS TO IMPLEMENT THE ABCs OF PUBLIC**
4 **EDUCATION PROGRAM**

5 Section 7.4. The Director of the Budget shall include in the proposed
6 continuation budget for the 2001-2003 fiscal biennium funds necessary to provide:

- 7 (1) Incentive funding for schools that meet or exceed the projected levels of
8 improvement in student performance in accordance with the ABCs of
9 Public Education Program; and
10 (2) Financial awards for personnel in schools that obtain the goals of the
11 pilot program established in Section 8.36 of S.L. 1999-237. The
12 purpose of this program is to test and evaluate a revised school
13 accountability model for the ABCs of Public Education Program.
14

15 **PART VIII. PUBLIC SCHOOLS**
16

17 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
18 **EXPENDITURE OF FUNDS TO IMPROVE STUDENT ACCOUNTABILITY**

19 Section 8. Section 8.17 of S.L. 1999-237 reads as rewritten:

20 "Section 8.17. (a) Funds appropriated for the ~~1999-2001 fiscal biennium-2000-~~
21 2001 fiscal year for Student Accountability Standards shall be used to assist students in
22 performing at or above grade level in reading and mathematics in grades 3-8 as measured
23 by the State's end-of-grade tests. The State Board of Education shall allocate these funds
24 to local school administrative units based on the number of students who score at Level I
25 or Level II on either reading or mathematics end-of-grade tests in grades 3-8. Funds in
26 this allocation category shall be ~~spent only used~~ to improve the academic performance of
27 ~~children~~ (i) students who are performing at Level I or II on either reading or mathematics
28 end-of-grade tests in grades 3-8 and ~~children~~ (ii) students who are performing at Level I
29 or II on the writing tests in grades 4 and 7. These funds may also be used to improve the
30 academic performance of students who are performing at Level I or II on the high school
31 end-of-course tests. These funds shall not be transferred to other allocation categories or
32 otherwise used for other purposes. Except as otherwise provided by law, local boards of
33 education may transfer other funds available to them into this allocation category.

34 The principal of a school receiving these funds, in consultation with the faculty and
35 the site-based management team, shall implement plans for expending these funds to
36 improve the performance of students.

37 Continuation budget funds previously appropriated for NC Helps and for the middle
38 school pilot project shall be transferred to this allocation category.

39 Local boards of education are encouraged to use federal funds such as Goals 2000 and
40 Title I Comprehensive School Reform Development Funds and to examine the use of
41 State funds to ensure that every student is performing at or above grade level in reading
42 and mathematics.

1 The State Board of Education shall report to the Joint Legislative Education Oversight
2 Committee prior to the convening of the 2000 Regular Session of the General Assembly
3 on the implementation of this section. The report may include recommendations
4 regarding the transfer of other funds into this allocation category.

5 Section 8.17.(b) Funds appropriated for Student Accountability Standards shall not
6 revert at the end of each fiscal year but shall remain available for expenditure until
7 August 31 of the subsequent fiscal year."

8
9 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
10 **USE OF STAFF DEVELOPMENT FUNDS MENTOR TRAINING**

11 Section 8.1. G.S. 115C-105.27 reads as rewritten:

12 **"§ 115C-105.27. Development and approval of school improvement plans.**

13 In order to improve student performance, each school shall develop a school
14 improvement plan that takes into consideration the annual performance goal for that
15 school that is set by the State Board under G.S. 115C-105.35. The principal of each
16 school, representatives of the assistant principals, instructional personnel, instructional
17 support personnel, and teacher assistants assigned to the school building, and parents of
18 children enrolled in the school shall constitute a school improvement team to develop a
19 school improvement plan to improve student performance. Representatives of the
20 assistant principals, instructional personnel, instructional support personnel, and teacher
21 assistants shall be elected by their respective groups by secret ballot. Unless the local
22 board of education has adopted an election policy, parents shall be elected by parents of
23 children enrolled in the school in an election conducted by the parent and teacher
24 organization of the school or, if none exists, by the largest organization of parents formed
25 for this purpose. Parents serving on school improvement teams shall reflect the racial and
26 socioeconomic composition of the students enrolled in that school and shall not be
27 members of the building-level staff. Parental involvement is a critical component of
28 school success and positive student achievement; therefore, it is the intent of the General
29 Assembly that parents, along with teachers, have a substantial role in developing school
30 improvement plans. To this end, school improvement team meetings shall be held at a
31 convenient time to assure substantial parent participation. The strategies for improving
32 student performance shall performance:

33 (1) Shall include a plan for the use of staff development funds that may be
34 made available to the school by the local board of education to
35 implement the school improvement plan and shall plan. The plan may
36 provide that a portion of these funds is used for mentor training and for
37 release time and substitute teachers while mentors and teachers
38 mentored are meeting;

39 (2) Shall include a plan to address school safety and discipline concerns in
40 accordance with the safe school plan developed under Article 8C of this
41 Chapter. The strategies may Chapter;

- 1 (3) May include a decision to use State funds in accordance with ~~G.S.~~
2 115C-105.25. ~~The strategies for improving student performance shall~~
3 G.S. 115C-105.25;
- 4 (4) Shall include a plan that specifies the effective instructional practices
5 and methods to be used to improve the academic performance of
6 students identified as at risk of academic failure or at risk of dropping
7 out of school. ~~The strategies may also school;~~
- 8 (5) May include requests for waivers of State laws, rules, or policies for that
9 school. A request for a waiver shall meet the requirements of G.S.
10 115C-105.26.

11 Support among affected staff members is essential to successful implementation of a
12 school improvement plan to address improved student performance at that school. The
13 principal of the school shall present the proposed school improvement plan to all of the
14 principals, assistant principals, instructional personnel, instructional support personnel,
15 and teacher assistants assigned to the school building for their review and vote. The vote
16 shall be by secret ballot. The principal shall submit the school improvement plan to the
17 local board of education only if the proposed school improvement plan has the approval
18 of a majority of the staff who voted on the plan.

19 The local board of education shall accept or reject the school improvement plan. The
20 local board shall not make any substantive changes in any school improvement plan that
21 it accepts. If the local board rejects a school improvement plan, the local board shall state
22 with specificity its reasons for rejecting the plan; the school improvement team may then
23 prepare another plan, present it to the principals, assistant principals, instructional
24 personnel, instructional support personnel, and teacher assistants assigned to the school
25 building for a vote, and submit it to the local board to accept or reject. If no school
26 improvement plan is accepted for a school within 60 days after its initial submission to
27 the local board, the school or the local board may ask to use the process to resolve
28 disagreements recommended in the guidelines developed by the State Board under G.S.
29 115C-105.20(b)(5). If this request is made, both the school and local board shall
30 participate in the process to resolve disagreements. If there is no request to use that
31 process, then the local board may develop a school improvement plan for the school. The
32 General Assembly urges the local board to utilize the school's proposed school
33 improvement plan to the maximum extent possible when developing such a plan.

34 A school improvement plan shall remain in effect for no more than three years;
35 however, the school improvement team may amend the plan as often as is necessary or
36 appropriate. If, at any time, any part of a school improvement plan becomes unlawful or
37 the local board finds that a school improvement plan is impeding student performance at
38 a school, the local board may vacate the relevant portion of the plan and may direct the
39 school to revise that portion. The procedures set out in this subsection shall apply to
40 amendments and revisions to school improvement plans.”

41
42 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

43 **EXCEPTIONAL CHILDREN**

1 Section 8.2. The funds appropriated for exceptional children for the 2000-
2 2001 fiscal year shall be allocated as follows:

3 (1) Each local school administrative unit shall receive for academically or
4 intellectually gifted children the sum of eight hundred forty-three dollars
5 and fifty-nine cents (\$843.59) per child for four percent (4%) of the
6 2000-2001 allocated average daily membership in the local school
7 administrative unit, regardless of the number of children identified as
8 academically or intellectually gifted in the local school administrative
9 unit. The total number of children for which funds shall be allocated
10 pursuant to this subdivision is 51,542 for the 2000-2001 school year.

11 (2) Each local school administrative unit shall receive for children with
12 special needs the sum of two thousand five hundred forty-nine dollars
13 and seventy-four cents (\$2,549.74) per child for the lesser of (i) all
14 children who are identified as children with special needs or (ii) twelve
15 and five-tenths percent (12.5%) of the 2000-2001 allocated average
16 daily membership in the local school administrative unit. The maximum
17 number of children for which funds shall be allocated pursuant to this
18 subdivision is 156,296 for the 2000-2001 school year.

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

22
23 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
24 **LIMITED ENGLISH PROFICIENCY**

25 Section 8.3. Section 8.10 of S.L. 1999-237 reads as rewritten:

26 "Section 8.10. The State Board of Education shall develop guidelines for identifying
27 and providing services to students with limited proficiency in the English language.

28 The State Board shall allocate these funds to local school administrative units and to
29 charter schools under a formula that takes into account the average percentage of students
30 in the units or the charters over the past three years who have limited English proficiency.
31 If data for the prior three years are not available, the State Board shall use the most recent
32 reliable data. The State Board shall allocate funds to a unit or a charter school only if (i)
33 average daily membership of the unit or the charter school includes at least 20
34 students with limited English proficiency or (ii) students with limited English proficiency
35 comprise at least two and one-half percent (2 1/2%) of the average daily membership of
36 the unit or charter school. No unit or charter school shall receive funds for more than For
37 the portion of the funds that is allocated on the basis of the number of identified students,
38 the maximum number of identified students for whom a unit or charter school receives
39 funds shall not exceed ten and six-tenths percent (10.6%) of its average daily
40 membership.

41 Local school administrative units shall use funds allocated to them to pay for
42 classroom teachers, teacher assistants, tutors, textbooks, classroom materials/instructional

1 supplies/equipment, transportation costs, and staff development for students with limited
2 English proficiency.

3 A county in which a local school administrative unit receives funds under this section
4 shall use the funds to supplement local current expense funds and shall not supplant local
5 current expense funds."
6

7 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

8 **EXCEPTIONAL CHILDREN HEAD COUNT**

9 Section 8.4. The Commission on Children with Special Needs shall study the
10 issue of when the head count of children with special needs should be performed and
11 whether a single head count during a school year is adequate. The Commission shall
12 report the results of its study to the 2001 General Assembly.
13

14 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

15 **REDUCE IMPACT OF SIGNIFICANT REDUCTIONS IN ADM IN SMALL**
16 **SCHOOLS SYSTEMS**

17 Section 8.5. If a county school administrative unit with 3,000 or fewer
18 students experiences a greater than four percent (4%) loss in projected average daily
19 membership due to shifts of enrollment to charter schools located within the unit, the
20 State Board of Education may use funds appropriated to State Aid to Local School
21 Administrative Units for the 2000-2001 fiscal year to reduce the loss of funds to the unit's
22 schools, other than charter schools, to a maximum of four percent (4%).
23

24 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

25 **FUNDS FOR THE TESTING AND IMPLEMENTATION OF THE NEW**
26 **STUDENT INFORMATION SYSTEM**

27 Section 8.6. The State Board of Education may transfer up to one million
28 dollars (\$1,000,000) in funds appropriated for the Uniform Education Reporting System
29 for the 2000-2001 fiscal year to the Department of Public Instruction to lease or purchase
30 equipment necessary for the testing and implementation of NC WISE, the new student
31 information system in the public schools.
32

33 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

34 **USES OF THE ADM RESERVE**

35 Section 8.7. If a local school administrative unit has inadequate resources due
36 to (i) the establishment of a new charter school or (ii) authorization from the State Board
37 of Education to increase the enrollment of an existing charter school by more than ten
38 percent (10%), the State Board of Education may allocate additional funds to the unit
39 from the Reserve for Average Daily Membership Adjustment. The State Board shall
40 develop policies for the implementation of this section.
41

42 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

43 **CLASS-SIZE COMPUTATION FOR K-2**

1 Section 8.8. Local school administrative units shall use teacher positions
 2 allocated for kindergarten through second grade (i) to hire classroom teachers and reading
 3 teachers for children in kindergarten through second grade and (ii) to otherwise reduce
 4 the student-teacher ratio in kindergarten through second grade.

5 Notwithstanding the provisions of G.S. 115C-301(c), both the maximum
 6 average class size for the grade span kindergarten, first grade, and second grade, and the
 7 maximum size of an individual class within the grade span shall be 26 students.

8
 9 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

10 **LITIGATION RESERVE**

11 Section 8.9.(a) Funds in the State Board of Education's Litigation Reserve that are
 12 not expended or encumbered on June 30, 2000, shall not revert on July 1, 2000, but shall
 13 remain available for expenditure until June 30, 2001.

14 Section 8.9.(b) Subsection (a) of this section becomes effective June 30, 2000.

15 Section 8.9.(c) The State Board of Education may expend up to five hundred
 16 thousand dollars (\$500,000) for the 2000-2001 fiscal year from unexpended funds for
 17 certified employees' salaries to pay expenses related to pending litigation.

18
 19 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

20 **TEACHER SALARY SCHEDULES**

21 Section 8.10.(a) Effective for the 2000-2001 school year, the Director of the Budget
 22 may transfer from the Reserve for Compensation Increase for the 2000-2001 fiscal year
 23 funds necessary to implement the teacher salary schedule set out in subsection (b) of this
 24 section, including funds for the employer's retirement and social security contributions
 25 and funds for annual longevity payments at one and one-half percent (1.5%) of base
 26 salary for 10 to 14 years of State service, two and twenty-five hundredths percent
 27 (2.25%) of base salary for 15 to 19 years of State service, three and twenty-five
 28 hundredths percent (3.25%) of base salary for 20 to 24 years of State service, and four
 29 and one-half percent (4.5%) of base salary for 25 or more years of State service,
 30 commencing July 1, 2000, for all teachers whose salaries are supported from the State's
 31 General Fund. These funds shall be allocated to individuals according to rules adopted
 32 by the State Board of Education. The longevity payment shall be paid in a lump sum
 33 once a year.

34 Section 8.10.(b) For the 2000-2001 school year, the following monthly salary
 35 schedules shall apply to certified personnel of the public schools who are classified as
 36 teachers. The schedule contains 30 steps with each step corresponding to one year of
 37 teaching experience.

38
 39 **2000-2001 MONTHLY SALARY SCHEDULE**
 40 **"A"TEACHERS**

41

42	Years of	"A"	NBPTS
43	Experience	Teachers	Certification

1	0	\$2,500	N/A
2	1	\$2,542	N/A
3	2	\$2,585	N/A
4	3	\$2,737	\$3,065
5	4	\$2,875	\$3,220
6	5	\$3,006	\$3,366
7	6	\$3,133	\$3,508
8	7	\$3,234	\$3,622
9	8	\$3,281	\$3,674
10	9	\$3,329	\$3,728
11	10	\$3,378	\$3,783
12	11	\$3,427	\$3,838
13	12	\$3,476	\$3,893
14	13	\$3,526	\$3,949
15	14	\$3,578	\$4,007
16	15	\$3,631	\$4,066
17	16	\$3,685	\$4,127
18	17	\$3,740	\$4,188
19	18	\$3,796	\$4,251
20	19	\$3,853	\$4,315
21	20	\$3,911	\$4,380
22	21	\$3,971	\$4,447
23	22	\$4,032	\$4,515
24	23	\$4,095	\$4,586
25	24	\$4,158	\$4,656
26	25	\$4,222	\$4,728
27	26	\$4,287	\$4,801
28	27	\$4,354	\$4,876
29	28	\$4,423	\$4,953
30	29+	\$4,493	\$5,032

**2000-2001 MONTHLY SALARY SCHEDULE
"G"TEACHERS**

Years of Experience	"G" Teachers	NBPTS Certification
0	\$2,750	N/A
1	\$2,796	N/A
2	\$2,844	N/A
3	\$3,011	\$3,372
4	\$3,163	\$3,542
5	\$3,307	\$3,703

1	6	\$3,446	\$3,859
2	7	\$3,557	\$3,983
3	8	\$3,609	\$4,042
4	9	\$3,662	\$4,101
5	10	\$3,716	\$4,161
6	11	\$3,770	\$4,222
7	12	\$3,824	\$4,282
8	13	\$3,879	\$4,344
9	14	\$3,936	\$4,408
10	15	\$3,994	\$4,473
11	16	\$4,054	\$4,540
12	17	\$4,114	\$4,607
13	18	\$4,176	\$4,677
14	19	\$4,238	\$4,746
15	20	\$4,302	\$4,818
16	21	\$4,368	\$4,892
17	22	\$4,435	\$4,967
18	23	\$4,505	\$5,045
19	24	\$4,574	\$5,122
20	25	\$4,644	\$5,201
21	26	\$4,716	\$5,281
22	27	\$4,789	\$5,363
23	28	\$4,865	\$5,448
24	29+	\$4,942	\$5,535

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Section 8.10.(b1) 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 certified personnel of the public schools who are classified as "G" teachers.

Section 8.10.(c) Effective for the 2000-2001 school year, the first step of the salary schedule for school psychologists shall be equivalent to Step 5, corresponding to five years of experience, on the salary schedule established in this section for certified personnel of the public schools who are classified as "G" teachers. Certified psychologists shall be placed on the salary schedule at an appropriate step based on their years of experience. Certified psychologists shall receive longevity payments based on years of State service in the same manner as teachers.

Certified psychologists with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars

1 (\$126.00) per month in addition to the compensation provided for certified psychologists.
 2 Certified psychologists with certification based on academic preparation at the doctoral
 3 degree level shall receive a salary supplement of two hundred fifty-three dollars
 4 (\$253.00) per month in addition to the compensation provided for certified psychologists.

5 Section 8.10.(d) Effective for the 2000-2001 school year, speech pathologists
 6 who are certified as speech pathologists at the masters degree level and audiologists who
 7 are certified as audiologists at the masters degree level and who are employed in the
 8 public schools as speech and language specialists and audiologists shall be paid on the
 9 school psychologist salary schedule.

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

17 Section 8.10.(e) Certified school nurses who are employed in the public
 18 schools as nurses shall be paid on the "G" salary schedule.

19
 20 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

21 **SCHOOL-BASED ADMINISTRATOR SALARIES**

22 Section 8.11.(a) Funds appropriated to the Reserve for Compensation Increase shall
 23 be used for the implementation of the salary schedule for school-based administrators as
 24 provided in this section. These funds shall be used for State-paid employees only.

25 Section 8.11.(b) The base salary schedule for school-based administrators shall apply
 26 only to principals and assistant principals. The base salary schedule for the 2000-2001
 27 fiscal year, commencing July 1, 2000, is as follows:

28
 29 **2000-2001**
 30 **PRINCIPAL AND ASSISTANT PRINCIPAL SALARY SCHEDULES**

31
 32 **Classification**

33 Yrs of	Assistant	Prin I	Prin II	Prin III	Prin IV
34 Exp	Principal	(0-10)	(11-21)	(22-32)	(33-43)
36 0-4	\$3,195				
37 5	\$3,340				
38 6	\$3,480				
39 7	\$3,593				
40 8	\$3,645	\$3,645			
41 9	\$3,699	\$3,699			
42 10	\$3,753	\$3,753	\$3,808		
43 11	\$3,808	\$3,808	\$3,862		

1	12	\$3,862	\$3,862	\$3,918	\$3,975	
2	13	\$3,918	\$3,918	\$3,975	\$4,034	\$4,095
3	14	\$3,975	\$3,975	\$4,034	\$4,095	\$4,155
4	15	\$4,034	\$4,034	\$4,095	\$4,155	\$4,218
5	16	\$4,095	\$4,095	\$4,155	\$4,218	\$4,280
6	17	\$4,155	\$4,155	\$4,218	\$4,280	\$4,345
7	18	\$4,218	\$4,218	\$4,280	\$4,345	\$4,412
8	19	\$4,280	\$4,280	\$4,345	\$4,412	\$4,479
9	20	\$4,345	\$4,345	\$4,412	\$4,479	\$4,550
10	21	\$4,412	\$4,412	\$4,479	\$4,550	\$4,620
11	22	\$4,479	\$4,479	\$4,550	\$4,620	\$4,690
12	23	\$4,550	\$4,550	\$4,620	\$4,690	\$4,763
13	24	\$4,620	\$4,620	\$4,690	\$4,763	\$4,837
14	25	\$4,690	\$4,690	\$4,763	\$4,837	\$4,914
15	26	\$4,763	\$4,763	\$4,837	\$4,914	\$4,991
16	27	\$4,837	\$4,837	\$4,914	\$4,991	\$5,091
17	28	\$4,914	\$4,914	\$4,991	\$5,091	\$5,193
18	29	\$4,991	\$4,991	\$5,091	\$5,193	\$5,297
19	30	\$5,091	\$5,091	\$5,193	\$5,297	\$5,403
20	31	\$5,193	\$5,193	\$5,297	\$5,403	\$5,511
21	32		\$5,297	\$5,403	\$5,511	\$5,621
22	33			\$5,511	\$5,621	\$5,733
23	34			\$5,621	\$5,733	\$5,848
24	35				\$5,848	\$5,965
25	36				\$5,965	\$6,084
26	37					\$6,206

2000-2001

PRINCIPAL AND ASSISTANT PRINCIPAL SALARY SCHEDULES

CLASSIFICATION

Yrs of Exp	Prin V (44-54)	Prin VI (55-65)	Prin VII (66-100)	Prin VIII (101+)
14	\$4,218			
15	\$4,280			
16	\$4,345	\$4,412		
17	\$4,412	\$4,479	\$4,620	
18	\$4,479	\$4,550	\$4,690	\$4,763
19	\$4,550	\$4,620	\$4,763	\$4,837
20	\$4,620	\$4,690	\$4,837	\$4,914
21	\$4,690	\$4,763	\$4,914	\$4,991

1	22	\$4,763	\$4,837	\$4,991	\$5,091
2	23	\$4,837	\$4,914	\$5,091	\$5,193
3	24	\$4,914	\$4,991	\$5,193	\$5,297
4	25	\$4,991	\$5,091	\$5,297	\$5,403
5	26	\$5,091	\$5,193	\$5,403	\$5,511
6	27	\$5,193	\$5,297	\$5,511	\$5,621
7	28	\$5,297	\$5,403	\$5,621	\$5,733
8	29	\$5,403	\$5,511	\$5,733	\$5,848
9	30	\$5,511	\$5,621	\$5,848	\$5,965
10	31	\$5,621	\$5,733	\$5,965	\$6,084
11	32	\$5,733	\$5,848	\$6,084	\$6,206
12	33	\$5,848	\$5,965	\$6,206	\$6,330
13	34	\$5,965	\$6,084	\$6,330	\$6,457
14	35	\$6,084	\$6,206	\$6,457	\$6,586
15	36	\$6,206	\$6,330	\$6,586	\$6,718
16	37	\$6,330	\$6,457	\$6,718	\$6,852
17	38	\$6,457	\$6,586	\$6,852	\$6,989
18	39		\$6,718	\$6,989	\$7,129
19	40		\$6,852	\$7,129	\$7,272
20	41	\$7,272	\$7,417		

21 Section 8.11.(c) The appropriate classification for placement of principals and
 22 assistant principals on the salary schedule, except for principals in alternative schools,
 23 shall be determined in accordance with the following schedule:

24		Number of Teachers
25	Classification	Supervised
26	Assistant Principal	
27	Principal I	Fewer than 11 Teachers
28	Principal II	11-21 Teachers
29	Principal III	22-32 Teachers
30	Principal IV	33-43 Teachers
31	Principal V	44-54 Teachers
32	Principal VI	55-65 Teachers
33	Principal VII	66-100 Teachers
34	Principal VIII	More than 100 Teachers

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

38 The beginning classification for principals in alternative schools shall be the
 39 Principal III level. Principals in alternative schools who supervise 33 or more teachers
 40 shall be classified according to the number of teachers supervised.

41 Section 8.11.(d) A principal shall be placed on the step on the salary schedule that
 42 reflects total number of years of experience as a certificated employee of the public
 43 schools and an additional step for every three years of experience as a principal.

1 Section 8.11.(e) For the 2000-2001 fiscal year, a principal or assistant
2 principal shall be placed on the appropriate step plus one percent (1%) if:

- 3 (1) The employee's school met or exceeded the projected levels of
4 improvement in student performance for the 1997-98 fiscal year, in
5 accordance with the ABCs of Public Education Program;
- 6 (2) The local board of education found in 1997-98 that the employee's
7 school met objectively measurable goals set by the local board of
8 education for maintaining a safe and orderly school;
- 9 (3) The employee's school met or exceeded the projected levels of
10 improvement in student performance for the 1998-99 fiscal year, in
11 accordance with the ABCs of Public Education Program;
- 12 (4) The local board of education found in 1998-99 that the employee's
13 school met objectively measurable goals set by the local board of
14 education for maintaining a safe and orderly school;
- 15 (5) The employee's school met or exceeded the projected levels of
16 improvement in student performance for the 1999-2000 fiscal year, in
17 accordance with the ABCs of Public Education Program; or
- 18 (6) The local board of education found in 1999-2000 that the employee's
19 school met objectively measurable goals set by the local board of
20 education for maintaining a safe and orderly school.

21 The principal or assistant principal shall be placed on the appropriate step plus an
22 additional one percent (1%) for meeting each additional condition set out in subdivisions
23 (1) through (6). Under no circumstance shall placement of a principal or assistant
24 principal be higher than six percent (6%) above the appropriate step on the salary
25 schedule.

26 Section 8.11.(f) For the 2000-2001 fiscal year, a principal or assistant
27 principal shall receive a lump-sum payment of:

- 28 (1) One percent (1%) of his or her State-paid salary if the employee's school
29 meets or exceeds the projected levels of improvement in student
30 performance for the 2000-2001 fiscal year, in accordance with the
31 ABCs of Public Education Program.
- 32 (2) One percent (1%) of his or her State-paid salary if the local board of
33 education finds that the employee's school has met the 2000-2001 goals
34 of the local plan for maintaining a safe and orderly school.

35 The principal or assistant principal shall receive a lump-sum payment of two percent
36 (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied.

37 The lump sum shall be paid as determined by guidelines adopted by the State
38 Board. Except as provided in subsection (1) of this section, placement on the salary
39 schedule in the following year shall be based upon these increases.

40 Section 8.11.(g) Principals and assistant principals with certification based on
41 academic preparation at the six-year degree level shall be paid a salary supplement of one
42 hundred twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be
43 paid a salary supplement of two hundred fifty-three dollars (\$253.00) per month.

1 Section 8.11.(h) There shall be no State requirement that superintendents in
2 each local school unit shall receive in State-paid salary at least one percent (1%) more
3 than the highest paid principal receives in State salary in that school unit: Provided,
4 however, the additional State-paid salary a superintendent who was employed by a local
5 school administrative unit for the 1992-93 fiscal year received because of that
6 requirement shall not be reduced because of this subsection for subsequent fiscal years
7 that the superintendent is employed by that local school administrative unit so long as the
8 superintendent is entitled to at least that amount of additional State-paid salary under the
9 rules in effect for the 1992-93 fiscal year.

10 Section 8.11.(i) Longevity pay for principals and assistant principals shall be
11 as provided for State employees under the State Personnel Act.

12 Section 8.11.(j)

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

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

23 This subdivision applies to all transfers on or after the effective date of this
24 section, except transfers in school systems that have been created, or
25 will be created, by merging two or more school systems. Transfers in
26 these merged systems are exempt from the provisions of this
27 subdivision for one calendar year following the date of the merger.

28 Section 8.11.(k) Participants in an approved full-time masters in school
29 administration program shall receive up to a 10-month stipend at the beginning salary of
30 an assistant principal during the internship period of the masters program. Certification
31 of eligible full-time interns shall be supplied to the Department of Public Instruction by
32 the Principal's Fellow Program or a school of education where the intern participates in a
33 full-time masters in school administration.

34 Section 8.11.(l) During the 2000-2001 fiscal year, the placement on the salary
35 schedule of an administrator with a one-year provisional assistant principal's certificate
36 shall be at the entry-level salary for an assistant principal or the appropriate step on the
37 teacher salary schedule, whichever is higher. Lump-sum payments received pursuant to
38 subsection (f) of this section shall not be considered in placing the employee on the salary
39 schedule in subsequent years that the employee is employed under either a provisional or
40 a full certificate.

41
42 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

43 **SCHOOL CENTRAL OFFICE SALARIES**

1 Section 8.12.(a) The following monthly salary ranges apply to assistant
2 superintendents, associate superintendents, directors/coordinators, supervisors, and
3 finance officers for the 2000-2001 fiscal year, beginning July 1, 2000:

4	School Administrator I	\$2,932 - \$5,254
5	School Administrator II	\$3,112 - \$5,576
6	School Administrator III	\$3,303 - \$5,918
7	School Administrator IV	\$3,436 - \$6,157
8	School Administrator V	\$3,574 - \$6,407
9	School Administrator VI	\$3,792 - \$6,799
10	School Administrator VII	\$3,945 - \$7,074

11 The local board of education shall determine the appropriate category and placement for
12 each assistant superintendent, associate superintendent, director/coordinator, supervisor,
13 or finance officer within the salary ranges and within funds appropriated by the General
14 Assembly for central office administrators and superintendents. The category in which
15 an employee is placed shall be included in the contract of any employee hired on or after
16 July 1, 2000.

17 Section 8.12.(b) The following monthly salary ranges apply to public school
18 superintendents for the 2000-2001 fiscal year, beginning July 1, 2000:

- 19 (1) Superintendent I (Up to 2,500 ADM): \$4,187 - \$7,508
- 20 (2) Superintendent II (2,501 - 5,000 ADM): \$4,445 - \$7,965
- 21 (3) Superintendent III (5,001 - 10,000 ADM): \$4,716 - \$8,453
- 22 (4) Superintendent IV (10,001 - 25,000 ADM): \$5,005 - \$8,970
- 23 (5) Superintendent V (Over 25,000 ADM): \$5,312 - \$9,520

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

28 Notwithstanding the provisions of this subsection, a local board of education
29 may pay an amount in excess of the applicable range to a superintendent who is entitled
30 to receive the higher amount under Section 8.11(h) of this act.

31 Section 8.12.(c) Longevity pay for superintendents, assistant superintendents,
32 associate superintendents, directors/coordinators, supervisors, and finance officers shall
33 be as provided for State employees under the State Personnel Act.

34 Section 8.12.(d) Superintendents, assistant superintendents, associate
35 superintendents, directors/coordinators, supervisors, and finance officers with
36 certification based on academic preparation at the six-year degree level shall receive a
37 salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to
38 the compensation provided for pursuant to this section. Superintendents, assistant
39 superintendents, associate superintendents, directors/coordinators, supervisors, and
40 finance officers with certification based on academic preparation at the doctoral degree
41 level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per
42 month in addition to the compensation provided for under this section.

1 Section 8.12.(e) The State Board shall not permit local school administrative
2 units to transfer State funds from other funding categories for salaries for public school
3 central office administrators.

4 Section 8.12.(f) The Director of the Budget shall transfer from the Reserve for
5 Compensation Increase created in this act for fiscal year 2000-2001, beginning July 1,
6 2000, funds necessary to provide an average annual salary increase of five percent (5%),
7 including funds for the employer's retirement and social security contributions,
8 commencing July 1, 2000, for all permanent full-time personnel paid from the Central
9 Office Allotment. The State Board of Education shall allocate these funds to local school
10 administrative units. The local boards of education shall establish guidelines for
11 providing their salary increases to these personnel.

12
13 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
14 **NONCERTIFIED PERSONNEL SALARY FUNDS**

15 Section 8.13.(a) The Director of the Budget may transfer from the Reserve for
16 Compensation Increase created in this act for fiscal year 2000-2001, commencing July 1,
17 2000, funds necessary to provide a salary increase of five percent (5%), including funds
18 for the employer's retirement and social security contributions, commencing July 1, 2000,
19 for all noncertified public school employees, except for teacher assistants, whose salaries
20 are supported from the State's General Fund.

21 Section 8.13.(b) Except as provided in subsection (c) of this section, local boards of
22 education shall increase the rates of pay for all such employees who were employed for
23 fiscal year 1999-2000 and who continue their employment for fiscal year 2000-2001 by
24 at least five percent (5%), commencing July 1, 2000.

25 Section 8.13.(c) A local board of education may adopt a policy that provides for
26 raises of less than five percent (5%) for all such employees who were employed for less
27 than two-thirds of the employment period for fiscal year 1999-2000 and who continue
28 their employment for fiscal year 2000-2001. A local board of education adopting such a
29 policy shall increase the salaries of those employees in accordance with the local policy.

30 Section 8.13.(d) These funds shall not be used for any purpose other than for the
31 salary increases and necessary employer contributions provided by this section.

32 Section 8.13.(e) The State Board of Education may adopt salary ranges for
33 noncertified personnel to support increases of five percent (5%) for the 2000-2001 fiscal
34 year.

35
36 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine,
37 Nesbitt, Bonner, Warner, Yongue

38 **TEACHER ASSISTANT SALARY SCHEDULE**

39 Section 8.13A.(a) The allotment formula for teacher assistants for the 2000-
40 2001 fiscal year shall be a dollar allotment. Local boards of education shall use these
41 funds in the following order of priority:

- 42 (1) To increase the rates of pay for teacher assistants who were employed
43 for fiscal year 1999-2000 and who continue their employment for fiscal

1 year 2000-2001. This increase shall be at least five percent (5%),
 2 commencing July 1, 2000, for all such teacher assistants unless a local
 3 board of education adopts a policy that provides for raises of less than
 4 five percent (5%) for all those teacher assistants who were employed for
 5 less than two-thirds of the employment period for fiscal year 1999-2000
 6 and who continue their employment for fiscal year 2000-2001. A local
 7 board of education adopting such a policy shall increase the salaries of
 8 those teacher assistants who were employed for less than two-thirds of
 9 the employment period for fiscal year 1999-2000 in accordance with the
 10 local policy; that local board shall increase the salaries of those teacher
 11 assistants who were employed for two-thirds or more of the
 12 employment period for fiscal year 1999-2000 by at least five percent
 13 (5%).

14 (2) To begin implementation of the base pay under the salary schedule set
 15 out in subdivision (b)(1) of this section.

16 (3) To provide salary increments to teacher assistants as provided in
 17 subdivision (b)(2) of this section.

18 Section 8.13A.(b) It is the intent of the General Assembly to adopt, fund, and
 19 implement a minimum salary schedule based on years of experience and level of
 20 certification. The minimum monthly salary of a teacher assistant under this salary
 21 schedule shall be one thousand three hundred eighty dollars (\$1,380).

22 (1) To the extent that teacher assistant salary funds allotted for the 2000-
 23 2001 fiscal year are adequate for this purpose after implementation of
 24 the five percent (5%) increase, the following salary schedule for teacher
 25 assistants applies:

Years of Experience	Base Salary (Salary Without a Degree)
0	\$13,800
1	\$14,020
2	\$14,240
3	\$14,470
4	\$14,700
5	\$14,940
6	\$15,180
7	\$15,420
8	\$15,670
9	\$15,920
10	\$16,170
11	\$16,430
12	\$16,690
13	\$16,960
14	\$17,230

1		15	\$17,510
2		16	\$17,790
3		17	\$18,070
4		18	\$18,360
5		19	\$18,650
6		20	\$18,950
7	21+		\$19,250

8 As used in this section 'years of experience' means years as a teacher or
 9 teacher assistant in North Carolina public schools; and

10 (2) To the extent that teacher assistant salary funds allotted for the 2000-
 11 2001 fiscal year are adequate for this purpose after the implementation
 12 of (i) the five percent (5%) increase and (ii) the base salaries contained
 13 in this section, a teacher assistant shall receive a salary increment for
 14 meeting certification and degree standards as follows:

- 15 a. Teacher Assistant Certificate from a Community College (18
 16 credit hours) – 2%;
- 17 b. Teacher Assistant Diploma from a Community College (48 credit
 18 hours) – 4%;
- 19 c. Associate Degree (60 credit hours) – 6%; and
- 20 d. Bachelors Degree – 8%.

21 No teacher assistant shall experience a decrease in salary as a result of
 22 placement on the schedule.

23 Section 8.13A.(c) Each local board of education shall verify to the State Board
 24 of Education that they are providing a five percent (5%) raise to all teacher assistants.
 25 They shall also report on the placement of teacher assistants on the salary schedule.

26 Section 8.13A.(d) Nothing in this section shall be construed to limit the
 27 authority of local school administrative units to transfer funds allocated for teacher
 28 assistants to teacher positions in accordance with G.S. 115C-105.25(b)(1).
 29

30 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
 31 **FUNDS TO IMPLEMENT THE ABCs OF PUBLIC EDUCATION PROGRAM**

32 Section 8.14. The State Board of Education shall use funds appropriated for
 33 State Aid to Local School Administrative Units for the 1999-2000 fiscal year and the
 34 2000-2001 fiscal year to provide incentive funding for schools that met or exceeded the
 35 projected levels of improvement in student performance during the 1999-2000 school
 36 year, in accordance with the ABCs of Public Education Program. In accordance with
 37 State Board of Education policy:

- 38 (1) Incentive awards in schools that achieve higher than expected
 39 improvements may be up to:
 - 40 a. \$1,500 for each teacher and for certified personnel; and
 - 41 b. \$500.00 for each teacher assistant.

- 42 (2) Incentive awards in schools that meet the expected improvements may
 43 be up to:

- 1 a. \$750.00 for each teacher and for certified personnel; and
2 b. \$375.00 for each teacher assistant.

3
4 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
5 **SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES**

6 Section 8.15. Section 8.5(b) of S.L. 1999-237 reads as rewritten:

7 "Section 8.5.(b) Use of Funds for Supplemental Funding. – All funds received
8 pursuant to this section shall be used only (i) to provide instructional positions,
9 instructional support positions, teacher assistant positions, clerical positions, school
10 computer technicians, instructional supplies and equipment, staff development, and
11 textbooks, and (ii) for salary supplements for instructional personnel and instructional
12 support personnel.

13 Local boards of education are encouraged to use at least ~~twenty percent (20%)~~
14 twenty-five percent (25%) of the funds received pursuant to this section to improve the
15 academic performance of children who are performing at Level I or II on either reading
16 or mathematics end-of-grade tests in grades 3-8 and children who are performing at Level
17 I or II on the writing tests in grades 4 and 7. Local boards of education shall report to the
18 State Board of Education on an annual basis on funds used for this purpose, and the State
19 Board shall report this information to the Joint Legislative Education Oversight
20 Committee."

21
22 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
23 **NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS**
24 **CERTIFICATION**

25 Section 8.16. Chapter 115C of the General Statutes is amended by adding a
26 new section to read:

27 "**§ 115C-296.2. National Board for Professional Teaching Standards Certification.**

28 (a) State Policy. – It is the goal of the State to provide opportunities and
29 incentives for good teachers to become excellent teachers and to retain them in the
30 teaching profession; to attain this goal, the State shall support the efforts of teachers to
31 achieve national certification by providing approved paid leave time for teachers
32 participating in the process, paying the participation fee, and paying a significant salary
33 differential to teachers who attain national certification from the National Board for
34 Professional Teaching Standards (NBPTS).

35 The National Board for Professional Teaching Standards (NBPTS) was
36 established in 1987 as an independent, nonprofit organization to establish high standards
37 for teachers' knowledge and performance and for development and operation of a national
38 voluntary system to assess and certify teachers who meet those standards. Participation
39 in the program gives teachers the time and the opportunity to analyze in a systematic way
40 their professional development as teachers, successful teaching strategies, and the
41 substantive areas in which they teach. Participation also gives teachers an opportunity to
42 demonstrate superior ability and to be compensated as superior teachers. To receive
43 NBPTS certification, a teacher must successfully (i) complete a year-long process of

1 developing a portfolio of student work and videotapes of teaching and learning activities
2 and (ii) participate in NBPTS assessment center simulation exercises, including
3 performance-based activities and a content knowledge examination.

4 (b) Definitions. – As used in this subsection:

5 (1) A 'North Carolina public school' is a school operated by a local board of
6 education, the Department of Health and Human Services, the
7 Department of Correction, or The University of North Carolina; a
8 school affiliated with The University of North Carolina; or a charter
9 school approved by the State Board of Education.

10 (2) A 'teacher' is a person who:

11 a. Either:

12 1. Is certified to teach in North Carolina or

13 2. Holds a certificate or license issued by the State Board of
14 Education that meets the professional license requirement
15 for NBPTS certification;

16 b. Is a State-paid employee of a North Carolina public school;

17 c. Is paid on the teacher salary schedule; and

18 d. Spends at least seventy percent (70%) of his or her work time:

19 1. In classroom instruction, if the employee is employed as a
20 teacher. The remainder of the teacher's time shall be spent
21 in one or more of the following: mentoring teachers,
22 doing demonstration lessons for teachers, writing
23 curricula, developing and leading staff development
24 programs for teachers; or

25 2. In work within the employee's area of certification or
26 licensure, if the employee is employed in an area of
27 NBPTS certification other than direct classroom
28 instruction.

29 (c) Payment of the NBPTS Participation Fee; Paid Leave. – The State shall pay the
30 NBPTS participation fee and shall provide up to three days of approved paid leave to all
31 teachers participating in the NBPTS program who:

32 (1) Have completed three years of teaching in a North Carolina public
33 school; and

34 (2) Have (i) not previously received State funds for participating in any
35 certification area in the NBPTS program, (ii) repaid any State funds
36 previously received for the NBPTS certification process, or (iii)
37 received a waiver of repayment from the State Board of Education.

38 Teachers participating in the program shall take paid leave only with the approval of their
39 supervisors.

40 (d) Repayment by a Teacher Who Does Not Complete the Process. – A teacher for
41 whom the State pays the participation fee who does not complete the process shall repay
42 the certification fee to the State.

1 Repayment is not required if a teacher does not complete the process due to the death
2 or disability of the teacher. Upon the application of the teacher, the State Board of
3 Education may waive the repayment requirement if the State Board finds that the teacher
4 was unable to complete the process due to the illness of the teacher, the death or
5 catastrophic illness of a member of the teacher's immediate family, parental leave to care
6 for a newborn, or other extraordinary circumstances.

7 (e) Repayment by a Teacher Who Does Not Teach for a Year After Completing
8 the Process. – A teacher for whom the State pays the participation fee who does not teach
9 for a year in a North Carolina public school after completing the process shall repay the
10 certification fee to the State.

11 Repayment is not required if a teacher does not teach in a North Carolina public
12 school for at least one year after completing the process due to the death or disability of
13 the teacher. Upon the application of the teacher, the State Board of Education may
14 extend the time before which a teacher must either teach for a year or repay the
15 participation fee if the State Board finds that the teacher is unable to teach the next year
16 due to the illness of the teacher, the death or catastrophic illness of a member of the
17 teacher's immediate family, parental leave to care for a newborn, or other extraordinary
18 circumstances.

19 (f) The State Board shall adopt policies and guidelines to implement this section."
20

21 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

22 **ALLOCATION OF CENTRAL OFFICE ADMINISTRATION FUNDS**

23 Section 8.17. Expansion budget funds appropriated to State Aid to Local
24 School Administrative Units for the 2000-2001 fiscal year for Central Office
25 Administration shall be used to ensure that every local school administrative unit receives
26 the amount calculated under the State Board of Education's distribution formula used for
27 allocation of these funds.

28
29 Requested by: Representatives Rogers, Oldham, Boyd-McIntyre, Easterling, Redwine,
30 Nesbitt

31 **REDUCTION OF PAPERWORK IN PUBLIC SCHOOLS**

32 Section 8.18.(a) G.S. 115C-307(g) reads as rewritten:

33 ~~"(g) To Make Required Reports. – Every teacher of a public school shall make such~~
34 ~~reports as are –~~ A teacher shall make all reports required by the boards of education, and
35 ~~the local board of education. The superintendent shall not approve the vouchers for the~~
36 ~~pay of teachers –~~ voucher for a teacher's pay until the required monthly and annual reports
37 ~~are made: Provided, that the superintendents may require teachers made.~~

38 The superintendent may require a teacher to make reports to the principals – principal.

39 A teacher shall be given access to the student information management system to
40 expedite the process of preparing reports or otherwise providing information. A teacher
41 shall not be required by the local board, the superintendent, or the principal to (i)
42 provide information that is already available on the student information
43 management system; (ii) provide the same information more than once during a school

1 year; or (iii) complete forms regarding compliance with the federal Individuals with
2 Disabilities Education Act (IDEA) that are not required by the United States Department
3 of Education.

4 ~~Provided further, that any~~ Any teacher who knowingly and willfully makes or
5 procures another to make any false report or records, requisitions, or payrolls, respecting
6 daily attendance of pupils in the public schools, payroll data sheets, or other reports
7 required to be made to any board or officer in the performance of their duties, shall be
8 guilty of a Class 1 misdemeanor and the certificate of such person to teach in the public
9 schools of North Carolina shall be revoked by the Superintendent of Public Instruction."

10 Section 8.18.(b) G.S. 115C-47(18) reads as rewritten:

11 "(18) To Make Rules Concerning the Conduct and Duties of Personnel. –
12 Local boards of education, upon the recommendation of the
13 superintendent, shall have full power to make all just and needful
14 rules and regulations governing the conduct of teachers, principals,
15 and supervisors, the kind of reports they shall make, and their duties
16 in the care of school property.

