

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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1

SENATE BILL 88*

Short Title: Current Operations - 1991.

(Public)

Sponsors: Senators Basnight and Plyler.

Referred to: Appropriations.

February 18, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT
3 OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND
4 AGENCIES, AND FOR OTHER PURPOSES.

5 The General Assembly of North Carolina enacts:

6

7 ---INTRODUCTION

8

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

15

16 ---TITLE OF ACT

17

18 Sec. 2. This act shall be known as "The Current Operations Appropriations
19 Act of 1991."

20

21 PART I.—CURRENT OPERATIONS/GENERAL FUND

22

23 Sec. 3. Appropriations from the General Fund of the State for the
24 maintenance of the State departments, institutions, and agencies, and for other purposes

1 as enumerated are made for the biennium ending June 30, 1993, according to the
2 following schedule:

	<u>1991-92</u>	<u>1992-93</u>
4 <u>Current Operations-General Fund</u>		
6 General Assembly	\$ 19,089,704	\$ 22,376,882
8 Judicial Department	208,483,793	216,310,516
10 Department of the Governor		
11 01. Office of the Governor	4,748,813	4,918,492
12 02. Office of State Budget 13 and Management	3,504,527	3,628,685
15 Lieutenant Governor's Office		575,252 597,602
17 Department of Secretary of State		4,587,853 4,268,945
19 Department of State Auditor		13,108,626 13,469,632
21 Department of State Treasurer		4,805,567 4,936,507
23 Department of Public Education	3,375,306,770	3,529,808,253
25 Department of Justice		49,237,479 50,764,142
27 Department of Administration		
28 01. Administration	53,063,445	58,370,962
29 02. State Controller	5,240,049	5,382,588
31 Department of Agriculture		40,911,298 41,590,201
33 Department of Labor		8,866,599 9,343,565
35 Department of Insurance		14,263,611 14,655,656
37 Department of Transportation		
38 01. Aeronautics	8,614,832	8,600,000
39 02. Aid to Railroads	97,343	100,000
41 Total Department of 42 Transportation		8,712,175 8,700,000
44 Department of Environment, Health, and		

1	Natural Resources	174,601,179	181,362,674
2			
3	Office of Administrative Hearings	1,291,507	-
4			
5	Administrative Rules Review Commission	256,437	263,136
6			
7	Department of Human Resources		
8	01. Alcohol Drug Abuse Treatment Center -		
9	Black Mountain	3,728,655	3,742,978
10	02. Alcohol Drug Abuse Treatment Center -		
11	Butner	3,405,627	3,433,270
12	03. Alcohol Drug Abuse Treatment Center -		
13	Greenville	3,370,005	3,394,831
14	04. N.C. Special Care Center	1,986,362	2,036,325
15	05. Black Mountain Center	2,048,549	2,321,237
16	06. DHR - Secretary	11,387,495	11,404,323
17	07. Division of Aging	9,946,108	9,950,099
18	08. DHR Reserve Management		
19	Flexibility	(54,240,803)	(27,308,766)
20	09. Jordan Adam Inflationary		
21	Reserve	2,517,464	5,358,003
22	10. Schools for the Deaf and		
23	Hard of Hearing	19,899,052	20,032,020
24	11. Social Services	134,585,941	147,456,380
25	12. Medical Assistance	559,343,044	642,588,707
26	13. Social Services-State Aid to		
27	Non-State Agencies	6,086,629	6,086,629
28	14. Division of Services for the		
29	Blind	12,669,298	12,806,361
30	15. Division of Mental Health,		
31	Developmental Disabilities and		
32	Substance Abuse Services	196,035,848	201,095,503
33	16. Dorothea Dix Hospital	38,996,347	39,578,585
34	17. Broughton Hospital	35,148,843	35,400,852
35	18. Cherry Hospital	34,376,538	34,363,882
36	19. John Umstead Hospital	34,954,726	35,070,552
37	20. Western Carolina Center	4,016,329	4,295,382
38	21. O'Berry Center	4,387,712	4,646,518
39	22. Murdoch Center	11,572,244	9,469,011
40	23. Caswell Center	11,056,573	11,486,663
41	24. Division of Facility Services	30,625,574	31,637,776
42	25. Division of Vocational		
43	Rehabilitation Services	24,196,018	24,029,585
44	26. Division of Youth Services	47,463,290	47,516,801

1	Total Department of		
2	Human Resources	1,189,563,468	1,321,893,507
3			
4	Department of Correction	479,105,008	516,270,120
5			
6	Department of Economic and Community		
7	Development		
8	01. Economic and Community		
9	Development	40,262,108	47,283,601
10	02. Biotechnology Reserve	7,600,080	7,807,547
11	03. MCNC	16,000,000	16,000,000
12			
13	Department of Revenue	54,319,304	55,801,919
14			
15	Department of Cultural Resources	39,556,043	41,087,504
16			
17	Department of Crime Control		
18	and Public Safety	28,531,841	29,798,591
19			
20	University of North Carolina - Board		
21	of Governors		
22	01. General Administration	18,392,843	18,566,855
23	02. University Institutional		
24	Program (25,077,615)	5,861,534	
25	03. Related Educational Programs	45,585,686	45,585,686
26	04. University of North Carolina		
27	at Chapel Hill		
28	a. Academic Affairs	143,159,812	143,505,017
29	b. Health Affairs	103,552,103	105,556,271
30	c. Area Health Education		
31	Centers	33,044,776	33,046,383
32	05. North Carolina State University		
33	at Raleigh		
34	a. Academic Affairs	179,727,326	179,748,609
35	b. Agricultural Research		
36	Service	38,061,107	38,090,850
37	c. Agricultural Extension		
38	Service	30,024,297	29,995,347
39	06. University of North Carolina at		
40	Greensboro	56,896,167	57,022,806
41	07. University of North Carolina at		
42	Charlotte	58,167,938	58,172,019
43	08. University of North Carolina at		
44	Asheville	17,090,356	17,142,040