17 Prior to the beginning of each school year, each local board of
18 education shall identify all reports, including local school required
19 reports, that are required at the local level for the school ~~year-year~~ and
20 shall, to the maximum extent possible, eliminate any duplicate or
21 obsolete reporting requirements. No additional reports shall be required
22 at the local level after the beginning of the school year without the prior
23 approval of the local board of education.

24 Each local board of education shall also establish a paperwork
25 control committee to monitor all reports and other paperwork produced
26 by or required by the central office."

27 Section 8.18.(c) The State Board of Education shall:

- 28 (1) Review requirements for reports from local school administrative units
29 and, to the extent possible, eliminate any duplicate or obsolete reporting
30 requirements;
- 31 (2) Develop a plan for the implementation of a paperless student
32 information management system prior to the 2005-2006 school year and
33 request funds necessary for the implementation of the system;
- 34 (3) Work with the United States Department of Education to standardize all
35 forms required under the federal Individuals with Disabilities Education
36 Act (IDEA);
- 37 (4) Study the amount of State and local funds expended to meet compliance
38 standards established under IDEA and State law;
- 39 (5) Develop a plan to cut spending for compliance issues related to special
40 education by fifty percent (50%) for the 2001-2002 fiscal year and to
41 direct the savings to direct services for children with special needs; and
- 42 (6) Develop a plan to fund compliance issues related to special education
43 only with federal funds provided specifically for that purpose for the

1 2002-2003 fiscal year and to eliminate all State funding for compliance
2 issues.

3 The State Board shall report to the Joint Legislative Education Oversight Committee
4 prior to December 15, 2001, on its progress in implementing this section.

5
6 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
7 **SCHOOL LEADERSHIP PILOT PROJECT**

8 Section 8.19. Local school administrative units that participate in the School
9 Leadership Pilot Project of the Center for Leadership in School Reform shall receive
10 State funds for this purpose for no more than three fiscal years.

11 12 **PART IX. COMMUNITY COLLEGES**

13
14 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
15 **EXPAND FOCUSED INDUSTRIAL TRAINING PROGRAM**

16 Section 9. The State Board of Community Colleges may expand the scope of
17 the Focused Industrial Training (FIT) Program. The expanded program may provide
18 customized training programs for manufacturing industries and for companies and
19 industries involved in the design and programming of computers and telecommunications
20 systems.

21
22 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
23 **STATE BOARD RESERVE ALLOCATIONS**

24 Section 9.1. Section 9.6 of S.L. 1999-237 reads as rewritten:

25 "Section 9.6.(a) The State Board of Community Colleges shall use funds from the
26 State Board Reserve in the amount of one hundred thousand dollars (\$100,000) for each
27 fiscal year to assist small rural low-wealth community colleges with operation and
28 maintenance of plant costs if they need to assist new or expanding industries in their
29 service delivery areas.

30 Section 9.6.(b) The State Board of Community Colleges shall use funds from
31 the State Board Reserve in the amount of forty thousand dollars (\$40,000) for the 1999-
32 2000 fiscal year to support the recruitment activities of the North Carolina Industries for
33 Technical Education (NCITE). NCITE recruits students to community colleges with
34 Heavy Equipment and Transportation Technology Programs in an effort to revitalize
35 those programs.

36 Section 9.6.(c) The State Board of Community Colleges, in consultation with
37 Cape Fear Community College, Brunswick Community College, and Southeastern
38 Community College, shall use funds from the State Board Reserve in the amount of one
39 hundred thousand dollars (\$100,000) for the 1999-2000 fiscal year for planning a
40 Southeastern North Carolina Regional Fire Training Program and twenty thousand
41 dollars (\$20,000) for the 1999-2000 fiscal year for other fire training programs.

42 Section 9.6.(d) The State Board of Community Colleges shall use funds from
43 the State Board Reserve in the amount of seventy-five thousand dollars (\$75,000) for the

1 2000-2001 fiscal year for surveys, research, data collection, and analysis required to
2 implement performance budgeting and improve accountability.

3 Section 9.6.(e) The State Board of Community Colleges shall use funds from
4 the State Board Reserve in the amount of one hundred thousand dollars (\$100,000) for
5 the 2000-2001 fiscal year to provide funds to the Community Colleges System Office to
6 continue development of the virtual learning community."

7
8 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
9 **REPORT CARD ON TEACHER EDUCATION PROGRAMS/STUDY OF HIGH**
10 **SCHOOL PROGRAMS**

11 Section 9.2.(a) G.S. 115C-296(b1) reads as rewritten:

12 "(b1) The State Board of Education shall develop a plan to provide a focused review
13 of teacher education programs and the current process of accrediting these programs in
14 order to ensure that the programs produce graduates that are well prepared to teach. The
15 plan shall include the development and implementation of a school of education
16 performance report for each teacher education program in North Carolina. The
17 performance report shall include at least the following elements: (i) quality of students
18 entering the schools of education, including the average grade point average and average
19 score on preprofessional skills tests that assess reading, writing, math and other
20 competencies; (ii) graduation rates; (iii) time-to-graduation rates; (iv) average scores of
21 graduates on professional and content area examination for the purpose of certification;
22 (v) percentage of graduates receiving initial certification; (vi) percentage of graduates
23 hired as teachers; (vii) percentage of graduates remaining in teaching for four years; (viii)
24 graduate satisfaction based on a common survey; and (ix) employer satisfaction based on
25 a common survey. The performance reports shall follow a common format. The
26 performance reports shall be submitted ~~annually for the 1998-99, 1999-2000, and 2000-~~
27 ~~2001 school years. The performance reports shall be submitted biannually thereafter to~~
28 ~~coincide with the Board of Governors' biannual report institutional effectiveness.~~
29 annually. The State Board of Education shall develop a plan to be implemented beginning
30 in the 1998-99 school year to reward and sanction approved teacher education programs
31 and masters of education programs and to revoke approval of those programs based on
32 the performance reports and other criteria established by the State Board of Education.

33 The State Board also shall develop and implement a plan for annual performance
34 reports for all masters degree programs in education and school administration in North
35 Carolina. To the extent it is appropriated, the performance report shall include similar
36 indicators to those developed for the performance report for teacher education programs.
37 The performance reports shall follow a common format.

38 Both plans for performance reports also shall include a method to provide the annual
39 performance reports to the Board of Governors of The University of North Carolina, the
40 State Board of Education, and the boards of trustees of the independent colleges. The
41 State Board of Education shall review the schools of education performance reports and
42 the performance reports for masters degree programs in education and school
43 administration each year the performance reports are submitted. The State Board shall

1 submit the performance reports to the Joint Legislative Education Oversight Committee
2 on an annual basis by December 15 or by a date that coincides with the federal reporting
3 date once it is adopted."

4 Section 9.2.(b) The General Assembly believes educational programs for high
5 school students should provide student accountability, program accountability, access,
6 and efficiency. Therefore, the Education Cabinet, created under G.S. 116C-1, shall study
7 public school, community college, and university programs offered to high school
8 students. These programs include the cooperative high school program, the adult high
9 school diploma program, advanced placement courses, honors courses, and university
10 courses offered to high school students. The Cabinet shall do the following:

- 11 (1) Examine these programs for overlap.
- 12 (2) Consider which education entity is the most appropriate one to offer
13 each program.
- 14 (3) Consider distance learning options.
- 15 (4) Examine whether there should be tuition waivers for high school
16 students who take courses at community colleges or universities.
- 17 (5) Determine whether there should be a minimum age for participation in
18 the adult high school program.
- 19 (6) Determine the feasibility, advantages and disadvantages, procedures,
20 and costs for requiring students who participate in the adult high school
21 program to take tests required of high school students taking the same
22 courses.
- 23 (7) Evaluate the recent recommendations concerning the cooperative high
24 school program that were made to the Joint Legislative Education
25 Oversight Committee by the State Board of Education and the State
26 Board of Community Colleges. In particular, the Cabinet shall
27 determine whether students should receive weighted credit on their high
28 school transcripts for college level courses taken at community colleges,
29 universities, or colleges, and whether this program is an appropriate
30 venue for developmental courses.

31 The Cabinet shall report its findings, including any recommendations, to the
32 Joint Legislative Education Oversight Committee by November 15, 2000.

33
34 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
35 **BUDGET REALIGNMENT TO IMPLEMENT REORGANIZATION**
36 **AUTHORIZED**

37 Section 9.3. Notwithstanding G.S. 143-23 or any other provision of law, the
38 State Board of Community Colleges may transfer funds within the budget of the
39 Community Colleges System Office to the extent necessary to implement the
40 departmental reorganization plan recommended by the President of the North Carolina
41 Community College System and adopted by the State Board in September 1999.

42 The State Board of Community Colleges shall report on its implementation of
43 this section to the Joint Legislative Education Oversight Committee, the chairs of the

1 Education Appropriations Subcommittees of the House of Representatives and the
2 Senate, and the Fiscal Research Division within 30 days of completion of the budget
3 realignment.

4
5 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

6 **USE OF 1999-2000 OVER-REALIZED RECEIPTS**

7 Section 9.4.(a) Notwithstanding the provisions of G.S. 115D-31(e), over-realized
8 receipts for the 1999-2000 fiscal year in the amount of two million dollars (\$2,000,000)
9 shall be used for the operations of the Community Colleges System Office for the 2000-
10 2001 fiscal year. These funds are used in this act to offset a base budget reduction of an
11 equal amount.

12 Section 9.4.(b) This section becomes effective June 30, 2000.

13
14 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

15 **ASHEVILLE-BUNCOMBE TECHNICAL COMMUNITY COLLEGE FUNDS DO**
16 **NOT REVERT**

17 Section 9.5.(a) Funds appropriated to Asheville-Buncombe Technical
18 Community College in S.L. 1999-237 for its Small Business Center shall not revert at the
19 end of the 1999-2000 fiscal year, but shall remain available for expenditure in the 2000-
20 2001 fiscal year.

21 Section 9.5.(b) This section becomes effective June 30, 2000.

22
23 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

24 **STUDY DISTANCE LEARNING/EDUCATION PROGRAMS**

25 Section 9.6. The State Board of Community Colleges shall contract with an
26 independent consultant to study funding methods and delivery of distance learning and
27 education programs. Distance learning and education shall include, but not be limited, to
28 telecourses, two-way interactive video, Internet-based courses, and a combination of
29 these technologies.

30 The study shall include:

- 31 (1) An analysis of tuition rates, registration fees, and other related charges
32 for in-State and out-of-state students enrolling in distance course
33 offerings;
- 34 (2) A survey of current distance course offerings, delivery systems, and
35 sources of funding, including an assessment of the ability of individual
36 colleges to provide and support distance learning now and in the future;
37 and
- 38 (3) A plan for efficient and effective expansion of course offerings and
39 delivery systems to (i) improve workforce education and training, (ii)
40 avoid duplication within the Community College System and with
41 distance learning programs offered by The University of North
42 Carolina, and (iii) promote coordination of distance learning programs

1 among the institutions of the Community College System and The
2 University of North Carolina.

3 The consultant shall take into account two approaches to distance learning currently
4 being considered by the Community College System. One model emphasizes a regional
5 approach involving consolidation of equipment and staff at six regional operating centers
6 across the State with all colleges having equal access to a designated center. The other
7 model emphasizes a decentralized approach with a minimum level of distance programs
8 supported at each of the 59 institutions.

9 The State Board of Community Colleges shall use funds from the State Board
10 Reserve to implement this section.

11 The State Board of Community Colleges shall report to the Joint Legislative
12 Education Oversight Committee and the Fiscal Research Division by January 15, 2001,
13 on the results of the study and the recommendations of the consultant.

14
15 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

16 **PERFORMANCE BUDGETING/CLARIFICATIONS**

17 Section 9.7. G.S. 115D-31.3 reads as rewritten:

18 **"§ 115D-31.3. Performance budgeting.**

19 (a) Creation of Accountability Measures and Performance Standards. – The State
20 Board of Community Colleges shall create new accountability measures and performance
21 standards to be used for performance budgeting for the Community College System. ~~The~~
22 ~~results of a survey may~~ Survey results shall be used as a performance standard only if the
23 survey is statistically valid. The State Board of Community Colleges shall review
24 annually the accountability measures and performance standards to ensure that they are
25 appropriate for use in performance budgeting.

26 ~~(b) Notwithstanding any other provision of law, the State Board shall authorize~~
27 ~~each institution meeting the new performance standards to carry forward funds remaining~~
28 ~~in its budget at the end of each fiscal year in an amount not to exceed two percent (2%) of~~
29 ~~the State funds allocated to the institution for that fiscal year. The funds carried forward~~
30 ~~shall be used for the purchase of equipment and initial program start up costs excluding~~
31 ~~regular faculty salaries. These funds shall not be used for continuing salary increases or~~
32 ~~for other obligations beyond the fiscal year into which they were carried forward. These~~
33 ~~funds shall be encumbered within 12 months of the fiscal year into which they were~~
34 ~~carried forward.~~

35 ~~(c) The five required performance measures are (i) progress of basic skills~~
36 ~~students, (ii) passing rate for licensure and certification examinations, (iii) goal~~
37 ~~completion of program completers, (iv) employment status of graduates, and (v)~~
38 ~~performance of students who transfer to the university system. Colleges may choose one~~
39 ~~other performance measure from the list contained in the State Board's Phase 4 Funding~~
40 ~~Formula Study, which was presented to the Joint Legislative Education Oversight~~
41 ~~Committee. Successful performance on each of the six performance measures shall allow~~
42 ~~a college to retain and carry forward up to one third of one percent (1/3 of 1%) of its~~
43 ~~final fiscal year General Fund appropriations into the next fiscal year.~~

1 (d) ~~Each college shall publish its performance on these six measures in its catalog~~
2 ~~each year beginning with the 2001 academic year.~~

3 (e) Mandatory Performance Measures. – The State Board of Community Colleges
4 shall evaluate each college on the following 12 performance standards:

5 (1) Progress of basic skills students,

6 (2) Passing rate for licensure and certification examinations,

7 (3) Goal completion of program completers and noncompleters,

8 (4) Employment status of graduates,

9 (5) Performance of students who transfer to the university system,

10 (6) Passing rates in developmental courses,

11 (7) Success rates of developmental students in subsequent college-level
12 courses,

13 (8) The level of satisfaction of students who complete programs and those
14 who do not complete programs,

15 (9) Curriculum student retention and graduation,

16 (10) Employer satisfaction with graduates,

17 (11) Client satisfaction with customized training, and

18 (12) Program enrollment.

19 (f) Publication of Performance Ratings. – Each college shall publish its
20 performance on the 12 measures set out in subsection (e) of this section (i) annually in its
21 electronic catalog or on the Internet and (ii) in its printed catalog each time the catalog is
22 reprinted.

23 The Community Colleges System Office shall publish the performance of all colleges
24 on all 12 measures in its annual Critical Success Factors Report.

25 (g) Performance Budgeting; Recognition for Successful Performance. – For the
26 purpose of performance budgeting, the State Board of Community Colleges shall
27 evaluate each college on six performance measures. These six shall be the five set out in
28 subdivisions (1) through (5) of subsection (e) of this section and one selected by the
29 college from the remainder set out in subdivisions (6) through (11). For each of these six
30 performance measures on which a college performs successfully or attains the standard of
31 significant improvement, the college may retain and carry forward into the next fiscal
32 year one-third of one percent (1/3 of 1%) of its final fiscal year General Fund
33 appropriations.

34 (h) Performance Budgeting; Recognition for Superior Performance. – Funds not
35 allocated to colleges in accordance with subsection (g) of this section shall be used to
36 reward superior performance. After all State aid budget obligations have been met, the
37 State Board of Community Colleges shall distribute the remainder of these funds equally
38 to colleges that perform successfully on at least five of the six performance measures.

39 (i) Permissible Uses of Funds. – Funds retained by colleges or distributed to
40 colleges pursuant to this section shall be used for the purchase of equipment, initial
41 program start-up costs including faculty salaries for the first year of a program, and one-
42 time faculty and staff bonuses. These funds shall not be used for continuing salary
43 increases or for other obligations beyond the fiscal year into which they were carried

1 forward. These funds shall be encumbered within 12 months of the fiscal year into which
2 they were carried forward."

3
4 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine,
5 C. Wilson

6 **COMMUNITY COLLEGE TUITION/LEGAL IMMIGRANTS**

7 Section 9.8. G.S. 115D-39 reads as rewritten:

8 **"§ 115D-39. Student tuition and fees.**

9 The State Board of Community Colleges shall fix and regulate all tuition and fees
10 charged to students for applying to or attending any institution pursuant to this Chapter.

11 The receipts from all student tuition and fees, other than student activity fees, shall be
12 State funds and shall be deposited as provided by regulations of the State Board of
13 Community Colleges.

14 The legal resident limitation with respect to tuition, set forth in G.S. 116-143.1 and
15 G.S. 116-143.3, shall apply to students attending institutions operating pursuant to this
16 Chapter; provided, however, that when an employer other than the armed services, as that
17 term is defined in G.S. 116-143.3, pays tuition for an employee to attend an institution
18 operating pursuant to this Chapter and when the employee works at a North Carolina
19 business location, the employer shall be charged the in-State tuition rate; provided
20 further, however, a community college may charge in-State tuition to up to one percent
21 (1%) of its out-of-state students, rounded up to the next whole number, to accommodate
22 the families transferred by business, the families transferred by industry, or the civilian
23 families transferred by the military, consistent with the provisions of G.S. 116-143.3, into
24 the State. Notwithstanding these requirements, a refugee who lawfully entered the United
25 States and who is living in this State shall be deemed to qualify as a domiciliary of this
26 State under G.S. 116-143.1(a)(1) and as a State resident for community college tuition
27 purposes as defined in G.S. 116-143.1(a)(2). Also, a nonresident of the United States who
28 has resided in North Carolina for a 12-month qualifying period and has filed an
29 immigrant petition with the United States Immigration and Naturalization Service shall
30 be considered a State resident for community college tuition purposes."

31
32 Requested by: Representatives Easterling, Redwine, Baddour

33 **SUPPLEMENTAL FUNDING FOR SUMMER TERM CURRICULUM** 34 **INSTRUCTION**

35 Section 9.9.(a) Funds appropriated in this act for summer term curriculum
36 instruction are provided as a supplement to curriculum enrollment funding for the regular
37 academic year. These funds are for direct instructional costs, including faculty salaries
38 and benefits, and instructional supplies and materials ("other costs") and shall be
39 budgeted as such by the community college institutions. These funds may be carried
40 forward beyond the fiscal year in which they are appropriated, only for the purpose of
41 fulfilling a contractual obligation for summer term curriculum instructional faculty.

42 Funding for summer term curriculum instruction shall be allocated from a
43 separate line item in State aid fund code 1600 based on full-time equivalent student

1 enrollment in summer term curriculum course offerings for the prior fiscal year. Funding
2 for summer term curriculum instruction shall not be included in the continuing budget
3 concept for full-time equivalent (FTE) enrollment funding as enacted in Section 10.4(b)
4 of S.L. 1998-212.

5 It is the intent of the General Assembly to review annually the objectives, use
6 of funds, and benefits of funding for summer term curriculum instruction to determine
7 whether to provide increased funding for this purpose.

8 Nothing in this section shall be construed as intent of the General Assembly to
9 provide additional funding for summer term curriculum enrollment increases or to
10 increase the rate of funding per FTE for summer term enrollment.

11 The State Board of Community Colleges shall adopt a calendar for curriculum
12 instruction, designating the dates on which the fall, spring, and summer terms shall begin
13 and end. The calendar shall provide for flexibility among community college institutions
14 for actual starting and ending dates within a range established by the State Board of
15 Community Colleges. The session for the summer term shall not overlap either the fall or
16 spring semesters in such a way as to allow summer term earned FTE to be counted as fall
17 or spring earned FTE for the purposes of determining enrollment funding under the
18 continuing budget concept.

19 Section 9.9.(b) The State Board of Community Colleges shall hold harmless, from
20 monetary penalties, repayment of State resources, and reimbursement of uncollected
21 tuition, any community college for which the Program Audit Services Section of the
22 Community Colleges System Office notes an audit exception for membership hours
23 reported on the Spring 1999 Curriculum Institution Class Report (ICR) for classes which
24 began after the institution's published ending date for that term. This subsection shall
25 only apply for curriculum membership hours reported for the Spring 1998 to Spring 1999
26 reporting period. This subsection applies to all final audit exceptions noted previously or
27 in the future.

28 29 **PART X. UNIVERSITIES**

30
31 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
32 **REALIGN CENTER FOR SCHOOL LEADERSHIP DEVELOPMENT**
33 **PROGRAMS**

34 Section 10.(a) Effective October 1, 2000, the Principals Executive Program and all
35 of its statutory authority, powers, duties, and functions, records, personnel, property,
36 unexpended balances of appropriations, allocations or other funds, including the
37 functions of budgeting and purchasing, is transferred from the University of North
38 Carolina at Chapel Hill to the Board of Governors of The University of North Carolina.
39 The Board of Governors shall coordinate the program within the University of North
40 Carolina Center for School Leadership Development.

41 Section 10.(b) Effective October 1, 2000, the University of North Carolina
42 Mathematics and Science Education Network and all of its statutory authority, powers,
43 duties, and functions, records, personnel, property, unexpended balances of

1 appropriations, allocations or other funds, including the functions of budgeting and
2 purchasing, is transferred from the University of North Carolina at Chapel Hill to the
3 Board of Governors of The University of North Carolina. The Board of Governors shall
4 coordinate the program within the University of North Carolina Center for School
5 Leadership Development.

6
7 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

8 **UNC NEED-BASED STUDENT FINANCIAL AID PROGRAM**

9 Section 10.1. Of the funds appropriated by this act to the Board of Governors
10 of The University of North Carolina the sum of five million dollars (\$5,000,000) in
11 recurring funds shall be used to establish and begin the implementation of the new need-
12 based student financial aid program for in-State students attending constituent
13 institutions of The University of North Carolina. The program shall provide grants to
14 needy North Carolina students who are seeking undergraduate degrees or masters
15 degrees. Eligibility of a student for a program grant shall be based on a formula that
16 offsets Pell grants and federal tax credits before determining eligibility to receive one of
17 the new grants. In addition, to be eligible for a program grant, a student shall also be
18 required to contribute a combination of personal savings, borrowed funds, institutional
19 aid, and personal earnings, called self-help.

20 The new program shall be administered by the North Carolina State Education
21 Assistance Authority. The North Carolina State Education Assistance Authority shall
22 coordinate offers of institutional aid and program grants made to a student to ensure that
23 the student does not receive more in grants and scholarships than the actual cost of
24 attendance.

25 In the absence of full funding for the program, the North Carolina State
26 Education Assistance Authority may modify the formula for distribution as needed to
27 accommodate the reduced amount.

28 The program shall be established and implemented in accordance with the
29 recommendations regarding its creation adopted by the Board of Governors in November
30 1999. The goals of the program shall be to make The University of North Carolina more
31 affordable for low-income students and to reduce student indebtedness by setting a limit
32 on the funds that needy students will be asked to borrow each year. This program will
33 provide financial assistance to constituent institutions that enroll disproportionate
34 numbers of low-income students, particularly at the seven institutions targeted for major
35 enrollment growth.

36
37 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

38 **UNC CHARLOTTE RETAIN LAND SALE PROCEEDS**

39 Section 10.2. Notwithstanding any other provision of law, the University of
40 North Carolina at Charlotte may retain the proceeds from the sale of the existing
41 chancellor's residence. The University of North Carolina at Charlotte may use the
42 proceeds from the sale of the existing chancellor's residence, and any other

1 nonappropriated funds available, to construct a new chancellor's residence. Proceeds
2 from the sale not used for that purpose shall revert.

3
4 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
5 **AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE**

6 Section 10.3. Section 10 of S.L. 1999-237 reads as rewritten:

7 "Section 10.(a) Funds appropriated in this act to the Board of Governors of The
8 University of North Carolina for aid to private colleges shall be disbursed in accordance
9 with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up to
10 one thousand fifty dollars (\$1,050) per full-time equivalent North Carolina undergraduate
11 student enrolled at a private institution as of October 1, 1999, for the 1999-2000 fiscal
12 year and up to one thousand ~~fifty-one hundred~~ dollars ~~(\$1,050)-(\$1,100)~~ per full-time
13 equivalent North Carolina undergraduate student enrolled at a private institution as of
14 October 1, 2000, for the 2000-2001 fiscal year.

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

21 Section 10.(b) In addition to any funds appropriated pursuant to G.S. 116-19 and in
22 addition to all other financial assistance made available to private educational institutions
23 located within the State, or to students attending these institutions, there is granted to
24 each full-time North Carolina undergraduate student attending an approved institution as
25 defined in G.S. 116-22, a sum, not to exceed one thousand seven hundred fifty dollars
26 (\$1,750) for the 1999-2000 academic year and one thousand ~~seven hundred fifty-eight~~
27 hundred dollars ~~(\$1,750)-(\$1,800)~~ for the 2000-2001 academic year, which shall be
28 distributed to the student as hereinafter provided.

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

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

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

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

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

10 Any remaining funds shall revert to the General Fund.

11 Section 10.(c) Expenditures made pursuant to this section may be used only for
12 secular educational purposes at nonprofit institutions of higher learning. Expenditures
13 made pursuant to this section shall not be used for any student who:

14 (1) Is incarcerated in a State or federal correctional facility for committing a
15 Class A, B, B1, or B2 felony; or

16 (2) Is incarcerated in a State or federal correctional facility for committing
17 a Class C through I felony and is not eligible for parole or release within
18 10 years.

19 Section 10.(d) The State Education Assistance Authority shall document the
20 number of full-time equivalent North Carolina undergraduate students that are enrolled in
21 off-campus programs and the State funds collected by each institution pursuant to G.S.
22 116-19 for those students. The State Education Assistance Authority shall also document
23 the number of scholarships and the amount of the scholarships that are awarded under
24 G.S. 116-19 to students enrolled in off-campus programs. An 'off-campus program' is
25 any program offered for degree credit away from the institution's main permanent
26 campus.

27 The State Education Assistance Authority shall include in its annual report to the Joint
28 Legislative Education Oversight Committee the information it has compiled and its
29 findings regarding this program."
30

31 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

32 **UNC DISTANCE EDUCATION**

33 Section 10.4. This act provides funding to the Board of Governors of The
34 University of North Carolina for degree-related courses provided away from the campus
35 sites of the constituent institutions. The intent of this commitment is to provide expanded
36 opportunities for higher education to more North Carolina residents, including
37 nontraditional students, and to increase the number of North Carolina residents who earn
38 postsecondary degrees. The priority for the use of these funds is to fund courses needed
39 to earn baccalaureate degrees, especially those baccalaureate completion programs
40 offered at community college sites.

41
42 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine

43 **HIGHER EDUCATION COMPENSATION**

1 Section 10.5. The Joint Legislative Education Oversight Committee shall study
2 the need for an "Excellent Universities and Community Colleges Act" that addresses the
3 need and ability of The University of North Carolina and the State's community college
4 system to attract and retain excellent faculty.

5 In its deliberations regarding university faculty, the Committee shall consider
6 the study conducted by The University of North Carolina on compensation for the faculty
7 at its constituent institutions, how compensation for similar faculty positions compares
8 among the constituent institutions, and how compensation for faculty positions compares
9 with that paid by other public universities for similar faculty positions.

10 In its deliberations regarding compensation for faculty in the State's
11 community college system, the Committee shall consider any relevant studies on
12 community college faculty compensation conducted by the community college system,
13 how compensation for similar faculty positions compares among the community colleges,
14 and how compensation for faculty positions compares with that paid by other public
15 community college systems for similar faculty positions.

16 If the Committee determines in its study that there are critical issues regarding
17 faculty compensation, then the Committee shall include in its recommendations and
18 report whether a major, new legislative initiative is needed to address those issues. The
19 Committee shall report its findings and recommendations to the 2001 General Assembly.

20
21 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine
22 **JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE STUDY**
23 **GLOBAL EDUCATION PROGRAMS**

24 Section 10.6. The Joint Legislative Education Oversight Committee may study
25 the various international studies and global education programs offered within the State's
26 university system. In its study the Committee shall consider the number of international
27 studies or global education programs that are offered within the university system, the
28 source of funds, the curriculum for each program, and the teaching methodology used in
29 each of those programs. The Committee shall evaluate the programs and determine how
30 the programs compare with regard to quality, curriculum, teaching methodology, and
31 student enrollment and identify any duplication.

32 The Committee may report its findings and recommendations to the 2001
33 General Assembly.

34
35 Requested by: Representatives Boyd-McIntyre, Oldham, Rogers, Easterling, Redwine,
36 Baddour

37 **MODEL TEACHER CONSORTIUM**

38 Section 10.7. Of the funds appropriated to the Board of Governors of The
39 University of North Carolina for the 2000-2001 fiscal year the sum of one million three
40 hundred thousand dollars (\$1,300,000) is allocated to restore the model teacher
41 consortium program to the 21 counties that were part of that program in 1998-99 and to
42 add the following eight counties to the program: Bladen, Caswell, Camden, Wayne,
43 Alamance, Beaufort, Washington, and Onslow Counties.

1
2 Requested by: Representative Gardner

3 **STUDY PRINCIPAL FELLOWS PROGRAM**

4 Section 10.8. The Board of Governors of The University of North Carolina
5 shall, in collaboration with the State Board of Education, convene a representative
6 committee to study the policies and legislation creating the Principal Fellows Program
7 and to make recommendations that would increase the flexibility necessary for the
8 Program to attract a broader age, racial, and ethnic makeup of the applicant pool. The
9 committee shall report to the Joint Legislative Education Oversight Committee by
10 January 15, 2001.

11 **PART XI. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

12 **SUBPART 1. ADMINISTRATION**

13
14 Requested by: Representatives Earle, Nye, Easterling, Redwine

15 **STATE HEALTH STANDARDS**

16 Section 11. Effective October 1, 2000, Article 1 of Chapter 130A of the
17 General Statutes is amended by adding the following new section to read:

18 **"§ 130A-5.1. State health standards.**

19 (a) The Secretary shall adopt measurable standards and goals for community
20 health against which the State's actions to improve the health status of its citizens will be
21 measured. The Secretary shall report annually to the General Assembly upon its
22 convening or reconvening and to the Governor on all of the following:

- 23 (1) How the State compares to national health measurements and
24 established State goals for each standard. Comparisons shall be
25 reported using disaggregated data for health standards.
26 (2) Steps taken by State and non-State entities to meet established goals.
27 (3) Additional steps proposed or planned to be taken to achieve established
28 goals.

29 (b) The Secretary may coordinate and contract with other entities to assist in the
30 establishment of standards and preparation of the report. The Secretary may use
31 resources available to implement this section."

32
33 Requested by: Representatives Earle, Nye, Easterling, Redwine

34 **DHHS STUDY OF NEW FACILITIES DIVISION**

35 Section 11.1. The Department of Health and Human Services shall study
36 whether a new facilities division to consolidate physical plant operations of all State
37 institutions should be established in the Department. Not later than January 1, 2001, the
38 Department shall report its findings and recommendations to the House of
39 Representatives Appropriations Subcommittee on Health and Human Services and the
40 Senate Appropriations Committee on Human Resources.

1 Requested by: Representatives Earle, Nye, Easterling, Redwine

2 **ELIMINATION OF VACANT DHHS POSITIONS**

3 Section 11.2. The Department of Health and Human Services shall eliminate
4 29 vacant positions effective July 1, 2000. Positions eliminated shall not be those that
5 impact direct patient care or services and shall not be positions at the State psychiatric
6 hospitals, alcohol and drug abuse treatment centers, the Wright School, or Whitaker
7 School.

8

9 Requested by: Representatives Earle, Nye, Easterling, Redwine

10 **QUALITY CRITERIA FOR LONG-TERM CARE**

11 Section 11.3. The Department of Health and Human Services in conjunction
12 with the North Carolina Institute of Medicine shall convene a special work group to
13 develop criterion-based indicators for the monitoring of quality of care in North Carolina
14 nursing homes, adult care homes, assisted living facilities, and home health care
15 programs. The Institute of Medicine and the Department of Health and Human Services
16 shall work together to implement these criteria for the monitoring of long-term care in the
17 State and pursue options for the use of these criteria in lieu of current HCFA-mandated
18 standards for surveying North Carolina nursing homes under the federal Medicaid and
19 Medicare programs.

20

21 Requested by: Representatives Earle, Nye, Easterling, Redwine

22 **LONG-TERM CARE SERVICES DATA**

23 Section 11.4.(a) By January 1, 2001, the Department of Health and Human
24 Services in conjunction with the North Carolina Institute of Medicine shall:

- 25 (1) Identify screening, level of services, and care planning instruments to be
26 used for all DHHS long-term care services;
- 27 (2) Develop a timetable for testing and implementing these instruments; and
- 28 (3) Compile county level data on the number of people age 18 years or
29 older who use DHHS long-term care services and expenditures by
30 Division and type of program.

31 Section 11.4.(b) Subsection (a) of Section 11.7A of S.L. 1999-237 reads as
32 rewritten:

33 "Section 11.7A.(a) The Department of Health and Human Services shall, in
34 cooperation with other appropriate State and local agencies and representatives of
35 consumer and provider organizations, develop a system that provides a continuum of
36 long-term care for elderly and disabled individuals and their families. The Department
37 shall define the system of long-term care services to include:

- 38 (1) A structure and means for screening, assessment, and care management
39 across settings of care;
- 40 (2) A process to determine outcome measures for care;
- 41 (3) An integrated data system to track expenditures, consumer
42 characteristics, and consumer outcomes;

- 1 (4) Relationships between the Department and the State's universities to
2 provide policy analysis and program evaluation support for the
3 development of long-term care system reforms;
- 4 (5) An implementation plan that addresses testing of models, reviewing
5 existing models, evaluation of components, and steps needed to achieve
6 development of a coordinated system; and
- 7 (6) Provision for consumer, provider, and agency input into the system
8 design and implementation development.

9 Effective January 1, ~~2001~~, 2002, the system developed by the Department shall do the
10 following:

- 11 (1) Implement the initial phase of a comprehensive data system that tracks
12 long-term care expenditures, services, consumer profiles, and consumer
13 preferences; and
- 14 (2) Develop a system of statewide long-term care services coordination and
15 case management to minimize administrative costs, improve access to
16 services, and minimize obstacles to the delivery of long-term care
17 services to people in need."
18

19 **SUBPART 2. MEDICAL ASSISTANCE**

20
21 Requested by: Representatives Earle, Nye, Easterling, Redwine

22 **MEDICAID PROGRAM**

23 Section 11.5. Section 11.12 of S.L. 1999-237 reads as rewritten:

24 "Section 11.12.(a) Funds appropriated in this act for services provided in
25 accordance with Title XIX of the Social Security Act (Medicaid) are for both the
26 categorically needy and the medically needy. Funds appropriated for these services shall
27 be expended in accordance with the following schedule of services and payment bases.
28 All services and payments are subject to the language at the end of this subsection.

29 Services and payment bases:

- 30 (1) Hospital-Inpatient - Payment for hospital inpatient services will be
31 prescribed in the State Plan as established by the Department of Health
32 and Human Services.
- 33 (2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a
34 prospective reimbursement plan as established by the Department of
35 Health and Human Services.
- 36 (3) Nursing Facilities - Payment for nursing facility services will be
37 prescribed in the State Plan as established by the Department of Health
38 and Human Services. Nursing facilities providing services to Medicaid
39 recipients who also qualify for Medicare, must be enrolled in the
40 Medicare program as a condition of participation in the Medicaid
41 program. State facilities are not subject to the requirement to enroll in
42 the Medicare program.

- 1 (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed
2 in the State Plan as established by the Department of Health and Human
3 Services.
- 4 (5) Drugs - Drug costs as allowed by federal regulations plus a professional
5 services fee per month excluding refills for the same drug or generic
6 equivalent during the same month. Reimbursement shall be available
7 for up to six prescriptions per recipient, per month, including refills.
8 Payments for drugs are subject to the provisions of subsection (h) of this
9 section and to the provisions at the end of subsection (a) of this section,
10 or in accordance with the State Plan adopted by the Department of
11 Health and Human Services consistent with federal reimbursement
12 regulations. Payment of the professional services fee shall be made in
13 accordance with the State Plan adopted by the Department of Health and
14 Human Services, consistent with federal reimbursement regulations.
15 The professional services fee shall be five dollars and sixty cents
16 (\$5.60) per prescription. Adjustments to the professional services fee
17 shall be established by the General Assembly.
- 18 (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified
19 Nurse Midwife ~~Services~~ Services, Family Nurse Practitioners - Fee
20 schedules as developed by the Department of Health and Human
21 Services. Payments for dental services are subject to the provisions of
22 subsection (g) of this section.
- 23 (7) Community Alternative Program, EPSDT Screens - Payment to be
24 made in accordance with rate schedule developed by the Department of
25 Health and Human Services.
- 26 (8) Home Health and Related Services, Private Duty Nursing, Clinic
27 Services, Prepaid Health Plans, Durable Medical Equipment - Payment
28 to be made according to reimbursement plans developed by the
29 Department of Health and Human Services.
- 30 (9) Medicare Buy-In - Social Security Administration premium.
- 31 (10) Ambulance Services - Uniform fee schedules as developed by the
32 Department of Health and Human Services. Public ambulance providers
33 will be reimbursed at cost.
- 34 (11) Hearing Aids - Actual cost plus a dispensing fee.
- 35 (12) Rural Health Clinic Services - Provider-based, reasonable cost;
36 nonprovider-based, single-cost reimbursement rate per clinic visit.
- 37 (13) Family Planning - Negotiated rate for local health departments. For
38 other providers - see specific services, for instance, hospitals,
39 physicians.
- 40 (14) Independent Laboratory and X-Ray Services - Uniform fee schedules as
41 developed by the Department of Health and Human Services.
- 42 (15) Optical Supplies - One hundred percent (100%) of reasonable wholesale
43 cost of materials.

- 1 (16) Ambulatory Surgical Centers - Payment as prescribed in the
2 reimbursement plan established by the Department of Health and
3 Human Services.
- 4 (17) Medicare Crossover Claims - An amount up to the actual coinsurance or
5 deductible or both, in accordance with the State Plan, as approved by
6 the Department of Health and Human Services.
- 7 (18) Physical Therapy and Speech Therapy - Services limited to EPSDT
8 eligible children. Payments are to be made only to qualified providers
9 at rates negotiated by the Department of Health and Human Services.
- 10 (19) Personal Care Services - Payment in accordance with the State Plan
11 approved by the Department of Health and Human Services.
- 12 (20) Case Management Services - Reimbursement in accordance with the
13 availability of funds to be transferred within the Department of Health
14 and Human Services.
- 15 (21) Hospice - Services may be provided in accordance with the State Plan
16 developed by the Department of Health and Human Services.
- 17 (22) Other Mental Health Services - Unless otherwise covered by this
18 section, coverage is limited to (i) agencies meeting the requirements of
19 the rules established by the Commission for Mental Health,
20 Developmental Disabilities, and Substance Abuse Services, and
21 reimbursement is made in accordance with a State Plan developed by
22 the Department of Health and Human Services not to exceed the upper
23 limits established in federal ~~regulations.~~ regulations, and (ii) only for
24 children eligible for EPSDT services, licensed or certified
25 psychologists, certified mental health nurse practitioners, and licensed
26 clinical social workers when Medicaid eligible children are referred by
27 the primary care physician or the area mental health program. The
28 Department of Health and Human Services may adopt temporary rules
29 in accordance with Chapter 150B of the General Statutes further
30 defining the qualifications of providers and referral procedures in order
31 to implement this provision.
- 32 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
33 Children - Reimbursement in accordance with the State Plan approved
34 by the Department of Health and Human Services.
- 35 (24) Health Insurance Premiums - Payments to be made in accordance with
36 the State Plan adopted by the Department of Health and Human
37 Services consistent with federal regulations.
- 38 (25) Medical Care/Other Remedial Care - Services not covered elsewhere in
39 this section include related services in schools; health professional
40 services provided outside the clinic setting to meet maternal and infant
41 health goals; and services to meet federal EPSDT mandates. Services
42 addressed by this paragraph are limited to those prescribed in the State
43 Plan as established by the Department of Health and Human Services.

1 Except for related services in schools, providers of these services shall
 2 be certified as meeting program standards of the Department of Health
 3 and Human Services, Division of Women's and Children's Health.

4 (26) Pregnancy Related Services - Covered services for pregnant women
 5 shall include nutritional counseling, psychosocial counseling, and
 6 predelivery and postpartum home visits by maternity care coordinators
 7 and public health nurses.

8 Services and payment bases may be changed with the approval of the Director of the
 9 Budget.

10 Reimbursement is available for up to 24 visits per recipient per year to any one or
 11 combination of the following: physicians, clinics, hospital outpatient, optometrists,
 12 chiropractors, and podiatrists. Prenatal services, all EPSDT children, ~~and~~ emergency
 13 ~~rooms~~ rooms, and mental health services subject to independent utilization review are
 14 exempt from the visit limitations contained in this paragraph. Exceptions may be
 15 authorized by the Department of Health and Human Services where the life of the patient
 16 would be threatened without such additional care. Any person who is determined by the
 17 Department to be exempt from the 24-visit limitation may also be exempt from the six-
 18 prescription limitation.

19 Section 11.12.(b)Allocation of Nonfederal Cost of Medicaid. The State shall pay
 20 eighty-five percent (85%); the county shall pay fifteen percent (15%) of the nonfederal
 21 costs of all applicable services listed in this section.

22 Section 11.12.(c)Copayment for Medicaid Services. The Department of Health and
 23 Human Services may establish copayment up to the maximum permitted by federal law
 24 and regulation.

25 Section 11.12.(d)Medicaid and Work First Family Assistance, Income Eligibility
 26 Standards. The maximum net family annual income eligibility standards for Medicaid
 27 and Work First Family Assistance and the Standard of Need for Work First Family
 28 Assistance shall be as follows:

	<u>Categorically Needy</u>		<u>Medically Needy</u>	
	<u>WFFA*</u>			
	<u>Family</u>	<u>Standard</u>	<u>Families and</u>	
	<u>Size</u>	<u>of Need</u>	<u>Children</u>	<u>Income</u>
<u>Level</u>	<u>AA, AB, AD*</u>			
35	1	\$ 4,344	\$ 2,172	\$ 2,900
36	2	5,664	2,832	3,800
37	3	6,528	3,264	4,400
38	4	7,128	3,564	4,800 5 7,776 3,888 5,200
39	6	8,376	4,188	5,600
40	7	8,952	4,476	6,000
41	8	9,256	4,680	6,300

42 *Work First Family Assistance (WFFA); Aid to the Aged (AA); Aid to the Blind (AB);
 43 and Aid to the Disabled (AD).

1
2 The payment level for Work First Family Assistance shall be fifty percent (50%) of the
3 standard of need.

4 These standards may be changed with the approval of the Director of the Budget with
5 the advice of the Advisory Budget Commission.

6 Section 11.12.(e) The Department of Health and Human Services, Division of
7 Medical Assistance, shall provide Medicaid coverage to all elderly, blind, and disabled
8 people who have incomes equal to or less than one hundred percent (100%) of the federal
9 poverty guidelines, as revised each April 1.

10 Section 11.12.(f) ICF and ICF/MR Work Incentive Allowances. The
11 Department of Health and Human Services may provide an incentive allowance to
12 Medicaid-eligible recipients of ICF and ICF/MR facilities who are regularly engaged in
13 work activities as part of their developmental plan and for whom retention of additional
14 income contributes to their achievement of independence. The State funds required to
15 match the federal funds that are required by these allowances shall be provided from
16 savings within the Medicaid budget or from other unbudgeted funds available to the
17 Department. The incentive allowances may be as follows:

18
19 Monthly Net Wages Monthly Incentive Allowance

20	\$1.00 to \$100.99	Up to \$50.00
21	\$101.00 - \$200.99	\$80.00
22	\$201.00 to \$300.99	\$130.00
23	\$301.00 and greater	\$212.00.

24 Section 11.12.(g) Dental Coverage Limits. Dental services shall be provided
25 on a restricted basis in accordance with rules adopted by the Department to implement
26 this subsection.

27 Section 11.12.(h) Dispensing of Generic Drugs. Notwithstanding G.S. 90-
28 85.27 through G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the
29 Social Security Act) a prescription order for a drug designated by a trade or brand name
30 shall be considered to be an order for the drug by its established or generic name, except
31 when the prescriber personally indicates, either orally or in the prescriber's own
32 handwriting on the prescription order, 'dispense as written' or words of similar meaning.
33 Generic drugs, when available in the pharmacy, shall be dispensed at a lower cost to the
34 Medical Assistance Program rather than trade or brand name drugs, subject to the
35 prescriber's 'dispense as written' order as noted above.

36 As used in this subsection 'brand name' means the proprietary name the manufacturer
37 places upon a drug product or on its container, label, or wrapping at the time of
38 packaging; and 'established name' has the same meaning as in section 502(e)(3) of the
39 Federal Food, Drug, and Cosmetic Act as amended, 21 U.S.C. § 352(e)(3).

40 Section 11.12.(i) Exceptions to Service Limitations, Eligibility Requirements,
41 and Payments. Service limitations, eligibility requirements, and payments bases in this
42 section may be waived by the Department of Health and Human Services, with the
43 approval of the Director of the Budget, to allow the Department to carry out pilot

1 programs for prepaid health plans, managed care plans, or community-based services
2 programs in accordance with plans approved by the United States Department of Health
3 and Human Services, or when the Department determines that such a waiver will result in
4 a reduction in the total Medicaid costs for the recipient. The Department of Health and
5 Human Services may proceed with planning and development work on the Program of
6 All-Inclusive Care for the Elderly and will issue a progress report to the chairs of the
7 House Appropriations Subcommittee on Health and Human Services and the Senate
8 Appropriations Committee on Human Resources on or before January 30, 2001.

9 Section 11.12.(j) Volume Purchase Plans and Single Source Procurement.
10 The Department of Health and Human Services, Division of Medical Assistance, may,
11 subject to the approval of a change in the State Medicaid Plan, contract for services,
12 medical equipment, supplies, and appliances by implementation of volume purchase
13 plans, single source procurement, or other similar processes in order to improve cost
14 containment.

15 Section 11.12.(k) Cost Containment Programs. The Department of Health and
16 Human Services, Division of Medical Assistance, may undertake cost containment
17 programs including preadmissions to hospitals and prior approval for certain outpatient
18 surgeries before they may be performed in an inpatient setting.

19 Section 11.12.(l) For all Medicaid eligibility classifications for which the
20 federal poverty level is used as an income limit for eligibility determination, the income
21 limits will be updated each April 1 immediately following publication of federal poverty
22 guidelines.

23 Section 11.12.(m) The Department of Health and Human Services shall
24 provide Medicaid to 19-, 20-, and 21-year olds in accordance with federal rules and
25 regulations.

26 Section 11.12.(n) The Department of Health and Human Services shall
27 provide coverage to pregnant women and to children according to the following schedule:

- 28 (1) Pregnant women with incomes equal to or less than one hundred eighty-
29 five percent (185%) of the federal poverty guidelines as revised each
30 April 1 shall be covered for Medicaid benefits.
- 31 (2) Infants under the age of 1 with family incomes equal to or less than one
32 hundred eighty-five percent (185%) of the federal poverty guidelines as
33 revised each April 1 shall be covered for Medicaid benefits.
- 34 (3) Children aged 1 through 5 with family incomes equal to or less than one
35 hundred thirty-three percent (133%) of the federal poverty guidelines as
36 revised each April 1 shall be covered for Medicaid benefits.
- 37 (4) Children aged 6 through 18 with family incomes equal to or less than
38 the federal poverty guidelines as revised each April 1 shall be covered
39 for Medicaid benefits.
- 40 (5) The Department of Health and Human Services shall provide Medicaid
41 coverage for adoptive children with special or rehabilitative needs
42 regardless of the adoptive family's income.

1 Services to pregnant women eligible under this subsection continue throughout the
2 pregnancy but include only those related to pregnancy and to those other conditions
3 determined by the Department as conditions that may complicate pregnancy. In order to
4 reduce county administrative costs and to expedite the provision of medical services to
5 pregnant women, to infants, and to children described in subdivisions (3) and (4) of this
6 subsection, no resources test shall be applied.

7 Section 11.12.(o) Medicaid enrollment of categorically needy families with
8 children shall be continuous for one year without regard to changes in income or assets.

9 Section 11.12.(p) The Department of Health and Human Services shall submit
10 a ~~monthly~~ quarterly status report on expenditures for acute care and long-term care
11 services to the Fiscal Research Division and to the Office of State Budget and
12 Management. This report shall include an analysis of budgeted versus actual
13 expenditures for eligibles by category and for long-term care beds. In addition, the
14 Department shall revise the program's projected spending for the current fiscal year and
15 the estimated spending for the subsequent fiscal year on a quarterly basis. ~~Reports for the~~
16 ~~preceding month~~ The quarterly expenditure report and the revised forecast shall be
17 forwarded to the Fiscal Research Division and to the Office of State Budget and
18 Management no later than the third Thursday of the ~~month~~ month following the end of
19 each quarter.

20 Section 11.12.(q) The Division of Medical Assistance, Department of Health
21 and Human Services, may provide incentives to counties that successfully recover
22 fraudulently spent Medicaid funds by sharing State savings with counties responsible for
23 the recovery of the fraudulently spent funds.

24 Section 11.12.(r) If first approved by the Office of State Budget and
25 Management, the Division of Medical Assistance, Department of Health and Human
26 Services, may use funds that are identified to support the cost of development and
27 acquisition of equipment and software through contractual means to improve and
28 enhance information systems that provide management information and claims
29 processing.

30 ~~Section 11.12.(s) The Division of Medical Assistance, Department of Health~~
31 ~~and Human Services, may administer Medicaid estate recovery mandated by the~~
32 ~~Omnibus Budget Reconciliation Act of 1993, (OBRA 1993), 42 U.S.C. § 1396p(b), and~~
33 ~~G.S. 108-70.5 using temporary rules pending approval of final rules promulgated~~
34 ~~pursuant to Chapter 150B of the General Statutes.~~

35 Section 11.12.(t) The Department of Health and Human Services may adopt
36 temporary rules according to the procedures established in G.S. 150B-21.1 when it finds
37 that these rules are necessary to maximize receipt of federal funds, to reduce Medicaid
38 expenditures, and to reduce fraud and abuse. Prior to the filing of these temporary rules
39 with the Office of Administrative Hearings, the Department shall consult with the Office
40 of State Budget and Management on the possible fiscal impact of the temporary rule and
41 its effect on State appropriations and local governments.

42 Section 11.12.(u) The Department shall report to the Fiscal Research Division
43 of the Legislative Services Office and to the House of Representatives Appropriations

1 Subcommittee on Health and Human Services and the Senate Appropriations Committee
2 on Human Resources or the Joint Legislative Health Care Oversight Committee on any
3 change it anticipates making in the Medicaid program that impacts the type or level of
4 service, reimbursement methods, or waivers, any of which require a change in the State
5 Plan or other approval by the Health Care Financing Administration. The reports shall be
6 provided at the same time they are submitted to HCFA for approval.

7 Section 11.12.(v) If the Department of Health and Human Services obtains a
8 Medicaid waiver to implement two long-term care pilot projects, then the Department
9 shall report the particulars of the waiver, the pilot projects, and the status of
10 implementation to members of the House of Representatives Appropriations
11 Subcommittee on Health and Human Services, the Senate Appropriations Committee on
12 Human Resources, and the Study Commission on Aging within 30 days of receiving the
13 waiver. The Department shall not expand the pilot project beyond the two initial pilots
14 without first reporting the proposed expansion to the members of the House of
15 Representatives Appropriations Subcommittee on Health and Human Services and the
16 Senate Appropriations Committee on Human Resources.

17 ~~Section 11.12.(w) The Department of Health and Human Services shall study~~
18 ~~the effect of subsection (o) of this section on both the Medicaid program and the Health~~
19 ~~Insurance Program for Children. The Department shall make an interim report on the~~
20 ~~results of this study to the members of the House of Representatives Appropriations~~
21 ~~Subcommittee on Health and Human Services and the Senate Appropriations Committee~~
22 ~~on Human Resources by October 1, 1999, and shall make a final report by January 1,~~
23 ~~2000.~~

24 Section 11.12.(x) Effective no earlier than October 1, 2000, the Department of
25 Health and Human Services shall amend the Medicaid State Plan to adopt simplified
26 methodologies for the treatment of assets in determining Medicaid eligibility for aged,
27 blind, and disabled persons. The simplified methodologies are limited to excluding the
28 value of burial plots and the cash value of life insurance when the total face value of cash
29 value bearing life insurance policies does not exceed ten thousand dollars (\$10,000).

30 Section 11.12.(y) The Division of Fiscal Research, through the Legislative
31 Services Office, with the cooperation of the Department of Health and Human Services,
32 shall issue a Request for Proposal (RFP) for an independent consultant to study and
33 review the amount, sufficiency, duration, and scope of each service provided under the
34 North Carolina Medicaid Program. The independent consultant shall make an interim
35 progress report on October 1, 2000, and January 1, 2001, to the cochairs of the House of
36 Representatives Appropriations Subcommittee on Health and Human Services and the
37 Senate Appropriations Committee on Human Resources. The final report of the
38 independent consultant shall be presented to the North Carolina General Assembly not
39 later than May 1, 2001. The Department shall transfer funding from the Medicaid
40 Program for the cost of the study.

41 Section 11.12.(z) The Department of Health and Human Services shall study
42 the feasibility of authorizing Medicaid reimbursement for children eligible for EPSDT
43 services by providers who are eligible for reimbursement for these services under the

1 Teachers' and State Employees' Comprehensive Major Medical Plan pursuant to G.S.
2 135-40.7B, and under the Health Insurance Program for Children pursuant to G.S. 108A-
3 70.21. The Department shall report its findings and recommendations to the members of
4 the House of Representatives Appropriations Subcommittee on Health and Human
5 Services, the Senate Appropriations Committee on Human Resources, and the Fiscal
6 Research Division not later than October 1, 2000."

7
8 Requested by: Representatives Earle, Nye, Easterling, Redwine

9 **COUNTY MEDICAID COST-SHARE**

10 Section 11.6.(a) Section 11.39 of S.L. 1999-237 reads as rewritten:

11 "Section 11.39.(a) Of the funds appropriated in this act to the Department of
12 Health and Human Services, Division of Mental Health, Developmental Disabilities, and
13 Substance Abuse Services for the 1999-2000 fiscal year, the Department shall transfer to
14 the Mental Health Restricted Reserve not more than the amount of actual expenditures
15 for Medicaid payments for the 1998-99 fiscal year for services provided by area mental
16 health authorities. The Department shall transfer from the Division of Medical Assistance
17 the estimated amount needed to match Medicaid payments for the former Carolina
18 Alternatives Programs. The Department shall not transfer from area program allocations
19 funds to cover Medicaid payment expenditures that exceed the amount of funds in the
20 Reserve for the 1999-2000 fiscal year.

21 ~~Section 11.39.(b) Any nonfederal increases in the cost of Medicaid services~~
22 ~~provided by area mental health authorities will be borne in equal parts by the State and~~
23 ~~county funding entity until the county share reaches fifteen percent (15%) of the~~
24 ~~nonfederal share. Effective July 1, 2000, the county share of the cost of Medicaid~~
25 ~~services currently and previously provided by area mental health authorities shall be~~
26 ~~increased incrementally each fiscal year until the county share reaches fifteen percent~~
27 ~~(15%) of the nonfederal share by State fiscal year 2009-2010."~~

28 Section 11.6.(b) Section 11.22(g) is repealed.

29 Section 11.6.(c) Section 11.22(h) of S.L. 1999-237 reads as rewritten:

30 "Section 11.22.(h) ~~Effective January 1, 2000, the State shall pay fifty percent~~
31 ~~(50%) and the county shall pay fifty percent (50%) of the nonfederal share of new levels~~
32 ~~of Medicaid Personal Care Services paid to adult care homes. Effective July 1, 2001, the~~
33 ~~State shall pay fifty seven percent (57%) and each county shall pay forty three percent~~
34 ~~(43%) of the nonfederal share of new levels of Medicaid Personal Care Services paid to~~
35 ~~adult care homes. Each year thereafter, the State share of the nonfederal cost will~~
36 ~~increase by seven percent (7%) until the county share equals fifteen percent (15%) of the~~
37 ~~nonfederal share of new levels of Medicaid Personal Care Services. Effective July 1,~~
38 ~~2000, the county share of the cost of Medicaid Personal Care Services paid to adult care~~
39 ~~homes shall be decreased incrementally each fiscal year until the county share reaches~~
40 ~~fifteen percent (15%) of the nonfederal share by State fiscal year 2009-2010."~~

41
42 Requested by: Representatives Earle, Nye, Easterling, Redwine

43 **MEDICAID RESERVE FUND TRANSFER**

1 Section 11.7. Section 11.10(a) of S.L. 1999-237 reads as rewritten:

2 "Section 11.10.(a) Of the funds transferred to the Department of Health and
3 Human Services for Medicaid programs pursuant to G.S. 143-23.2, the sum of eighty-
4 four million dollars (\$84,000,000) for the 1999-2000 fiscal year and the sum of ~~twenty-~~
5 ~~nine-ninety-nine~~ million dollars ~~(\$29,000,000)-(\$99,000,000)~~ for the 2000-2001 fiscal
6 year shall be allocated as prescribed by G.S. 143-23.2(b) for Medicaid programs.
7 Notwithstanding the prescription in G.S. 143-23.2(b) that these funds not reduce State
8 general revenue funding, these funds shall replace the reduction in general revenue
9 funding effected in this act."

10
11 Requested by: Representatives Earle, Nye, Easterling, Redwine, Baddour, Nesbitt
12 **WAIVE NC HEALTH CHOICE WAITING PERIOD FOR SPECIAL NEEDS**
13 **CHILDREN**

14 Section 11.8.(a) G.S. 108A-70.18(8) reads as rewritten:

15 "**§ 108A-70.18. Definitions.**

16 ~~Unless~~As used in this Part, unless the context clearly requires otherwise, the term:

17 ...
18 (8) 'Uninsured' means the applicant for Program benefits ~~was not covered~~
19 ~~under any private or employer-sponsored comprehensive health~~
20 ~~insurance plan for the six-month period immediately preceding the date~~
21 ~~of application for Program benefits. Effective April 1, 1999, 'uninsured'~~
22 ~~means the applicant is~~ and was not covered under any private or
23 employer-sponsored comprehensive health insurance plan for 60 days
24 immediately preceding the date of application. The waiting periods
25 required under this subdivision shall be waived ~~if~~if:

- 26 a. The child has been enrolled in Medicaid and has lost
27 Medicaid eligibility, eligibility;
28 b. The child has lost health care benefits due to cessation of a
29 nonprofit organization program that provides health care benefits
30 to low-income children, or children;
31 c. The child has lost employer-sponsored comprehensive health
32 care coverage due to termination of employment, cessation by
33 the employer of employer-sponsored health coverage, or
34 cessation of the employer's business, business; or
35 d. Health insurance benefits available to the family of a special
36 needs child have been terminated due to a long-term disability or
37 a substantial reduction in or limitation of lifetime medical
38 benefits or benefit category. As used in this paragraph, 'special
39 needs child' has the definition applied in G.S. 108A-70.23(a)."

40 Section 11.8.(b) The total amount of State funds expended for the Health
41 Insurance Program for Children (NC Health Choice) in the 2000-2001 fiscal year shall
42 not exceed the amount of State funds appropriated to match federal funds for the Program
43 for the 2000-2001 fiscal year.

1
2 **SUBPART 3. FACILITY SERVICES**

3
4 Requested by: Representatives Earle, Nye, Easterling, Redwine

5 **EXTEND ADULT CARE HOME MORATORIUM/STUDY**

6 Section 11.9.(a) Section 11.69(b) of S.L. 1997-443, as amended by Section
7 12.16C(a) of S.L. 1998-212, and as further amended by Section 1 of S.L. 1999-135, reads
8 as rewritten:

9 "(b) Effective until ~~September 30, 2000~~, September 30, 2001, the Department of
10 Health and Human Services shall not approve the addition of any adult care home beds
11 for any type home or facility in the State, except as follows:

12 (1) Plans submitted for approval prior to May 18, 1997, may continue to be
13 processed for approval;

14 (2) Plans submitted for approval subsequent to May 18, 1997, may be
15 processed for approval if the individual or organization submitting the
16 plan demonstrates to the Department that on or before August 25, 1997,
17 the individual or organization purchased real property, entered into a
18 contract to purchase or obtain an option to purchase real property,
19 entered into a binding real property lease arrangement, or has otherwise
20 made a binding financial commitment for the purpose of establishing or
21 expanding an adult care home facility. An owner of real property who
22 entered into a contract prior to August 25, 1997, for the sale of an
23 existing building together with land zoned for the development of not
24 more than 50 adult care home beds with a proposed purchaser who
25 failed to consummate the transaction may, after August 25, 1997, sell
26 the property to another purchaser and the Department may process and
27 approve plans submitted by the purchaser for the development of not
28 more than 50 adult care home beds. It shall be the responsibility of the
29 applicant to establish, to the satisfaction of the Department, that any of
30 these conditions have been met;

31 (3) Adult care home beds in facilities for the developmentally disabled with
32 six beds or less which are or would be licensed under G.S. 131D or G.S.
33 122C may continue to be approved;

34 (4) If the Department determines that the vacancy rate of available adult
35 care home beds in a county is fifteen percent (15%) or less of the total
36 number of available beds in the county as of August 26, 1997, and no
37 new beds have been approved or licensed in the county or plans
38 submitted for approval in accordance with subdivision (1) or (2) of this
39 section which would raise the vacancy rate above fifteen percent (15%)
40 in the county, then the Department may accept and approve the addition
41 of beds in that county; or

42 (5) If a county board of commissioners determines that a substantial need
43 exists for the addition of adult care home beds in that county, the board

1 of commissioners may request that a specified number of additional
2 beds be licensed for development in their county. In making their
3 determination, the board of commissioners shall give consideration to
4 meeting the needs of Special Assistance clients. The Department may
5 approve licensure of the additional beds from the first facility that files
6 for licensure and subsequently meets the licensure requirements."

7 Section 11.9.(b) The Department of Health and Human Services shall study the
8 various types of adult care homes covered by the moratorium enacted under Section
9 11.69(b) of S.L. 1997-443 and amended by Section 12.16C(a) of S.L. 1998-212 and S.L.
10 1999-135. The study shall identify adult care homes by predominant types of residents
11 currently being served and shall recommend licensure categories appropriate to the
12 population served. As part of this study, the Department shall identify current public
13 funding available to residents of the identified adult care homes as well as additional
14 funding sources appropriate to the population being served. Not later than March 1,
15 2001, the Department shall report the results of its study to the House of Representatives
16 Appropriations Subcommittee on Health and Human Services and the Senate
17 Appropriations Committee on Human Resources.

18
19 Requested by: Representatives Earle, Nye, Easterling, Redwine

20 **USE OF FIRE PROTECTION FUND FOR EMERGENCY GENERATORS**

21 Section 11.10. G.S. 122A-5.13 reads as rewritten:

22 **"§ 122A-5.13. Adult Care Home, Group Home, and Nursing Home Fire Protection** 23 **Fund authorized; authority.**

24 (a) The North Carolina Housing Finance Agency shall establish an Adult Care
25 Home, Group Home, and Nursing Home Fire Protection Fund (hereinafter 'Fire
26 Protection Fund') to assist owners of adult care homes, group homes for developmentally
27 disabled adults, and nursing homes with the purchase and installation of fire protection
28 systems and emergency generators in existing and new adult care homes, group homes
29 for developmentally disabled adults, and nursing homes. The Fire Protection Fund shall
30 be a revolving fund.

31 (b) The Agency, in consultation with the Department of Health and Human
32 Services, shall adopt rules for the management and use of the Fire Protection Fund. These
33 rules at a minimum shall provide for the following:

34 (1) Financial incentives for owners of facilities who utilize Fire Protection
35 Fund monies to install sprinkler systems instead of smoke detection
36 equipment.

37 (2) Maximum loan amounts of one dollar and seventy-five cents (\$1.75) per
38 square foot for advanced smoke detectors and digital communication
39 equipment, three dollars and seventy-five cents (\$3.75) per square foot
40 for residential sprinkler systems, and six dollars (\$6.00) per square foot
41 for institutional sprinkler systems.

- 1 (3) Interest rates from three percent (3%) to six percent (6%) for a period
2 not to exceed 20 years for sprinkler systems and 10 years for smoke
3 detection systems.
- 4 (4) Documentary verification that owners of facilities obtain fire protection
5 systems and emergency generators at a reasonable cost.
- 6 (5) Acceleration of a loan when statutory fire protection requirements are
7 not met by the facility for which the loan was made.
- 8 (6) Loan approval priority criteria that considers the frailty level of
9 residents at a facility.
- 10 (7) Loan origination and servicing fees.
- 11 (c) Proceeds from the Fire Protection Fund, not to exceed ten thousand dollars
12 (\$10,000) annually, may be used to provide staff support to the North Carolina Housing
13 Finance Agency for loan processing under this section and to the Department of Health
14 and Human Services for review and approval of fire protection plans and inspection of
15 fire protection systems."

16
17 Requested by: Representatives Earle, Nye, Easterling, Redwine

18 **STUDY MULTIUNIT ASSISTED HOUSING WITH SERVICES FACILITIES**

19 Section 11.11. The North Carolina Study Commission on Aging shall study
20 Multiunit Assisted Housing with Services (MAHS) facilities. The study shall include the
21 following:

- 22 (1) What strategies may be employed at the State and local level to ensure
23 registration of MAHS facilities with the Department of Health and
24 Human Services, as required under G.S. 131D-2(a)(7a).
- 25 (2) Whether persons requesting access to MAHS facilities should be
26 included in the assessment process that is part of the uniform portal of
27 entry system.
- 28 (3) Whether an advocacy and oversight system for MAHS facilities should
29 be developed that is comparable to the advocacy and oversight system
30 in place for adult care homes.

31 Not later than February 1, 2001, the Commission shall report its findings and
32 recommendations to the 2001 General Assembly and to the cochairs of the House of
33 Representatives Appropriations Subcommittee on Health and Human Services and the
34 Senate Appropriations Committee on Human Resources.

35
36 **SUBPART 4. SOCIAL SERVICES**

37
38 Requested by: Representatives Earle, Nye, Easterling, Redwine

39 **ADULT CARE HOMES REIMBURSEMENT RATE INCREASE/STATE**
40 **AUDITOR STUDY**

41 Section 11.12.(a) Section 11.22(e) of S.L. 1999-237 reads as rewritten:

1 "Section 11.22.(e) Effective October 1, 2000, the maximum monthly rate for
2 residents in adult care home facilities shall be one thousand ~~sixteen~~sixty-two dollars
3 ~~(\$1,016)~~(\$1,062) per month per resident."

4 Section 11.12.(b) The Office of the State Auditor shall study the cost
5 reimbursement system used to reimburse adult care homes for residents in those homes
6 who receive public assistance. The study shall include an analysis of the financial
7 information collected on the adult care homes by the Department of Health and Human
8 Services controller's office. The study shall also analyze the impact of occupancy rates on
9 the cost reimbursement system. The Office of the State Auditor shall report the results of
10 the study to the members of the House Appropriations Subcommittee on Health and
11 Human Services and the Senate Appropriations Committee on Human Resources not
12 later than March 1, 2001.

13
14 Requested by: Representatives Earle, Nye, Easterling, Redwine

15 **EXTEND SPECIAL ASSISTANCE DEMONSTRATION PROJECT**

16 Section 11.13. Section 11.21 of S.L. 1999-237 reads as rewritten:

17 "Section 11.21. The Department of Health and Human Services may use funds from
18 the existing State/County Special Assistance for Adults budget to provide Special
19 Assistance payments to eligible individuals in in-home living arrangements. These
20 payments may be made for up to 400 individuals. These payments may be made for up
21 to a two-year period beginning July 1, ~~1999, 2000,~~ and ending June 30, ~~2001, 2002.~~ To
22 the maximum extent possible, the Department shall consider geographic balance in the
23 dispersion of payments to individuals across the State. The Department shall make an
24 interim report to the cochairs of the House of Representatives Appropriations Committee,
25 the cochairs of the House of Representatives Appropriations Subcommittee on Health
26 and Human Services and the cochairs of the Senate Appropriations Committee, the Chair
27 of the Senate Appropriations Committee on Human Resources by June 30, ~~2000, 2001,~~
28 and a final report by October 1, ~~2001, 2002.~~ This report shall include the following
29 information:

- 30 (1) A description of cost savings that could occur by allowing individuals
31 eligible for State/County Special Assistance the option of remaining in
32 the home.
- 33 (2) Which activities of daily living or other need criteria are reliable
34 indicators for identifying individuals with the greatest need for income
35 supplements for in-home living arrangements.
- 36 (3) How much case management is needed and which types of individuals
37 are most in need of case management.
- 38 (4) The geographic location of individuals receiving payments under this
39 section.
- 40 (5) A description of the services purchased with these payments.
- 41 (6) A description of the income levels of individuals who receive payments
42 under this section and the impact on the Medicaid program.

- 1 (7) Findings and recommendations as to the feasibility of continuing or
2 expanding the demonstration program."
3

4 Requested by: Representatives Earle, Nye, Easterling, Redwine

5 **CHILD WELFARE SYSTEM IMPROVEMENTS**

6 Section 11.14. (a) Subsection (a) of Section 11.28 of S.L. 1999-237 reads as
7 rewritten:

8 "Section 11.28.(a) The Division of Social Services, Department of Health and
9 Human Services, shall report ~~semiannually~~ to the members of the Senate Appropriations
10 Committee on Human Resources, the House of Representatives Appropriations
11 Subcommittee on Health and Human Services, and the Fiscal Research Division on the
12 activities of the State Child Fatality Review Team ~~and shall provide a final report to the~~
13 ~~Senate Appropriations Committee on Human Resources and the House of~~
14 ~~Representatives Appropriations Subcommittee on Health and Human Services no later~~
15 ~~than April 1, 2000,~~ including recommendations for changes in the statewide child
16 protection system. system no later than October 1 of each year."

17 Section 11.14.(b)Subsection (d) of Section 11.57 of S.L. 1997-443, as amended by
18 Section 12.22 of S.L. 1998-212 and as amended by Section 11.28 of S.L. 1999-237, is
19 repealed.

20 Section 11.14.(c)G.S. 131D-10.6A reads as rewritten:

21 **"§ 131D-10.6A. Training by the Division of Social Services required.**

22 (a) The Division of Social Services, Department of Health and Human Services,
23 shall ~~continue the in-house training component that provides a mandated~~ require a
24 minimum of 30 hours of preservice training for foster care parents either prior to
25 licensure or within six months from the date a provisional license is issued pursuant to
26 G.S. 131D-10.3, and 84 hours for foster care workers and adoption social workers 131D-
27 10.3 and a mandated minimum of 10 hours of continuing education for all foster care
28 parents and 18 hours for foster care workers and adoption social workers. annually after
29 the year in which a license is obtained.

30 (b) The Division of Social Services shall establish minimum training requirements
31 for child welfare services staff. The minimum training requirements established by the
32 Division are as follows:

- 33 (1) Child welfare services workers shall complete a minimum of 72 hours
34 of preservice training before assuming direct client contact
35 responsibilities.
36 (2) Child protective services workers shall complete a minimum of 18
37 hours of additional training that the Division of Social Services
38 determines is necessary to adequately meet training needs.
39 (3) Foster care and adoption workers shall complete a minimum of 39 hours
40 of additional training that the Division of Social Services determines is
41 necessary to adequately meet training needs.
42 (4) Child welfare services supervisors shall complete a minimum of 72
43 hours of preservice training before assuming supervisory responsibilities

1 and a minimum of 54 hours of additional training that the Division of
2 Social Services determines is necessary to adequately meet training
3 needs.

4 (5) Child welfare services staff shall complete 24 hours of continuing
5 education annually.

6 The Division of Social Services may grant an exception in whole or in part to the
7 requirement under subdivision (1) of this subsection to child welfare workers who
8 satisfactorily complete or are enrolled in a masters or bachelors program after July 1,
9 1999, from a North Carolina social work program accredited pursuant to the Council on
10 Social Work Education. The program's curricula must cover the specific preservice
11 training requirements as established by the Division of Social Services.

12 The Division of Social Services shall ensure that training opportunities are available
13 for county departments of social services and consolidated human service agencies to
14 meet the training requirements of this subsection."

15 Section 11.14.(d)G.S. 131D-10.6A(b), as enacted by subsection (b) of this section,
16 applies to child welfare services staff initially hired on or after January 1, 1998.

17
18 Requested by: Representatives Earle, Nye, Easterling, Redwine

19 **SPECIAL CHILDREN ADOPTION FUND**

20 Section 11.15.(a)Of the funds appropriated to the Department of Health and Human
21 Services in this act, the sum of one million one hundred thousand dollars (\$1,100,000)
22 shall be used to support the Special Children Adoption Fund for the 2000-2001 fiscal
23 year. The Division of Social Services, in consultation with the North Carolina
24 Association of County Directors of Social Services and representatives of licensed
25 private adoption agencies, shall develop guidelines for the awarding of funds to licensed
26 public and private adoption agencies upon the adoption of children described in G.S.
27 108A-50 and in foster care. Payments received from the Special Children Adoption Fund
28 by participating agencies shall be used exclusively to enhance the adoption services. No
29 local match shall be required as a condition for receipt of these funds. In accordance with
30 State rules for allowable costs, the Special Children Adoption Fund may be used for post-
31 adoption services for families whose incomes exceed two hundred percent (200%) of the
32 federal poverty level.

33 Section 11.15.(b)Of the total funds appropriated for the Special Children Adoption
34 Fund, four hundred thousand dollars (\$400,000) shall be reserved for payment to
35 participating private adoption agencies.

36
37 Requested by: Representatives Earle, Nye, Easterling, Redwine

38 **SPECIAL NEEDS ADOPTIONS INCENTIVE FUND**

39 Section 11.16. There is created a Special Needs Adoptions Incentive Fund to
40 provide financial assistance to facilitate the adoption of certain children residing in
41 licensed foster care homes, effective January 1, 2001. These funds shall be used to
42 remove financial barriers to the adoption of these children and shall be available to foster

1 care families who adopt children with special needs as defined by the Social Services
2 Commission. These funds shall be matched by county funds.

3 This program shall not constitute an entitlement and is subject to the
4 availability of funds.

5 The Social Services Commission shall adopt rules to implement the provisions
6 of this section.

7
8 **SUBPART 5. MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND**
9 **SUBSTANCE ABUSE SERVICES**

10
11 Requested by: Representatives Earle, Nye, Easterling, Redwine

12 **NONMEDICAID REIMBURSEMENT CHANGES**

13 Section 11.17. Section 11.7 of S.L. 1999-237 reads as rewritten:

14 "Section 11.7. Providers of medical services under the various State programs, other
15 than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates
16 no more than those under the North Carolina Medical Assistance Program. Hospitals that
17 provide psychiatric inpatient care for multiply diagnosed adults who were identified as
18 members of the Thomas S. class at the time of dissolution of the class, and other multiply
19 diagnosed adults may be paid an additional incentive payment not to exceed fifteen
20 percent (15%) of their regular daily per diem reimbursement.

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

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

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

37
38

<u>Family Size</u>	<u>Medical Eye Care Adults</u>	<u>All Rehabilitation</u>	<u>Other</u>
39 1	\$ 4,860	\$ 8,364	\$ 4,200
40 2	5,940	10,944	5,300
41 3	6,204	13,500	6,400
42 4	7,284	16,092	7,500

43

1	5	7,821	18,648	7,900
2	6	8,220	21,228	8,300
3	7	8,772	21,708	8,800
4	8	9,312	22,220	9,300

5
 6 The eligibility level for children in the Medical Eye Care Program in the Division of
 7 Services for the Blind shall be one hundred percent (100%) of the federal poverty
 8 guidelines, as revised annually by the United States Department of Health and Human
 9 Services and in effect on July 1 of each fiscal year. The eligibility level for adults in the
 10 Atypical Antipsychotic Medication Program in the Division of Mental Health,
 11 Developmental Disabilities, and Substance Abuse Services shall be one hundred ~~twenty-~~
 12 ~~five-fifty~~ percent (~~125%~~)(~~150%~~) of the federal poverty guidelines, as revised annually by
 13 the United States Department of Health and Human Services and in effect on July 1 of
 14 each fiscal year. Additionally, those adults enrolled in the Atypical Antipsychotic
 15 Medication Program who become gainfully employed may continue to be eligible to
 16 receive State support, in decreasing amounts, for the purchase of atypical antipsychotic
 17 medication and related services up to three hundred percent (300%) of the poverty level.

18 State financial participation in the Atypical Antipsychotic Medication Program for
 19 those enrollees who become gainfully employed is as follows:
 20

21	<u>Income</u>	<u>State Participation</u>	<u>Client Participation</u>
22	(% of poverty)		
23	0-125%	100%	0%
24	126-140%		90%
25	141-160%	80%	10%
26	161-180%	70%	30%
27	181-200%	60%	40%
28	201-220%	50%	50%
29	221-240%	40%	60%
30	241-260%	30%	70%
31	261-280%	20%	80%
32	281-300%	10%	90%
33	301% over		0%
34			100%.
35	<u>0-150%</u>	<u>100%</u>	<u>0%</u>
36	<u>151-200%</u>	<u>75%</u>	<u>25%</u>
37	<u>201-250%</u>	<u>50%</u>	<u>50%</u>
38	<u>251-300%</u>	<u>25%</u>	<u>75%</u>
39	<u>301% and over</u>		<u>0%</u>
40			<u>100%."</u>

41 The Department of Health and Human Services shall contract at, or as close as
 42 possible to, Medicaid rates for medical services provided to residents of State facilities of
 43 the Department."

1
2 Requested by: Representative Culpepper

3 **AREA BOARD MEMBER PER DIEM**

4 Section 11.18. G.S. 122C-120 reads as rewritten:

5 **"§ 122C-120. Compensation of area board members.**

6 (a) Area board members may receive as compensation for their services per diem
7 and a subsistence allowance for each day during which they are engaged in the official
8 business of the area board. The amount of the per diem and subsistence allowances shall
9 be established by the area board ~~and the amounts shall not exceed those authorized by~~
10 G.S. 138-5 for State boards. ~~board. The amount of per diem allowance shall not exceed~~
11 fifty dollars (\$50.00). Reimbursement of subsistence expenses shall be at the rates
12 allowed to State officers and employees under G.S. 138-6(a)(3).

13 (b) Area board members may be reimbursed for all necessary travel expenses and
14 registration fees in amounts fixed by the board."
15

16 Requested by: Representatives Earle, Nye, Easterling, Redwine

17 **CHILD MENTAL HEALTH RESIDENTIAL TREATMENT/SERVICES**
18 **PROGRAM**

19 Section 11.19.(a) The Department of Health and Human Services shall
20 establish the Child Mental Health Residential Treatment/Services Program. The Program
21 shall be implemented by the Department in consultation with the Office of Juvenile
22 Justice and other affected State agencies. The purpose of the Program is to provide
23 appropriate and medically necessary residential treatment alternatives for children at risk
24 of institutionalization or other out-of-home placement. The Program shall include the
25 following:

- 26 (1) Behavioral health screenings for all children at risk of
27 institutionalization or other out-of-home placement.
- 28 (2) Appropriate and medically necessary residential treatment placements,
29 including placements for specialized populations such as deaf children,
30 children with serious emotional disturbances, and sexually aggressive
31 youth.
- 32 (3) Multidisciplinary case management services, as needed.
- 33 (4) A system of utilization review specific to the nature and design of the
34 Program.
- 35 (5) Mechanisms to ensure that children are not placed in department of
36 social services custody for the purpose of obtaining mental health
37 residential treatment services.
- 38 (6) Mechanisms to maximize current State and local funds and to expand
39 use of Medicaid funds to accomplish the intent of this Program.
- 40 (7) Other appropriate components to accomplish the Program's purpose.

41 Section 11.19.(b) The Department shall not allocate funds appropriated for
42 Program services until a Memorandum of Agreement has been executed between the
43 Department and other affected State agencies. The Memorandum of Agreement shall

1 address specifically the roles and responsibilities of the various departmental divisions
2 and affected State agencies involved in the administration, financing, care, and placement
3 of children at risk of institutionalization or other out-of-home placement. The
4 Department shall not allocate funds appropriated in this act for the Program until
5 Memoranda of Agreement between local departments of social services and area mental
6 health programs, and the Administrative Office of the Courts, and the Office of Juvenile
7 Justice, as appropriate, are executed to effectuate the purpose of the Program. The
8 Memoranda of Agreement shall address issues pertinent to local implementation of the
9 Program.

10 Section 11.19.(c) Notwithstanding any other provision of law to the contrary,
11 services under the Child Mental Health Residential Treatment/Services Program are not
12 an entitlement for non-Medicaid eligible children served by the Program.

13 Section 11.19.(d) The Department of Health and Human Services, in
14 conjunction with the Office of Juvenile Justice and other affected agencies, shall report
15 on the following:

- 16 (1) The number and other demographic information of children served.
- 17 (2) The amount and source of funds expended to implement the Program.
- 18 (3) Information regarding the number of children screened, specific
19 placement of children, and treatment needs of children served.
- 20 (4) The average length of stay in residential treatment, transition, and return
21 to home.
- 22 (5) The number of children diverted from institutions or other out-of-home
23 placements such as training schools and State psychiatric hospitals.
- 24 (6) Recommendations on other areas of the Program that need to be
25 improved.
- 26 (7) Other information relevant to successful implementation of the
27 Program.

28 The Department shall submit a progress report on implementation of the
29 Program not later than February 1, 2001, and a final report not later than May 1, 2002, to
30 the House of Representatives Appropriations Subcommittee on Health and Human
31 Services, the Senate Appropriations Committee on Human Resources, and the Fiscal
32 Research Division.

33
34 Requested by: Representatives Earle, Nye, Easterling, Redwine

35 **FUNDS FOR CHILD AND ADOLESCENT RESIDENTIAL UNIT AT MURDOCH**
36 **CENTER**

37 Section 11.20.(a) Of the funds appropriated in this act to the Department of
38 Health and Human Services, Division of Mental Health, Developmental Disabilities, and
39 Substance Abuse Services, the sum of three million dollars (\$3,000,000) for the 2000-
40 2001 fiscal year shall be used as follows:

- 41 (1) To develop and operate a six-bed short-term residential unit to meet the
42 needs of autistic children statewide whose behaviors place them at
43 serious risk of institutionalization. The unit shall be developed within

1 the Murdoch Mental Retardation Center and supported by specialized
2 staff within the Murdoch Mental Retardation Center; and

- 3 (2) To develop and operate a four-bed residential program for autistic
4 children statewide whose behaviors place them at serious risk of
5 institutionalization. The program may offer short-term
6 diagnostic/prescriptive services or comprehensive interventions in order
7 to transition children back to their homes and communities. The
8 program shall be developed and supported by staff from the Murdoch
9 Mental Retardation Center.

10 Section 11.20.(b) The Department shall submit progress reports on December
11 1, 2000, and on April 1, 2001, on its compliance with this section. The Department shall
12 submit a final report on January 1, 2002. The reports shall be submitted to the House of
13 Representatives Appropriations Subcommittee on Health and Human Services, the Senate
14 Appropriations Committee on Human Resources, and the Fiscal Research Division.

15
16 Requested by: Representatives Earle, Nye, Easterling, Redwine

17 **SERVICES TO CHILDREN AT RISK FOR INSTITUTIONALIZATION OR**
18 **OTHER OUT-OF-HOME PLACEMENT**

19 Section 11.21.(a) In order to ensure that children at risk for institutionalization
20 or other out-of-home placement are appropriately served by the mental health,
21 developmental disabilities, and substance abuse services system, the Department of
22 Health and Human Services, Division of Mental Health, Developmental Disabilities, and
23 Substance Abuse Services, shall do the following with respect to services provided to
24 these children:

- 25 (1) Provide only those treatment services that are medically necessary.
26 (2) Implement utilization review of services provided.
27 (3) Effective immediately:
28 a. Eliminate formerly court-mandated Willie M. or Eligible Violent
29 and Assaultive Children Program administration, infrastructure,
30 categorical funding designation, and eligibility determination
31 process at the State and local level;
32 b. Identify savings realized from elimination of Program
33 administration and infrastructure at the State and local level;
34 c. Adopt the following guiding principles for the provision of
35 services:
36 1. Service delivery system must be outcome-oriented and
37 evaluation-based.
38 2. Services should be delivered as close as possible to the
39 consumer's home.
40 3. Services selected should be those that are most efficient in
41 terms of cost and effectiveness.
42 4. Services should not be provided solely for the
43 convenience of the provider or the client.

- 1 5. Families and consumers should be involved in decision
2 making throughout treatment planning and delivery.
3 d. Implement all of the following cost reduction strategies:
4 1. Preauthorization for all services except emergency
5 services.
6 2. Levels of care to assist in the development of treatment
7 plans.
8 3. Clinically appropriate services.
9 4. State review of individualized service plans for all
10 children served to ensure that service plans focus on
11 delivery of appropriate services rather than optimal
12 treatment and habilitation plans.
13 (4) Collaborate with other affected State agencies such as the Office of
14 Juvenile Justice and the Administrative Office of the Courts, and with
15 local departments of social services and area mental health programs to
16 eliminate cost-shifting and facilitate cost-sharing among these
17 governmental agencies with respect to the treatment and placement
18 services.

19 Section 11.21.(b) The Department shall submit a progress report on
20 implementation of this section not later than February 1, 2001, and a final report not later
21 than May 1, 2002, to the House of Representatives Appropriations Subcommittee on
22 Health and Human Services, the Senate Appropriations Committee on Human Resources,
23 and the Fiscal Research Division.

24 Section 11.21.(c) G.S. 122C-3(13a) is repealed.

25 Section 11.21.(d) G.S. 122C-112(14) is repealed.

26 Section 11.21.(e) Part 7 of Article 4 of Chapter 122C of the General Statutes is
27 repealed. This subsection applies to petitions for contested case review filed on and after
28 the effective date of this act.

29

30 Requested by: Representatives Earle, Nye, Easterling, Redwine

31 **SERVICES TO MULTIPLY-DIAGNOSED ADULTS**

32 Section 11.22.(a) In order to ensure that multiply-diagnosed adults are
33 appropriately served by the mental health, developmental disabilities, and substance
34 abuse services system, the Department of Health and Human Services, Division of
35 Mental Health, Developmental Disabilities, and Substance Abuse Services, shall do the
36 following with respect to services provided to these adults:

37 (1) Provide only those treatment services that are medically necessary.

38 (2) Implement utilization review of services provided.

39 (3) Effective immediately:

40 a. Eliminate formerly court-mandated Thomas S. Program
41 administration, infrastructure, and categorical funding
42 designation at the local level, while continuing to provide

- 1 services to former Thomas S. clients and other multiply-
2 diagnosed adults;
- 3 b. Identify savings realized from elimination of Program
4 administration and infrastructure;
- 5 c. Adopt the following guiding principles for the provision of
6 services:
- 7 1. Service delivery system must be outcome oriented and
8 evaluation based.
 - 9 2. Services should be delivered as close as possible to the
10 consumer's home.
 - 11 3. Services selected should be those that are most efficient in
12 terms of cost and effectiveness.
 - 13 4. Services should not be provided solely for the
14 convenience of the provider or the client.
 - 15 5. Families and consumers should be involved in decision-
16 making throughout treatment planning and delivery; and
- 17 d. Implement all of the following cost reduction strategies:
- 18 1. Preauthorization for all services except emergency
19 services.
 - 20 2. Criteria for determining medical necessity.
 - 21 3. Clinically appropriate services.
 - 22 4. State review of (i) individualized service plans for all
23 adults served to ensure that service plans focus on delivery
24 of appropriate services rather than optimal treatment and
25 habilitation plans, and (ii) staffing patterns of residential
26 services.

27 Section 11.22.(b) No State funds shall be used for the purchase of single-
28 family or other residential dwellings to house multiply-diagnosed adults.

29 Section 11.22.(c) The Department shall submit a progress report on
30 implementation of this section not later than February 1, 2001, and a final report not later
31 than May 1, 2002, to the House of Representatives Appropriations Subcommittee on
32 Health and Human Services, the Senate Appropriations Committee on Human Resources,
33 and the Fiscal Research Division.

34
35 Requested by: Representatives Earle, Nye, Easterling, Redwine, Insko

36 **FUNDS FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND**
37 **SUBSTANCE ABUSE SERVICES OVERSIGHT COMMITTEE**

38 Section 11.23.(a) Of the funds appropriated in this act to the Department of
39 Health and Human Services, the Department shall transfer the sum of three hundred fifty
40 thousand dollars (\$350,000) to the General Assembly, Legislative Services Office, for the
41 2000-2001 fiscal year. These funds shall be used for the mental health, developmental
42 disabilities, and substance abuse services system reform initiative proposed in Senate Bill
43 1217 and House Bill 1519, 1999 General Assembly, Regular Session 2000. The funds

1 shall be used specifically for a comprehensive study of developmental disabilities
2 services and administration and to hire professional staff to assist the Legislative
3 Oversight Committee on Mental Health, Developmental Disabilities, and Substance
4 Abuse Services. These funds may be transferred for these purposes if and only if Senate
5 Bill 1217 or House Bill 1519, 1999 General Assembly, becomes law.

6 Section 11.23.(b) The Department shall study whether a new division of
7 developmental disabilities should be established in the Department. Not later than
8 January 1, 2001, the Department shall report its findings and recommendations to the
9 House of Representatives Appropriations Subcommittee on Health and Human Services
10 and the Senate Appropriations Committee on Human Resources.

11 Requested by: Representatives Earle, Nye, Easterling, Redwine

12 **MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE**
13 **ABUSE SERVICES RESERVE FOR SYSTEM REFORM AND OLMSTEAD**
14 **DECISION**
15

16 Section 11.24.(a) There is created in the Office of State Budget and
17 Management the Mental Health, Developmental Disabilities, and Substance Abuse
18 Services Reserve for System Reform and Olmstead. The purposes of the Reserve are to:

- 19 (1) Provide start-up funds for programs and services that provide
20 community alternatives for individuals currently residing in the State's
21 mental health, developmental disabilities, and substance abuse services
22 institutions.
- 23 (2) Facilitate the State's compliance with the United States Supreme Court
24 decision in Olmstead v. L.C. and E.W.
- 25 (3) Facilitate reform of the mental health, developmental disabilities, and
26 substance abuse services system.

27 Section 11.24.(b) Funds appropriated to the Reserve created in subsection (a)
28 of this section shall be used to:

- 29 (1) Pay onetime expenditures that will not impose additional financial
30 obligations on the State, and
- 31 (2) Establish or expand community-based services if sufficient recurring
32 funds can be identified within the Department from funds currently
33 budgeted for mental health, developmental disabilities, and substance
34 abuse services, area mental health programs, or local government.

35 Section 11.24.(c) Before allocating funds from the Reserve, the Director of the
36 Budget shall certify that the planned uses of the funds are in compliance with this section
37 and do not constitute or will not create an ongoing financial obligation to the State.

38 Section 11.24.(d) Funds in the Mental Health, Developmental Disabilities, and
39 Substance Abuse Services Reserve for System Reform and Olmstead shall not revert to
40 the General Fund but shall remain in the Reserve to be used as authorized in this section.

41 Section 11.24.(e) The Department of Health and Human Services shall report
42 periodically to the Legislative Study Commission on Mental Health, Developmental

1 Disabilities, and Substance Abuse Services and to the Joint Legislative Commission on
2 Governmental Operations on any actions taken under this section.

3
4 Requested by: Representatives Earle, Nye, Easterling, Redwine

5 **EARLY INTERVENTION SERVICES**

6 Section 11.25. Section 11.42 of S.L. 1999-237 reads as rewritten:

7 "Section 11.42.(a) Of the funds appropriated in this act to the Department of
8 Health and Human Services, the sum of two hundred three thousand dollars (\$203,000)
9 for the 1999-2000 fiscal year and the sum of ~~six hundred ten eight hundred sixty~~
10 ~~thousand dollars (\$610,000)-(\$860,000)~~ for the 2000-2001 fiscal year shall be used to
11 implement two recommendations from the Interagency Coordinating Council's "Study on
12 Early Intervention Services for Children Ages Birth to Five Years," dated March 1999.
13 The Department of Health and Human Services, the Department of Public Instruction,
14 and The University of North Carolina's Division TEACCH (Treatment and Education of
15 Autistic and other Communications Handicapped Children and Adults), shall participate
16 jointly, in collaboration with the Interagency Coordinating Council, in the planning,
17 design, and implementation of the following provisions:

18 (1) Of the funds allocated by this subsection, the sum of seventy-eight
19 thousand dollars (\$78,000) in the 1999-2000 fiscal year and the sum of
20 ~~one hundred ten three hundred~~ thousand dollars ~~(\$110,000)-(\$300,000)~~
21 in the 2000-2001 fiscal year shall be used to plan, design, and
22 implement an integrated, interagency database for children with or at
23 risk for disabilities who receive early intervention services. The
24 purpose of the database is to:

- 25 a. Assist in identifying gaps in services;
26 b. Project and plan for future service needs;
27 c. Improve the quality and accessibility of services; and
28 d. Document outcomes of early intervention services.

29 This database shall be compatible with the State Board of Education's
30 new Student Information Management System. These agencies shall
31 initiate use of the database in a pilot program in at least one community
32 by July 1, 2000, and shall evaluate this pilot for statewide
33 implementation by July 1, 2001. Any local education agency
34 participating in the pilot program shall provide the same data for
35 children in the preschool program for children with disabilities as is
36 provided by the Department of Health and Human Services for children
37 served in the infant-toddler program. The agencies shall submit a
38 progress report by April 1, 2000, to the Senate Appropriations
39 Committee on Human Resources, the House of Representatives
40 Appropriations Subcommittee on Health and Human Services, and the
41 Fiscal Research Division.

42 (2) Of the funds allocated by this subsection, the sum of one hundred
43 twenty-five thousand dollars (\$125,000) in fiscal year 1999-2000 and

1 the sum of five hundred ~~sixty~~ thousand dollars ~~(\$500,000)~~ (\$560,000) in
2 fiscal year 2000-2001 shall be used to plan for and implement regional
3 transdisciplinary teams to provide training, technical assistance, and
4 other support services to existing early intervention agencies and
5 providers. The teams will maintain expertise on low incidence
6 populations, such as children with visual and hearing impairments,
7 autism, and child mental health needs. These agencies shall implement
8 a pilot program establishing a regional transdisciplinary team no later
9 than March 2000. These agencies shall submit an interim report by
10 March 15, 2000, and a final plan for statewide implementation of the
11 transdisciplinary teams by March 15, 2001, to the Senate
12 Appropriations Committee on Human Resources, the House of
13 Representatives Appropriations Subcommittee on Health and Human
14 Services, and the Fiscal Research Division.

15 Section 11.42.(b)The North Carolina Schools for the Deaf and other agencies
16 providing early intervention services to children from birth through five years of age shall
17 implement procedures to ensure that:

- 18 (1) Parents of children newly identified with hearing loss and determined to
19 be eligible for services are informed of the services available to them
20 through Beginnings for Parents of ~~Hearing Impaired Children, Inc.;~~
21 ~~Children Who Are Deaf or Hard of Hearing, Inc.;~~ and
22 (2) ~~Beginnings for Parents of Hearing Impaired Children, Inc.,~~ Children
23 Who Are Deaf or Hard of Hearing, Inc., with the consent of parents, is
24 notified of these children in a timely and appropriate manner."
25

26 **SUBPART 6. CHILD DEVELOPMENT**

27
28 Requested by: Representatives Earle, Nye, Easterling, Redwine

29 **TRANSFER FUNDS FOR CLIENT SERVICES**

30 Section 11.26. The sum of three million dollars (\$3,000,000) appropriated to
31 the Division of Child Development in this act shall be transferred to the Division of
32 Social Services to fund client services provided by the county departments of social
33 services.
34

35 Requested by: Representatives Earle, Nye, Easterling, Redwine

36 **CHILD CARE SUBSIDY RATES**

37 Section 11.27.(a)Section 11.47 of S.L. 1999-237 reads as rewritten:

38 "Section 11.47.(a) The maximum gross annual income for initial eligibility,
39 adjusted biennially, for subsidized child care services shall be seventy-five percent (75%)
40 of the State median income, adjusted for family size.

41 Section 11.47.(b)Fees for families who are required to share in the cost of care shall
42 be established based on a percent of gross family income and adjusted for family size.
43 Fees shall be determined as follows:

	FAMILY SIZE	PERCENT OF GROSS FAMILY INCOME
1		
2	1-3	9%
3	4-5	8%
4	6 or more	7%

5 Section 11.47.(c) Payments for the purchase of child care services for low-
6 income children shall be in accordance with the following requirements:

7 (1) Effective October 1, 1999, religious-sponsored child care facilities
8 operating pursuant to G.S. 110-106 and licensed child care centers and
9 homes that meet the minimum licensing standards that are participating
10 in the subsidized child care program shall be paid the ~~county market~~
11 subsidy rate or the rate they charge privately paying parents, whichever
12 is lower.

13 (2) Effective October 1, 1999, religious-sponsored child care facilities
14 operating pursuant to G.S. 110-106 and licensed child care centers and
15 homes that are receiving a higher rate than the ~~market subsidy~~ rates that
16 will be implemented with this provision shall continue to receive that
17 higher rate for a period of three years from the effective date of this
18 section.

19 (3) Effective October 1, 1999, licensed child care centers with two or more
20 stars may receive a higher payment rate per child per month as follows:
21 two stars - \$14.00, three stars - \$17.00, four stars - \$20.00, and five stars
22 - \$23.00. Effective January 1, 2000, licensed child care homes with two
23 or more stars may receive a higher payment rate per child per month as
24 follows: two stars - \$14.00, three stars - \$17.00, four stars - \$20.00, and
25 five stars - \$23.00. This subdivision expires September 1, 2000.

26 (3a) Effective September 1, 2000, licensed child care centers and homes with
27 two or more stars shall receive the subsidy rate for that rated quality
28 level for that age group or the rate they charge privately paying parents,
29 whichever is lower.

30 (4) Nonlicensed homes shall receive fifty percent (50%) of the ~~county~~
31 ~~market subsidy~~ rate or the rate they charge privately paying parents,
32 whichever is lower.

33 (5) Maximum payment rates shall also be calculated periodically by the
34 Division of Child Development for transportation to and from child care
35 provided by the child care provider, individual transporter, or
36 transportation agency, and for fees charged by providers to parents.
37 These payment rates shall be based upon information collected by
38 market rate surveys.

39 ~~Section 11.47.(d) Provision of payment rates for child care providers in counties who~~
40 ~~do not have at least 75 children in each age group for center based and home based care~~
41 ~~are as follows:~~

42 (1) ~~Payment rates shall be set at the statewide market rate for licensed child~~
43 ~~care centers and homes.~~

1 (2) ~~If it can be demonstrated that the application of the statewide market~~
2 ~~rate to a county with fewer than 75 children in each age group is lower~~
3 ~~than the county market rate and would inhibit the ability of the county to~~
4 ~~purchase child care for low-income children, then the county market~~
5 ~~rate may be applied.~~

6 Section 11.47.(e) A market rate shall be calculated for child care centers and
7 homes ~~that meet minimum licensing standards at each rated quality level~~ for each county
8 and for each age group or age category of enrollees and shall be representative of fees
9 charged to unsubsidized privately paying parents for each age group of enrollees within
10 the county. The Division of Child Development shall also calculate a statewide market
11 rate at each rated quality level for each age category. The Division of Child
12 Development may also calculate regional market rates at each rated quality level for each
13 age group and age category.

14 Section 11.47.(f) Facilities licensed pursuant to Article 7 of Chapter 110 of the
15 General Statutes and facilities operated pursuant to G.S. 110-106 may participate in the
16 program that provides for the purchase of care in child care facilities for minor children
17 of needy families. No separate licensing requirements shall be used to select facilities to
18 participate. In addition, child care facilities shall be required to meet any additional
19 applicable requirements of federal law or regulations. Child care arrangements exempt
20 from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall
21 meet the requirements established by other State law and by the Social Services
22 Commission.

23 County departments of social services or other local contracting agencies shall not use
24 a provider's failure to comply with requirements in addition to those specified in this
25 subsection as a condition for reducing the provider's subsidized child care rate.

26 Section 11.47.(g) Payment for subsidized child care services provided with
27 Work First Block Grant funds shall comply with all regulations and policies issued by the
28 Division of Child Development for the subsidized child care program."

29 Section 11.27.(b)Article 7 of Chapter 110 of the General Statutes is amended by
30 adding a new section to read:

31 **"§ 110-109. Child care subsidy rates.**

32 (a) The Department shall conduct a statewide market rate study of child care
33 facilities at least once every two years. The study shall include a survey of all licensed
34 facilities. Based on the results of this study, the Department shall establish a market rate
35 for child care centers and homes at each rated quality level for each county and for each
36 age group. The Department shall also calculate a statewide market rate at each rated
37 quality level for each age group. The market rate shall be set at the seventy-fifth
38 percentile of fees charged to unsubsidized, privately paying parents at each rated quality
39 level for each age group.

40 (b) Within six months of completing a statewide market rate study, the Department
41 shall publish the results of that study and implement market rates based on the results of
42 that study.

1 (c) When a county has at least 75 children in an age group at a particular rated
2 quality level, the subsidy rate is the county market rate for that age group at that rated
3 quality level. When a county has fewer than 75 children in an age group at a particular
4 rated quality level, the subsidy rate is the statewide market rate for that age group at that
5 rated quality level.

6 (d) Notwithstanding the provisions of subsection (c) of this section, when it can be
7 demonstrated that the statewide market rate is lower than the county market rate and that
8 setting the subsidy rate at the statewide market rate would inhibit the ability of a county
9 to purchase child care for low-income children, the subsidy rate shall be the county
10 market rate."

11 Section 11.27.(c)The first market rate study required by G.S. 110-109, as enacted by
12 subsection (b) of this section, shall be completed no later than April 1, 2001.

13
14 Requested by: Representatives Earle, Nye, Easterling, Redwine

15 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**

16 Section 11.28.(a)G.S. 143B-168.12(a) reads as rewritten:

17 "(a) In order to receive State funds, the following conditions shall be met:

18 (1) The North Carolina Partnership shall have a Board of Directors
19 consisting of the following 25 members:

- 20 a. The Secretary of Health and Human Services, ex officio, or the
21 Secretary's designee;
- 22 b. Repealed by Session Laws 1997, c. 443, s. 11A.105.
- 23 c. The Superintendent of Public Instruction, ex officio, or the
24 Superintendent's designee;
- 25 d. The President of the Community Colleges System, ex officio, or
26 the President's designee;
- 27 e. Three members of the public, including one child care provider,
28 one other who is a parent, and one other who is a board chair of a
29 local partnership serving on the North Carolina Partnership local
30 partnership advisory committee, appointed by the General
31 Assembly upon recommendation of the President Pro Tempore
32 of the Senate;
- 33 f. Three members of the public, including one who is a parent, one
34 other who is a representative of the faith community, and one
35 other who is a board chair of a local partnership serving on the
36 North Carolina Partnership local partnership advisory committee,
37 appointed by the General Assembly upon recommendation of the
38 Speaker of the House of Representatives;
- 39 g. Twelve members, appointed by the Governor. Three of these 12
40 members shall be members of the party other than the Governor's
41 party, appointed by the Governor. Seven of these 12 members
42 shall be appointed as follows: one who is a child care provider,
43 one other who is a pediatrician, one other who is a health care

1 provider, one other who is a parent, one other who is a member
2 of the business community, one other who is a member
3 representing a philanthropic agency, and one other who is an
4 early childhood educator;

5 h. Repealed by Session Laws 1998-212, s. 12.37B(a).

6 h1. The Chair of the North Carolina Partnership Board shall be
7 appointed by the Governor;

8 i. Repealed by Session Laws 1998-212, s. 12.37B(a).

9 j. One member of the public appointed by the General Assembly
10 upon recommendation of the Majority Leader of the Senate;

11 k. One member of the public appointed by the General Assembly
12 upon recommendation of the Majority Leader of the House of
13 Representatives;

14 l. One member of the public appointed by the General Assembly
15 upon recommendation of the Minority Leader of the Senate; and

16 m. One member of the public appointed by the General Assembly
17 upon recommendation of the Minority Leader of the House of
18 Representatives.

19 All members appointed to succeed the initial members and members
20 appointed thereafter shall be appointed for three-year terms. Members
21 may succeed themselves.

22 All appointed board members shall avoid conflicts of interests and
23 the appearance of impropriety. Should instances arise when a conflict
24 may be perceived, any individual who may benefit directly or indirectly
25 from the North Carolina Partnership's disbursement of funds shall
26 abstain from participating in any decision or deliberations by the North
27 Carolina Partnership regarding the disbursement of funds.

28 All ex officio members are voting members. Each ex officio member
29 may be represented by a designee. These designees shall be voting
30 members. No members of the General Assembly shall serve as
31 members.

32 The North Carolina Partnership may establish a nominating
33 committee and, in making their recommendations of members to be
34 appointed by the General Assembly or by the Governor, the President
35 Pro Tempore of the Senate, the Speaker of the House of
36 Representatives, the Majority Leader of the Senate, the Majority Leader
37 of the House of Representatives, the Minority Leader of the Senate, the
38 Minority Leader of the House of Representatives, and the Governor
39 shall consult with and consider the recommendations of this nominating
40 committee.

41 The North Carolina Partnership may establish a policy on members'
42 attendance, which policy shall include provisions for reporting absences

1 of at least three meetings immediately to the appropriate appointing
2 authority.

3 Members who miss more than three consecutive meetings without
4 excuse or members who vacate their membership shall be replaced by
5 the appropriate appointing authority, and the replacing member shall
6 serve either until the General Assembly and the Governor can appoint a
7 successor or until the replaced member's term expires, whichever is
8 earlier.

9 The North Carolina Partnership shall establish a policy on
10 membership of the local board, which policy shall include the
11 requirement that all local board members, other than any member
12 appointed because of a position held by that individual, be residents of
13 the county or the partnership region they are representing. No member
14 of the General Assembly shall serve as a member of a local board.
15 Within these requirements for local board membership, the North
16 Carolina Partnership shall allow local partnerships that are regional to
17 have flexibility in the composition of their boards so that all counties in
18 the region have adequate representation.

19 All appointed local board members shall avoid conflicts of interests
20 and the appearance of impropriety. Should instances arise when a
21 conflict may be perceived, any individual who may benefit directly or
22 indirectly from the partnership's disbursement of funds shall abstain
23 from participating in any decision or deliberations by the partnership
24 regarding the disbursement of funds.

25 (2) The North Carolina Partnership and the local partnerships shall agree to
26 adopt procedures for its operations that are comparable to those of
27 Article 33C of Chapter 143 of the General Statutes, the Open Meetings
28 Law, and Chapter 132 of the General Statutes, the Public Records Law,
29 and provide for enforcement by the Department.

30 (3) The North Carolina Partnership shall oversee the development and
31 implementation of the local demonstration projects as they are selected
32 and shall approve the ongoing plans, programs, and services developed
33 and implemented by the local partnerships and hold the local
34 partnerships accountable for the financial and programmatic integrity of
35 the programs and services. The North Carolina Partnership may
36 contract at the State level to obtain services or resources when the
37 North Carolina Partnership determines it would be more efficient to do
38 so.

39 In the event that the North Carolina Partnership determines that a
40 local partnership is not fulfilling its mandate to provide programs and
41 services designed to meet the developmental needs of children in order
42 to prepare them to begin school healthy and ready to succeed and is not
43 being accountable for the programmatic and fiscal integrity of its

1 programs and services, the North Carolina Partnership may suspend all
2 funds to the partnership until the partnership demonstrates that these
3 defects are corrected. Further, at its discretion, the North Carolina
4 Partnership may assume the managerial responsibilities for the
5 partnership's programs and services until the North Carolina Partnership
6 determines that it is appropriate to return the programs and services to
7 the local partnership.

8 (4) The North Carolina Partnership shall develop and implement a
9 comprehensive standard fiscal accountability plan to ensure the fiscal
10 integrity and accountability of State funds appropriated to it and to the
11 local partnerships. The standard fiscal accountability plan shall, at a
12 minimum, include a uniform, standardized system of accounting,
13 internal controls, payroll, fidelity bonding, chart of accounts, and
14 contract management and monitoring. The North Carolina Partnership
15 may contract with outside firms to develop and implement the standard
16 fiscal accountability plan. All local partnerships shall be required to
17 participate in the standard fiscal accountability plan developed and
18 adopted by the North Carolina Partnership pursuant to this subdivision.

19 (5) The North Carolina Partnership shall develop a ~~centralized~~ regional
20 accounting and contract management system which incorporates
21 features of the required standard fiscal accountability plan described in
22 subdivision (4) of subsection (a) of this section. All local partnerships
23 shall participate in the regional accounting and contract management
24 system. ~~The following local partnerships shall be required to participate~~
25 ~~in the centralized accountability system developed by the North~~
26 ~~Carolina Partnership pursuant to this subdivision:~~

27 a. ~~Local partnerships which have significant deficiencies in their~~
28 ~~accounting systems, internal controls, and contract management~~
29 ~~systems, as determined by the North Carolina Partnership based~~
30 ~~on the annual financial audits of the local partnerships conducted~~
31 ~~by the Office of the State Auditor; and~~

32 b. ~~Local partnerships which are in the first two years of operation~~
33 ~~following their selection. At the end of this two-year period, local~~
34 ~~partnerships shall continue to participate in the centralized~~
35 ~~accounting and contract management system. With the approval~~
36 ~~of the North Carolina Partnership, local partnerships may~~
37 ~~perform accounting and contract management functions at the~~
38 ~~local level using the standardized and uniform accounting~~
39 ~~system, internal controls, and contract management systems~~
40 ~~developed by the North Carolina Partnership.~~

41 ~~Local partnerships which otherwise would not be required to participate~~
42 ~~in the centralized accounting and contract management system pursuant~~
43 ~~to this subdivision may voluntarily choose to participate in the system.~~

1 ~~Participation or nonparticipation shall be for a minimum of two years,~~
2 ~~unless, in the event of nonparticipation, the North Carolina Partnership~~
3 ~~determines that any partnership's annual financial audit reveals serious~~
4 ~~deficiencies in accounting or contract management.~~

5 (6) The North Carolina Partnership shall develop a formula for allocating
6 direct services funds appropriated for this purpose to local partnerships.

7 (7) The North Carolina Partnership may adjust its allocations by up to ten
8 percent (10%) on the basis of local partnerships' performance
9 assessments. In determining whether to adjust its allocations to local
10 partnerships, the North Carolina Partnership shall consider whether the
11 local partnerships are meeting the outcome goals and objectives of the
12 North Carolina Partnership and the goals and objectives set forth by the
13 local partnerships in their approved annual program plans.

14 The North Carolina Partnership may use additional factors to
15 determine whether to adjust the local partnerships' allocations. These
16 additional factors shall be developed with input from the local
17 partnerships and shall be communicated to the local partnerships when
18 the additional factors are selected. These additional factors may include
19 board involvement, family and community outreach, collaboration
20 among public and private service agencies, and family involvement.

21 On the basis of performance assessments, local partnerships annually
22 shall be rated "superior", "satisfactory", or "needs improvement". ~~Local~~
23 ~~partnerships rated "superior" shall receive, to the extent that funds are~~
24 ~~available, a ten percent (10%) increase in their annual funding~~
25 ~~allocation. Local partnerships rated "satisfactory" shall receive their~~
26 ~~annual funding allocation. Local partnerships rated "needs~~
27 ~~improvement" shall receive up to ninety percent (90%) of their annual~~
28 ~~funding allocation.~~

29 The North Carolina Partnership may contract with outside firms to
30 conduct the performance assessments of local partnerships.

31 (8) The North Carolina Partnership shall establish a local partnership
32 advisory committee comprised of 15 members. Eight of the members
33 shall be chairs of local partnerships' board of directors, and seven shall
34 be staff of local partnerships. Members shall be chosen by the Chair of
35 the North Carolina Partnership from a pool of candidates nominated by
36 their respective boards of directors. The local partnership advisory
37 committee shall serve in an advisory capacity to the North Carolina
38 Partnership and shall establish a schedule of regular meetings. Members
39 shall be chosen from local partnerships on a rotating basis. The advisory
40 committee shall annually elect a chair from among its members.

41 (9) The North Carolina Partnership shall report (i) quarterly to the Joint
42 Legislative Commission on Governmental Operations and (ii) to the
43 General Assembly and the Governor on the ongoing progress of all the

1 local partnerships' work, including all details of the use to which the
2 allocations were put, and on the continuing plans of the North Carolina
3 Partnership and of the Department, together with legislative proposals,
4 including proposals to implement the program statewide."

5 Section 11.28.(b)G.S. 143B-168.13(6) reads as rewritten:

6 "(6) Annually update its funding ~~formula~~ formula, in collaboration with the
7 North Carolina Partnership for Children, Inc., using the most recent data
8 available. These amounts shall serve as the basis for determining "full
9 funding" amounts for each local partnership."

10 Section 11.28.(c)G.S. 143B-168.15(b) reads as rewritten:

11 "(b) Depending on local, regional, or statewide needs, funds may be used to support
12 activities and services that shall be made available and accessible to providers, children,
13 and families on a voluntary basis. Of the funds allocated to local partnerships ~~that are~~
14 ~~designated by the Secretary for direct services, seventy-five~~ seventy percent (75%) ~~(70%)~~
15 of the funds spent in each year shall be used for any one or more of the following
16 activities and services:

17 (1) ~~Child care services, including:~~

- 18 a. ~~Child care subsidies to reduce waiting lists;~~
19 b. ~~Raising the county child care subsidy rate to the State market~~
20 ~~rate, if applicable, in return for improvements in the quality of~~
21 ~~child care services;~~
22 c. ~~Raising the income eligibility for child care subsidies to seventy-~~
23 ~~five percent (75%) of the State median family income;~~
24 d. ~~Start-up funding for child care providers;~~
25 e. ~~Assistance to enable child care providers to conform to licensing~~
26 ~~and building code requirements;~~
27 f. ~~Child care resources and referral services;~~
28 g. ~~Enhancement of the quality of child care provided;~~
29 h. ~~Technical assistance for child care providers;~~
30 i. ~~Quality grants for child care centers or family child care homes;~~
31 j. ~~Expanded services or enhanced rates for children with special~~
32 ~~needs;~~
33 k. ~~Head Start services;~~
34 l. ~~Development of comprehensive child care services that include~~
35 ~~child health and family support;~~
36 m. ~~Activities to reduce staff turnover;~~
37 n. ~~Activities to serve children with special needs;~~
38 o. ~~Transportation services related to providing child care services;~~
39 p. ~~Evaluation of plan implementation of child care services; and~~
40 q. ~~Needs and resources assessments for child care services.~~

41 (2) ~~Family and child-centered services, including early childhood~~
42 ~~education and child development services, including:~~

- 1 a. ~~Enhancement of the quality of family and child-centered~~
2 ~~services provided;~~
3 b. ~~Technical assistance for family and child-centered services;~~
4 c. ~~Needs and resource assessments for family and child-centered~~
5 ~~services;~~
6 d. ~~Home-centered services; and~~
7 e. ~~Evaluation of plan implementation of family and child-centered~~
8 ~~services.~~

9 (3) ~~Other appropriate activities and services for child care providers and for~~
10 ~~family and child-centered services, including:~~

- 11 a. ~~Staff and organizational development, leadership and~~
12 ~~administrative development, technology assisted education, and~~
13 ~~long-range planning; and~~
14 b. ~~Procedures to ensure that infants and young children receive~~
15 ~~needed health, immunization, and related services.~~

16 in child care related activities and early childhood education programs that improve
17 access to child care and early childhood education services, develop new child care and
18 early childhood education services, and improve the quality of child care and early
19 childhood education services in all settings."

20 Section 11.28.(d)Effective September 1, 2000, G.S. 143B-168.15(g) reads as
21 rewritten:

22 "(g) Not less than thirty percent (30%) of the funds spent in each year of each local
23 partnership's direct services allocation shall be used to expand child care subsidies. To
24 the extent practicable, these funds shall be used to enhance the affordability, availability,
25 and quality of child care services as described in this section. ~~The local partnerships shall~~
26 ~~give priority for the use of these funds to augmenting the State's supplemental subsidy~~
27 ~~payment rate per child per month for licensed child care centers and homes earning a~~
28 ~~rated license that exceeds the minimum licensing standards. The North Carolina~~
29 Partnership may increase this percentage requirement up to a maximum of fifty percent
30 (50%) when, based upon a significant local waiting list for subsidized child care, the
31 North Carolina Partnership determines a higher percentage is justified."

32 Section 11.28.(e) Subsection (c) of Section 11.48 of S.L. 1999-237 is repealed.

33 Section 11.28.(f) Subsection (h) of Section 11.48 of S.L. 1999-237 is repealed.

34 Section 11.28.(g) Reserved.

35 Section 11.28.(h) Subsection (m) of Section 11.48 of S.L. 1999-237 reads as
36 rewritten:

37 "Section 11.48.(m) There is allocated from the funds appropriated to the
38 Department of Health and Human Services, Division of Child Development, in this act,
39 the sum of fifty-nine million five hundred thousand dollars (\$59,500,000) for the 1999-
40 2000 fiscal year and the sum of ~~seventy-eight million nine hundred twenty-eight thousand~~
41 ~~eight hundred twenty-six dollars (\$78,928,826)~~ one hundred twenty-two million eight
42 hundred seventy-eight thousand seventy-six dollars (\$122,878,076) for the 2000-2001
43 fiscal year to be used as follows:

- 1 (1) The sum of fifty-eight million dollars (\$58,000,000) in the 1999-2000
2 fiscal year and the sum of ~~seventy-eight million nine hundred twenty-~~
3 ~~eight thousand eight hundred twenty six dollars (\$78,928,826)~~ one
4 hundred twenty-one million four hundred thirteen thousand seven
5 hundred twenty-five dollars (\$121,413,725) in the 2000-2001 fiscal year
6 shall be used to administer and deliver services in all 100 counties.
7 These funds may be used as financial incentives to encourage
8 regionalization at the local level and to complete development of
9 contracting and accounting systems at the local level. Any funds used
10 to encourage regionalization or to complete development of contracting
11 and accounting systems at the local level shall not be included in
12 computations affecting the administrative cost limitations under
13 subsection (e) of this section.
- 14 (2) The North Carolina Partnership for Children, Inc., may use the sum of
15 one million five hundred thousand dollars (\$1,500,000) in the 1999-
16 2000 fiscal year and the sum of five hundred thousand dollars
17 (\$500,000) in the 2000-2001 fiscal year to assist local partnerships in
18 their efforts to develop local collaboration. It is the intent of the
19 General Assembly that these funds be nonrecurring.
- 20 (3) The North Carolina Partnership for Children, Inc., shall receive the sum
21 of nine hundred sixty-four thousand three hundred fifty-one dollars
22 (\$964,351) in the 2000-2001 fiscal year for State-level administration of
23 the Program.

24 The General Assembly requests that the Governor fully fund the Program in the
25 continuation budget for the 2001-2003 fiscal biennium at the level recommended by the
26 Governor in the 1999-2001 fiscal biennium."

27 Section 11.28.(i) Subsection (n) of Section 11.48 of S.L. 1999-237 reads as
28 rewritten:

29 "Section 11.48.(n) Of the funds appropriated to the Department of Health and
30 Human Services for the Program for the 1999-2001 biennium, the Frank Porter Graham
31 Child Development Center shall receive the sum of one million fifteen thousand dollars
32 (\$1,015,000) in the 1999-2000 fiscal year and the sum of one million ~~fifteen thousand~~
33 ~~dollars (\$1,015,000)~~ sixty-five thousand seven hundred fifty dollars (\$1,065,750) in the
34 2000-2001 fiscal year."

36 **SUBPART 7. DEAF AND HARD OF HEARING SERVICES**

37
38 Requested by: Representatives Earle, Nye, Easterling, Redwine, Alexander
39 **FAMILY SUPPORT/DIVISION OF SERVICES FOR THE DEAF AND THE**
40 **HARD OF HEARING SERVICES CONTRACT**

41 Section 11.29. Section 11.50 of S.L. 1999-237 reads as rewritten:

42 "Section 11.50. Of the funds appropriated in this act to the Division of Services for
43 the Deaf and the Hard of Hearing, Department of Health and Human Services, for family

1 support services, the sum of five hundred three thousand two hundred thirty-eight dollars
2 (\$503,238) for the 1999-2000 fiscal year and the sum of ~~five hundred three seven~~
3 ~~hundred twenty-three thousand two hundred thirty-eight dollars (\$503,238) (\$723,238)~~
4 for the 2000-2001 fiscal year shall be used to contract with a private, nonprofit
5 corporation licensed to do business in North Carolina to perform those services, including
6 family support and advocacy services as well as technical assistance to professionals who
7 work with families of hearing-impaired children aged birth to 21 years."

9 **SUBPART 8. PUBLIC HEALTH**

11 Requested by: Representatives Earle, Nye, Easterling, Redwine

12 **MAINTAIN FUNDING FOR DEVELOPMENTAL EVALUATION CENTERS**

13 Section 11.30. The Department of Health and Human Services shall replace
14 any reductions in appropriations for the Developmental Evaluation Centers with
15 Medicaid receipts. The total amount of the Developmental Evaluation Centers program
16 budget shall not be reduced below the amount certified in the 1999-2000 fiscal year
17 program budget.

19 Requested by: Representatives Earle, Nye, Easterling, Redwine

20 **USE OF NEWBORN SCREENING FEES**

21 Section 11.31.(a)G.S. 130A-125 reads as rewritten:

22 **"§ 130A-125. Screening of newborns for metabolic and other hereditary and**
23 **congenital disorders.**

24 (a) The Department shall establish and administer a Newborn Screening Program.
25 The program shall include, but shall not be limited to:

- 26 (1) Development and distribution of educational materials regarding the
27 availability and benefits of newborn screening.
- 28 (2) Provision of laboratory testing.
- 29 (3) Development of follow-up protocols to assure early treatment for
30 identified children, and the provision of genetic counseling and support
31 services for the families of identified children.
- 32 (4) Provision of necessary dietary treatment products or medications for
33 identified children as medically indicated and when not otherwise
34 available.
- 35 (5) For each newborn, provision of physiological screening in each ear for
36 the presence of permanent hearing loss.

37 (b) The Commission shall adopt rules necessary to implement the Newborn
38 Screening Program. The rules shall include, but shall not be limited to, the conditions for
39 which screening shall be required, provided that screening shall not be required when the
40 parents or the guardian of the infant object to such screening. If the parents or guardian
41 object to the screening, the objection shall be presented in writing to the physician or
42 other person responsible for administering the test, who shall place the written objection
43 in the infant's medical record.

1 (b1) The Commission for Health Services shall adopt temporary and permanent
2 rules to include newborn hearing screening in the Newborn Screening Program
3 established under this section.

4 (c) The Department may impose a fee for a laboratory test performed pursuant to
5 this section by the State Public Health Laboratory. A fee for a test must be based on the
6 actual cost of performing the test. Fees collected shall remain in the Department to be
7 used to offset the cost of the Newborn Screening Program. ~~The fees for laboratory tests~~
8 ~~shall be used to supplement and not supplant funds appropriated for the Newborn~~
9 ~~Screening Program.~~

10 ~~The Newborn Screening Fee Account is established as a nonreverting account within~~
11 ~~the Department. Fees collected pursuant to this section shall be credited to this Account~~
12 ~~and shall be applied to the Newborn Screening Program."~~

13 Section 11.31.(b) Not later than March 1, 2001, the Department of Health and
14 Human Services shall submit a progress report on the implementation of the newborn
15 hearing screening program to the House of Representatives Appropriations
16 Subcommittee on Health and Human Services and the Senate Appropriations Committee
17 on Human Resources, and to the Fiscal Research Division. The report shall include
18 findings and recommendations relating to:

- 19 (1) Availability and adequacy of screening and diagnostic equipment;
- 20 (2) Staff training;
- 21 (3) Data on the number of infants screened, the number who failed the
22 hearing screening, and the number fitted for amplification;
- 23 (4) The follow-up process for audiological management;
- 24 (5) Referral procedures for child service coordination and other early
25 intervention services; and
- 26 (6) Outreach efforts to increase public awareness.

27
28 Requested by: Representatives Earle, Nye, Easterling, Redwine

29 **HEART DISEASE AND STROKE PREVENTION TASK FORCE REPORT**

30 Section 11.32. Subsection (l) of Section 26.9 of Chapter 507 of the 1995
31 Session Laws, as amended by Section 15.25 of S.L. 1997-443, and as further amended by
32 Section 11.57 of S.L. 1999-237, reads as rewritten:

33 "(l) The Task Force shall submit to the Governor and to the General Assembly a
34 preliminary report by January 1, 1996; an interim report within the first week of the
35 convening of the 1997 General Assembly; a second interim report within the first week of
36 the convening of the 1997 General Assembly, Regular Session 1998; a third interim
37 report within the first week of the convening of the 1999 General Assembly, a fourth
38 interim report within the first week of the convening of the 2000 General Assembly; a
39 fifth interim report within the first week of the convening of the 2001 General Assembly,
40 and a final report by June 30, 2001. The reports shall address the Plan, actions and
41 resources needed to fully implement the Plan, and progress in achieving implementation
42 of the Plan to reduce the occurrence of and burden from heart disease and stroke in North
43 Carolina. The reports shall include an accounting of funds expended and anticipated

1 funding needs for full implementation of recommended plans and programs. Not later
2 than October 1, 2000, the Task Force shall submit an additional report on its actual
3 budget and activities for the 1999-2000 fiscal year. The report shall also describe the
4 impact and effectiveness of Task Force activities in the State. The report shall be
5 submitted to the House of Representatives Appropriations Subcommittee on Health and
6 Human Services, the Senate Appropriations Committee on Human Resources, and the
7 Fiscal Research Division."

8
9 Requested by: Representatives Earle, Nye, Easterling, Redwine, Boyd-McIntyre

10 **EXTEND OSTEOPOROSIS TASK FORCE**

11 Section 11.33.(a) Subsection (b) of Section 11.58 of S.L. 1999-237 reads as
12 rewritten:

13 "Section 11.58.(b) The Task Force shall submit a progress report to members of
14 the House of Representatives Appropriations Subcommittee on Health and Human
15 Services and the Senate Appropriations Committee on Human Resources, the Governor,
16 and the Fiscal Research Division not later than April 1, 2000. The progress report shall
17 address:

- 18 (1) Progress being made in fulfilling the duties of the Task Force and in
19 developing the Osteoporosis Prevention Plan,
- 20 (2) The anticipated time frame for completion of the Prevention Plan, and
- 21 (3) Recommended strategies or actions to reduce the occurrence of and
22 burdens suffered from osteoporosis by citizens of this State.

23 The Task Force shall submit its final report to the ~~1999-2001~~ General Assembly, the
24 Governor, and the Fiscal Research Division not later than October 1, ~~2000-2001~~."

25 Section 11.33.(b) Subsection (m) of Section 1532 of S.L. 1997-443, as
26 amended by subsection (c) of Section 11.58 of S.L. 1999-237, reads as rewritten:

27 "(m) Upon submission of its final report to the Governor and the ~~1999-2001~~ General
28 Assembly, ~~Regular Session 2000,~~ the Task Force shall expire."

29
30 Requested by: Representatives Earle, Nye, Easterling, Redwine

31 **LIMITATIONS ON EXPANSION OF INTENSIVE HOME VISITATION** 32 **PROGRAM**

33 Section 11.34.(a) The Department of Health and Human Services shall not amend the
34 State Medicaid Plan to provide Medicaid reimbursement for intensive home visiting
35 services.

36 Section 11.34.(b) The Department of Health and Human Services shall arrange
37 for an independent evaluation of Intensive Home Visitation Program first-year pilot
38 programs that began operation in February, 1998. The evaluation shall review and
39 compare outcomes of the three models that were used in the pilot programs to determine
40 whether the pilot programs are effective in North Carolina.

41
42 Requested by: Representatives Earle, Nye, Easterling, Redwine

43 **AIDS DRUG ASSISTANCE PROGRAM (ADAP)**

1 Section 11.35.(a)Subsections (d) and (e) of Section 11.55 of S.L. 1999-237 read as
2 rewritten:

3 "Section 11.55.(d) The Department shall also develop a comprehensive
4 information management system on AIDS/HIV clients receiving services from the State.
5 The Department may use up to fifty thousand dollars (\$50,000) of the funds appropriated
6 under this act to implement this information management system. This information
7 management system shall be patterned after the information management system used by
8 the Elderly Drug Assistance Program, shall provide instantaneous internal access to
9 information, and ~~This system~~ shall include information on the following:

10 (1) ~~program~~Program usage patterns of ADAP participants, including, but
11 not limited to, frequency of prescription purchases, ~~and~~ types of
12 medications ~~prescribed.~~prescribed, and the cost of prescribed
13 medications on a monthly basis.

14 (2) Demographics of participants in the program, including the age, gender,
15 race, ethnicity, and county of residence of participants.

16 The Department shall also develop a plan for promoting patient adherence to
17 physician treatment recommendations. In developing the plan, the Department shall
18 identify ways of obtaining information without interfering with physician-patient
19 confidentiality. The Department shall report on this plan to the members of the House of
20 Representatives Appropriations Subcommittee on Health and Human Services, the Senate
21 Appropriations Committee on Human Resources, and the Fiscal Research Division not
22 later than May 15, 2000.

23 Section 11.55.(e) For the 1999-2000 fiscal ~~year,~~year and for the 2000-2001
24 fiscal year, HIV-positive individuals with incomes at or below one hundred twenty-five
25 percent (125%) of the federal poverty level are eligible for participation in ADAP.
26 Notwithstanding any other provision of law, eligibility for participation in ADAP during
27 the 1999-2000 fiscal year shall not be extended to individuals with incomes above one
28 hundred twenty-five percent (125%) of the federal poverty level. Eligibility for
29 participation in ADAP during the 2000-2001 fiscal year may be extended to individuals
30 with incomes up to one hundred fifty percent (150%) of the federal poverty level only
31 after the Office of State Budget and Management certifies in writing that the Department
32 has developed an information management system pursuant to subsection (d) of this
33 section. Until the Office of State Budget and Management makes this certification,
34 eligibility for participation in ADAP during the 2000-2001 fiscal year shall not be
35 extended to individuals with incomes above one hundred twenty-five percent (125%) of
36 the federal poverty level. All individuals who are eligible for participation in ADAP
37 shall be served by the Department of Health and Human Services. If sufficient funds are
38 not available from funds allocated to ADAP, the Department of Health and Human
39 Services shall transfer available funds from other programs within the Department to
40 meet the funding needs of ADAP."

41 Section 11.35.(b)The Department of Health and Human Services shall make an
42 interim report by October 1, 2000, and a final report by April 1, 2001, to the Senate
43 Appropriations Committee on Human Resources, the House of Representatives

1 Appropriations Subcommittee on Health and Human Services, and the Fiscal Research
2 Division on ADAP. The reports shall include the following:

- 3 (1) Monthly data on total cumulative AIDS/HIV cases reported in North
4 Carolina.
- 5 (2) Monthly data on the estimated number of individuals eligible to
6 participate in ADAP and the actual number of participants in ADAP.
- 7 (3) Monthly data on the number of individuals who have applied to
8 participate in ADAP that have been determined to be ineligible.
- 9 (4) Monthly data on the income level of participants in ADAP and of
10 individuals who have applied to participate in ADAP that have been
11 determined to be ineligible.
- 12 (5) Monthly data on fiscal-year-to-date expenditures of ADAP. The interim
13 report shall contain monthly data on the calendar-year-to-date
14 expenditures of ADAP.
- 15 (6) Monthly data on the actual line-item budget of ADAP.
- 16 (7) Monthly data on funding sources of ADAP expenditures.
- 17 (8) Monthly data on ADAP funds that are applied to a Medicaid spend-
18 down.
- 19 (9) An update on the status of the information management system.
- 20 (10) Monthly data on ADAP usage patterns and demographics of participants
21 in ADAP.
- 22 (11) Estimated participation rates and costs if eligibility for participation in
23 ADAP were raised to one hundred seventy-five percent (175%) of the
24 federal poverty level or to two hundred percent (200%) of the federal
25 poverty level.

26
27 Requested by: Representatives Earle, Nye, Easterling, Redwine

28 **COMMUNICABLE DISEASE CONTROL AID TO COUNTIES/REPORT**

29 Section 11.36. Not later than October 1, 2000, the Department of Health and
30 Human Services shall report the impact of combining and allocating funds appropriated
31 for the 1999-2000 fiscal year for Aid to Counties in the Acute Communicable Disease
32 Control Fund, the Tuberculosis Control Fund, and the Sexually Transmitted Disease
33 Control Fund into one Acute Communicable Disease Control Aid to Counties Grant. The
34 report shall include the impact of expenditures by county on the individual communicable
35 disease groups. The Department shall submit the report to the House of Representatives
36 Appropriations Subcommittee on Health and Human Services, the Senate Appropriations
37 Committee on Human Resources, and the Fiscal Research Division of the Legislative
38 Services Office.

39
40 Requested by: Representatives Earle, Nye, Easterling, Redwine

41 **PUBLIC HEALTH PREVENTION ACTIVITIES REPORT**

42 Section 11.37. Section 11.60 of S.L. 1999-237 reads as rewritten:

1 "Section 11.60.(a) By ~~April 15,~~ October 1, 2000, and more frequently as
2 requested, the Department of Health and Human Services, Division of Public Health,
3 shall report on the activities of each of the following:

- 4 (1) Kenneth C. Royall, Jr. Children's Vision Screening Improvement
5 Program;
- 6 (2) North Carolina Healthy Start Foundation; and
- 7 (3) Adolescent Pregnancy Prevention Coalition of North Carolina.

8 Section 11.60.(b)The report shall include the following information for each of the
9 organizations named in subsection (a) of this section:

- 10 (1) How organization initiatives, singularly or in concert with other
11 programs, contribute to the Department's overall goal of reducing teen
12 pregnancy and infant mortality, and addressing vision problems of
13 children in North Carolina. This information shall also include data and
14 research that supports the approach the Department has taken in
15 achieving its goal;
- 16 (2) Output data demonstrating the effects of the organization's activities;
- 17 (3) State fiscal year 1998-99 program objectives and activities;
- 18 (4) State fiscal year 1998-99 itemized expenditures and fund sources;
- 19 (5) State fiscal year 1999-2000 planned objectives, activities, and
20 accomplishments; and
- 21 (6) State fiscal year 1999-2000 estimated itemized expenditures and fund
22 sources, including actual expenditures and fund sources through April
23 15, 2000.
- 24 (7) For the 1999-2000 fiscal year:
 - 25 a. A description of all program activities of the organization;
 - 26 b. The number of individuals or entities served by each program of
27 the organization;
 - 28 c. Detailed actual cost of each program funded by the organization,
29 including contracted services;
 - 30 d. Output data demonstrating the effects of the organization's
31 activities; and
 - 32 e. Planned budget, objectives, and activities for the 2000-2001
33 fiscal year.

34 The Department shall submit the report to the House Appropriations Subcommittee
35 on Health and Human Services, the Senate Appropriations Committee on Human
36 Resources, and the Fiscal Research Division of the Legislative Services Office."
37

38 Requested by: Representatives Earle, Nye, Easterling, Redwine

39 PREVENTIVE HEALTH PROGRAM PLAN

40 Section 11.38. The Department of Health and Human Services shall work with
41 the Fiscal Research Division of the Legislative Services Office to do the following:

- 42 (1) Conduct a full inventory on all prevention activities including task
43 forces and committees that receive administrative funding;

- 1 (2) Identify linkages among program activities, such as activities involving
- 2 education and awareness, and those involving services;
- 3 (3) Identify all administrative costs and funding sources and number of
- 4 positions associated with various prevention activities;
- 5 (4) Develop an alternative organizational structure that could more
- 6 effectively and efficiently administer preventive health activities.

7 Not later than February 1, 2001, the Department shall submit the report
8 required under this section to the House of Representatives Appropriations Subcommittee
9 on Health and Human Services, the Senate Appropriations Committee on Human
10 Resources, and the Fiscal Research Division.

11
12 Requested by: Representatives Earle, Nye, Easterling, Redwine

13 **PRESCRIPTION DRUG ASSISTANCE PROGRAM**

14 Section 11.39. Section 11.1.(a) of S.L. 1999-237 reads as rewritten:

15 "Section 11.1.(a) Of the funds appropriated in this act to the Department of Health and
16 Human Services, the sum of five hundred thousand dollars (\$500,000) for the 1999-2000
17 fiscal year and the sum of ~~five hundred thousand one million~~ dollars (\$500,000)
18 (\$1,000,000) for the 2000-2001 fiscal year shall be used to pay the cost of outpatient
19 prescription drugs for persons:

- 20 (1) Over the age of 65 years and not eligible for full Medicaid benefits;
- 21 (2) Whose income is not more than one hundred fifty percent (150%) of the
- 22 federal poverty level; and
- 23 (3) Who have been diagnosed with cardiovascular disease or diabetes.

24 These funds shall be used to pay the cost of outpatient prescription drugs for the
25 treatment of cardiovascular disease or diabetes. Payment shall be not more than the
26 Medicaid cost including rebates. The Department shall develop criteria to maximize the
27 efficient and effective distribution of these drugs."
28

29 Requested by: Representatives Earle, Nye, Easterling, Redwine

30 **ADOLESCENT PREGNANCY PREVENTION PROGRAMS**

31 Section 11.40. (a) Effective July 1, 2005, Part 6 of Article 5 of Chapter 130A
32 of the General Statutes is repealed.

33 Section 11.40. (b) Effective July 1, 2000, guidelines for the administration of
34 funds for parenting programs and teen pregnancy prevention shall be the guidelines
35 adopted under Section 5(x) of this act.

36 Section 11.40. (c) Projects funded under G.S. 130A-131.15 for the 1999-2000
37 fiscal year shall continue to receive funding through the five-year funding cycle in
38 accordance with G.S. 130A-131.15.

40 **PART XII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**

41
42 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine, McComas

1 **EXPAND THE PERMISSIBLE USES OF A GRANT RECEIVED FOR THE 1999-**
2 **2000 FISCAL YEAR FOR THE DEVELOPMENT OF A LOCAL FARMERS'**
3 **MARKET IN NEW HANOVER COUNTY**

4 Section 12.(a) The sum of one hundred thousand dollars (\$100,000) was
5 appropriated to the Department of Agriculture and Consumer Services for the 1999-2000
6 fiscal year to provide grants for local farmers' markets. The sum of forty thousand
7 dollars (\$40,000) that the Department allocated as a grant for the 1999-2000 fiscal year
8 for the development of a farmers' market in New Hanover County shall not revert and
9 may be used to produce written materials to educate the public and promote the
10 development of a local farmers' market in New Hanover County or to solicit donations
11 for the purchase of property or facilities for a local farmers' market in New Hanover
12 County.

13 Section 12.(b) The uses of funds authorized by this section are in addition to other
14 permissible uses of these funds under the guidelines adopted under Section 13.7 of S.L.
15 1998-212 and any other applicable rule or law.

16 Section 12.(c) This section becomes effective June 30, 2000.

17
18 **PART XIII. DEPARTMENT OF ENVIRONMENT AND NATURAL**
19 **RESOURCES**

20
21 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

22 **GRASSROOTS SCIENCE PROGRAM FUNDS**

23 Section 13. The schedule of allocations of appropriations to the Department of
24 Environment and Natural Resources for the Grassroots Science Program under Section
25 15.2 of S.L. 1999-237 shall be the same in the 2000-2001 fiscal year as it was for the
26 1999-2000 fiscal year.

27
28 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

29 **ENVIRONMENTAL EDUCATION GRANTS**

30 Section 13.1.(a) Of the two hundred thousand dollars (\$200,000) appropriated in this
31 act to the Department of Environment and Natural Resources for the 2000-2001 fiscal
32 year for environmental education grants, up to fifteen percent (15%) may be used by the
33 Department for the 2000-2001 fiscal year for the costs of administering the
34 environmental education grants. The remainder of these funds shall be used to provide
35 grants to promote environmental education throughout the State. Grants under this
36 section may be awarded to:

- 37 (1) Schools, community organizations, and environmental education centers
38 for the development of environmental education library collections; or
39 (2) School groups for field trips to environmental education centers across
40 the State, provided the activities of the field trip are correlated with the
41 Department of Public Instruction's curriculum objectives.

42 Section 13.1.(b) The Department of Environment and Natural Resources shall report
43 to the Joint Legislative Commission on Governmental Operations, the Environmental

1 Review Commission, and the Fiscal Research Division by January 1, 2001, and again by
2 July 1, 2001, on the grant program under this section. The report shall include a list of
3 amounts awarded and project descriptions for each grant recipient.

4
5 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

6 **DENR STUDY OF DENR**

7 Section 13.2. The Department of Environment and Natural Resources shall
8 continue to evaluate its organization to identify ways to increase efficiency and to retain
9 staff and to identify ways to better serve the public through permit reform and
10 organizational excellence. The Department shall report any recommendations to the
11 Appropriations Subcommittees on Natural and Economic Resources in both the House of
12 Representatives and the Senate and to the Environmental Review Commission no later
13 than January 15, 2001.

14
15 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

16 **DENR STUDY/RELOCATE DIVISION OF COASTAL MANAGEMENT OFFICE**

17 Section 13.3. The Department of Environment and Natural Resources shall
18 study the feasibility of relocating the main office of the Division of Coastal Management
19 to one or more of the 20 coastal counties within the jurisdiction of the Coastal Area
20 Management Act. In its study, the Department shall consider the cost of relocation, the
21 impact on program efficiency, the availability of office space, and other factors affecting
22 program functions. If the Department determines that relocation of the main office is
23 feasible, then the Department shall include in its report a draft plan for the relocation.

24 The Department shall report its findings and recommendations to both the
25 House of Representatives and the Senate Appropriations Subcommittees on Natural and
26 Economic Resources and to the Fiscal Research Division no later than January 15, 2001.

27
28 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

29 **ERC STUDY RECODIFICATION OF ENVIRONMENTAL STATUTES**

30 Section 13.4.(a) The Environmental Review Commission shall study the
31 recodification of the General Statutes relating to the environment and environmental
32 agencies.

33 Section 13.4.(b) Notwithstanding any rule or resolution to the contrary, any proposed
34 legislation to implement any recommendations made by the Environmental Review
35 Commission under subsection (a) of this section may be introduced and considered
36 during any session of the General Assembly.

37
38 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine, Baker

39 **REALLOCATE TOWN FORK CREEK FUNDS**

40 Section 13.5. Section 15.11(a) of S.L. 1997-443, as amended by Section 15.3
41 of S.L. 1999-237, reads as rewritten:

42 "(a) The funds placed in a reserve account in the Department of Environment,
43 Health, and Natural Resources pursuant to Section 26.3(c) of Chapter 507 of the 1995

1 Session Laws shall not revert until June 30, 2001. Those funds are reallocated as
2 follows:

- 3 (1) Five hundred four thousand five hundred sixty dollars (\$504,560) to the
4 Stokes County Water and Sewer Authority, Inc., for the Germanton
5 Water Project.
- 6 (2) Nine hundred thirty thousand six hundred eighty dollars (\$930,680) to
7 the Stokes County Water and Sewer Authority, Inc., for the ~~Madison~~
8 ~~Connection Project~~ Walnut Cove/Industrial Site Connection Project.
- 9 (3) Eighty thousand dollars (\$80,000) to the Stokes County Water and
10 Sewer Authority, Inc., for the Dan River Project.
- 11 (4) Thirty thousand dollars (\$30,000) to the Department of Environment,
12 Health, and Natural Resources for the Limestone Creek small watershed
13 project in Duplin County.
- 14 (5) Three hundred forty thousand six hundred forty dollars (\$340,640) to
15 the Department of Environment, Health, and Natural Resources for the
16 Deep Creek small watershed project in Yadkin County."

17
18 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

19 **AGRICULTURE COST SHARE/TECHNICAL ASSISTANCE FUNDS**

20 Section 13.6. Of the funds appropriated to the Department of Environment and
21 Natural Resources for the Agriculture Cost Share Program for Nonpoint Source Pollution
22 Control for financial assistance funding, the sum of two hundred forty thousand dollars
23 (\$240,000) for the 2000-2001 fiscal year shall be used to support cost-share technical
24 assistance in soil and water conservation districts participating in the Agriculture Cost
25 Share Program for Nonpoint Source Pollution Control.

26
27 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

28 **ONE STOP PERMIT ASSISTANCE PILOT PROJECTS**

29 Section 13.7.(a) The Department of Environment and Natural Resources shall
30 establish a one-stop environmental permit application assistance and tracking system
31 pilot project for one year in at least two regional offices. It is the intent of the General
32 Assembly that the Department expand this pilot program to more than two regional
33 offices during the 2000-2001 fiscal year if the resources are available to do so and to
34 expand it to a statewide program as soon as possible after the 2000-2001 fiscal year. As
35 part of the pilot project, the Department shall provide to each person who submits an
36 application for an environmental permit to one of the regional offices participating in the
37 pilot project, a time frame within which that applicant may expect a final decision
38 regarding the issuance or denial of the permit. The procedure regulating the time frame
39 estimates and sanction for failing to honor the time frame shall be as set out in
40 subsections (b) and (c) of this section.

41 Section 13.7.(b) Upon receipt of a complete application for an environmental
42 permit, the Department of Environment and Natural Resources shall provide to the

1 applicant a good faith estimate of the date by which the Department expects to make the
2 final decision of whether to issue or deny the permit.

3 Section 13.7.(c) Unless otherwise provided by law, when an applicant has provided
4 to the Department of Environment and Natural Resources the information and
5 documentation required and requested by the Department and the Department fails to
6 issue or deny the permit within 60 days of the date projected by the Department for the
7 final decision of whether to issue or deny the permit, the permit shall be automatically
8 granted to the applicant. This subsection does not apply when an applicant submits a
9 substantial amendment to its application after the Department has provided the applicant
10 the projected time frame as required by this section. This subsection does not apply when
11 an applicant agrees to receive a final decision from the Department more than 60 days
12 from the date projected by the Department under subsection (b) of this section.

13 Section 13.7.(d) The Department of Environment and Natural Resources shall
14 track the time required to process each complete environmental permit application
15 received on or after July 1, 2000, as part of the pilot project under this section. The
16 Department shall compare the time in which the permit was issued or denied with the
17 projected time frame provided to the applicant by the Department as required by this
18 section. The Department shall identify each permit that was issued or denied more than
19 90 days after receipt of a complete application by the Department and shall document the
20 reasons for the delayed action.

21 Section 13.7.(e) The Department of Environment and Natural Resources shall
22 report to the Cochairs of both the House of Representatives and the Senate
23 Appropriations Subcommittees on Natural and Economic Resources, the Fiscal Research
24 Division, and the Environmental Review Commission the number of environmental
25 permits in the pilot project that took more than 90 days to issue or deny, the types of
26 permits those were, the reasons for the extended processing time of those permits, and
27 how the time within which the permit was actually issued or denied compared with the
28 projected time frame provided to the applicant by the Department as required by this
29 section. Based on the data gathered in the pilot project, the Department shall include in
30 its report recommendations regarding permit time frames for all major permits issued by
31 the Department. The Department shall report to both the House of Representatives and
32 the Senate Appropriations Subcommittees on Natural and Economic Resources, the
33 Fiscal Research Division, and the Environmental Review Commission regarding the
34 results of the pilot project by April 1, 2001.

35 Section 13.7.(f) The Department may adopt temporary rules to implement this
36 section.

37
38 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine
39 **TRANSFER ADMINISTRATIVE FUNCTION AND PERSONNEL OF THE**
40 **CLEAN WATER REVOLVING LOAN AND GRANT FUND FROM THE**
41 **ENVIRONMENTAL HEALTH DIVISION TO THE DIVISION OF WATER**
42 **QUALITY**

1 Section 13.8.(a) All personnel whose primary responsibility is the administration of
2 the Clean Water Revolving Loan and Grant Fund and all personnel whose primary
3 responsibility is the administration of the implementation of the provisions of Chapter
4 159G of the General Statutes, and their support, are transferred from the Public Water
5 Supply Section, Division of Environmental Health, Department of Environment and
6 Natural Resources, to the Construction Grants and Loans Section, Division of Water
7 Quality, Department of Environment and Natural Resources. The administration of the
8 Clean Water Revolving Loan and Grant Fund and the administration of the
9 implementation of the provisions of Chapter 159G of the General Statutes are transferred
10 from the Public Water Supply Section, Division of Environmental Health, Department of
11 Environment and Natural Resources to the Construction Grants and Loans Section,
12 Division of Water Quality, Department of Environment and Natural Resources.

13 Section 13.8.(b) No later than August 1, 2000, the Department of Environment and
14 Natural Resources shall report the titles of the positions transferred under subsection (a)
15 of this section, the property transferred under subsection (a) of this section, and any other
16 effects, including the costs to continue and support the personnel transferred and any
17 other budgetary effects, of the transfer under subsection (a) of this section to the Cochairs
18 of both the House of Representatives and the Senate Appropriations Subcommittees on
19 Natural and Economic Resources and the Fiscal Research Division.

20 Section 13.8.(c) To the extent that this section conflicts with the General Statutes,
21 this section applies. No later than January 15, 2001, the Secretary of Environment and
22 Natural Resources shall study and report any recommendations of conforming and other
23 statutory changes related to the implementation of this section to the Cochairs of both the
24 House of Representatives and the Senate Appropriations Subcommittees on Natural and
25 Economic Resources, to the Fiscal Research Division, and to the Environmental Review
26 Commission.

27
28 Requested by: Representatives Owens, Warren, Redwine, Easterling

29 **BEACH MANAGEMENT PLAN/FEDERAL FUNDS**

30 Section 13.9.(a) The General Assembly makes the following findings:

- 31 (1) North Carolina has 320 miles of ocean beach, including some of the
32 most pristine and attractive beaches in the country.
- 33 (2) The balance between economic development and quality of life in North
34 Carolina has made our coast one of the most desirable along the Atlantic
35 Seaboard.
- 36 (3) North Carolina's beaches are vital to the State's tourism industry.
- 37 (4) North Carolina's beaches belong to all the State's citizens and provide
38 recreational and economic benefits to our residents statewide.
- 39 (5) Beach erosion can threaten the economic viability of coastal
40 communities and can significantly affect State tax revenues.
- 41 (6) The Atlantic Seaboard is vulnerable to hurricanes and other storms, and
42 it is prudent to take precautions such as beach nourishment that protect

- 1 and conserve the State's beaches and reduce property damage and
2 flooding.
- 3 (7) Beach renourishment as an erosion control method provides hurricane
4 flood protection, enhances the attractiveness of beaches to tourists,
5 restores habitat for turtles, shorebirds, and plants, and provides
6 additional public access to beaches.
- 7 (8) Federal policy previously favored and assisted voluntary movement of
8 structures threatened by erosion, but this assistance is no longer
9 available.
- 10 (9) Relocation of structures threatened by erosion is sometimes the best
11 available remedy for the property owner and is in the public interest.
- 12 (10) Public parking and public access areas are needed for use by the general
13 public to enable their enjoyment of North Carolina's beaches.
- 14 (11) Acquisition of high erosion hazard property by local or State agencies
15 can reduce risk to citizens and property, reduce costs to insurance
16 policyholders, improve public access to beaches and waterways, and
17 protect the environment.
- 18 (12) Beach nourishment projects such as those at Wrightsville Beach and
19 Carolina Beach have been very successful and greatly reduced property
20 damage during Hurricane Fran.
- 21 (13) Because local beach communities derive the primary benefits from the
22 presence of adequate beaches, a program of beach management and
23 restoration should not be accomplished without a commitment of local
24 funds to combat the problem of beach erosion.
- 25 (14) The State of North Carolina prohibits seawalls and hardening the
26 shoreline to prevent destroying the public's beaches.
- 27 (15) Beach nourishment is encouraged by both the Coastal Resources
28 Commission and the U.S. Army Corps of Engineers as a method to
29 control beach erosion.
- 30 (16) The Department of Environment and Natural Resources has statutory
31 authority to assist local governments in financing beach nourishment
32 projects and is the sponsor of several federal navigation projects that
33 result in dredging beach-quality sand.
- 34 (17) It is declared to be a necessary governmental responsibility to properly
35 manage and protect North Carolina's beaches from erosion and that
36 good planning is needed to assure a cost-effective and equitable
37 approach to beach management and restoration, and that as part of a
38 comprehensive response to beach erosion, sound policies are needed to
39 facilitate the ability of landowners to move threatened structures and to
40 allow public acquisition of appropriate parcels of land for public beach
41 access.

42 Section 13.9.(b) The Department of Environment and Natural Resources shall
43 compile and evaluate information on the current conditions and erosion rates of beaches,

1 on coastal geology, and on storm and erosion hazards for use in developing a State plan
2 and strategy for beach management and restoration. The Department of Environment and
3 Natural Resources shall make this information available to local governments for use in
4 land-use planning.

5 Section 13.9.(c) The Department of Environment and Natural Resources shall
6 develop a multiyear beach management and restoration strategy and plan that does all of
7 the following:

- 8 (1) Utilizes the data and expertise available in the Divisions of Water
9 Resources, Coastal Management, and Land Resources.
- 10 (2) Identifies the erosion rate at each beach community and estimates the
11 degree of vulnerability to storm and hurricane damage.
- 12 (3) Uses the best available geological and geographical information to
13 determine the need for and probable effectiveness of beach
14 nourishment.
- 15 (4) Provides for coordination with the U.S. Army Corps of Engineers, the
16 North Carolina Department of Transportation, the North Carolina
17 Division of Emergency Management, and other State and federal
18 agencies concerned with beach management issues.
- 19 (5) Provides a status report on all U.S. Army Corps of Engineers' beach
20 protection projects in the planning, construction, or operational stages.
- 21 (6) Makes maximum feasible use of suitable sand dredged from navigation
22 channels for beach nourishment to avoid the loss of this resource and to
23 reduce equipment mobilization costs.
- 24 (7) Promotes inlet sand bypassing where needed to replicate the natural
25 flow of sand interrupted by inlets.
- 26 (8) Provides for geological and environmental assessments to locate
27 suitable materials for beach nourishment.
- 28 (9) Considers the regional context of beach communities to determine the
29 most cost-effective approach to beach nourishment.
- 30 (10) Provides for and requires adequate public beach access, including
31 handicapped access.
- 32 (11) Recommends priorities for State funding for beach nourishment
33 projects, based on the amount of erosion occurring, the potential
34 damage to property and to the economy, the benefits for recreation and
35 tourism, the adequacy of public access, the availability of local
36 government matching funds, the status of project planning, the adequacy
37 of project engineering, the cost-effectiveness of the project, and the
38 environmental impacts.
- 39 (12) Includes recommendations on obtaining the maximum available federal
40 financial assistance for beach nourishment.
- 41 (13) Is subject to a public hearing to receive citizen input.

42 Section 13.9.(d) Each plan shall be as complete as resources and available
43 information allow. The Department of Environment and Natural Resources shall revise

1 the plan every two years and shall submit the revised plan to the General Assembly no
2 later than 1 March of each odd-numbered year. The Department may issue a supplement
3 to the plan in even-numbered years if significant new information becomes available.

4 Section 13.9.(e) The Department of Environment and Natural Resources shall
5 submit the first plan required by this act, no later than May 1, 2001. With the first plan,
6 the Department shall:

7 (1) Provide to the General Assembly a report on alternative State and local
8 government sources of funding for beach nourishment.

9 (2) Review State, federal, and local policies on enabling and assisting
10 property owners to move structures that are threatened by imminent
11 erosion damage and shall recommend policies, legislative changes, and
12 actions to make moving structures more feasible for landowners.

13 (3) Review existing programs for the acquisition and management of public
14 land for beach access areas and open space, including identifying high-
15 hazard, erosion-prone, or unbuildable parcels of land that may be used
16 for this purpose, and shall recommend any policy and legislative
17 changes needed to improve public beach access. The Department shall
18 recommend priorities for land acquisition for public beach access, open
19 space, and hazard-reduction purposes.

20 Section 13.9.(f) In the event that federal funds become available for planning
21 and developing shore protection projects, the State may match those funds in accordance
22 with the funding guidelines set out in G.S. 143-215.71.

23 24 **PART XIV. DEPARTMENT OF COMMERCE**

25
26 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine, Hunter

27 **AUTHORIZATION TO REALLOCATE PREVIOUSLY APPROPRIATED** 28 **PETROLEUM OVERCHARGE FUNDS**

29 Section 14. Section 16.9A of S.L. 1999-237 reads as rewritten:

30 "Section 16.9A. Funds previously appropriated to the Department of Commerce from
31 the case of United States v. Exxon and from the United States Department of Energy's
32 Stripper Well Litigation for projects under the State Energy Conservation Plan, the
33 Energy Extension Service Program, or the Institutional Conservation Program may be
34 reallocated by the Department of Commerce to be used for projects under the State
35 Energy Efficiency ~~Programs~~ Programs and Residential Energy Conservation Assistance
36 Program (RECAP)."

37
38 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

39 **ENERGY CONSERVATION PROJECTS IN STATE-OWNED BUILDINGS**

40 Section 14.1. Of the funds previously appropriated to the Department of
41 Commerce from the case of United States v. Exxon and from the United States
42 Department of Energy's Stripper Well Litigation, the Energy Division shall use up to one
43 million dollars (\$1,000,000) to implement energy conservation projects in State-owned

1 buildings. The Division shall identify those buildings whose energy costs per square foot
2 are the highest and shall implement energy conservation projects that substantially reduce
3 energy use and provide an opportunity for savings by reducing energy costs.
4

5 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine, Hunter

6 **PETROLEUM OVERCHARGE FUNDS ALLOCATION**

7 Section 14.2.(a) There is appropriated from funds and interest thereon received from
8 the United States Department of Energy's Stripper Well Litigation (MDL378) that remain
9 in the Special Reserve for Oil Overcharge Funds to the Department of Commerce the
10 sum of two million six hundred thousand dollars (\$2,600,000) for the 2000-2001 fiscal
11 year to be allocated for the Residential Energy Conservation Assistance Program
12 (RECAP).

13 Section 14.2.(b) There is appropriated from funds and interest thereon received from
14 the United States Department of Energy's Stripper Well Litigation (MDL378) that remain
15 in the Special Reserve for Oil Overcharge Funds to the North Carolina Housing Finance
16 Agency the sum of two million dollars (\$2,000,000) for the 2000-2001 fiscal year to be
17 allocated for the Housing Trust Fund. Funds may only be used for residential energy-
18 related uses as permitted under the Stripper Well Litigation.

19 Section 14.2.(c) There is appropriated from funds and interest thereon received from
20 the United States Department of Energy's Stripper Well Litigation (MDL378) that remain
21 in the Special Reserve for Oil Overcharge Funds to the North Carolina Community
22 Development Initiative, Inc., the sum of one million dollars (\$1,000,000) for the 2000-
23 2001 fiscal year. Funds may only be used for residential energy-related uses as permitted
24 under the Stripper Well Litigation.

25 Section 14.2.(d) Any funds remaining in the Special Reserve for Oil Overcharge
26 Funds after the allocations made pursuant to subsections (a) through (c) of this section
27 may be expended only as authorized by the General Assembly. All interest or income
28 accruing from all deposits or investments of cash balances shall be credited to the Special
29 Reserve for Oil Overcharge Funds.

30 Section 14.2.(e) The funds and interest thereon received from the Diamond
31 Shamrock Settlement that remain in a reserve in the Office of State Budget and
32 Management for the Department of Commerce to administer the petroleum overcharge
33 funds pursuant to Section 112 of Chapter 830 of the 1987 Session Laws shall continue to
34 be available to the Department of Commerce on an as-needed basis.
35

36 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

37 **AUTHORIZATION TO EXPEND REED ACT FUNDS**

38 Section 14.3. Of the funds credited to and held in this State's account in the
39 Unemployment Trust Fund by the Secretary of the Treasury of the United States pursuant
40 to and in accordance with section 903 of the Social Security Act, the Employment
41 Security Commission of North Carolina may expend the sum of two million seventy-
42 eight thousand forty-nine dollars (\$2,078,049) for the 2000-2001 fiscal year for
43 automation purposes.

1
2 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

3 **WORKER TRAINING TRUST FUND APPROPRIATIONS**

4 Section 14.4. Section 16.14 of S.L. 1999-237 reads as rewritten:

5 "Section 16.14.(a) There is appropriated from the Worker Training Trust Fund to
6 the Employment Security Commission of North Carolina the sum of six million two
7 hundred ninety-six thousand seven hundred forty dollars (\$6,296,740) for the 1999-2000
8 fiscal year for the operation of local offices and the sum of six million two hundred
9 ninety-six thousand seven hundred forty dollars (\$6,296,740) for the 2000-2001 fiscal
10 year for the operation of local offices.

11 Section 16.14.(b) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated
12 from the Worker Training Trust Fund to the following agencies the following sums for
13 the 1999-2000 and the 2000-2001 fiscal years for the following purposes:

- 14 (1) \$2,400,000 for the 1999-2000 fiscal year and ~~\$2,400,000~~ \$2,300,000 for
15 the 2000-2001 fiscal year to the Department of Commerce, Division of
16 Employment and Training, for the Employment and Training Grant
17 Program;
- 18 (2) \$1,000,000 for the 1999-2000 fiscal year and \$1,000,000 for the 2000-
19 2001 fiscal year to the Department of Labor for customized training of
20 the unemployed and the working poor for specific jobs needed by
21 employers through the Department's Bureau for Training Initiatives;
- 22 (3) \$2,046,000 for the 1999-2000 fiscal year and \$1,746,000 for the 2000-
23 2001 fiscal year to the ~~Department of Community Colleges~~ Community
24 Colleges System Office to continue the Focused Industrial Training
25 Program;
- 26 (4) \$225,000 for the 1999-2000 fiscal year and \$225,000 for the 2000-2001
27 fiscal year to the Employment Security Commission for the State
28 Occupational Information Coordinating Committee to develop and
29 operate an interagency system to track former participants in State
30 education and training programs;
- 31 (5) \$400,000 for the 1999-2000 fiscal year and \$400,000 for the 2000-2001
32 fiscal year to the ~~Department of Community Colleges~~ Community
33 Colleges System Office for a training program in entrepreneurial skills
34 to be operated by North Carolina REAL Enterprises;
- 35 (6) \$60,000 for the 1999-2000 fiscal year and \$60,000 for the 2000-2001
36 fiscal year to the Office of State Budget and Management to maintain
37 compliance with Chapter 96 of the General Statutes, which directs the
38 Office of State Budget and Management to employ the Common
39 Follow-Up Management Information System to evaluate the
40 effectiveness of the State's job training, education, and placement
41 programs; ~~and~~
- 42 (7) \$1,000,000 for the 1999-2000 fiscal year and \$1,000,000 for the 2000-
43 2001 fiscal year to the Department of Labor to expand the

1 Apprenticeship Program. It is intended that the appropriation of funds in
2 this subdivision will result in the Department of Labor serving a
3 benchmark performance level of 10,000 adult and youth apprentices by
4 the year 2000 and maintained or improved ~~thereafter.~~ ~~thereafter;~~ and

5 (8) \$100,000 for the 2000-2001 fiscal year to the Community Colleges
6 System Office for the Hosiery Technology Center.

7 Section 16.14.(c)The State Treasurer's Office shall deposit the June 2000 interest
8 earnings from the Employment Security Commission Reserve Fund to the Worker
9 Training Trust Fund for the 2000-2001 fiscal year."

10
11 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

12 **OREGON INLET FUNDS/NONREVERT**

13 Section 14.5.(a) Funds appropriated to the Department of Commerce for the
14 1999-2000 fiscal year for the Oregon Inlet Project that are unexpended and
15 unencumbered as of June 30, 2000, shall not revert to the General Fund on June 30, 2000,
16 but shall remain available to the Department for legal costs associated with the Project.

17 Section 14.5.(b) This section becomes effective June 30, 2000.

18
19 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

20 **INDUSTRIAL DEVELOPMENT FUNDS**

21 Section 14.6.(a) Funds appropriated to the Department of Commerce in Section 15.1
22 of S.L. 1998-212 to be used to recruit a large recycling facility, as defined in G.S. 105-
23 129.25, that are unexpended and unencumbered as of June 30, 2000, shall not revert to
24 the General Fund on June 30, 2000, but shall remain available to the Department and
25 shall be used to increase the Industrial Development Fund.

26 Section 14.6.(b) Funds appropriated to the Department of Commerce in S.L. 1999-
27 237 for the 1999-2000 fiscal year as Job Loss Assistance funds that are unexpended and
28 unencumbered as of June 30, 2000, shall not revert to the General Fund on June 30, 2000,
29 but shall remain available to the Department to be used to increase the Industrial
30 Development Fund.

31 Section 14.6.(c) This section becomes effective June 30, 2000.

32
33 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine, Tolson,
34 Baddour

35 **RURAL REDEVELOPMENT AUTHORITY**

36 Section 14.7. Of the funds appropriated in this act to the Department of
37 Commerce for the 2000-2001 fiscal year for the North Carolina Rural Redevelopment
38 Authority, the sum of two hundred fifty thousand dollars (\$250,000) shall be placed in a
39 reserve. The funds shall be released if House Bill 1819 or Senate Bill 1516, 1999
40 General Assembly, or a substantially similar bill creating the North Carolina Rural
41 Redevelopment Authority becomes law.

42
43 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS

Section 14.8.(a) Section 16.3 of S.L. 1999-237 reads as rewritten:

"Section 16.3.(a) Funds appropriated in this act to the Department of Commerce for regional economic development commissions shall be allocated to the following commissions in accordance with subsection (b) of this section: Western North Carolina Regional Economic Development Commission, Research Triangle Regional Commission, Southeastern North Carolina Regional Economic Development Commission, Piedmont Triad Partnership, Northeastern North Carolina Regional Economic Development Commission, Global TransPark Development Commission, and Carolinas Partnership, Inc.

Section 16.3.(b) Funds appropriated pursuant to subsection (a) of this section shall be allocated to each regional economic development commission as follows:

- (1) First, the Department shall establish each commission's allocation by determining the sum of allocations to each county that is a member of that commission. Each county's allocation shall be determined by dividing the county's enterprise factor by the sum of the enterprise factors for eligible counties and multiplying the resulting percentage by the amount of the appropriation. As used in this subdivision, the term "enterprise factor" means a county's enterprise factor as calculated under G.S. 105-129.3;
- (2) Next, the Department shall subtract from funds allocated to the Global TransPark Development Zone the sum of two hundred forty thousand three hundred fifty dollars (\$240,350) in ~~each fiscal year, the 1999-2000 fiscal year and the sum of two hundred six thousand eighty-eight dollars (\$206,088) in the 2000-2001 fiscal year,~~ which sum represents the interest earnings in each fiscal year on the estimated balance of seven million five hundred thousand dollars (\$7,500,000) appropriated to the Global TransPark Development Zone in Section 6 of Chapter 561 of the 1993 Session Laws; and
- (3) Next, the Department shall redistribute the sum of two hundred forty thousand three hundred fifty dollars (\$240,350) in ~~each the 1999-2000 fiscal year and the sum of two hundred six thousand eighty-eight dollars (\$206,088) in the 2000-2001 fiscal year~~ to the seven regional economic development commissions named in subsection (a) of this section. Each commission's share of this redistribution shall be determined according to the enterprise factor formula set out in subdivision (1) of this subsection. This redistribution shall be in addition to each commission's allocation determined under subdivision (1) of this subsection."

Section 14.8.(b) Of the funds appropriated in this act to the Department of Commerce for allocation to regional economic development commissions, the sum of three hundred fifty thousand dollars (\$350,000) for the 2000-2001 fiscal year shall be allocated in accordance with Section 16.3 of S.L. 1999-237, as amended by this section.

1 Section 14.8.(c) Of the funds appropriated in this act to the Department of Commerce
2 for allocation to regional economic development commissions, the sum of three hundred
3 fifty thousand dollars (\$350,000) for the 2000-2001 fiscal year shall be allocated equally
4 to the commissions.

5
6 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

7 **ECONOMIC DEVELOPMENT COMMISSION FUNDS SECURED**

8 Section 14.9. G.S. 158-12 reads as rewritten:

9 **"§ 158-12. Fiscal affairs generally; appropriations.**

10 The commission may accept, receive, and disburse in furtherance of its functions any
11 funds, grants, and services made available by the federal government and its agencies, the
12 State government and its agencies, any municipalities or counties, and by private and
13 civic sources.

14 Each municipality or county shall have authority to appropriate funds to any local or
15 regional economic development commission which it may have created. These
16 appropriations may be funded by levy of property taxes pursuant to G.S. 153A-149 and
17 G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise
18 restricted by law.

19 Any commission created pursuant to this Article may deposit money at interest in any
20 bank, savings and loan association, or trust company in this State in the form of savings
21 accounts, certificates of deposit, or such other forms of time deposits as may be approved
22 for county governments. Investment deposits and money deposited in an official
23 depository or deposited at interest shall be secured in the manner prescribed in G.S. 159-
24 31(b). When deposits are secured in accordance with this section, no public officer or
25 employee may be held liable for any losses sustained by an institution because of the
26 default or insolvency of the depository."

27
28 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine, Smith

29 **EXTEND FUNDING OF THE STUDY COMMISSION ON THE FUTURE OF**
30 **ELECTRIC SERVICE IN NORTH CAROLINA**

31 Section 14.10. Section 10.1 of S.L. 1997-483, as amended by Section 6.1 of
32 S.L. 1999-395, reads as rewritten:

33 "Section 10.1. Notwithstanding G.S. 62-302(d), ~~for all expenses during the 1997-98,~~
34 ~~1998-99, and 1999-2000 fiscal years of the Study Commission on the Future of Electric~~
35 ~~Service in North Carolina, established in S.L. 1997-40, as amended by S.L. 1999-122, all~~
36 ~~expenses incurred through June 30, 2006,~~ shall be reimbursed from funds in the Utilities
37 Commission and Public Staff Fund. There is allocated initially one hundred thousand
38 dollars (\$100,000) from the Utilities Commission and Public Staff Fund to the General
39 Assembly for the purpose of enabling the Study Commission on the Future of Electric
40 Service in North Carolina to organize and begin its work. Upon the certification of the
41 need for additional funds by the cochairs of the Study Commission on the Future of
42 Electric Service in North Carolina for the work of the Commission, the Utilities

1 Commission shall transfer the additional funds from the Utilities Commission and Public
2 Staff Fund to the General Assembly for that purpose."

3
4 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

5 **NORTH CAROLINA TECHNOLOGICAL DEVELOPMENT AUTHORITY, INC.**

6 Section 14.11. The Technological Development Authority, Inc., shall do the
7 following:

- 8 (1) By January 15, 2001, and more frequently as requested, report to the
9 Joint Legislative Commission on Governmental Operations and the
10 Fiscal Research Division the following information:
11 a. State fiscal year 1999-2000 program activities, objectives, and
12 accomplishments;
13 b. State fiscal year 1999-2000 itemized expenditures and fund
14 sources;
15 c. State fiscal year 2000-2001 planned activities, objectives, and
16 accomplishments including actual results through December 31,
17 2000;
18 d. State fiscal year 2000-2001 estimated itemized expenditures and
19 fund sources including actual expenditures and fund sources
20 through December 31, 2000; and
21 (2) Provide to the Fiscal Research Division a copy of the organization's
22 annual audited financial statement within 30 days of issuance of the
23 statement.

24
25 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

26 **WORLD TRADE CENTER NORTH CAROLINA REPORT**

27 Section 14.12. World Trade Center North Carolina shall do the following:

- 28 (1) By January 15, 2001, and more frequently as requested, report to the
29 Joint Legislative Commission on Governmental Operations and the
30 Fiscal Research Division the following information:
31 a. State fiscal year 1999-2000 program activities, objectives, and
32 accomplishments;
33 b. State fiscal year 1999-2000 itemized expenditures and fund
34 sources;
35 c. State fiscal year 2000-2001 planned activities, objectives, and
36 accomplishments including actual results through December 31,
37 2000; and
38 d. State fiscal year 2000-2001 estimated itemized expenditures and
39 fund sources including actual expenditures and fund sources
40 through December 31, 2000; and
41 (2) Provide to the Fiscal Research Division a copy of the organization's
42 annual audited financial statement within 30 days of issuance of the
43 statement.

1
2 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine

3 **RURAL ECONOMIC DEVELOPMENT CENTER FUNDS**

4 Section 14.13. Section 16.35.(e) of S.L. 1999-237 reads as rewritten:

5 "Section 16.35.(e) Of the funds appropriated in this act to the Rural Economic
6 Development Center, Inc., the sum of five million four hundred thousand dollars
7 (\$5,400,000) for the 1999-2000 fiscal year and the sum of ~~two million four hundred~~
8 ~~thousand dollars (\$2,400,000)~~ three million three hundred thousand sixty-three six
9 hundred ninety-three dollars (\$3,363,693) for the 2000-2001 fiscal year shall be allocated
10 as follows:

11 (1) \$1,200,000 in each fiscal year for community development grants to
12 support development projects and activities within the State's minority
13 communities. Any community development corporation as defined in
14 this section is eligible to apply for funds. The Rural Economic
15 Development Center, Inc., shall establish performance-based criteria for
16 determining which community development corporation will receive a
17 grant and the grant amount. The Rural Economic Development Center,
18 Inc., shall allocate these funds as follows:

- 19 a. \$900,000 in each fiscal year for direct grants to the local
20 community development corporations that have previously
21 received State funds for this purpose to support operations and
22 project activities;
- 23 b. \$250,000 in each fiscal year for direct grants to local community
24 development corporations that have not previously received State
25 funds; and
- 26 c. \$50,000 in each fiscal year to the Rural Economic Development
27 Center, Inc., to be used to cover expenses in administering this
28 section.

29 (2) \$250,000 in each fiscal year to the Microenterprise Loan Program to
30 support the loan fund and operations of the Program; and

31 (3) \$2,450,000 for the 1999-2000 fiscal year and ~~\$950,000~~ \$1,263,693 for
32 the 2000-2001 fiscal year shall be used for a program to provide
33 supplemental funding for matching requirements for projects and
34 activities authorized under this subdivision. The Center shall use these
35 funds to make grants to local governments and nonprofit corporations to
36 provide funds necessary to match federal grants or other grants for:

- 37 a. Necessary economic development projects and activities in
38 economically distressed areas;
- 39 b. Necessary water and sewer projects and activities in
40 economically distressed communities to address health or
41 environmental quality problems except that funds shall not be
42 expended for the repair or replacement of low pressure pipe
43 wastewater systems. If a grant is awarded under this sub-

1 subdivision, then the grant shall be matched on a dollar- for-
2 dollar basis in the amount of the grant awarded; or

3 c. Projects that demonstrate alternative water and waste
4 management processes for local governments. Special
5 consideration should be given to cost-effectiveness, efficacy,
6 management efficiency, and the ability of the demonstration
7 project to be replicated.

8 (4) \$1,500,000 for the 1999-2000 fiscal year and \$400,000 for the 2000-
9 2001 fiscal year to the Capacity Building Assistance Program. Funds
10 shall be used to pay all or a portion of the costs for providing technical
11 and financial assistance to rural, low-wealth local government units and
12 nonprofit corporations initiating needed water and sewer projects that
13 support the growth and development of rural areas.

14 (5) \$250,000 for the 2000-2001 fiscal year for the Agricultural
15 Advancement Consortium to be placed in a reserve for expenses
16 associated with the Consortium. The Consortium will facilitate
17 discussions among interested parties and develop recommendations to
18 improve the State's economic development through farming and
19 agricultural interests.

20 The grant recipients in this section shall be selected on the basis of need."
21

22 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine, Mitchell
23 **ENERGY DIVISION STUDY OF RESIDENTIAL ENERGY CONSERVATION**
24 **ASSISTANCE PROGRAM**

25 Section 14.14.(a)The Energy Division of the Department of Commerce shall for the
26 1998-1999 fiscal year and the 1999-2000 fiscal year determine by county the number of
27 owner-occupied houses that were allocated funds from the Residential Energy
28 Conservation Assistance Program (RECAP) and the amount of funds that were allocated
29 by county.

30 Section 14.14.(b) The Energy Division of the Department of Commerce shall
31 for the 1998-1999 fiscal year and the 1999-2000 fiscal year determine by county the
32 number of rental houses that were allocated funds from the Residential Energy
33 Conservation Assistance Program (RECAP) and the amount of funds that were allocated
34 by county.

35 Section 14.14.(c)The Division shall report its findings to the House of
36 Representatives and the Senate Appropriations Subcommittees on Natural and Economic
37 Resources and the Fiscal Research Division by January 15, 2001.
38

39 Requested by: Representatives Fox, Owens, Warren, Easterling, Redwine, Mitchell
40 **CAP ON RESIDENTIAL ENERGY CONSERVATION ASSISTANCE PROGRAM**
41 **SPENDING**

42 Section 14.15. The amount spent by the Energy Division of the Department of
43 Commerce for weatherization activities in the Residential Energy Conservation

1 Assistance Program (RECAP) in the 2000-2001 fiscal year shall not exceed eight million
2 nine hundred seventy-seven thousand sixty-nine dollars (\$8,977,069). This amount
3 equals that spent by the Energy Division on RECAP in the 1998-1999 fiscal year.
4

5 **PART XV. JUDICIAL DEPARTMENT**

6
7 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

8 **REPORT ON COMMUNITY MEDIATION CENTERS**

9 Section 15.(a) Section 17.3 of S.L. 1999-237 reads as rewritten:

10 "Section 17.3.(a) All community mediation centers currently receiving State funds
11 shall report annually to the ~~Judicial Department~~ Mediation Network of North Carolina on
12 the program's funding and activities, including:

- 13 (1) Types of dispute settlement services provided;
- 14 (2) Clients receiving each type of dispute settlement service;
- 15 (3) Number and type of referrals received, cases actually mediated, cases
16 resolved in mediation, and total clients served in the cases mediated;
- 17 (4) Total program funding and funding sources;
- 18 (5) Itemization of the use of funds, including operating expenses and
19 personnel;
- 20 (6) Itemization of the use of State funds appropriated to the center;
- 21 (7) Level of volunteer activity; and
- 22 (8) Identification of future service demands and budget requirements.

23 The ~~Judicial Department~~ Mediation Network of North Carolina shall compile and
24 summarize the information provided pursuant to this subsection and shall provide the
25 information to the Chairs of the House and Senate Appropriations Committees and the
26 Chairs of the House and Senate Appropriations Subcommittees on Justice and Public
27 Safety by February 1 of each year.

28 Section 17.3.(b) A community mediation center requesting State funds for the first
29 time shall provide the General Assembly with the information enumerated in subsection
30 (a) of this section, or projections where historical data are not available, as well as a
31 detailed statement justifying the need for State funding.

32 Section 17.3.(c) Each community mediation center receiving State funds for the first
33 time shall document in the information provided pursuant to ~~G.S. 7A-346.1~~ this section
34 that, after the second year of receiving State funds, at least ten percent (10%) of total
35 funding comes from non-State sources.

36 Section 17.3.(d) Each community mediation center receiving State funds for the
37 third, fourth, or fifth year shall document that at least twenty percent (20%) of total
38 funding comes from non-State sources.

39 Section 17.3.(e) Each community mediation center receiving State funds for
40 six or more years shall document that at least fifty percent (50%) of total funding comes
41 from non-State sources.

42 Section 17.3.(f) Each community mediation center currently receiving State
43 funds that has achieved a funding level from non-State sources greater than that provided

1 for that center by subsection (c), (d), or (e) of this section shall make a good faith effort to
2 maintain that level of funding.

3 Section 17.3.(g) The percentage that State funds comprise of the total funding
4 of each community mediation center shall be determined at the conclusion of each fiscal
5 year with the information provided pursuant to ~~G.S. 7A-346.1~~ this section and is intended
6 as a funding ratio and not a matching funds requirement. Community mediation centers
7 may include the market value of donated office space, utilities, and professional legal
8 and accounting services in determining total funding.

9 Section 17.3.(h) A community mediation center having difficulty meeting the
10 funding ratio provided for that center by subsection (c), (d), or (e) of this section may
11 request a waiver or special consideration through the ~~Administrative Office of the Courts~~
12 Mediation Network of North Carolina for consideration by the Senate and House
13 Appropriations Subcommittees on Justice and Public Safety.

14 Section 17.3.(i) The provisions of G.S. 143-31.4 do not apply to community
15 mediation centers receiving State funds."

16 Section 15.(b) G.S. 7A-346.1 is repealed. Section 15.(c) Of the funds appropriated
17 to the Judicial Department for transfer to the community mediation centers for the 2000-
18 2001 fiscal year, funds allocated to the Dispute Settlement Center of Durham County,
19 Inc., and Mediation Services of Wake County, Inc., shall be allocated to Carolina
20 Correctional Services, Inc.

21
22 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

23 **REPORT ON COURT INFORMATION TECHNOLOGY FUND**

24 Section 15.1. G.S. 7A-343.2 reads as rewritten:

25 **"§ 7A-343.2. Court Information Technology Fund.**

26 The Court Information Technology Fund is established within the Judicial
27 Department as a nonreverting, interest-bearing special revenue account. Accordingly,
28 revenue in the Fund at the end of a fiscal year does not revert and interest and other
29 investment income earned by the Fund shall be credited to it. All moneys collected by the
30 Director pursuant to G.S. 7A-109(d) shall be remitted to the State Treasurer and held
31 in this Fund. Moneys in the Fund shall be used to supplement funds otherwise available
32 to the Judicial Department for court information technology and office automation needs.
33 The Director shall report by ~~March 1~~ August 1 and February 1 of each year to the Joint
34 Legislative Commission on Governmental Operations, the Chairs of the Senate and
35 House Appropriations Committees, and the Chairs of the Senate and House
36 Appropriations Subcommittees on Justice and Public Safety on all moneys collected and
37 deposited in the Fund and on the proposed expenditure of those funds collected during
38 the preceding ~~calendar year~~ six months."

39
40 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

41 **AUTHORIZE ADDITIONAL MAGISTRATES**

42 Section 15.2. G.S. 7A-133(c) reads as rewritten:

"(c) Each county shall have the numbers of magistrates and additional seats of district court, as set forth in the following table:

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County	Min.-Max.	Magistrates Court	Additional Seats of
Camden	1 3		
Chowan	2 3		
Currituck	1 4		
Dare	3 8		
Gates	2 3		
Pasquotank	3 5		
Perquimans	2 3 <u>4</u>		
Martin	5 8		
Beaufort	4 8		
Tyrrell	1 3		
Hyde	2 4		
Washington	3 4		
Pitt	10 12	Farmville	Ayden
Craven	7 10	Havelock	
Pamlico	2 4		
Carteret	5 8		
Sampson	6 8		
Duplin	9 11		
Jones	2 3		
Onslow	8 14		
New Hanover	6 11		
Pender	4 6		
Halifax	9 14	Roanoke	Rapids, Scotland Neck
Northampton	5 7		
Bertie	4 6		
Hertford	5 6 <u>7</u>		
Nash	7 10	Rocky Mount	
Edgecombe	4 7	Rocky Mount	
Wilson	4 7		
Wayne	5 12	Mount Olive	
Greene	2 4		
Lenoir	4 10	La Grange	
Granville	3 7		

1	Vance	3	6		
2	Warren	3	4 <u>5</u>		
3	Franklin	3	7		
4	Person	3	4		
5	Caswell	2	5		
6	Wake	12	20 <u>21</u>	Apex,	
7					Wendell,
8					Fuquay-
9					Varina,
10					Wake Forest
11	Harnett	7	11	Dunn	
12	Johnston	10	12	Benson,	
13					Clayton,
14					Selma
15	Lee	4	6		
16	Cumberland		10	19	
17	Bladen	4	6		
18	Brunswick		4	8 <u>9</u>	
19	Columbus	6	9	Tabor City	
20	Durham	8	13		
21	Alamance	7	10 <u>11</u>	Burlington	
22	Orange	4	11 <u>12</u>	Chapel Hill	
23	Chatham	3	8	Siler City	
24	Scotland	3	5		
25	Hoke	4	5		
26	Robeson	8	16	Fairmont,	
27					Maxton,
28					Pembroke,
29					Red Springs,
30					Rowland,
31					St. Pauls
32	Rockingham		4	9	Reidsville,
33					Eden,
34					Madison
35	Stokes	2	5		
36	Surry	5	9	Mt. Airy	
37	Guilford	20	26 <u>27</u>	High Point	
38	Cabarrus	5	9	Kannapolis	
39	Montgomery		2	4	
40	Randolph	5	10	Liberty	
41	Rowan	5	10		
42	Stanly	5	6		
43	Union	4	7 <u>8</u>		

1	Anson	4	5	
2	Richmond		5	6 Hamlet
3	Moore	5	8	Southern
4				Pines
5	Forsyth	3	15	Kernersville
6	Alexander		2	3-4
7	Davidson	7	10	Thomasville
8	Davie	2	3	
9	Iredell	4	9	Mooresville
10	Alleghany		1	2
11	Ashe	3	4	
12	Wilkes	4	6	
13	Yadkin	3	5	
14	Avery	3	5	
15	Madison	4	5	
16	Mitchell	3	4	
17	Watauga	4	6	
18	Yancey	2	4	
19	Burke	4	7	
20	Caldwell	4	7	
21	Catawba	6	10	Hickory
22	Mecklenburg		15	27-28
23	Gaston	11	22	
24	Cleveland	5	8	
25	Lincoln	4	7	
26	Buncombe		6	15
27	Henderson		4	7
28	McDowell		3	5-6
29	Polk	3	4	
30	Rutherford		6	8
31	Transylvania		2	4
32	Cherokee	3	4	
33	Clay	1	2	
34	Graham	2	3	
35	Haywood	5	7	Canton
36	Jackson	3	4	5
37	Macon	3	4	
38	Swain	2	3."	

Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

ADDITIONAL DISTRICT COURT JUDGES

Section 15.3.(a) G.S. 7A-133(a) reads as rewritten:

"(a) Each district court district shall have the numbers of judges as set forth in the following table:

District	Judges	County
1	<u>4</u> 5	Camden Chowan Currituck Dare Gates Pasquotank Perquimans
2	4	Martin Beaufort Tyrrell Hyde Washington
3A	5	Pitt
3B	5	Craven Pamlico Carteret
4	<u>7</u> 8	Sampson Duplin Jones Onslow
5	7	New Hanover Pender
6A	2	Halifax
6B	3	Northampton Bertie Hertford
7	7	Nash Edgecombe Wilson
8	6	Wayne Greene Lenoir
9	4	Granville (part of Vance see subsection (b)) Franklin
9A	2	Person

1			Caswell
2	9B	4 2	Warren
3			(part of Vance
4			see subsection (b))
5	10	13 14	Wake
6	11	7 8	Harnett
7			Johnston
8			Lee
9	12	9	Cumberland
10	13	6	Bladen
11			Brunswick
12			Columbus
13	14	6	Durham
14	15A	4	Alamance
15	15B	4	Orange
16			Chatham
17	16A	3	Scotland
18			Hoke
19	16B	5	Robeson
20	17A	2 3	Rockingham
21	17B	3	Stokes
22			Surry
23	18	12	Guilford
24	19A	4	Cabarrus
25	19B	6	Montgomery
26			Moore
27			Randolph
28	19C	4	Rowan
29	20	7	Stanly
30			Union
31			Anson
32			Richmond
33	21	8	Forsyth
34	22	8 9	Alexander
35			Davidson
36			Davie
37			Iredell
38	23	4	Alleghany
39			Ashe
40			Wilkes
41			Yadkin
42	24	4	Avery
43			Madison

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

24 Section 15.3.(b) Notwithstanding the provisions of G.S. 7A-142, the Governor shall
 25 appoint additional district court judges for District Court Districts 1, 4, 9B, 10, 11, 17A,
 26 22, and 26, as authorized by subsection (a) of this section. Those judges' successors shall
 27 be elected in the 2004 election for four-year terms commencing on the first Monday in
 28 December 2004.

29 Section 15.3.(c) Subsection (a) of this section becomes effective December 15,
 30 2000, as to any district in which no county is subject to section 5 of the Voting Rights
 31 Act of 1965. As to any district in which any county is subject to section 5 of the Voting
 32 Rights Act of 1965, subsection (a) becomes effective December 15, 2000, or 15 days
 33 after the date upon which that subsection is approved under section 5 of the Voting
 34 Rights Act of 1965, whichever is later.

35
 36 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

37 **WORTHLESS CHECK PROGRAM**

38 Section 15.3A.(a) Subsection (d) of Section 18.22 of S.L. 1997-443, as amended
 39 by Section 16.3 of S.L. 1998-212 and Section 17.7 of S.L. 1999-237, reads as rewritten:

40 "(d) This act applies only to Brunswick, Bladen, Columbus, Cumberland, Durham,
 41 Edgecombe, Nash, New Hanover, Onslow, Pender, Rockingham, and Wake Counties."

42 Section 15.3A.(b) Section 17.7(c) of S.L. 1999-237 reads as rewritten:

1 "Section 17.7.(c) The Administrative Office of the Courts shall report by April 1 of
2 each year to the Chairs of the Senate and House Appropriations Committees and the
3 Chairs of the Senate and House Appropriations Subcommittees on Justice and Public
4 Safety on the implementation of the ~~bad-worthless~~ check collection programs in
5 Columbus, Durham, Rockingham, and Wake Counties and the establishment of such
6 programs in Bladen, Brunswick, Cumberland, Edgecombe, Nash, New Hanover, Onslow,
7 and Pender Counties, including their effectiveness in assisting the recipients of worthless
8 checks in obtaining restitution and the amount of time saved in prosecuting worthless
9 check cases."

10
11 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine
12 **AUTHORIZE COURT OFFICIALS TO APPLY TO THE DIRECTOR OF THE**
13 **ADMINISTRATIVE OFFICE OF THE COURTS TO ENTER INTO**
14 **CONTRACTS WITH LOCAL GOVERNMENTS FOR THE PROVISION OF**
15 **JUDICIAL SECRETARIES, TEMPORARY ASSISTANT PUBLIC DEFENDERS,**
16 **ASSISTANT CLERKS, DEPUTY CLERKS, AND OTHER EMPLOYEES IN THE**
17 **OFFICE OF THE CLERK OF COURT WHEN THE PUBLIC INTEREST**
18 **WARRANTS THE USE OF ADDITIONAL COURT RESOURCES**

19 Section 15.4.(a) G.S. 7A-44.1 reads as rewritten:

20 "**§ 7A-44.1. Secretarial and clerical help.**

21 (a) Each senior resident superior court judge may appoint a judicial secretary to
22 serve at his pleasure and under his direction the secretarial and clerical needs of the
23 superior court judges of the district or set of districts as defined by G.S. 7A-41.1(a) for
24 which he is the senior resident superior court judge. The appointment may be full- or
25 part-time and the compensation and allowances of such secretary shall be fixed by the
26 senior regular resident superior court judge, within limits determined by the
27 Administrative Office of the Courts, and paid by the State.

28 (b) Each senior resident superior court judge may apply to the Director of the
29 Administrative Office of the Courts to enter into contracts with local governments for the
30 provision by the State of services of judicial secretaries pursuant to G.S. 153A-212.1 or
31 G.S. 160A-289.1.

32 (c) The Director of the Administrative Office of the Courts may provide assistance
33 requested pursuant to subsection (b) of this section only upon a showing by the senior
34 resident superior court judge, supported by facts, that the overwhelming public interest
35 warrants the use of additional resources for the speedy disposition of cases involving
36 drug offenses, domestic violence, or other offenses involving a threat to public safety.

37 (d) The terms of any contract entered into with local governments pursuant to
38 subsection (b) of this section shall be fixed by the Director of the Administrative Office
39 of the Courts in each case. Nothing in this section shall be construed to obligate the
40 General Assembly to make any appropriation to implement the provisions of this section
41 or to obligate the Administrative Office of the Courts to provide the administrative costs
42 of establishing or maintaining the positions or services provided for under this section.

1 Further, nothing in this section shall be construed to obligate the Administrative Office of
2 the Courts to maintain positions or services initially provided for under this section."

3 Section 15.4.(b) G.S. 7A-102 is amended by adding three new subsections to read:

4 "(e) A clerk of superior court may apply to the Director of the Administrative
5 Office of the Courts to enter into contracts with local governments for the provision by
6 the State of services of assistant clerks, deputy clerks, and other employees in the office
7 of each clerk of superior court pursuant to G.S. 153A-212.1 or G.S. 160A-289.1.

8 (f) The Director of the Administrative Office of the Courts may provide assistance
9 requested pursuant to subsection (e) of this section only upon a showing by the senior
10 resident superior court judge, supported by facts, that the overwhelming public interest
11 warrants the use of additional resources for the speedy disposition of cases involving
12 drug offenses, domestic violence, or other offenses involving a threat to public safety.

13 (g) The terms of any contract entered into with local governments pursuant to
14 subsection (e) of this section shall be fixed by the Director of the Administrative Office
15 of the Courts in each case. Nothing in this section shall be construed to obligate the
16 General Assembly to make any appropriation to implement the provisions of this section
17 or to obligate the Administrative Office of the Courts to provide the administrative costs
18 of establishing or maintaining the positions or services provided for under this section.
19 Further, nothing in this section shall be construed to obligate the Administrative Office of
20 the Courts to maintain positions or services initially provided for under this section."

21 Section 15.4.(c) G.S. 7A-300 reads as rewritten:

22 "**§ 7A-300. Expenses paid from State funds.**

23 (a) The operating expenses of the Judicial Department shall be paid from State
24 funds, out of appropriations for this purpose made by the General Assembly. ~~Assembly,~~
25 or from funds provided by local governments pursuant to G.S. 153A-212.1 and G.S.
26 160A-289.1. The Administrative Office of the Courts shall prepare budget estimates to
27 cover these expenses, including therein the following items and such other items as are
28 deemed necessary for the proper functioning of the Judicial Department:

- 29 (1) Salaries, departmental expense, printing and other costs of the
30 appellate division;
- 31 (2) Salaries and expenses of superior court judges, district attorneys,
32 assistant district attorneys, public defenders, and assistant public
33 defenders, and fees and expenses of counsel assigned to represent
34 indigents under the provisions of Subchapter IX of this Chapter;
- 35 (3) Salaries, travel expenses, departmental expense, printing and other
36 costs of the Administrative Office of the Courts;
- 37 (4) Salaries and travel expenses of district judges, magistrates, and family
38 court counselors;
- 39 (5) Salaries and travel expenses of clerks of superior court, their
40 assistants, deputies, and other employees, and the expenses of their
41 offices, including supplies and materials, postage, telephone and
42 telegraph, bonds and insurance, equipment, and other necessary items;

- 1 (6) Fees and travel expenses of jurors, and of witnesses required to be
- 2 paid by the State;
- 3 (7) Compensation and allowances of court reporters;
- 4 (8) Briefs for counsel and transcripts and other records for adequate
- 5 appellate review when an appeal is taken by an indigent person;
- 6 (9) Transcripts of preliminary hearings in indigency cases and, in cases in
- 7 which the defendant pays for a transcript of the preliminary hearing, a
- 8 copy for the district attorney;
- 9 (10) Transcript of the evidence and trial court charge furnished the district
- 10 attorney when a criminal action is appealed to the appellate division;
- 11 (11) All other expenses arising out of the operations of the Judicial
- 12 Department which by law are made the responsibility of the State; and
- 13 (12) Operating expenses of the Judicial Council and the Judicial Standards
- 14 Commission.

15 (b) Repealed by Session Laws 1971, c. 377, ~~e. 32.~~ s. 32."

16 Section 15.4.(d) G.S. 7A-467 is amended by adding three new subsections to read:

17 "(e) A public defender may apply to the Director of the Administrative Office of
18 the Courts to enter into contracts with local governments for the provision by the State of
19 services of temporary assistant public defenders pursuant to G.S. 153A-212.1 or G.S.
20 160A-289.1.

21 (f) The Director of the Administrative Office of the Courts may provide assistance
22 requested pursuant to subsection (e) of this section only upon a showing by the requesting
23 public defender, supported by facts, that the overwhelming public interest warrants the
24 use of additional resources for the speedy disposition of cases involving drug offenses,
25 domestic violence, or other offenses involving a threat to public safety.

26 (g) The terms of any contract entered into with local governments pursuant to
27 subsection (e) of this section shall be fixed by the Director of the Administrative Office
28 of the Courts in each case. Nothing in this section shall be construed to obligate the
29 General Assembly to make any appropriation to implement the provisions of this section
30 or to obligate the Administrative Office of the Courts to provide the administrative costs
31 of establishing or maintaining the positions or services provided for under this section.
32 Further, nothing in this section shall be construed to obligate the Administrative Office of
33 the Courts to maintain positions or services initially provided for under this section."

34 Section 15.4.(e) G.S. 153A-212.1 reads as rewritten:

35 **"§ 153A-212.1. Resources to protect the public.**

36 Subject to the requirements of G.S. 7A-41, 7A-44.1, 7A-64, 7A-102, 7A-133, and 7A-
37 467, a county may appropriate funds under contract with the State for the provision of
38 services for the speedy disposition of cases involving drug offenses, domestic violence,
39 or other offenses involving threats to public safety. Nothing in this section shall be
40 construed to obligate the General Assembly to make any appropriation to implement the
41 provisions of this section. Further, nothing in this section shall be construed to obligate
42 the Administrative Office of the Courts to maintain positions or services initially
43 provided for under this section."

1 Section 15.4.(f) G.S. 160A-289.1 reads as rewritten:

2 **"§ 160A-289.1. Resources to protect the public.**

3 Subject to the requirements of G.S. 7A-41, 7A-44.1, 7A-64, 7A-102, 7A-133, and 7A-
4 467, a city may appropriate funds under contract with the State for the provision of
5 services for the speedy disposition of cases involving drug offenses, domestic violence,
6 or other offenses involving threats to public safety. Nothing in this section shall be
7 construed to obligate the General Assembly to make any appropriation to implement the
8 provisions of this section. Further, nothing in this section shall be construed to obligate
9 the Administrative Office of the Courts to maintain positions or services initially
10 provided for under this section."

11 Section 15.4.(g) G.S. 7A-64(c) reads as rewritten:

12 "(c) The length of service and compensation of any temporary appointee or the
13 terms of any contract entered into with local governments shall be fixed by Director of
14 the Administrative Office of the Courts in each case. Nothing in this section shall be
15 construed to obligate the General Assembly to make any appropriation to implement the
16 provisions of this ~~section~~ section or to obligate the Administrative Office of the Courts to
17 provide the administrative costs of establishing or maintaining the positions or services
18 provided for under this section. Further, nothing in this section shall be construed to
19 obligate the Administrative Office of the Courts to maintain positions or services initially
20 provided for under this section."

21 Section 15.4.(h) The Administrative Office of the Courts shall report by
22 March 1 of each year to the Chairs of the House of Representatives and Senate
23 Appropriations Committees, to the Chairs of the House of Representatives Subcommittee
24 on Justice and Public Safety, and to the Chairs of the Senate Appropriations Committee
25 on Justice and Public Safety on contracts entered into with local governments for the
26 provision of the services of assistant district attorneys, assistant public defenders, judicial
27 secretaries, and employees in the office of the Clerk of Superior Court. The report shall
28 include the number of applications made to the Administrative Office of the Courts for
29 these contracts, the number of contracts entered for provision of these positions, and the
30 dollar amounts of each contract.

31
32 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

33 **ADDITIONAL COURT OF APPEALS JUDGES**

34 Section 15.5.(a) G.S. 7A-16 reads as rewritten:

35 **"§ 7A-16. Creation and organization.**

36 The Court of Appeals is created effective January 1, 1967. It shall consist initially of
37 six judges, elected by the qualified voters of the State for terms of eight years. The Chief
38 Justice of the Supreme Court shall designate one of the judges as Chief Judge, to serve in
39 such capacity at the pleasure of the Chief Justice. Before entering upon the duties of his
40 office, a judge of the Court of Appeals shall take the oath of office prescribed for a judge
41 of the General Court of Justice.

42 The Governor on or after July 1, 1967, shall make temporary appointments to the six
43 initial judgeships. The appointees shall serve until January 1, 1969. Their successors shall

1 be elected at the general election for members of the General Assembly in November,
2 1968, and shall take office on January 1, 1969, to serve for the remainder of the
3 unexpired term which began on January 1, 1967.

4 Upon the appointment of at least five judges, and the designation of a Chief Judge, the
5 court is authorized to convene, organize, and promulgate, subject to the approval of the
6 Supreme Court, such supplementary rules as it deems necessary and appropriate for the
7 discharge of the judicial business lawfully assigned to it.

8 Effective January 1, 1969, the number of judges is increased to nine, and the
9 Governor, on or after March 1, 1969, shall make temporary appointments to the
10 additional judgeships thus created. The appointees shall serve until January 1, 1971.
11 Their successors shall be elected at the general election for members of the General
12 Assembly in November, 1970, and shall take office on January 1, 1971, to serve for the
13 remainder of the unexpired term which began on January 1, 1969.

14 Effective January 1, 1977, the number of judges is increased to 12; and the Governor,
15 on or after July 1, 1977, shall make temporary appointments to the additional judgeships
16 thus created. The appointees shall serve until January 1, 1979. Their successors shall be
17 elected at the general election for members of the General Assembly in November, 1978,
18 and shall take office on January 1, 1979, to serve the remainder of the unexpired term
19 which began on January 1, 1977.

20 On or after October 1, 2000, the Governor shall appoint three additional judges to
21 increase the number of judges to 15. Each judgeship shall not become effective until the
22 appointment is made, and each appointee shall serve from the date of qualification until
23 January 1, 2005. Those judges' successors shall be elected in the 2004 general election,
24 and shall take office on January 1, 2005, to serve terms expiring December 31, 2012.

25 The Court of Appeals shall sit in panels of three judges each. The Chief Judge insofar
26 as practicable shall assign the members to panels in such fashion that each member sits a
27 substantially equal number of times with each other member. He shall preside over the
28 panel of which he is a member, and shall designate the presiding judge of the other panel
29 or panels.

30 Three judges shall constitute a quorum for the transaction of the business of the court,
31 except as may be provided in § 7A-32.

32 In the event the Chief Judge is unable, on account of absence or temporary incapacity,
33 to perform the duties placed upon him as Chief Judge, the Chief Justice shall appoint an
34 acting Chief Judge from the other judges of the Court, to temporarily discharge the duties
35 of Chief Judge."

36 Section 15.5.(b) This section becomes effective October 1, 2000.

37
38 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine
39 **ADDITIONAL SUPERIOR COURT JUDGES**

40 Section 15.6.(a) G.S. 7A-41(a) reads as rewritten:

41 "(a) The counties of the State are organized into judicial divisions and superior
42 court districts, and each superior court district has the counties, and the number of regular

1 resident superior court judges set forth in the following table, and for districts of less than
2 a whole county, as set out in subsection (b) of this section:

3	4	5	6	7
	Judicial	Superior		No. of Resident
	Division	Court	Counties	Judges
		District		
7	First	1	Camden, Chowan,	2
8			Currituck,	
9			Dare, Gates,	
10			Pasquotank,	
11			Perquimans	
12	First	2	Beaufort, Hyde,	1
13			Martin,	
14			Tyrrell, Washington	
15	First	3A	Pitt	2
16	Second	3B	Carteret, Craven,	2
17			Pamlico	
18	Second	4A	Duplin, Jones,	1
19			Sampson	
20	Second	4B	Onslow	1 ²
21	Second	5	New Hanover,	3
22			Pender	
23	First	6A	Halifax	1
24	First	6B	Bertie, Hertford,	1
25			Northampton	
26	First	7A	Nash	1
27	First	7B	(part of Wilson,	1
28			part of Edgecombe,	
29			see subsection (b))	
30	First	7C	(part of Wilson,	1
31			part of Edgecombe,	
32			see subsection (b))	
33	Second	8A	Lenoir and Greene	1
34	Second	8B	Wayne	1
35	Third	9	Franklin, Granville,	2
36			Vance, Warren	
37	Third	9A	Person, Caswell	1
38	Third	10A	(part of Wake,	2
39			see subsection (b))	
40	Third	10B	(part of Wake,	2
41			see subsection (b))	
42	Third	10C	(part of Wake,	1
43			see subsection (b))	

1	Third	10D	(part of Wake,	1
2			see subsection (b))	
3	Fourth	11A	Harnett,	1
4			Lee	
5	Fourth	11B	Johnston	1
6	Fourth	12A	(part of Cumberland,	1
7			see subsection (b))	
8	Fourth	12B	(part of Cumberland,	1
9			see subsection (b))	
10	Fourth	12C	(part of Cumberland,	2
11			see subsection (b))	
12	Fourth	13	Bladen, Brunswick,	2
13			Columbus	
14	Third	14A	(part of Durham,	1
15			see subsection (b))	
16	Third	14B	(part of Durham,	3
17			see subsection (b))	
18	Third	15A	Alamance	2
19	Third	15B	Orange, Chatham	1
20	Fourth	16A	Scotland, Hoke	1
21	Fourth	16B	Robeson	2
22	Fifth	17A	Rockingham	2
23	Fifth	17B	Stokes, Surry	2
24	Fifth	18A	(part of Guilford,	1
25			see subsection (b))	
26	Fifth	18B	(part of Guilford,	1
27			see subsection (b))	
28	Fifth	18C	(part of Guilford,	1
29			see subsection (b))	
30	Fifth	18D	(part of Guilford,	1
31			see subsection (b))	
32	Fifth	18E	(part of Guilford,	1
33			see subsection (b))	
34	Sixth	19A	Cabarrus	1
35	Fifth	19B	Montgomery, Moore,	2
36			Randolph	
37	Sixth	19C	Rowan	1
38	Sixth	20A	Anson,	1
39			Richmond	
40	Sixth	20B	Stanly, Union	2
41	Fifth	21A	(part of Forsyth,	1
42			see subsection (b))	
43	Fifth	21B	(part of Forsyth,	1

1			see subsection (b))	
2	Fifth	21C	(part of Forsyth,	1
3			see subsection (b))	
4	Fifth	21D	(part of Forsyth,	1
5			see subsection (b))	
6	Sixth	22	Alexander, Davidson,	3
7			Davie, Iredell	
8	Fifth	23	Alleghany, Ashe,	1
9			Wilkes, Yadkin	
10	Eighth	24	Avery, Madison,	1
11			Mitchell,	
12			Watauga, Yancey	
13	Seventh	25A	Burke, Caldwell	2
14	Seventh	25B	Catawba	2
15	Seventh	26A	(part of Mecklenburg,	2
16			see subsection (b))	
17	Seventh	26B	(part of Mecklenburg,	2 ³
18			see subsection (b))	
19	Seventh	26C	(part of Mecklenburg,	2
20			see subsection (b))	
21	Seventh	27A	Gaston	2
22	Seventh	27B	Cleveland, Lincoln	2
23	Eighth	28	Buncombe	2
24	Eighth	29	Henderson,	2
25			McDowell, Polk,	
26			Rutherford,	
27			Transylvania	
28	Eighth	30A	Cherokee, Clay,	1
29			Graham, Macon,	
30			Swain	
31	Eighth	30B	Haywood, Jackson	1."

32 Section 15.6.(b) On or after October 1, 2000, the Governor shall appoint a
 33 superior court judge for the additional judgeship in Superior Court District 26B as
 34 authorized by subsection (a) of this section. This judgeship shall not become effective
 35 until the appointment is made, and the appointee shall serve from the date of qualification
 36 until January 1, 2005. The successor to that judge shall be elected in the 2004 general
 37 election to serve a term expiring December 31, 2012.

38 On or after October 1, 2000, the Governor shall appoint a superior court
 39 judge for the additional judgeship in Superior Court District 4B as authorized by
 40 subsection (a) of this section. This judgeship shall not become effective until the
 41 appointment is made, and the appointee shall serve from the date of qualification until
 42 January 1, 2007. The successor to that judge shall be elected in the 2006 general election
 43 in order to provide for unstaggered terms for multiple judgeships in the same district.

1 Section 15.6.(c) Subsection (a) of this section becomes effective October 1, 2000, as
2 to any district in which no county is subject to section 5 of the Voting Rights Act of
3 1965. As to any district in which any county is subject to section 5 of the Voting Rights
4 Act of 1965, subsection (a) of this section becomes effective October 15, 2000, or 15
5 days after the date upon which that subsection is approved under section 5 of the Voting
6 Rights Act of 1965, whichever is later.

7
8 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

9 **JUDICIAL DEPARTMENT EQUIPMENT REPLACEMENT COSTS**

10 Section 15.7. G.S. 143-11(b) reads as rewritten:

11 "(b) The Director shall accompany the budget with:

- 12 (1) A budget message supporting his recommendations and outlining a
13 financial policy and program for the ensuing biennium. The message
14 will include an explanation of increase or decrease over past
15 expenditures, a discussion of proposed changes in existing revenue
16 laws and proposed bond issues, their purpose, the amount, rate of
17 interest, term, the requirements to be attached to their issuance and the
18 effect such issues will have upon the redemption and annual interest
19 charges of the State debt.
- 20 (2) State Controller reports including:
 - 21 a. An itemized and complete financial statement for the State at the
22 close of the last preceding fiscal year ending June 30.
 - 23 b. A statement of special funds.
- 24 (2a) A statement showing the itemized estimates of the condition of the
25 State treasury as of the beginning and end of each of the next two
26 fiscal years.
- 27 (3) A report on the fees charged by each State department, bureau,
28 division, board, commission, institution, and agency during the
29 previous fiscal year, the statutory or regulatory authority for each fee,
30 the amount of the fee, when the amount of the fee was last changed,
31 the number of times the fee was collected during the prior fiscal year,
32 and the total receipts from the fee during the prior fiscal year.
- 33 (4) A statement showing the State Board of Education's request, in
34 accordance with G.S. 115C-96, for sufficient funds to provide
35 textbooks to public school students.
- 36 (5) A proposal for expenditure of the funds in the Repairs and
37 Renovations Reserve Account, which is established in G.S. 143-
38 15.3A. The Director shall consider the data from the Facilities
39 Condition and Assessment Program in the Office of State
40 Construction when establishing priorities for the proposed expenditure
41 of these funds.
- 42 (6) Statements of the objections of members of the Council of State
43 received pursuant to G.S. 143-10.3(b) to the performance measures,

1 departmental operations plans, and indicators of program impact
2 prepared in accordance with G.S. 143-10.3, 143-10.4, and 143-10.5.

3 (7) A list of the budget requests of members of the Council of State that
4 are not included in the proposed budget.

5 (8) An estimate of the equipment replacement costs within the Judicial
6 Department for the period covered by that budget.

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

13 The function of the Advisory Budget Commission under this section applies only if
14 the Director of the Budget consults with the Commission in preparation of the budget."
15

16 Requested by: Representatives Culpepper, McKinney, Clary, Easterling, Redwine

17 **REDUCE SPECIAL SUPERIOR COURT JUDGESHIPS**

18 Section 15.8. G.S. 7A-45.1(a) reads as rewritten:

19 "(a) Effective November 1, 1993, the Governor may appoint two special superior
20 court judges to serve terms expiring September 30, 2000. Effective October 1, 2000, one
21 of those positions is abolished. ~~Successors to the special superior court judges—judge~~
22 ~~appointed pursuant to this subsection shall be appointed to a five-year terms—term.~~ A
23 special judge takes the same oath of office and is subject to the same requirements and
24 disabilities as are or may be prescribed by law for regular judges of the superior court,
25 save the requirement of residence in a particular district."
26

27 **PART XVI. DEPARTMENT OF CORRECTION**

28
29 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

30 **MODIFICATION OF FUNDING FORMULA FOR THE NORTH CAROLINA STATE- 31 COUNTY CRIMINAL JUSTICE PARTNERSHIP ACT**

32 Section 16. Section 18 of S.L. 1999-237 reads as rewritten:

33 "Section 18.(a) Notwithstanding the funding formula set forth in G.S. 143B-273.15,
34 appropriations made to the Department of Correction through the North Carolina State-
35 County Criminal Justice Partnership Act for the 1999-2000 fiscal year and the 2000-2001
36 fiscal year shall be distributed to the counties as specified in G.S. 143B-273.15(2) only,
37 and not as discretionary funds. The Department may also use funds from the State-
38 County Criminal Justice Partnership Account in order to maintain the counties'
39 allocations of nine million six hundred thousand dollars (\$9,600,000) as provided in
40 previous fiscal years.

41 Section 18.(b) Appropriations not claimed or expended by the counties during
42 the 1999-2000 fiscal year and the 2000-2001 fiscal year shall be distributed as specified
43 in G.S. 143B-273.15(1). A single county may apply for discretionary funds under G.S.

1 143B-273.15(1) for a residential program that serves offenders from other counties; in
2 order for those other counties to assign offenders to such a program, those counties shall
3 include a residential component in an approved partnership plan.

4 Section 18.(c) The Department of Correction may not deny funds to a county to
5 support both a residential program and a day reporting center if the Department of
6 Correction determines that the county has a demonstrated need and a fully-developed
7 plan for each type of sanction.

8 Section 18.(d) The Department of Correction shall report by ~~February 1, 2000,~~
9 February 1 of each year to the Chairs of the Senate and House Appropriations
10 Committees, the Senate and House Appropriations Subcommittees on Justice and Public
11 Safety, and the Joint Legislative Corrections and Crime Control Oversight Committee on
12 the status of the Criminal Justice Partnership Program. The report shall include the
13 following information:

- 14 (1) The amount of funds carried over from the ~~1998-99 fiscal year to the~~
15 1999-2000 fiscal year; prior fiscal year;
- 16 (2) The dollar amount and purpose of grants awarded to counties as
17 discretionary grants for ~~1999-2000; the current fiscal year;~~
- 18 (3) Any counties the Department anticipates will submit requests for new
19 implementation grants;
- 20 (4) The number of counties submitting offender participation data via the
21 electronic reporting system;
- 22 (5) An analysis of offender participation data ~~received during 1999-2000;~~
23 received; and
- 24 (6) An update on efforts to ensure that all counties make use of the
25 electronic reporting system."
26

27 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine
28 **POST-RELEASE SUPERVISION AND PAROLE COMMISSION/REPORT ON**
29 **STAFFING REORGANIZATION AND REDUCTION**

30 Section 16.1. Section 18.1 of S.L. 1999-237 reads as rewritten:

31 "Section 18.1. The Post-Release Supervision and Parole Commission shall report by
32 ~~March 1, 2000, March 1 of each year~~ to the Chairs of the Senate and House
33 Appropriations Subcommittees on Justice and Public Safety on an updated transition plan
34 for implementing staff reductions through the 2002-2003 fiscal year, including a
35 minimum ten percent (10%) reduction in staff positions in the 2000-2001 fiscal year over
36 the 1999-2000 fiscal year."
37

38 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine
39 **REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL**
40 **COSTS FOR INMATES, PAROLEES, AND POST-RELEASE SUPERVISEES**
41 **AWAITING TRANSFER TO STATE PRISON SYSTEM**

42 Section 16.2. Subsection (a) of Section 18.10 of S.L. 1999-237 reads as
43 rewritten:

1 "Section 18.10.(a) The Department of Correction may use funds appropriated to
2 the Department for the 1999-2000 fiscal year and the 2000-2001 fiscal year to pay the
3 sum of forty dollars (\$40.00) per day as reimbursement to counties for the cost of housing
4 convicted inmates and parolees and post-release supervisees awaiting transfer to the State
5 prison system, as provided in G.S. 148-29. The Department shall report quarterly to the
6 Joint Legislative Commission on Governmental Operations, the Joint Legislative
7 Corrections and Crime Control Oversight Committee, the Chairs of the Senate and House
8 Appropriations Committees, and the Chairs of the Senate and House Appropriations
9 Subcommittees on Justice and Public Safety on the expenditure of funds to reimburse
10 counties for prisoners awaiting transfer and on its progress in reducing the jail backlog."
11

12 **PART XVII. DEPARTMENT OF JUSTICE**

13
14 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

15 **CRIMINAL JUSTICE INFORMATION NETWORK REPORT**

16 Section 17. Section 19.2 of S.L. 1999-237 reads as rewritten:

17 "Section 19.2. The Criminal Justice Information Network Governing Board created
18 pursuant to Section 23.3 of Chapter 18 of the Session Laws of the 1996 Second Extra
19 Session shall report by ~~March 1, 2000,~~ March 1, 2001, to the Chairs of the Senate and
20 House Appropriations Committees, the Chairs of the Senate and House Appropriations
21 Subcommittees on Justice and Public Safety, and the Fiscal Research Division of the
22 General Assembly on:

- 23 (1) The operations of the Board, including the Board's progress in
24 developing data-sharing standards in cooperation with State and local
25 agencies and the estimated time of completion of the standards;
- 26 (2) The operating budget of the Board, the expenditures of the Board as of
27 the date of the report, and the amount of funds in reserve for the
28 operation of the Board; and
- 29 (3) A long-term strategic plan and cost analysis for statewide
30 implementation of the Criminal Justice Information Network. For each
31 component of the Network, the initial cost estimate of the component,
32 the amount of funds spent to date on the component, the source of funds
33 for expenditures to date, and a timetable for completion of that
34 component, including additional resources needed at each point."
35

36 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

37 **USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE** 38 **LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT**

39 Section 17.1. Section 19.3 of S.L. 1999-237 reads as rewritten:

40 "Section 19.3.(a) Assets transferred to the Department of Justice during the 1999-2001
41 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the Department
42 and shall result in an increase of law enforcement resources for the Department. Assets
43 transferred to the Department of Crime Control and Public Safety during the 1999-2001

1 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the Department
2 and shall result in an increase of law enforcement resources for the Department. The
3 Departments of Justice and Crime Control and Public Safety shall report to the Joint
4 Legislative Commission on Governmental Operations upon receipt of the assets and,
5 before using the assets, shall report on the intended use of the assets and the departmental
6 priorities on which the assets may be expended, except during the ~~1999-2000 fiscal year,~~
7 1999-2001 fiscal biennium, the Department of Justice may:

- 8 (1) Use an amount not to exceed the sum of twenty-five thousand dollars
9 (\$25,000) of the funds to extend the lease of space in the Town of
10 Salemburg for training for the State Bureau of Investigation; and
- 11 (2) Use an amount not to exceed the sum of fifty thousand dollars (\$50,000)
12 of the funds to lease space for its technical operations unit, storage of its
13 equipment and vehicles, and command post vehicle.

14 Section 19.3.(b) The General Assembly finds that the use of assets transferred
15 pursuant to 19 U.S.C. § 1616a for new personnel positions, new projects, the acquisition
16 of real property, repair of buildings where the repair includes structural change, and
17 construction of or additions to buildings may result in additional expenses for the State in
18 future fiscal periods. Therefore, the Department of Justice and the Department of Crime
19 Control and Public Safety are prohibited from using these assets for such purposes
20 without the prior approval of the General Assembly.

21 Section 19.3.(c) Nothing in this section prohibits North Carolina law enforcement
22 agencies from receiving funds from the United States Department of Justice pursuant to
23 19 U.S.C. § 1616a.”

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

26
27 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine,
28 Baddour, Sexton

29 **INCREASE THE EDUCATIONAL ASSISTANCE GRANTS FOR MEMBERS OF** 30 **THE NORTH CAROLINA NATIONAL GUARD**

31 Section 18. G.S. 127A-193 reads as rewritten:

32 **"§ 127A-193. Benefit.**

33 The benefit provided under this Article shall consist of a monetary educational
34 assistance grant not to exceed ~~one~~ two thousand dollars ~~(\$1,000)~~ (\$2,000) per academic
35 year to qualifying members of the North Carolina national guard. Benefits shall be
36 payable for a period of one academic year at a time, renewable at the option of the
37 Secretary for a maximum of ~~four~~ eight thousand dollars ~~(\$4,000)~~ (\$8,000)."

38
39 Requested by: Culpepper, Kinney, McCrary, Easterling, Redwine

40 **PARTIAL CASH BALANCE REVERSION**

41 Section 18.1. Notwithstanding the provisions of G.S. 15B-23, the sum of one
42 million twenty-five thousand dollars (\$1,025,000) from the cash balance of the Crime
43 Victims Compensation Fund shall revert to the General Fund on July 1, 2000, to be used

1 for domestic violence programs, the rape victim assistance program, and other victims'
2 assistance programs.

3
4 **PART XIX. OFFICE OF JUVENILE JUSTICE**

5
6 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine
7 **TRANSFER CENTER FOR PREVENTION OF SCHOOL VIOLENCE TO THE**
8 **OFFICE OF JUVENILE JUSTICE**

9 Section 19. The Center for Prevention of School Violence currently operating
10 under The University of North Carolina, and all functions, powers, duties, and obligations
11 vested in The University of North Carolina for the Center, are hereby transferred to the
12 Office of Juvenile Justice. This transfer has all the components of a Type I transfer as
13 that term is defined in G.S. 143A-6(a).

14 The Center as a component of the Office of Juvenile Justice shall continue to
15 consult with The University of North Carolina and the Department of Public Instruction
16 to enhance research opportunities and specialized study areas such as teacher preparation,
17 school resource officer development, suicide prevention, and best practices.

18
19 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine
20 **TRANSFER OF POSITIONS AND SUPPORT COSTS FOR THE JUVENILE**
21 **INFORMATION NETWORK FROM THE DEPARTMENT OF JUSTICE TO**
22 **THE OFFICE OF JUVENILE JUSTICE**

23 Section 19.1. The Department of Justice shall transfer to the Office of Juvenile
24 Justice the three positions and the sum of two hundred twenty-five thousand dollars
25 (\$225,000) appropriated in this act for support of the Juvenile Information System
26 Network.

27
28 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine
29 **REVISE REPORTING REQUIREMENTS OF STAFFING AT TRAINING**
30 **SCHOOLS AND DETENTION CENTERS STUDY**

31 Section 19.2. Section 21.4 of S.L. 1999-237 reads as rewritten:

32 "Section 21.4. Of the funds appropriated in this act to the Office of Juvenile Justice
33 for the 1999-2000 fiscal year, the Office may use up to seventy-five thousand dollars
34 (\$75,000) to contract with consultants for a study of staffing in training schools and
35 detention centers. The study shall consider the appropriate staffing patterns for the
36 juvenile population of training schools and detention centers as a result of the goals and
37 objectives for those facilities set forth in S.L. 1998-202, the Juvenile Justice Act. The
38 study shall consider whether:

- 39 (1) Training schools and detention centers are staffed with the appropriate
40 number of custodial staff and staff that administers treatment, education,
41 and counseling to juveniles housed in the facilities;

- 1 (2) Staff of the training schools and detention centers has the appropriate
2 classification, training, and experience to provide juveniles housed in
3 the facilities with the required treatment and guidance; and
4 (3) Salary levels for current or proposed position classifications are
5 appropriate.

6 The study shall include a review of the appropriate staffing patterns on each shift, the
7 impact of previous or potential lawsuits or liability issues on staffing levels and types, an
8 analysis of the current guidelines on staffing ratios, the accuracy of the staffing relief
9 formula, and the effectiveness of the current systems for scheduling staff workdays and
10 days off. The consultant shall consult with the Office of State Personnel, the Office of
11 Juvenile Justice, and the Fiscal Research Division of the General Assembly in developing
12 the study objectives and a work plan.

13 The final product shall include a report that addresses the issues stated in this section
14 and a staffing plan by shift for each training school and detention center.

15 The Office of Juvenile Justice shall report the results and recommendations of the
16 study to the Chairs of the House and Senate Appropriations ~~Committees and Committees,~~
17 the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public
18 Safety ~~Safety,~~ and the Joint Legislative Commission on Governmental Operations on or
19 before ~~April 1, 2000.~~ September 1, 2000."
20

21 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

22 **REPORTS OF FUNDS FOR LOCAL ORGANIZATIONS OF THE BOYS AND**
23 **GIRLS CLUB**

24 Section 19.3.(a) Section 21.10.(c) of S.L. 1999-237 reads as rewritten:

25 "Section 21.10.(c) The Office of Juvenile Justice shall report by ~~April 1, 2000,~~
26 April 1, 2001, to the Joint Legislative Commission on Governmental Operations, the
27 Chairs of the House and Senate Appropriations Committees, and the Chairs of the House
28 and Senate Appropriations Subcommittees on Justice and Public Safety on the
29 expenditure of State appropriations and on the operations and the effectiveness of the
30 program, including information on the number of juveniles served."

31 Section 19.3.(b) Before expending any funds appropriated for the Boys and
32 Girls Club to establish any new local organization of the Boys and Girls Club, the Office
33 of Juvenile Justice shall reconsider counties that were eligible for the establishment of
34 local organizations, but not funded in the 1999-2000 fiscal year, and shall report to the
35 Chairs of the House and Senate Appropriations Committees on the proposed new local
36 organization, including the location of the organization and the amount of funds the
37 Office proposes to expend on the organization.
38

39 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

40 **STATE FUNDS MAY BE USED AS FEDERAL MATCHING FUNDS**

41 Section 19.4. Section 21.11 of S.L. 1999-237 reads as rewritten:

42 "Section 21.11. Funds appropriated in this act to the Office of Juvenile Justice for the
43 ~~1999-2000-2000-2001~~ 2000-2001 fiscal year may be used as matching funds for the Juvenile

1 Accountability Incentive Block Grants. If North Carolina receives Juvenile
2 Accountability Incentive Block Grants, or a notice of funds to be awarded, the Office of
3 State Budget and Management and the Governor's Crime Commission of the Department
4 of Crime Control and Public Safety shall consult with the Office of Juvenile Justice
5 regarding the criteria for awarding federal funds. The Office of State Budget and
6 ~~Management and Management~~, the Governor's Crime ~~Commission-Commission~~, and the
7 Office of Juvenile Justice shall report to the Appropriations Committees of the Senate
8 and House of Representatives and the Joint Legislative Commission on Governmental
9 Operations prior to allocation of the federal funds. The report shall identify the amount
10 of funds to be received for the ~~1999-2000-2000-2001~~ fiscal year, the amount of funds
11 anticipated for the ~~2000-2001-2001-2002~~ fiscal year, and the allocation of funds by
12 program and purpose."
13

14 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

15 **REVISE REQUIREMENTS OF MULTIFUNCTIONAL JUVENILE FACILITY**

16 Section 19.5.(a) Section 21.13(i) of S.L. 1999-237 reads as rewritten:

17 "Section 21.13.(i) State Authority Over Offenders. – The Office of Juvenile
18 Justice may, in the discretion of the Director, provide services to and house juveniles who
19 are involved in the North Carolina juvenile justice system in a facility constructed and
20 operated by a private entity. The Office of Juvenile Justice shall only house juveniles in
21 the North Carolina juvenile justice system. Juvenile offenders housed in private facilities
22 shall be governed by the State laws applicable to juvenile offenders housed in State
23 facilities, including educational requirements mandated by State and federal law."

24 Section 19.5.(b) Section 21.13(j) of S.L. 1999-237 reads as rewritten:

25 "Section 21.13.(j) Report. – The Office of Juvenile Justice shall make a written
26 report no later than ~~March 1, 2000, March 1, 2001,~~ on the status of the pilot program and
27 shall evaluate the program annually and report on the findings of the evaluations by
28 ~~March 1, 2001, May 1, 2002, and January 1, 2002. May 1, 2003.~~ The reports shall be
29 submitted to the Chairs of the Appropriations Committees of the Senate and House of
30 Representatives and the Joint Legislative Commission on Governmental Operations."
31

32 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

33 **MECKLENBURG COUNTY MULTIPURPOSE GROUP HOMES**

34 Section 19.6. The funds appropriated in S.L. 1998-212 and reallocated in S.L.
35 1999-237 to the Office of Juvenile Justice to construct an eight-bed secure group home
36 for female offenders in Mecklenburg County and to upgrade the Gatling Detention Center
37 to meet fire marshal standards may be used to construct two eight-bed multipurpose
38 group homes to house juvenile offenders. A maximum of two beds per home may be
39 designated for secure detention. The homes may be used to house male juvenile
40 offenders until the population of female juvenile offenders in the area served by the
41 facilities increases such that both homes are needed to house female offenders. The
42 Office of Juvenile Justice may contract with Mecklenburg County to implement this

1 section and to assure that the multipurpose group homes authorized pursuant to this
2 section are consistent with similar facilities in this State.

3
4 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine,
5 Baddour

6 **TRANSFER OF GUARD RESPONSE ALTERNATIVE SENTENCING**
7 **PROGRAM TO THE OFFICE OF JUVENILE JUSTICE**

8 Section 19.7. The Guard Response Alternative Sentencing Program developed
9 pursuant to S.L. 1998-202, and all functions, powers, duties, and obligations vested in the
10 Department of Crime Control and Public Safety for the Guard Response Alternative
11 Sentencing Program, are hereby transferred to the Office of Juvenile Justice. This
12 transfer has all the components of a Type I transfer as that term is defined in G.S. 143A-
13 6(a). The Program shall continue to function as an additional probation option for certain
14 first-time juveniles who have been adjudicated delinquent and who are subject to Level 2
15 disposition.

16
17 Requested by: Representatives Easterling, Redwine, Baddour

18 **TRANSFER FUNDS TO DEPARTMENT OF JUVENILE JUSTICE AND**
19 **DELINQUENCY PREVENTION**

20 Section 19.8. If either House Bill 1804 or Senate Bill 1462 of the 1999
21 General Assembly becomes law, all funds appropriated in this act to the Office of
22 Juvenile Justice shall be transferred to the Department of Juvenile Justice and
23 Delinquency Prevention.

24
25 Requested by: Representatives Culpepper, Kinney, McCrary, Easterling, Redwine

26 **FORSYTH DETENTION CENTER**

27 Section 19.9. The sum of one million seven hundred fifty thousand dollars
28 (\$1,750,000) appropriated in the 1999-2000 fiscal year to the Office of Juvenile Justice
29 for a grant-in-aid for construction of the Forsyth Detention Center may be carried
30 forward to the 2000-2001 fiscal year to allow adequate time for completion of a needs
31 assessment by Forsyth County and for review and evaluation by the Office of Forsyth
32 County's plan for the Center.

33
34 **PART XX. GENERAL ASSEMBLY**

35
36 Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine

37 **EXTEND TECHNOLOGICAL INFRASTRUCTURE STUDY REPORTING**
38 **DATE**

39 Section 20. Section 22.2 of S.L. 1999-237 reads as rewritten:

40 "Section 22.2. The Joint Select Committee on Information Technology, established
41 pursuant to Section 22 of this act, shall study, evaluate, and recommend changes in the
42 current technological infrastructure of the Department of the Secretary of State and the
43 Department of the State Treasurer. The Committee shall:

- 1 (1) Consider the feasibility and advisability of moving the Secretary of
2 State's applications from the ITS mainframe to in-house servers and
3 allowing the Secretary of State to develop and support its own computer
4 applications;
- 5 (2) Consider the need to replace, update, or modify the information
6 technology infrastructure within the Department of the State Treasurer
7 and existing banking system which supports the State Treasurer's
8 Investment and Banking Operations Division; and
- 9 (3) Study, evaluate, and recommend the level of audit staff needed in the
10 Office of the State Auditor to provide for adequate audit coverage of the
11 computer applications and installation in State government.

12 The Committee shall report by ~~April 1, 2000~~, December 1, 2000, to the
13 Appropriations Committees of the Senate and House of Representatives."

14
15 Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine, Thompson
16 **ILLUMINATE THE NIGHTTIME DISPLAY OF THE UNITED STATES AND**
17 **NORTH CAROLINA FLAGS AT THE LEGISLATIVE BUILDING**

18 Section 20.1. The citizens of this State are proud of the federal and State flags,
19 but neither flag is flown during darkness at the Legislative Building, the center of North
20 Carolina's State government.

21 Of funds appropriated to the General Assembly, the sum of four thousand eight
22 hundred dollars (\$4,800) for the 2000-2001 fiscal year shall be used to allow for the
23 illumination of both the federal and State flags at the Legislative Building during
24 darkness.

25 26 **PART XXI. DEPARTMENT OF ADMINISTRATION**

27
28 Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine, Edwards
29 **NATIONAL WORLD WAR II MEMORIAL FUNDS**

30 Section 21. Of the funds appropriated in this act to the Department of
31 Administration for the 2000-2001 fiscal year, the sum of one hundred fifty thousand
32 dollars (\$150,000) shall be used by the Division of Veterans Affairs to fund the voluntary
33 contribution of the State toward the construction of the National World War II Memorial
34 in Washington, D.C. It is the intent of the General Assembly to appropriate the
35 remaining balance of the State's voluntary contribution in the 2001-2003 biennium.

36
37 Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine
38 **COST-BENEFIT ANALYSIS OF CONSTRUCTING STATE FACILITIES**
39 **INSTEAD OF LEASING PROPERTY FOR STATE OPERATIONS**

40 Section 21.1. Section 24.1 of S.L. 1999-237 reads as rewritten:

41 "Section 24.1. The State Property Office and the State Construction Office, in
42 consultation with the Office of State Budget and Management, shall conduct a cost

1 benefit analysis of constructing new State-owned facilities instead of leasing property for
2 State government operations. The analysis shall consider:

- 3 (1) Factors relating to the cost of State-owned facilities including (i) the
4 cost and availability of land, (ii) design, planning, and construction
5 costs in Raleigh and throughout the State, (iii) projected ongoing
6 operation and maintenance costs, and (iv) projected repairs and
7 renovation costs; and
8 (2) Factors relating to the cost of leased space including (i) lease rates
9 within Raleigh and throughout the State, (ii) availability of property for
10 lease within Raleigh and throughout the State, taking into account the
11 various types of space needed by State agencies including office,
12 laboratory, warehouse, storage, conference and meeting space, and other
13 types of property, (iii) renewal options and costs, (iv) utility, janitorial,
14 and other operating expenses, and (v) relocation expenses, including
15 moving and upfit expenses.

16 The State Property Office and the State Construction Office shall report on the results
17 of the cost-benefit analysis to the Joint Legislative Commission on Governmental
18 Operations prior to ~~March 30, 2000.~~ January 1, 2001."

19
20 Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine

21 **REPEAL HEALTH CARE PURCHASING ALLIANCE ACT**

22 Section 21.2.(a) Article 66 of Chapter 143 of the General Statutes is repealed.

23 Section 21.2.(b) This section becomes effective December 31, 2000.

24
25 Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine

26 **PROCUREMENT CARD PILOT PROGRAM EXTENSION/SAVINGS**

27 Section 21.3. Section 20.3(a) of S.L. 1998-212, as rewritten by Section 24 of
28 S.L. 1999-237, reads as rewritten:

29 "(a) Except as provided by this section, no State agency, community college,
30 constituent institution of The University of North Carolina, or local school administrative
31 unit may use procurement cards for the purchase of equipment or supplies before ~~August~~
32 1, 2000. August 1, 2001."

33
34 Requested by: Representative Sutton

35 **AUTHORIZE THE COMMISSION OF INDIAN AFFAIRS TO USE FUNDS FOR**
36 **REPAIRS, RENOVATIONS, AND OTHER CAPITAL IMPROVEMENTS TO**
37 **THE RIVERSIDE GOLF COURSE ON STATE PROPERTY IN ROBESON**
38 **COUNTY**

39 Section 21.4. Funds received by the North Carolina Commission of Indian
40 Affairs pursuant to the lease executed between the State of North Carolina and the
41 Riverside Golf Course in Robeson County may be expended for repairs, renovations, or
42 other capital improvements to the leased property.

1 Funds held by the Commission pursuant to that lease on July 1, 2000, shall be
2 provided to the Riverside Golf Course for those purposes as soon as practicable. The
3 Department of Administration and the Commission of Indian Affairs shall develop a
4 procedure by which the Riverside Golf Course can apply to the Commission for the use
5 of future funds deposited with the Commission pursuant to the lease for any proposed
6 repairs, renovations, or other capital improvements to the property.

7 8 **PART XXII. OFFICE OF THE STATE CONTROLLER**

9
10 Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine

11 **OVERPAYMENTS PROJECT**

12 Section 22.(a) During the 2000-2001 fiscal year, receipts generated by the
13 collection of inadvertent overpayments by State agencies to vendors as a result of pricing
14 errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds,
15 erroneously paid excise taxes, and related errors as required by G.S. 147-86.22(c) are to
16 be deposited in the Special Reserve Account 24172.

17 Section 22.(b) For the 2000-2001 fiscal year, five hundred fifty thousand
18 dollars (\$550,000) of the funds transferred from the Special Reserve Account 24172 shall
19 be used by the Office of the State Controller for data processing, debt collection, or e-
20 commerce costs.

21 Section 22.(c) All funds available in the Special Reserve Account 24172 on
22 July 1, 2000, are transferred to the General Fund on that date.

23 Section 22.(d) Any unobligated funds in the Special Reserve Account 24172
24 that are realized above the allowance in subsection (b) of this section are subject to
25 appropriation by the General Assembly in the 2001 Session.

26 Section 22.(e) The State Controller shall report monthly to the Joint Legislative
27 Commission on Governmental Operations and the Fiscal Research Division on the
28 revenue deposited into the Special Reserve Account, and the disbursement of that
29 revenue.

30
31 Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine

32 **PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY** 33 **STATE AGENCIES EXTENDED**

34 Section 22.1.(a) The General Assembly, having been presented additional
35 information related to a limited 90-day Bad Debt Clearinghouse Proof of Concept
36 Prototype for the collection of previously determined "uncollectible" accounts, now
37 requests that additional State agencies with a material amount of accounts receivable bad
38 debts be included in a one-year pilot to further determine the feasibility of implementing
39 a centralized Bad Debt Collection Clearinghouse Program.

40 Section 22.1.(b) The Office of State Controller shall establish a procedure by
41 which State agencies/institutions with a material amount of accounts receivable shall
42 report on collection of bad debts. This pilot program is intended to concentrate on
43 agencies that have a large amount of bad debts in order to determine the extent to which

1 those debts may be better collected both in those agencies and in the whole of State
2 government. The Office of State Controller may solicit information from collection
3 agencies concerning the possibility of these agencies maintaining a central debt collection
4 database limited to those State agencies without restrictive data security or confidentiality
5 issues. Procedures for direct access to qualified collection agencies may be established
6 for agencies with restrictive data security or confidentiality issues when legal and
7 contractual authority permits this action.

8 Section 22.1.(c) The Office of State Controller shall administer a one-year Bad
9 Debt Collection Clearinghouse Pilot. The pilot shall address the use of one or more
10 private collection agencies and may make provision to allow local government units to
11 participate in this pilot program. The pilot shall further address whether the potential Bad
12 Debt Collection Clearinghouse Program should be administered jointly by the
13 Department of Revenue and the Office of the State Controller.

14 Section 22.1.(d) The Office of State Controller shall report the results of the
15 Bad Debt Collection Clearinghouse Pilot to the General Assembly no later than May 15,
16 2001, along with recommendations on changes in law or procedure to better collect the
17 bad debts including the feasibility of implementing a centralized Bad Debt Collection
18 Clearinghouse.

19 20 **PART XXIII. OFFICE OF STATE BUDGET AND MANAGEMENT**

21
22 Requested by: Representatives Easterling, Redwine

23 **CONSOLIDATION OF THE OFFICE OF STATE BUDGET AND** 24 **MANAGEMENT AND THE OFFICE OF STATE PLANNING**

25 Section 23. Effective July 1, 2000, the Office of State Budget and
26 Management and the Office of State Planning are consolidated into the Office of State
27 Budget, Planning, and Management under the Office of the Governor. General Fund
28 budget codes 13005 and 13006 shall be consolidated in the certified budget for the 2000-
29 2001 fiscal year to reflect the consolidation of the offices.

30
31 Requested by: Representatives Wainwright, Jeffus

32 **NORTH CAROLINA YOUTH LEGISLATIVE ASSEMBLY FUND**

33 Section 23.1. Part 7 of Article 9 of Chapter 143B of the General Statutes is
34 amended by adding a new section to read:

35 **"§ 143B-387.1. North Carolina Youth Legislative Assembly Fund.**

36 The North Carolina Youth Legislative Assembly Fund is created as a special and
37 nonreverting fund. North Carolina Youth Legislative Assembly registration fees, gifts,
38 donations, or contributions shall be credited to the North Carolina Youth Legislative
39 Assembly Fund.

40 The fund shall be used solely to support planning and execution of the North Carolina
41 Youth Legislative Assembly."

42 43 **PART XXIV. RULES REVIEW COMMISSION**

1
2 Requested by: Representatives Wainwright, Jeffus, Easterling, Redwine

3 **RESERVE FOR ATTORNEYS' FEES OF RULES REVIEW COMMISSION**

4 Section 24.(a) A reserve is established in the Office of State Budget and
5 Management. This reserve shall consist of appropriations from the General Assembly
6 and funds received from any State agency in accordance with this section.

7 Section 24.(b) When a State agency files a petition for judicial review of a final
8 decision of the Rules Review Commission under Article 4 of Chapter 150B of the
9 General Statutes and the Rules Review Commission prevails in that action, that State
10 agency shall deposit to the reserve under subsection (a) of this section a sum equal to the
11 Commission's actual attorneys' fees.

12 If the Department of Labor or the Commissioner of Labor has filed a petition
13 for judicial review of a final decision of the Rules Review Commission under Article 4
14 of Chapter 150B of the General Statutes and that petition is pending on the date this
15 section becomes effective, then unless there is deposited from funds available to the
16 Department of Labor to the reserve under subsection (a) of this section the amount of one
17 hundred ninety-six thousand dollars (\$196,000), which is the estimated costs of the legal
18 expenses of the Commission, upon petition of the Rules Review Commission, the petition
19 shall be dismissed. If the amount is deposited and the petitioner prevails, the deposit
20 shall be refunded.

21
22 **PART XXIVA. DEPARTMENT OF STATE TREASURER**

23
24 Requested by: Representative Redwine

25 **DEPARTMENT OF STATE TREASURER INFORMATION TECHNOLOGY**
26 **SYSTEMS**

27 Section 24A. Upon approval by the Information Resources Management
28 Commission and concurrence by the Select Committee on Information Technology, the
29 Department of State Treasurer may spend departmental receipts for the 2000-2001 fiscal
30 year to continue improvement of the Department's investment banking operations system,
31 retirement payroll systems, and other information technology infrastructure needs.

32
33 **PART XXV. DEPARTMENT OF TRANSPORTATION**

34
35 Requested by: Representatives Cole, Crawford, Easterling, Redwine

36 **CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**
37 **APPROPRIATIONS**

38 Section 25.(a) The General Assembly authorizes and certifies anticipated revenues
39 of the Highway Fund as follows:

40 FY 2001-2002 \$1,281.1 million

41 FY 2002-2003 \$1,303.7 million

42 FY 2003-2004 \$1,331.0 million

43 FY 2004-2005 \$1,336.2 million.

1 The General Assembly authorizes and certifies anticipated revenues of the
2 Highway Trust Fund as follows:

3 FY 2001-2002 \$1,042.1 million

4 FY 2002-2003 \$1,083.6 million

5 FY 2003-2004 \$1,127.6 million

6 FY 2004-2005 \$1,176.5 million.

7 Section 25.(b) Section 27 of S.L. 1999-237 is repealed.
8
9

10 Requested by: Representatives Cole, Crawford, Easterling, Redwine, Davis

11 **DEPARTMENT OF TRANSPORTATION CONTRACT GOALS FOR**
12 **BUSINESSES OWNED BY DISABLED VETERANS**

13 Section 25.1. G.S. 136-28.4(b) reads as rewritten:

14 "(b) A ten percent (10%) goal is established for the combined participation by
15 minority ~~businesses~~ businesses and service disabled veteran businesses and a five percent
16 (5%) goal for participation by women businesses is established in contracts let by the
17 Department of Transportation for the design, construction, alteration, or maintenance of
18 State highways, roads, streets, or bridges and for the procurement of materials for these
19 projects. The Department of Transportation shall endeavor to award to minority
20 businesses and service disabled veteran businesses at least ten percent (10%), by value, of
21 the contracts it lets for these purposes, and shall endeavor to award to women businesses
22 at least five percent (5%), by value, of the contracts it lets for these purposes. The
23 Department shall adopt written procedures specifying the steps it will take to achieve
24 these goals. The Department shall give equal opportunity for contracts it lets without
25 regard to race, religion, color, creed, national origin, sex, age, or handicapping condition,
26 as defined in G.S. 168A-3, to all contractors and businesses otherwise qualified."
27

28 Requested by: Representatives Cole, Crawford, Easterling, Redwine

29 **STATE HIGHWAY PATROL TO STUDY REIMBURSEMENTS FOR COSTS OF**
30 **ADDED SPECIAL SERVICES AT SCHEDULED EVENTS**

31 Section 25.2. The State Highway Patrol shall study the implementation of a
32 program for the reimbursement to the State of North Carolina of costs for added services
33 provided by the Patrol at various categories of scheduled events.

34 Any program shall provide for a determination of normal law enforcement
35 costs and the added costs, including additional supervision, added shifts, and overtime.

36 The State Highway Patrol shall report the results of this study, along with any
37 recommendations containing legislative proposals to the Joint Legislative Transportation
38 Oversight Committee by November 1, 2000.
39

40 Requested by: Representatives Cole, Crawford, Easterling, Redwine, Baddour

41 **GLOBAL TRANSPARK CONSTRUCTION BONDS**

42 Section 25.3. G.S. 63A-4(a)(22) reads as rewritten:

1 (a) The Authority shall have all of the powers necessary to execute the provisions
2 of this Chapter, which shall include at least the following powers:

3 ...
4 (22) To issue obligations, without Local Government Commission approval,
5 to finance the purchase or acquisition of land or options on ~~land~~ land, or
6 the construction of buildings or facilities. An obligation may be secured
7 by the land purchased or acquired, or by the buildings or facilities
8 constructed, may be unsecured, or may be made payable from revenues,
9 the proceeds of notes, bonds, or the sale of any lands, the proceeds of
10 any bonds of the State or moneys appropriated by the State, or any other
11 available moneys of the Authority. An obligation to finance the
12 purchase or acquisition of land or options on ~~land~~ land, or the
13 construction of buildings or facilities, may be sold only to the Escheat
14 Fund as an investment of the Fund pursuant to G.S. 147-69.2(b)(11).
15 No building or facility shall be constructed using these funds unless a
16 bona fide offer or proposal to lease at least fifty percent (50%) of the
17 square footage of the building or facility has been made and no
18 satisfactory comparable building or facility is available within five miles
19 of the Global TransPark Airport."
20

21 Section 25.4. [RESERVED.]
22

23 Requested by: Representatives Cole, Crawford, Easterling, Redwine

24 **STUDY OF COMMISSION CONTRACTS FOR ISSUANCE OF MOTOR**
25 **VEHICLE REGISTRATION PLATES AND CERTIFICATES**

26 Section 25.5.(a) The Commission to Study Commission Contracts for the
27 Issuance of Motor Vehicle Registration Plates and Certificates is created. The
28 Commission shall consist of 11 members:

- 29 (1) Four Senators appointed by the President Pro Tempore of the Senate
30 and four Representatives appointed by the Speaker of the House of
31 Representatives.
32 (2) The President Pro Tempore of the Senate and the Speaker of the House
33 of Representatives shall each appoint one person currently contracted
34 with the Division of Motor Vehicles to issue registration plates and
35 certificates.
36 (3) The Commissioner of Motor Vehicles or the Commissioner's designee
37 shall serve as a voting member of the Commission.

38 Section 25.5.(b) The President Pro Tempore of the Senate shall designate one Senator
39 as cochair and the Speaker of the House of Representatives shall designate one
40 Representative as cochair.

41 Section 25.5.(c) The Commission shall:

- 1 (1) Review the history and policies that led to the enactment of G.S. 20-
2 63(h) providing for contracts for the issuance of registration plates and
3 certificates.
- 4 (2) Study the current implementation and consequences of the provisions of
5 G.S. 20-63(h).
- 6 (3) Study how registration plates and certificates are issued in other states.
- 7 (4) Study the implications and potential effects on the contract agents of the
8 authority of the Division of Motor Vehicles to use electronic
9 applications and collections authorized in G.S. 20-63(i).
- 10 (5) Study any other factors it deems relevant related to the use of contract
11 agents for the issuance of registration plates and certificates.
- 12 (6) Make findings and recommendations on improving the services related
13 to the issuance of registration plates and certificates to the citizens of
14 North Carolina while reducing the costs to the State.

15 Section 25.5.(d) The Commission shall submit a final report of its findings and
16 recommendations to the General Assembly on or before the first day of the 2001 Session
17 of the General Assembly by filing the report with the President Pro Tempore of the
18 Senate and the Speaker of the House of Representatives. Upon filing its final report, the
19 Commission shall terminate.

20 Section 25.5.(e) The Commission, while in the discharge of official duties,
21 may exercise all the powers provided for under the provisions of G.S. 120-19, and G.S.
22 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint
23 call of the cochairs. The Commission may meet in the State Legislative Building or the
24 Legislative Office Building.

25 Section 25.5.(f) Legislative members of the Commission shall receive
26 subsistence and travel expenses at the rates set forth in G.S. 120-3.1. Nonlegislative
27 members shall receive subsistence and travel expenses at the rates set forth in G.S. 138-5.

28 Section 25.5.(g) The Commission may contract for professional, clerical, or
29 consultant services as provided by G.S. 120-32.02. The Legislative Services
30 Commission, through the Legislative Administrative Officer, shall assign professional
31 staff to assist in the work of the Commission. The House of Representatives' and the
32 Senate's Supervisors of Clerks shall assign clerical staff to the commission or committee,
33 upon the direction of the Legislative Services Commission. The expenses relating to
34 clerical employees shall be borne by the Commission.

35 Section 25.5.(h) When a vacancy occurs in the membership of the
36 Commission, the vacancy shall be filled by the same appointing officer who made the
37 initial appointment.

38 Section 25.5.(i) All State departments and agencies and local governments and
39 their subdivisions shall furnish the Commission with any information in their possession
40 or available to them.

41 Section 25.5.(j) There is appropriated from the Highway Fund to the General
42 Assembly the sum of twenty-five thousand dollars (\$25,000) for the 2000-2001 fiscal
43 year for the expenses of the Commission.

1 Section 25.5.(k) This act becomes effective July 1, 2000.

2
3 Requested by: Representatives Cole, Crawford, Easterling, Redwine

4 **CLARIFY DEVELOPMENT AUTHORITY OF REGIONAL PUBLIC**
5 **TRANSPORTATION AUTHORITIES**

6 Section 25.6. G.S. 160A-610 reads as rewritten:

7 "**§ 160A-610. General powers of the Authority.**

8 The general powers of the Authority shall include any or all of the following:

9 ...

10 (7a) To enhance mobility within the region and promote sound growth
11 patterns through joint transit development projects as generally
12 described by Federal Transit Administration (FTA) policy at 62 Fed.
13 Reg. 12266 (1997) and implementing guidelines in FTA Circular
14 9300.1A, Appendix B, as the policy and guidance may be amended;
15 and, with respect to the planning, construction, and operation of joint
16 transit development projects, upon the governing board's adoption of
17 policies and procedures to ensure fair and open competition, to select
18 developers or development teams in substantially the same manner as
19 permitted by G.S. 143-129(h); and to enter into development
20 agreements with public, private, or nonprofit entities to undertake the
21 planning, construction, and operation of joint transit development
22 projects."

23
24 Requested by: Representatives Cole, Crawford, Easterling, Redwine

25 **STATE FULL FUNDING GRANT AGREEMENTS WITH TRANSPORTATION**
26 **AUTHORITIES**

27 Section 25.7. G.S. 136-44.20 is amended by adding a new subsection to read:

28 "(b1) The Secretary or other eligible entity may, subject to the appropriations made
29 by the General Assembly for any fiscal year, enter into State Full Funding Grant
30 Agreements with a Regional Public Transportation Authority (RPTA) duly created and
31 existing pursuant to Article 26 of Chapter 160A, a Regional Transportation Authority
32 (RTA) duly created and existing pursuant to Article 27 of Chapter 160A, or a city
33 organized under the laws of this State as defined in G.S. 160A-1(2), to provide State
34 matching funds for 'new start' fixed guideway projects in development by any entity
35 pursuant to 49 U.S.C. § 53. These grant agreements shall be executable only upon an
36 Authority's or city's completion of and the Federal Transit Administration (FTA)
37 approval of Preliminary Engineering and Environmental Impact Studies in anticipation of
38 federal funding pursuant to 49 U.S.C. § 5309.

39 Prior to executing State Full Funding Grant Agreements, the Secretary shall submit
40 proposed grant agreements or amendments to the Joint Legislative Transportation
41 Oversight Committee for review. The agreements, consistent with federal guidance, shall
42 define the limits of the 'new starts' projects within the State, commit maximum levels of

1 State financial participation, and establish terms and conditions of State financial
2 participation.

3 State Full Funding Grant Agreements may provide for contribution of State funds in
4 multiyear allotments. The multiyear allotments shall be based upon the Department's
5 estimates, made in conjunction with an Authority or city, of the grant amount required for
6 'new start' project work to be performed in the appropriation fiscal year."

7
8 Requested by: Representatives Cole, Crawford, Easterling, Redwine, Baker

9 **EXEMPT FARM TRUCKS FROM THE STATE REQUIREMENTS THAT**
10 **CERTAIN BUSINESS VEHICLES BE MARKED**

11 Section 25.8. G.S. 20-101 reads as rewritten:

12 **"§ 20-101. Certain business vehicles to be marked.**

13 A motor vehicle that is subject to 49 U.S.C.-C.F.R. Part 390, the federal motor carrier
14 safety regulations, ~~must~~ shall be marked as required by that Part.

15 A motor vehicle that is not subject to those regulations, has a gross vehicle weight
16 rating of more than 10,000 pounds, ~~and~~ is used in intrastate eommerce-commerce, and is
17 not a farm vehicle, as further described in G.S. 20-118 (c)(4), (c)(5), or (c)(12), ~~must~~
18 shall have the name of the owner printed on the side of the vehicle in letters not less than
19 three inches in height.

20 A motor vehicle that is subject to regulation by the North Carolina Utilities
21 Commission ~~must~~ shall be marked as required by that Commission and as otherwise
22 required by this section."

23
24 Requested by: Representative Gardner

25 **SOME MAINTENANCE FUNDS FOR GOOD ROADS IN NORTH CAROLINA**
26 **DISTRIBUTED ON THE BASIS OF NEED**

27 Section 25.9.(a) Of the funds appropriated by this act to the Department of
28 Transportation from the Highway Fund for the 2000-2001 fiscal year, one-half of the
29 funds appropriated for road maintenance and one-half of the funds appropriated for
30 contract resurfacing shall be expended by the Highway Divisions based only on the
31 pavement condition survey component of the current formula for allocation of contract
32 resurfacing funds developed pursuant to G.S. 136-44.6.

33 Section 25.9.(b) The Department of Transportation shall study ways of incorporating
34 measures of maintenance needs into the allocation formulas for all maintenance funds,
35 including funds for contract resurfacing and funds for maintaining the primary,
36 secondary, and urban systems.

37 In making its recommendations, the Department should consider among other
38 relevant measures of maintenance needs: pavement structure and conditions, bridge
39 conditions, passenger vehicle traffic, commercial vehicle traffic, climate and weather
40 conditions, and any other measures the Department considers relevant to measuring
41 maintenance needs.

1 The Department shall report its findings and recommendations to the Joint
 2 Legislative Transportation Oversight Committee and the Fiscal Research Division no
 3 later than December 1, 2000.

4
 5 **PART XXVI. SALARIES AND BENEFITS**

6
 7 Requested by: Representatives Easterling, Redwine

8 **GOVERNOR AND COUNCIL OF STATE**

9 Section 26.(a) Effective July 1, 2000, G.S. 147-11(a) reads as rewritten:

10 "(a) The salary of the Governor shall be ~~one hundred thirteen thousand six hundred~~
 11 ~~fifty-six dollars (\$113,656)~~ one hundred nineteen thousand three hundred thirty-nine
 12 dollars (\$119,339) annually, payable monthly."

13 Section 26.(b) Section 28(b) of S.L. 1999-237 reads as rewritten:

14 "Section 28.(b) The annual salaries for the members of the Council of State, payable
 15 monthly, for the ~~1999-2000~~ 2000-2001 fiscal year beginning July 1, ~~1999,~~ 2000, are:

Council	of	State
<u>Annual Salary</u>		
Lieutenant		Governor
\$100,310 <u>\$105,326</u>		
Attorney General		
100,310-105,326		
Secretary of State		
100,310-105,326		
State Treasurer		
100,310-105,326		
State Auditor		
100,310-105,326		
Superintendent of Public Instruction		
100,310-105,326		
Commissioner of Agriculture and		
Consumer Services		
100,310-105,326		
Insurance Commissioner		
100,310-105,326		
Labor Commissioner		
100,310-105,326 ".		

39
 40 Requested by: Representatives Easterling, Redwine

41 **NONELECTED DEPARTMENT HEADS/SALARY INCREASES**

42 Section 26.1. Section 28.1 of S.L. 1999-237 reads as rewritten:

1 "Section 28.1. In accordance with G.S. 143B-9, the maximum annual salaries,
 2 payable monthly, for the nonelected heads of the principal State departments for the
 3 ~~1999-2000 and 2000-2001~~ fiscal ~~years-year~~ are:

<u>Nonelected Department Heads</u>	<u>Annual Salary</u>
Secretary of Administration	\$98,003
<u>\$102,903</u>	
Secretary of Correction	98,003
<u>102,903</u>	
Secretary of Crime Control and Public Safety	98,003
	<u>102,903</u>
Secretary of Cultural Resources	98,003
<u>102,903</u>	
Secretary of Commerce	98,003
<u>102,903</u>	
Secretary of Environment and Natural Resources	98,003
	<u>102,903</u>
Secretary of Health and Human Services	98,003
	<u>102,903</u>
Secretary of Revenue	98,003
<u>102,903</u> Secretary of Transportation	98,003
<u>102,903</u> ".	

27 Requested by: Representatives Easterling, Redwine

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

29 Section 26.2. Section 28.2 of S.L. 1999-237 reads as rewritten:

30 "Section 28.2. The annual salaries, payable monthly, for the ~~1999-2000 and 2000-~~
 31 ~~2001~~ fiscal ~~years-year~~ for the following executive branch officials are:

<u>Executive Branch Officials</u>	<u>Annual Salary</u>
Chairman, Alcoholic Beverage Control Commission	\$ 89,200- <u>\$ 93,660</u>
State Controller	124,835- <u>131,077</u>
Commissioner of Motor Vehicles	89,200- <u>93,660</u>
Commissioner of Banks	100,310- <u>105,326</u>
Chairman, Employment Security Commission	124,677- <u>130,911</u>
State Personnel Director	98,003- <u>102,903</u>
Chairman, Parole Commission	81,450- <u>85,523</u>

1	Members of the Parole Commission	75,198	<u>78,958</u>
2	Chairman, Utilities Commission	111,713	<u>117,299</u>
3	Members of the Utilities		
4	Commission	100,310	<u>105,326</u>
5	Executive Director, Agency for		
6	Public Telecommunications	75,198	<u>78,958</u>
7	General Manager, Ports Railway		
8	Commission	67,903	<u>71,298</u>
9	Director, Museum of Art	91,401	<u>95,971</u>
10	Executive Director, North Carolina		
11	Housing Finance Agency	110,394	<u>115,914</u>
12	Executive Director, North Carolina		
13	Agricultural Finance Authority	86,823	
14		<u>91,164</u>	

15

16 Requested by: Representatives Easterling, Redwine

17 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASES**

18 Section 26.3. Section 28.3 of S.L. 1999-237 reads as rewritten:

19 "Section 28.3.(a) The annual salaries, payable monthly, for specified judicial branch
20 officials for the ~~1999-2000 and 2000-2001~~ fiscal years year are:

21

22	<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
23		
24	Chief Justice, Supreme Court	\$ 113,656
25	<u>\$119,339</u>	
26	Associate Justice, Supreme Court	110,687
27	<u>116,221</u>	
28	Chief Judge, Court of Appeals	107,919
29	<u>113,315</u>	
30	Judge, Court of Appeals	106,075
31	<u>111,379</u>	
32	Judge, Senior Regular Resident	
33	Superior Court	103,193
34		<u>108,353</u>
35	Judge, Superior Court	100,310
36	<u>105,326</u>	
37	Chief Judge, District Court	91,086
38	<u>95,640</u>	
39	Judge, District Court	88,204
40	<u>92,614</u>	
41	District Attorney	92,931
42	<u>97,578</u>	
43	Administrative Officer of	

1	the Courts	103,193	
2		<u>108,353</u>	
3	Assistant Administrative Officer		
4	of the Courts	94,257	
5	<u>98,970</u> Public		Defender
6		<u>92,931</u>	

7 97,578Section 28.3.(a1) The salary increase for the Assistant Administrative Officer of
 8 the Courts shall be funded from funds appropriated to the Judicial Department.

9 Section 28.3.(b) The district attorney or public defender of a judicial district, with the
 10 approval of the Administrative Officer of the Courts, shall set the salaries of assistant
 11 district attorneys or assistant public defenders, respectively, in that district such that the
 12 average salaries of assistant district attorneys or assistant public defenders in that district
 13 do not exceed ~~fifty seven thousand one hundred sixty five dollars (\$57,165),~~ sixty
 14 thousand twenty-three dollars (\$60,023), and the minimum salary of any assistant district
 15 attorney or assistant public defender is at least ~~twenty nine thousand one hundred eighty-~~
 16 ~~four dollars (\$29,184)~~ thirty thousand six hundred forty-three dollars (\$30,643), effective
 17 July 1, ~~1999-2000.~~

18 Section 28.3.(c) The salaries in effect for fiscal year ~~1999-2000-2000-2001~~ for
 19 permanent, full-time employees of the Judicial Department, except for those whose
 20 salaries are itemized in this Part, shall be increased by ~~three percent (3%),~~ five percent
 21 (5%), commencing July 1, ~~1999-2000.~~

22 Section 28.3.(d) The salaries in effect for fiscal year ~~1999-2000-2000-2001~~ for all
 23 permanent, part-time employees of the Judicial Department shall be increased on and
 24 after July 1, ~~1999,~~ 2000, by pro rata amounts of ~~the three percent (3%).~~ five percent
 25 (5%)."

26
 27 Requested by: Representatives Easterling, Redwine

28 **CLERK OF SUPERIOR COURT/SALARY INCREASES**

29 Section 26.4. Effective July 1, 2000, G.S. 7A-101(a) reads as rewritten:

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

34	Population	Annual Salary	Less than 100,000
35	\$66,493- <u>\$69,818</u>		
36	100,000 to 149,999	74,690- <u>78,425</u>	
37	150,000 to 249,999	82,888- <u>87,032</u>	
38	250,000 and above	91,086- <u>95,640.</u>	

39
 40 The salary schedule in this subsection is intended to represent the following
 41 percentage of the salary of a chief district court judge:

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

1	Less than 100,000	73%
2	100,000 to 149,999	82%
3	150,000 to 249,999	91%
4	250,000 and above	100%.

5
 6 When a county changes from one population group to another, the salary of the clerk
 7 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
 8 salary appropriate for the new population group, except that the salary of an incumbent
 9 clerk shall not be decreased by any change in population group during his continuance in
 10 office."

11
 12 Requested by: Representatives Easterling, Redwine
 13 **ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY**
 14 **INCREASES/ELIMINATE DEPUTY CLERK HIRING RATE**

15 Section 26.5. Effective July 1, 2000, G.S. 7A-102(c1) reads as rewritten:
 16 "(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time
 17 deputy clerk serving as head bookkeeper per county, shall be paid an annual salary
 18 subject to the following minimum and maximum rates:

19	Assistant Clerks and Head Bookkeeper	Annual	SalaryMinimum
20		\$24,846	<u>\$26,088</u>
21	Maximum	43,991	<u>46,191</u>
22	Deputy Clerks	Annual	SalaryMinimum
23		\$19,865	<u>\$22,109</u>
24	Maximum	33,886	<u>35,580.</u> "

25
 26 Requested by: Representatives Easterling, Redwine
 27 **MAGISTRATES SALARY INCREASES**

28 Section 26.6. Effective July 1, 2000, G.S. 7A-171.1 reads as rewritten:
 29 **"§ 7A-171.1. Duty hours, salary, and travel expenses within county.**

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

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

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

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Step Level	Annual Salary
Entry Rate	\$25,205 <u>\$26,465</u>
Step 1	27,735 <u>29,122</u>
Step 2	30,488 <u>32,012</u>
Step 3	33,491 <u>35,166</u>
Step 4	36,782 <u>38,621</u>
Step 5	40,399 <u>42,419</u>
Step 6	44,375 <u>46,594</u>

(2) A part-time magistrate is a magistrate who is assigned to work an average of less than 40 hours of work a week during the term, except that no magistrate shall be assigned an average of less than 10 hours of work a week during the term. A part-time magistrate is included, in accordance with G.S. 7A-170, under the provisions of G.S. 135-1(10) and G.S. 135-40.2(a). The Administrative Officer of the Courts designates whether a magistrate is a part-time magistrate. A part-time magistrate shall receive an annual salary based on the following formula: The average number of hours a week that a part-time magistrate is assigned work during the term shall be multiplied by the annual salary payable to a full-time magistrate who has the same number of years of service prior to the beginning of that term as does the part-time magistrate and the product of that multiplication shall be divided by the number 40. The quotient shall be the annual salary payable to that part-time magistrate.

(3) Notwithstanding any other provision of this subsection, an individual who, when initially appointed as a full-time magistrate, is licensed to practice law in North Carolina, shall receive the annual salary provided in the Table in subdivision (1) of this subsection for Step 4. This magistrate's salary shall increase to the next step every four years on the anniversary of the date the magistrate was originally appointed. An individual who, when initially appointed as a part-time magistrate, is licensed to practice law in North Carolina, shall be paid an annual salary based on that for Step 4 and determined according to the formula in subdivision (2) of this subsection. This magistrate's salary shall increase to the next step every four years on the anniversary of the date the magistrate was originally appointed. The salary of a full-time magistrate who acquires a license to practice law in North Carolina while holding the office of magistrate and who at the time of acquiring the license is receiving a salary at a level lower than Step 4 shall be adjusted to Step 4 and, thereafter, shall advance in accordance with the Table's schedule. The salary of a part-time magistrate who acquires a license to practice law in North Carolina while holding the office of magistrate and who at the time of acquiring the license is receiving an annual salary as

1 determined by subdivision (2) of this subsection based on a salary level
 2 lower than Step 4 shall be adjusted to a salary based on Step 4 in the
 3 Table and, thereafter, shall advance in accordance with the provision in
 4 subdivision (2) of this subsection.

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

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	\$19,866- \$20,859
11	1 or more but less than 3 years	
12	of service	20,887 - <u>21,931</u>
13	3 or more but less than 5 years	
14	of service	22,941 - <u>24,088</u> .

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

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

21	Salary	Level
22	Salary Level	
23	on June 30, 1994	on
24	July 1, 1994	
25	5 or more but less than 7 years	
26	of	service
27	Entry Rate	
28	7 or more but less than 9 years of service	
29	Step 1	
30	9 or more but less than 11 years of service	
31	Step 2	
32	11 or more years of service	
33	Step 3.	

34 Thereafter, their salaries shall be set in accordance with the
 35 provisions in subsection (a).

36 (3) The salaries of magistrates who are licensed to practice law in North
 37 Carolina shall be adjusted to the annual salary provided in the table in
 38 subsection (a) as Step 4, and, thereafter, their salaries shall be set in
 39 accordance with the provisions in subsection (a).

40 (4) The salaries of "part-time magistrates" shall be set under the formula set
 41 out in subdivision (2) of subsection (a) but according to the rates set out
 42 in this subsection.

1 (a2) The Administrative Officer of the Courts shall provide magistrates with
2 longevity pay at the same rates as are provided by the State to its employees subject to
3 the State Personnel Act.

4 (b) Notwithstanding G.S. 138-6, a magistrate may not be reimbursed by the State
5 for travel expenses incurred on official business within the county in which the
6 magistrate resides."

7
8 Requested by: Representatives Easterling, Redwine

9 **GENERAL ASSEMBLY PRINCIPAL CLERKS**

10 Section 26.7. Effective July 1, 2000, G.S. 120-37(c) reads as rewritten:

11 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
12 entitled to other benefits available to permanent legislative employees and shall be paid
13 an annual salary of ~~eighty-four thousand one hundred forty-seven dollars (\$84,147)~~
14 eighty-eight thousand three hundred fifty-four dollars (\$88,354) payable monthly. The
15 Legislative Services Commission shall review the salary of the principal clerks prior to
16 submission of the proposed operating budget of the General Assembly to the Governor
17 and Advisory Budget Commission and shall make appropriate recommendations for
18 changes in those salaries. Any changes enacted by the General Assembly shall be by
19 amendment to this paragraph."

20
21 Requested by: Representatives Easterling, Redwine

22 **SERGEANT-AT-ARMS AND READING CLERKS**

23 Section 26.8. Effective July 1, 2000, G.S. 120-37(b) reads as rewritten:

24 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary
25 of ~~two hundred seventy-four dollars (\$274.00)~~ two hundred eighty-eight dollars
26 (\$288.00) per week plus subsistence at the same daily rate provided for members of the
27 General Assembly, plus mileage at the rate provided for members of the General
28 Assembly for one round trip only from their homes to Raleigh and return. The sergeants-
29 at-arms shall serve during sessions of the General Assembly and at such time prior to the
30 convening of, and subsequent to adjournment or recess of, sessions as may be authorized
31 by the Legislative Services Commission. The reading clerks shall serve during sessions
32 only."

33
34 Requested by: Representatives Easterling, Redwine

35 **LEGISLATIVE EMPLOYEES**

36 Section 26.9. The Legislative Administrative Officer shall increase the salaries
37 of nonelected employees of the General Assembly in effect for fiscal year 1999-2000 by
38 five percent (5%). Nothing in this act limits any of the provisions of G.S. 120-32.

39
40 Requested by: Representatives Easterling, Redwine

41 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

42 Section 26.10. The Director of the Budget shall transfer from the Reserve for
43 Compensation Increase, created in this act for fiscal year 2000-2001, funds to the

1 Community Colleges System Office necessary to provide an average annual salary
2 increase of two percent (2%), including funds for the employer's retirement and social
3 security contributions, commencing July 1, 2000, for all permanent full-time community
4 college institutional personnel supported by State funds. The State Board of Community
5 Colleges shall establish guidelines for providing their salary increases to community
6 college institutional personnel. Salary funds shall be used to provide an average annual
7 salary increase of two percent (2%) to all full-time employees and part-time employees
8 on a pro rata basis.

9
10 Requested by: Representatives Easterling, Redwine

11 **UNIVERSITY OF NORTH CAROLINA SYSTEM/EPA SALARY INCREASES**

12 Section 26.11.(a)The Director of the Budget shall transfer to the Board of Governors
13 of The University of North Carolina sufficient funds from the Reserve for Compensation
14 Increase, created in this act for fiscal year 2000-2001, to provide an annual average salary
15 increase of two percent (2%), including funds for the employer's retirement and social
16 security contributions, commencing July 1, 2000, for all employees of The University of
17 North Carolina, as well as employees other than teachers of the North Carolina School of
18 Science and Mathematics, supported by State funds and whose salaries are exempt from
19 the State Personnel Act (EPA). These funds shall be allocated to individuals according to
20 the rules adopted by the Board of Governors or the Board of Trustees of the North
21 Carolina School of Science and Mathematics, as appropriate, and may not be used for any
22 purpose other than for salary increases and necessary employer contributions provided by
23 this section.

24 Section 26.11.(b)Section 28.12(b) of S.L.1999-237 reads as rewritten:

25 "Section 28.12.(b) The Director of the Budget shall transfer to the Board of
26 Governors of The University of North Carolina sufficient funds from the Reserve for
27 Compensation Increase, created in this act for fiscal biennium 1999-2001, to provide an
28 annual average salary increase of ~~seven and one-half percent (7.5%) in 1999-2000, six~~
29 and one-half percent (6.5%) in 2000-2001, including funds for the employer's retirement
30 and social security contributions, commencing ~~July 1, 1999, and~~ July 1, 2000, for all
31 teaching employees of the North Carolina School of Science and Mathematics supported
32 by State funds and whose salaries are exempt from the State Personnel Act (EPA). These
33 funds shall be allocated to individuals according to the rules adopted by the Board of
34 Trustees of the North Carolina School of Science and Mathematics and may not be used
35 for any purpose other than for salary increases and necessary employer contributions
36 provided by this section."

37
38 Requested by: Representative Michaux

39 **COMMUNITY COLLEGES PERSONNEL/ADDITIONAL SALARY INCREASES**

40 Section 26.11A. The Director of the Budget shall transfer from the Reserve for
41 Compensation Increase, created in this act for fiscal year 2000-2001, funds to the
42 Community Colleges System Office necessary to provide an annual salary increase of
43 three percent (3%), including funds for the employer's retirement and social security

1 contributions, commencing July 1, 2000, for all permanent full-time community college
2 institutional personnel supported by State funds. Salary funds shall be used to provide an
3 annual salary increase of three percent (3%) to all full-time employees and part-time
4 employees on a pro rata basis. Any increase provided under this section shall not be
5 compounded by any increase that may be granted under Section 26.10 of this act.
6

7 Requested by: Representative Michaux

8 **UNIVERSITY OF NORTH CAROLINA SYSTEM/ADDITIONAL EPA SALARY**
9 **INCREASES**

10 Section 26.11B. The Director of the Budget shall transfer to the Board of
11 Governors of The University of North Carolina sufficient funds from the Reserve for
12 Compensation Increase, created in this act for fiscal year 2000-2001, to provide an annual
13 salary increase of three percent (3%), including funds for the employer's retirement and
14 social security contributions, commencing July 1, 2000, for all employees of The
15 University of North Carolina, as well as employees other than teachers of the North
16 Carolina School of Science and Mathematics, supported by State funds and whose
17 salaries are exempt from the State Personnel Act (EPA). These funds may not be used
18 for any purpose other than for salary increases and necessary employer contributions
19 provided by this section. Any increase provided under this section shall not be
20 compounded by any increase that may be granted under Section 26.11 of this act.
21

22 Requested by: Representatives Easterling, Redwine

23 **MOST STATE EMPLOYEES**

24 Section 26.12.(a)The salaries in effect June 30, 2000, of all permanent full-time State
25 employees whose salaries are set in accordance with the State Personnel Act, and who are
26 paid from the General Fund or the Highway Fund shall be increased, on or after July 1,
27 2000, unless otherwise provided by this act, pursuant to the Comprehensive
28 Compensation System set forth in G.S. 126-7 and rules adopted by the State Personnel
29 Commission as follows:

- 30 (1) Career growth recognition awards in the amount of two percent (2%);
31 and
32 (2) For each employee, a cost-of-living adjustment in the amount of three
33 percent (3%).

34 Notwithstanding G.S. 126-7(c)(4a), any permanent full-time State employee
35 whose salary is set in accordance with the State Personnel Act and whose salary is at the
36 top of the salary range or within two percent (2%) of the top of the salary range shall
37 receive a one-time bonus of two percent (2%) less the career growth recognition award
38 the employee receives. The employee shall receive the career growth bonus at the time
39 the employee is eligible for the career growth recognition award, but not earlier than July
40 1, 2000.

41 Section 26.12.(b)Except as otherwise provided in this act, salaries in effect June 30,
42 2000, for permanent full-time State officials and persons in exempt positions that are
43 recommended by the Governor or the Governor and the Advisory Budget Commission

1 and set by the General Assembly shall be increased by five percent (5%) commencing
2 July 1, 2000.

3 Section 26.12.(c)The salaries in effect June 30, 2000, for all permanent part-time
4 State employees shall be increased on and after July 1, 2000, by pro rata amounts of the
5 salary increases provided for permanent full-time employees covered under subsection
6 (a) of this section.

7 Section 26.12.(d)The Director of the Budget may allocate out of special operating
8 funds or from other sources of the employing agency, except tax revenues, sufficient
9 funds to allow a salary increase on and after July 1, 2000, in accordance with subsection
10 (a), (b), or (c) of this section, including funds for the employer's retirement and social
11 security contributions, of the permanent full-time and part-time employees of the agency.

12 Section 26.12.(e) Within regular Executive Budget Act procedures as limited
13 by this act, all State agencies and departments may increase on an equitable basis the rate
14 of pay of temporary and permanent hourly State employees, subject to availability of
15 funds in the particular agency or department, by pro rata amounts of the five percent (5%)
16 salary increase provided for permanent full-time employees covered by the provisions of
17 subsection (a) of this section, commencing July 1, 2000.

18
19 Requested by: Representatives Easterling, Redwine

20 **ALL STATE-SUPPORTED PERSONNEL**

21 Section 26.13.(a)Salaries and related benefits for positions that are funded partially
22 from the General Fund or Highway Fund and partially from sources other than the
23 General Fund or Highway Fund shall be increased from the General Fund or Highway
24 Fund appropriation only to the extent of the proportionate part of the salaries paid from
25 the General Fund or Highway Fund.

26 Section 26.13.(b) The granting of the salary increases under this act does not
27 affect the status of eligibility for salary increments for which employees may be eligible
28 unless otherwise required by this act.

29 Section 26.13.(c)The salary increases provided in this act are to be effective July 1,
30 2000, do not apply to persons separated from State service due to resignation, dismissal,
31 reduction in force, death, or retirement, or whose last workday is prior to July 1, 2000.

32 Payroll checks issued to employees after July 1, 2000, which represent
33 payment of services provided prior to July 1, 2000, shall not be eligible for salary
34 increases provided for in this act. This subsection shall apply to all employees, subject to
35 or exempt from the State Personnel Act, paid from State funds, including public schools,
36 community colleges, and The University of North Carolina.

37 Section 26.13.(d)The Director of the Budget shall transfer from the Reserve for
38 Compensation Increase in this act for fiscal year 2000-2001 all funds necessary for the
39 salary increases provided by this act, including funds for the employer's retirement and
40 social security contributions.

41 Section 26.13.(e) Nothing in this act authorizes the transfer of funds between
42 the General Fund and the Highway Fund for salary increases.

43

1 Requested by: Representatives Easterling, Redwine, Baddour

2 **SALARY ADJUSTMENT FUND/STUDY**

3 Section 26.14.(a) Any remaining appropriations for legislative salary increases not
4 required for that purpose may be used to supplement the Salary Adjustment Fund. These
5 funds shall first be used to provide reclassifications of those positions already approved
6 by the Office of State Personnel. The Office of State Budget and Management shall
7 report to the Joint Legislative Commission on Governmental Operations prior to the
8 allocation of salary adjustment funds for any State agency.

9 Section 26.14.(b) The Office of State Personnel shall report to the Legislative
10 Research Commission and the Joint Legislative Commission on Governmental
11 Operations by December 1, 2000, on the adequacy of the Salary Adjustment Fund to fund
12 position reallocations, salary range revisions, and in-range salary adjustments. The
13 Office of State Personnel shall include in its report the following:

- 14 (1) A comprehensive listing of State agency requests for specific salary
15 adjustment requests authorized by the Office of State Personnel as of
16 November 1, 2000;
- 17 (2) A complete funding and expenditure history of the Salary Adjustment
18 Fund;
- 19 (3) A year-by-year comparison of funded and unfunded salary adjustment
20 requests; and
- 21 (4) Specific recommendations as to a systematic method for identifying and
22 funding salary adjustment issues in State agencies.

23
24 Requested by: Representatives Easterling, Redwine

25 **AGENCY TEACHER/PRINCIPAL SUPPLEMENT**

26 Section 26.15. The Director of the Budget shall transfer from the Reserve for
27 Compensation Increase in this act for fiscal year 2000-2001 funds necessary to provide
28 statewide teacher supplements for State agency teachers who are paid on the teacher
29 salary schedule as set out in Section 8.10 of this act based on five percent (5%) of their
30 salaries.

31 The Director of the Budget shall transfer from the Reserve for Compensation
32 Increase in this act for fiscal year 2000-2001 funds necessary to provide statewide
33 supplements for State agency principals and assistant principals who possess the title of
34 principal or assistant principal who perform the requisite duties of a principal or assistant
35 principal, based on five percent (5%) of their salaries. The employing agency or
36 department and the Office of State Budget and Management shall jointly determine the
37 personnel covered by this paragraph.

38
39 Requested by: Representatives Easterling, Redwine

40 **DEPUTY INDUSTRIAL COMMISSIONER PAY EQUITY**

41 Section 26.16. The Office of State Personnel shall conduct a salary equity
42 study of the Deputy Industrial Commissioner class in the North Carolina Industrial
43 Commission under the Department of Commerce. The study's methodology shall

1 incorporate the necessary criteria and standards for evaluating possible salary inequities
2 among the authorized positions under the Deputy Industrial Commissioner classification.
3 Based upon the findings of the salary equity study, the Office of State Budget and
4 Management may transfer to the North Carolina Industrial Commission an amount up to
5 thirty-five thousand dollars (\$35,000) from the Reserve for Compensation Increase to
6 address possible salary inequities in the Deputy Industrial Commissioner classification if
7 inequities are found to exist by the Office of State Personnel study.

8
9 Requested by: Representatives Easterling, Redwine, Baddour

10 **ALLOW ADDITIONAL RETROACTIVE MEMBERSHIP IN THE NORTH**
11 **CAROLINA FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND**

12 Section 26.17.(a)G.S. 58-86-45(a) reads as rewritten:

13 "(a) Any fireman or rescue squad worker who is now eligible and is a member of a
14 fire department or rescue squad chartered by the State of North Carolina and who has not
15 previously elected to become a member may make application through the board of
16 trustees for membership in the fund on or before March 31, ~~1987-2001~~. The person shall
17 make a lump sum payment of ~~five dollars (\$5.00)~~ ten dollars (\$10.00) per month
18 retroactively to the time he first became eligible to become a member, plus interest at an
19 annual rate of eight percent (8%), for each year of his retroactive payments. Upon making
20 the lump sum payment, the person shall be given credit for all prior service in the same
21 manner as if he had made application for membership at the time he first became eligible.
22 Any member who made application for membership subsequent to the time he was first
23 eligible and did not receive credit for prior service may receive credit for this prior
24 service upon lump sum payment of ~~five dollars (\$5.00)~~ ten dollars (\$10.00) per month
25 retroactively to the time he first became eligible, plus interest at an annual rate of eight
26 percent (8%), for each year of his retroactive payments. Upon making this lump sum
27 payment, the date of membership shall be the same as if he had made application for
28 membership at the time he was first eligible. Any fireman or rescue squad worker who
29 has applied for prior service under this subsection shall have until ~~October 1, 1989~~, June
30 30, 2001, to pay for this prior service and, if this payment is not made by ~~October 1,~~
31 ~~1989~~, June 30, 2001, he shall not receive credit for this service, except as provided in
32 subsection (a1) of this section."

33 Section 26.17.(b)This section becomes effective October 1, 2000.

34
35 Requested by: Representatives Easterling, Redwine, Michaux, Baddour, Dedmon

36 **INCREASE THE MONTHLY PENSION FOR MEMBERS OF THE FIREMEN'S**
37 **AND RESCUE SQUAD WORKERS' PENSION FUND**

38 Section 26.18. G.S. 58-86-55 reads as rewritten:

39 **"§ 58-86-55. Monthly pensions upon retirement.**

40 Any member who has served 20 years as an 'eligible fireman' or 'eligible rescue
41 squad worker' in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-
42 86-30, and who has attained the age of 55 years is entitled to be paid a monthly pension
43 from this fund. The monthly pension shall be in the amount of ~~one hundred forty six~~

1 ~~dollars (\$146.00)~~ one hundred fifty-one dollars (\$151.00) per month. Any retired fireman
2 receiving a pension shall, effective July 1, ~~1998, 2000,~~ receive a pension of ~~one hundred~~
3 ~~forty six dollars (\$146.00)~~ one hundred fifty-one dollars (\$151.00) per month.

4 Members shall pay ten dollars (\$10.00) per month as required by G.S. 58-86-35 and
5 G.S. 58-86-40 for a period of no longer than 20 years. No 'eligible rescue squad member'
6 shall receive a pension prior to July 1, 1983. No member shall be entitled to a pension
7 hereunder until the member's official duties as a fireman or rescue squad worker for
8 which the member is paid compensation shall have been terminated and the member shall
9 have retired as such according to standards or rules fixed by the board of trustees.

10 A member who is totally and permanently disabled while in the discharge of the
11 member's official duties as a result of bodily injuries sustained or as a result of extreme
12 exercise or extreme activity experienced in the course and scope of those official duties
13 and who leaves the fire or rescue squad service because of this disability shall be entitled
14 to be paid from the fund a monthly benefit in an amount of ~~one hundred forty six dollars~~
15 ~~(\$146.00)~~ one hundred fifty-one dollars (\$151.00) per month beginning the first month
16 after the member's fifty-fifth birthday. All applications for disability are subject to the
17 approval of the board who may appoint physicians to examine and evaluate the disabled
18 member prior to approval of the application, and annually thereafter. Any disabled
19 member shall not be required to make the monthly payment of ten dollars (\$10.00) as
20 required by G.S. 58-86-35 and G.S. 58-86-40.

21 A member who is totally and permanently disabled for any cause, other than line of
22 duty, who leaves the fire or rescue squad service because of this disability and who has at
23 least 10 years of service with the pension fund, may be permitted to continue making a
24 monthly contribution of ten dollars (\$10.00) to the fund until the member has made
25 contributions for a total of 240 months. The member shall upon attaining the age of 55
26 years be entitled to receive a pension as provided by this section. All applications for
27 disability are subject to the approval of the board who may appoint physicians to examine
28 and evaluate the disabled member prior to approval of the application and annually
29 thereafter.

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

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

1
2 Requested by: Representatives Redwine, Easterling

3 **SET CONTRIBUTION RATES**

4 Section 26.19.(a)Section 28.22(c) of S.L. 1999-237 reads as rewritten:

5 "Section 28.22.(c) Effective July 1, 2000, the State's employer contribution rates
6 budgeted for retirement and ~~related specified~~ benefits as a percentage of covered salaries
7 for the 2000-2001 fiscal year are (i) ~~ten and eighty-three hundredths percent (10.83%)~~
8 eight and forty-one hundredths percent (8.41%) - Teachers and State Employees; (ii)
9 ~~fifteen and eighty-three hundredths percent (15.83%)~~ twelve and forty-one hundredths
10 percent (12.41%) - State Law Enforcement Officers; (iii) ~~nine and thirty-six-sixty-four~~
11 hundredths percent (9.36%) ~~(9.64%)~~ - University Employees' Optional Retirement
12 Program; (iv) ~~twenty and fifty-eight hundredths percent (20.58%)~~ nineteen and eighty-six
13 hundredths percent (19.86%) - Consolidated Judicial Retirement System; and (v) ~~twenty-~~
14 ~~four and seventy hundredths percent (24.70%)~~ twenty-three and ninety-eight hundredths
15 percent (23.98%) - Legislative Retirement System. Each of the foregoing contribution
16 rates includes ~~two percent (2%)~~ one and twenty-eight hundredths percent (1.28%) for
17 hospital and medical benefits. The rate for State Law Enforcement Officers includes five
18 percent (5%) for the Supplemental Retirement Income Plan. The rate for Teachers and
19 State Employees and the University Optional Retirement Program includes one percent
20 (1%) for the Supplemental Retirement Income Plan under Article 5 of Chapter 135 of the
21 General Statutes or to the extent not prohibited by federal law, the employee may
22 designate that one percent (1%) go to a Section 401(a) Deferred Compensation Plan or a
23 Section 403(a) Plan under the Internal Revenue Code. The rates for Teachers and State
24 Employees, State Law Enforcement Officers, and for the University Employees' Optional
25 Retirement Program include fifty-two hundredths percent (0.52%) for the Disability
26 Income Plan."

27 Section 26.19(b). Notwithstanding any other provision of law, the Board of
28 Trustees of the Teachers' and State Employees' Retirement System shall adopt such
29 assumptions as necessary to put into effect the employer contribution rates as enacted by
30 this section, but not exceeding an increase in the recognition of the value of assets from
31 the current to seventy-seven percent (77%) of market value.

32 Section 26.19(c). The General Assembly directs the Board of Trustees of the
33 North Carolina Firemen's and Rescue Squad Workers' Pension Fund to adopt a fixed
34 amortization period of nine years for the purposes of the unfunded accrued liability for
35 the Pension Fund beginning with the valuation for June 30, 1999.

36 Section 26.19(d). This section becomes effective July 1, 2000.

37
38 Requested by: Representatives Easterling, Redwine, Michaux

39 **ENHANCE THE BENEFITS PAYABLE FROM THE TEACHERS' AND STATE**
40 **EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL**
41 **RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM, AND**
42 **THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**

43 Section 26.20.(a)G.S. 135-5(b17) reads as rewritten:

1 "(b17) Service Retirement Allowance of Members Retiring on or After July 1,
2 ~~1997-1997, but Before July 1, 2000.~~ – Upon retirement from service in accordance with
3 subsection (a) or (a1) above, on or after July 1, 1997, but before July 1, 2000, a member
4 shall receive the following service retirement allowance.

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

8 a. If the member's service retirement date occurs on or after his
9 55th birthday, and completion of five years of creditable service
10 as a law enforcement officer, or after the completion of 30 years
11 of creditable service, the allowance shall be equal to one and
12 eighty hundredths percent (1.80%) of his average final
13 compensation, multiplied by the number of years of his
14 creditable service.

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

20 1. The service retirement allowance payable under G.S. 135-
21 5(b17)(1)a, reduced by one-third of one percent (1/3 of
22 1%) thereof for each month by which his retirement date
23 precedes the first day of the month coincident with or next
24 following the month the member would have attained his
25 55th birthday; or

26 2. The service retirement allowance as computed under G.S.
27 135-5(b17)(1)a. reduced by five percent (5%) times the
28 difference between 30 years and his creditable service at
29 retirement.

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

33 a. If the member's service retirement date occurs on or after his
34 65th birthday upon the completion of five years of membership
35 service or after the completion of 30 years of creditable service
36 or on or after his 60th birthday upon the completion of 25 years
37 of creditable service, the allowance shall be equal to one and
38 eighty hundredths percent (1.80%) of his average final
39 compensation, multiplied by the number of years of creditable
40 service.

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

1 allowance shall be computed as in G.S. 135-5(b17)(2)a. but shall
2 be reduced by one-quarter of one percent (1/4 of 1%) thereof for
3 each month by which his retirement date precedes the first day of
4 the month coincident with or next following his 65th birthday.

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

10 1. The service retirement allowance as computed under G.S.
11 135-5(b17)(2)a. but reduced by the sum of five-twelfths of
12 one percent (5/12 of 1%) thereof for each month by which
13 his retirement date precedes the first day of the month
14 coincident with or next following the month the member
15 would have attained his 60th birthday, plus one-quarter of
16 one percent (1/4 of 1%) thereof for each month by which
17 his 60th birthday precedes the first day of the month
18 coincident with or next following his 65th birthday; or

19 2. The service retirement allowance as computed under G.S.
20 135-5(b17)(2)a. reduced by five percent (5%) times the
21 difference between 30 years and his creditable service at
22 retirement; or

23 3. If the member's creditable service commenced prior to
24 July 1, 1994, the service retirement allowance equal to the
25 actuarial equivalent of the allowance payable at the age of
26 60 years as computed in G.S. 135-5(b17)(2)b.

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

30 Section 26.20.(b)G.S. 135-5 is amended by adding a new subsection to read:

31 "(b18) Service Retirement Allowance of Members Retiring on or After July 1,
32 2000. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
33 or after July 1, 2000, a member shall receive the following service retirement allowance.

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

37 a. If the member's service retirement date occurs on or after his
38 55th birthday, and completion of five years of creditable service
39 as a law enforcement officer, or after the completion of 30 years
40 of creditable service, the allowance shall be equal to one and
41 eighty-one hundredths percent (1.81%) of his average final
42 compensation, multiplied by the number of years of his
43 creditable service.

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

6 1. The service retirement allowance payable under G.S. 135-
7 5(b18)(1)a. reduced by one-third of one percent (1/3 of
8 1%) thereof for each month by which his retirement date
9 precedes the first day of the month coincident with or next
10 following the month the member would have attained his
11 55th birthday; or

12 2. The service retirement allowance as computed under G.S.
13 135-5(b18)(1)a. reduced by five percent (5%) times the
14 difference between 30 years and his creditable service at
15 retirement.

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

19 a. If the member's service retirement date occurs on or after his
20 65th birthday upon the completion of five years of membership
21 service or after the completion of 30 years of creditable service
22 or on or after his 60th birthday upon the completion of 25 years
23 of creditable service, the allowance shall be equal to one and
24 eighty-one hundredths percent (1.81%) of his average final
25 compensation, multiplied by the number of years of creditable
26 service.

27 b. If the member's service retirement date occurs after his 60th
28 birthday and before his 65th birthday and prior to his completion
29 of 25 years or more of creditable service, his retirement
30 allowance shall be computed as in G.S. 135-5(b18)(2)a. but shall
31 be reduced by one-quarter of one percent (1/4 of 1%) thereof for
32 each month by which his retirement date precedes the first day of
33 the month coincident with or next following his 65th birthday.

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

39 1. The service retirement allowance as computed under G.S.
40 135-5(b18)(2)a. but reduced by the sum of five-twelfths of
41 one percent (5/12 of 1%) thereof for each month by which
42 his retirement date precedes the first day of the month
43 coincident with or next following the month the member

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

5 2. The service retirement allowance as computed under G.S.
6 135-5(b18)(2)a. reduced by five percent (5%) times the
7 difference between 30 years and his creditable service at
8 retirement; or

9 3. If the member's creditable service commenced prior to
10 July 1, 1994, the service retirement allowance equal to the
11 actuarial equivalent of the allowance payable at the age of
12 60 years as computed in G.S. 135-5(b18)(2)b.

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

16 Section 26.20.(c)G.S. 135-5 is amended by adding two new subsections to read:

17 "(ggg) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 2000. –
18 From and after July 1, 2000, the retirement allowance to or on account of beneficiaries on
19 the retirement rolls as of June 1, 2000, shall be increased by six-tenths percent (0.6%) of
20 the allowance payable on June 1, 2000. This allowance shall be calculated on the
21 allowance payable and in effect on June 30, 2000, so as not to be compounded on any
22 other increase granted by act of the 1999 General Assembly, 2000 Regular Session.

23 "(hhh) From and after July 1, 2000, the retirement allowance to or on account of
24 beneficiaries whose retirement commenced on or before July 1, 1999, shall be increased
25 by four percent (4.0%) of the allowance payable on June 1, 2000, in accordance with G.S.
26 135-5(o). Furthermore, from and after July 1, 2000, the retirement allowance to or on
27 account of beneficiaries whose retirement commenced after July 1, 1999, but before June
28 30, 2000, shall be increased by a prorated amount of four percent (4.0%) of the allowance
29 payable as determined by the Board of Trustees based upon the number of months that a
30 retirement allowance was paid between July 1, 1999, and June 30, 2000."

31 Section 26.20.(d)G.S. 135-5(m) reads as rewritten:

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

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

41 b. The member had obtained 20 years of creditable service in which
42 case the retirement allowance shall be computed in accordance
43 with ~~G.S. 135-5(b17)(1)b. or G.S. 135-5(b17)(2)c.,~~ G.S. 135-

1 5(b18)(1)b. or G.S. 135-5(b18)(2)c., notwithstanding the
2 requirement of obtaining age 50.

3 (2) The member had designated as the principal beneficiary to receive a
4 return of his accumulated contributions one and only one person who
5 was living at the time of his death.

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

8 For the purpose of this benefit, a member is considered to be in service at the date of
9 his death if his death occurs within 180 days from the last day of his actual service. The
10 last day of actual service shall be determined as provided in subsection (1) of this
11 section. Upon the death of a member in service, the surviving spouse may make all
12 purchases for creditable service as provided for under this Chapter for which the member
13 had made application in writing prior to the date of death, provided that the date of death
14 occurred prior to or within 60 days after notification of the cost to make the purchase.
15 The term "in service" as used in this subsection includes a member in receipt of a benefit
16 under the Disability Income Plan as provided in Article 6 of this Chapter."

17 Section 26.20.(e) G.S. 135-65 is amended by adding a new subsection to read:

18 "(u) From and after July 1, 2000, the retirement allowance to or on account of
19 beneficiaries whose retirement commenced on or before July 1, 1999, shall be increased
20 by two and six-tenths percent (2.6%) of the allowance payable on June 1, 2000.
21 Furthermore, from and after July 1, 2000, the retirement allowance to or on account of
22 beneficiaries whose retirement commenced after July 1, 1999, but before June 30, 2000,
23 shall be increased by a prorated amount of two and six-tenths percent (2.6%) of the
24 allowance payable as determined by the Board of Trustees based upon the number of
25 months that a retirement allowance was paid between July 1, 1999, and June 30, 2000."

26 Section 26.20.(f) G.S. 120-4.22A is amended by adding a new subsection to
27 read:

28 "(o) In accordance with subsection (a) of this section, from and after July 1, 2000,
29 the retirement allowance to or on account of beneficiaries whose retirement commenced
30 on or before January 1, 2000, shall be increased by four percent (4.0%) of the allowance
31 payable on June 1, 2000. Furthermore, from and after July 1, 2000, the retirement
32 allowance to or on account of beneficiaries whose retirement commenced after January 1,
33 2000, but before June 30, 2000, shall be increased by a prorated amount of four percent
34 (4.0%) of the allowance payable as determined by the Board of Trustees based upon the
35 number of months that a retirement allowance was paid between January 1, 2000, and
36 June 30, 2000."

37 Section 26.20.(g) G.S. 128-27(b17) reads as rewritten:

38 "**(b17) Service Retirement Allowance of Member Retiring on or After July 1,**
39 ~~1998-1998, but Before July 1, 2000.~~ – Upon retirement from service in accordance with
40 subsection (a) or (a1) above, on or after July 1, 1998, but before July 1, 2000, a member
41 shall receive the following service retirement allowance:

- 1 (1) A member who is a law enforcement officer or an eligible former law
2 enforcement officer shall receive a service retirement allowance
3 computed as follows:
- 4 a. If the member's service retirement date occurs on or after his
5 55th birthday and completion of five years of creditable service
6 as a law enforcement officer, or after the completion of 30 years
7 of creditable service, the allowance shall be equal to one and
8 seventy-seven hundredths percent (1.77%) of his average final
9 compensation, multiplied by the number of years of his
10 creditable service.
- 11 b. If the member's service retirement date occurs on or after his
12 50th birthday and before his 55th birthday with 15 or more years
13 of creditable service as a law enforcement officer and prior to the
14 completion of 30 years of creditable service, his retirement
15 allowance shall be equal to the greater of:
- 16 1. The service retirement allowance payable under G.S. 128-
17 27(b17)(1)a. reduced by one-third of one percent ($1/3$ of
18 1%) thereof for each month by which his retirement date
19 precedes the first day of the month coincident with or next
20 following the month the member would have attained his
21 55th birthday; or
- 22 2. The service retirement allowance as computed under G.S.
23 128-27(b17)(1)a. reduced by five percent (5%) times the
24 difference between 30 years and his creditable service at
25 retirement.
- 26 (2) A member who is not a law enforcement officer or an eligible former
27 law enforcement officer shall receive a service retirement allowance
28 computed as follows:
- 29 a. If the member's service retirement date occurs on or after his
30 65th birthday upon the completion of five years of creditable
31 service or after the completion of 30 years of creditable service
32 or on or after his 60th birthday upon the completion of 25 years
33 of creditable service, the allowance shall be equal to one and
34 seventy-seven hundredths percent (1.77%) of average final
35 compensation, multiplied by the number of years of creditable
36 service.
- 37 b. If the member's service retirement date occurs after his 60th
38 birthday and before his 65th birthday and prior to his completion
39 of 25 years or more of creditable service, his retirement
40 allowance shall be computed as in G.S. 128-27(b17)(2)a. but
41 shall be reduced by one-quarter of one percent ($1/4$ of 1%)
42 thereof for each month by which his retirement date precedes the

1 first day of the month coincident with or next following his 65th
2 birthday.

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

8 1. The service retirement allowance as computed under G.S.
9 128-27(b17)(2)a. but reduced by the sum of five-twelfths
10 of one percent (5/12 of 1%) thereof for each month by
11 which his retirement date precedes the first day of the
12 month coincident with or next following the month the
13 member would have attained his 60th birthday, plus one-
14 quarter of one percent (1/4 of 1%) thereof for each month
15 by which his 60th birthday precedes the first day of the
16 month coincident with or next following his 65th birthday;
17 or

18 2. The service retirement allowance as computed under G.S.
19 128-27(b17)(2)a. reduced by five percent (5%) times the
20 difference between 30 years and his creditable service at
21 retirement; or

22 3. If the member's creditable service commenced prior to
23 July 1, 1995, the service retirement allowance equal to the
24 actuarial equivalent of the allowance payable at the age of
25 60 years as computed in G.S. 128-27(b17)(2)b.

26 d. Notwithstanding the foregoing provisions, any member whose
27 creditable service commenced prior to July 1, 1965, shall not
28 receive less than the benefit provided by G.S. 128-27(b)."

29 Section 26.20.(h) G.S. 128-27 is amended by adding a new subsection to read:

30 "(b18) Service Retirement Allowance of Member Retiring on or After July 1, 2000. –
31 Upon retirement from service in accordance with subsection (a) or (a1) above, on or after
32 July 1, 2000, a member shall receive the following service retirement allowance:

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

36 a. If the member's service retirement date occurs on or after his
37 55th birthday and completion of five years of creditable service
38 as a law enforcement officer, or after the completion of 30 years
39 of creditable service, the allowance shall be equal to one and
40 seventy-eight hundredths percent (1.78%) of his average final
41 compensation, multiplied by the number of years of his
42 creditable service.

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

6 1. The service retirement allowance payable under G.S. 128-
7 27(b18)(1)a. reduced by one-third of one percent (1/3 of
8 1%) thereof for each month by which his retirement date
9 precedes the first day of the month coincident with or next
10 following the month the member would have attained his
11 55th birthday; or

12 2. The service retirement allowance as computed under G.S.
13 128-27(b18)(1)a. reduced by five percent (5%) times the
14 difference between 30 years and his creditable service at
15 retirement.

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

19 a. If the member's service retirement date occurs on or after his
20 65th birthday upon the completion of five years of creditable
21 service or after the completion of 30 years of creditable service
22 or on or after his 60th birthday upon the completion of 25 years
23 of creditable service, the allowance shall be equal to one and
24 seventy-eight hundredths percent (1.78%) of average final
25 compensation, multiplied by the number of years of creditable
26 service.

27 b. If the member's service retirement date occurs after his 60th
28 birthday and before his 65th birthday and prior to his completion
29 of 25 years or more of creditable service, his retirement
30 allowance shall be computed as in G.S. 128-27(b18)(2)a. but
31 shall be reduced by one-quarter of one percent (1/4 of 1%)
32 thereof for each month by which his retirement date precedes the
33 first day of the month coincident with or next following his 65th
34 birthday.

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

40 1. The service retirement allowance as computed under G.S.
41 128-27(b18)(2)a. but reduced by the sum of five-twelfths
42 of one percent (5/12 of 1%) thereof for each month by
43 which his retirement date precedes the first day of the

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

6 or

7 2. The service retirement allowance as computed under G.S.
8 128-27(b18)(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, 1995, the service retirement allowance equal to the
13 actuarial equivalent of the allowance payable at the age of
14 60 years as computed in G.S. 128-27(b18)(2)b.

15 d. Notwithstanding the foregoing provisions, any member whose
16 creditable service commenced prior to July 1, 1965, shall not
17 receive less than the benefit provided by G.S. 128-27(b)."

18 Section 26.20.(i) G.S. 128-27(m) reads as rewritten:

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

- 25 (1) a. The member had attained such age and/or creditable service to be
26 eligible to commence retirement with an early or service retirement
27 allowance, or
28 b. The member had obtained 20 years of creditable service in which
29 case the retirement allowance shall be computed in accordance
30 with ~~G.S. 128-27(b17)(1)b. or G.S. 128-27(b17)(2)e.,~~ G.S. 128-
31 27(b18)(1)b. or G.S. 128-27(b18)(2)c., notwithstanding the
32 requirement of obtaining age 50.
33 (2) The member had designated as the principal beneficiary to receive a
34 return of his accumulated contributions one and only one person who is
35 living at the time of his death.
36 (3) The member had not instructed the Board of Trustees in writing that he
37 did not wish the provisions of this subsection apply.

38 For the purpose of this benefit, a member is considered to be in service at the date of
39 his death if his death occurs within 180 days from the last day of his actual service. The
40 last day of actual service shall be determined as provided in subsection (l) of this
41 section. Upon the death of a member in service, the surviving spouse may make all
42 purchases for creditable service as provided for under this Chapter for which the member

1 had made application in writing prior to the date of death, provided that the date of death
2 occurred prior to or within 60 days after notification of the cost to make the purchase."

3 Section 26.20.(j) G.S. 128-27 is amended by adding two new subsections to
4 read:

5 "(xx) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 2000. –
6 From and after July 1, 2000, the retirement allowance to or on account of beneficiaries on
7 the retirement rolls as of June 1, 2000, shall be increased by six-tenths of one percent
8 (0.6%) of the allowance payable on June 1, 2000. This allowance shall be calculated on
9 the allowance payable and in effect on June 30, 2000, so as not to be compounded on any
10 other increase payable under subsection (k) of this section or otherwise granted by act of
11 the 1999 General Assembly, 2000 Regular Session.

12 (yy) From and after July 1, 2000, the retirement allowance to or on account of
13 beneficiaries whose retirement commenced on or before July 1, 1999, shall be increased
14 by three and eight-tenths percent (3.8%) of the allowance payable on June 1, 2000, in
15 accordance with subsection (k) of this section. Furthermore, from and after July 1, 2000,
16 the retirement allowance to or on account of beneficiaries whose retirement commenced
17 after July 1, 1999, but before June 30, 2000, shall be increased by a prorated amount of
18 three and eight-tenths percent (3.8%) of the allowance payable as determined by the
19 Board of Trustees based upon the number of months that a retirement allowance was paid
20 between July 1, 1999, and June 30, 2000."

21
22 Requested by: Representatives Easterling, Redwine, Nesbitt

23 **GRACE PERIOD FOR FIRE DISTRICTS TO FILE CERTIFICATES OF**
24 **ELIGIBILITY FOR FIREMEN'S RELIEF FUND MONEYS**

25 Section 26.21.(a)G.S. 58-84-45 is repealed. Section 26.21.(b) Chapter 58 of the
26 General Statutes is amended by adding a new section to read:

27 "**§ 58-84-46. Certification to Commissioner.**

28 On or before October 31 of each year the clerk of each fire district that has a local
29 board of trustees under G.S. 58-84-30 shall file a certificate of eligibility with the
30 Commissioner. The certificate shall contain information prescribed by administrative
31 rule adopted by the Commissioner. If the certificate is not filed with the Commissioner
32 on or before January 31 in the ensuing year:

- 33 (1) The fire district that failed to file the certificate shall forfeit the payment
34 next due to be paid to its board of trustees.
35 (2) The Commissioner shall pay over that amount to the treasurer of the
36 North Carolina State Firemen's Association.
37 (3) That amount shall constitute a part of the Firemen's Relief Fund."

38 Section 26.21.(c) This section is effective July 1, 2000, and applies
39 retroactively to October 31, 1998.

40
41 Requested by: Representative Cole

42 **INCLUDE FULL-TIME COUNTY FIRE MARSHALS IN THE FIREMEN'S AND**
43 **RESCUE SQUAD WORKERS' PENSION FUND**

1 Section 26.22. G.S. 58-86-25 reads as rewritten:

2 **"§ 58-86-25. 'Eligible firemen' defined; determination and certification of volunteers**
3 **meeting qualifications.**

4 'Eligible firemen' shall mean all firemen of the State of North Carolina or any
5 political subdivision thereof, including those performing such functions in the protection
6 of life and property through fire fighting within a county or city governmental unit and so
7 certified to the Commissioner of Insurance by the governing body thereof, and who
8 belong to a bona fide fire department which, as determined by the Commissioner, is
9 classified as not less than class '9' or class 'A' and 'AA' departments in accordance with
10 rating methods, schedules, classifications, underwriting rules, bylaws or regulations
11 effective or applied with respect to the establishment of rates or premiums used or
12 charged pursuant to Articles 36 or 40 of this Chapter or by such other reasonable methods
13 as the Commissioner may determine, and which operates fire apparatus and equipment of
14 the value of five thousand dollars (\$5,000) or more, and said fire department holds drills
15 and meetings not less than four hours monthly and said firemen attend at least 36 hours of
16 all drills and meetings in each calendar year. 'Eligible firemen' shall also mean an
17 employee of a county whose sole duty is to act as fire marshal of the county, provided the
18 board of county commissioners of that county certifies the fire marshal's attendance at no
19 less than 36 hours of all drills and meetings in each calendar year. 'Eligible firemen'
20 shall also mean those persons meeting the other qualifications of this section, not
21 exceeding 25 volunteer firemen plus one additional volunteer fireman per 100 population
22 in the area served by their respective departments. Each department shall annually
23 determine and report the names of those firemen meeting the eligibility qualifications to
24 its respective governing body, which upon determination of the validity and accuracy of
25 the qualification shall promptly certify the list to the board. For the purposes of the
26 preceding sentence, the governing body of a fire department operated: by a county is the
27 county board of commissioners; by a city is the city council; by a sanitary district is the
28 sanitary district board; by a corporation, whether profit or nonprofit, is the corporation's
29 board of directors; and by any other entity is that group designated by the board."
30

31 **PART XXVII. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS**

32
33 Requested by: Representatives Easterling, Redwine, Wright

34 **CAPITAL APPROPRIATIONS/GENERAL FUND**

35 Section 27. There is appropriated from the General Fund for the 2000-2001
36 fiscal year the following amount for capital improvements:
37

38 Department of Environment and Natural Resources

39 Water Resources Projects \$13,356,000

40
41 Department of Crime Control and Public Safety

42 National Guard Armory at Charlotte \$ 1,618,172
43

1 Carolina Funding Allocation Model for Reserve for Repairs and Renovations, as
2 approved by the Board of Governors of The University of North Carolina, and fifty-four
3 percent (54%) shall be allocated to the Office of State Budget and Management for
4 repairs and renovations pursuant to G.S. 143-15.3A.

5 Notwithstanding G.S. 143-15.3A, the Board of Governors may allocate funds
6 for the repair and renovation of facilities not supported from the General Fund if the
7 Board determines that sufficient funds are not available from other sources and that
8 conditions warrant General Fund assistance. Any such finding shall be included in the
9 Board's submission to the Joint Legislative Commission on Governmental Operations on
10 the proposed allocation of funds.

11 The Board of Governors and the Office of State Budget and Management
12 shall submit to the Joint Legislative Commission on Governmental Operations and to the
13 Fiscal Research Division of the Legislative Services Office, for their review, the
14 proposed allocations of these funds. Subsequent changes in the proposed allocations
15 shall be reported prior to expenditure to the Joint Legislative Commission on
16 Governmental Operations and to the Fiscal Research Division of the Legislative Services
17 Office.

18

19 **PART XXVIII. MISCELLANEOUS PROVISIONS**

20 Requested by: Representatives Easterling, Redwine

21 **EXECUTIVE BUDGET ACT APPLIES**

22 Section 28. The provisions of the Executive Budget Act, Chapter 143, Article
23 1 of the General Statutes, are reenacted and shall remain in full force and effect and are
24 incorporated in this act by reference.

25

26 Requested by: Representatives Easterling, Redwine

27 **COMMITTEE REPORT**

28 Section 28.1.(a) The House Appropriations Committee Report on the Continuation,
29 Expansion and Capital Budgets, dated June 13, 2000, which was distributed in the House
30 of Representatives and used to explain this act, shall indicate action by the General
31 Assembly on this act and shall therefore be used to construe this act, as provided in G.S.
32 143-15 of the Executive Budget Act, and for these purposes shall be considered a part of
33 this act.

34 Section 28.1.(b) The budget enacted by the General Assembly shall also be
35 interpreted in accordance with the special provisions in this act and in accordance with
36 other appropriate legislation.

37 In the event that there is a conflict between the line item budget certified by the
38 Director of the Budget and the budget enacted by the General Assembly, the budget
39 enacted by the General Assembly shall prevail.

40

41 Requested by: Representatives Easterling, Redwine

42 **MOST TEXT APPLIES ONLY TO 2000-2001**

1 Section 28.2. Except for statutory changes or other provisions that clearly
2 indicate an intention to have effects beyond the 2000-2001 fiscal year, the textual
3 provisions of this act apply only to funds appropriated for, and activities occurring
4 during, the 2000-2001 fiscal year.

5
6 Requested by: Representatives Easterling, Redwine

7 **EFFECT OF HEADINGS**

8 Section 28.3. The headings to the parts and sections of this act are a
9 convenience to the reader and are for reference only. The headings do not expand, limit,
10 or define the text of this act, except for effective dates referring to a Part.

11
12 Requested by: Representatives Easterling, Redwine

13 **SEVERABILITY CLAUSE**

14 Section 28.4. If any section or provision of this act is declared unconstitutional
15 or invalid by the courts, it does not affect the validity of this act as a whole or any part
16 other than the part so declared to be unconstitutional or invalid.

17
18 Requested by: Representatives Easterling, Redwine

19 **EFFECTIVE DATE**

20 Section 28.5. Except as otherwise provided, this act becomes effective July 1,
21 2000.