1	09.	University of North Carolina at		
2		Wilmington	33,297,757	33,301,127
3	10.	East Carolina University		
4		a. Academic Affairs	74,825,845	74,829,617
5		b. Division of Health Affairs	48,637,865	48,637,865
6	11.	North Carolina Agricultural and		
7		Technical State University	37,504,609	37,455,661
8	12.	Western Carolina University	36,389,990	36,381,484
9	13.	Appalachian State University	54,431,332	54,431,332
10	14.	Pembroke State University	16,423,217	16,403,697
11	15.	Winston-Salem State University	16,390,659	16,422,114
12	16.	Elizabeth City State		
13		University	15,393,904	15,390,379
14	17.	Fayetteville State University	17,572,505	17,772,144
15	18.	North Carolina Central		
16		University	27,675,045	27,755,995
17	19.	North Carolina School of the		
18		Arts	8,673,320	8,675,654
19	20.	North Carolina School of		
20		Science and Mathematics	7,462,382	7,445,132
21	21.	UNC Hospitals at Chapel Hill	31,545,026	39,845,427
22	Total University of North			
23	Carolina		1,124,848,252	1,167,041,045
24				
25	Department of Community			
26	Colleges		397,105,315	419,962,865
27				
28	State Board of Elections		1,782,744	431,570
29				
30	Contingency and Emergency		1,062,253	1,091,250
31				
32	Reserve for Compensation Increase		27,000,000	66,000,000
33				
34	Reserve for Lowest Paid Employees		730,071	750,000
35				
36	Reserve for Reduced Salary Reserves		(2,270,000)	(2,270,000)
37				
38	Reserve for Reduction in Retirement and			
39	Disability Employer Contribution		(53,000,000)	(53,000,000)
40				
41	Debt Service		77,528,270	86,049,578
42				
43	Local Government Shared Revenue		231,924,219	238,493,897
44				

1 Reserve for Budget Stabilization 95,000,000 70,000,000

2
3 GRAND TOTAL CURRENT OPERATIONS—

4 GENERAL FUND \$7,747,303,660 \$8,201,241,432

5
6 PART II.—CURRENT OPERATIONS/HIGHWAY FUND

7
8 Sec. 4. Appropriations from the Highway Fund of the State for the
9 maintenance and operation of the Department of Transportation, and for other purposes
10 as enumerated, are made for the biennium ending June 30, 1993, according to the
11 following schedule:

12	<u>Current Operations-Highway Fund</u>	<u>1991-92</u>	<u>1992-93</u>
13			
14	Department of Transportation		
15	01. Administration \$ 36,440,387 \$ 35,604,297		
16	02. Division of Highways		
17	a. Administration and		
18	Operations 33,403,236 33,462,378		
19	b. State Construction		
20	(01) Primary Construction - -		
21	(02) Secondary		
22	Construction 66,121,926 66,717,023		
23	(03) Urban Construction 20,000,000 20,000,000		
24	(04) Access and Public		
25	Service Roads 2,000,000 2,000,000		
26	(05) Special Appropriation		
27	for Highways 742,465 742,465		
28	(06) Spot Safety		
29	Improvements 9,100,000 9,100,000		
30	c. State Funds to Match Federal		
31	Highway Aid		
32	(01) Construction 75,992,066 75,992,066		
33	(02) Planning Survey and Highway		
34	Planning Research 2,959,649 2,959,649		
35	d. State Maintenance		
36	(01) Primary 96,090,383 88,399,617		
37	(02) Secondary 169,296,877 155,779,771		
38	(03) Urban 25,498,959 23,401,477		
39	(04) Contract Resurfacing 100,000,000 102,500,000		
40	e. Ferry Operations 16,547,896 16,547,896		
41	03. Division of Motor Vehicles 76,888,878 76,853,837		
42	04. Governor's Highway Safety Program 290,279 290,617		
43	05. State Aid to Municipalities 66,121,926 66,717,023		
44	06. State Aid for Public		

1		Transportation	5,038,766	5,046,001	
2	07.	Salary Adjustments for Highway			
3		Fund Employees	200,000	200,000	
4	08.	Reserve to Correct Occupational			
5		Safety and Health Conditions	500,000	500,000	
6	09.	Reserve to Continue DOT			
7		Merit Salary Increases	4,510,383	4,510,383	
8	10.	Reserve for Performance Pay	3,400,000	6,800,000	
9	11.	Reserve for Emergencies and			
10		Inflationary Adjustments	6,000,000	11,000,000	
11	12.	Debt Service	38,227,230	38,018,250	
12					
13	Appropriations for Other State Agencies				
14	01.	Crime Control and Public			
15		Safety	87,190,315	88,681,046	
16	02.	Other Agencies			
17	a.	Department of Agriculture	2,892,001	2,790,013	
18	b.	Department of Revenue	1,921,279	1,923,941	
19	c.	Department of Environment,			
20		Health and Natural			
21		Resources:			
22		LUST Trust Fund		5,186,720	5,586,046
23		Chemical Test Program		380,176	380,176
24	d.	Department of Correction	2,316,928	2,316,928	
25	Contingency and Emergency Fund			<u>100,000</u>	<u>100,000</u>
26					
27	GRAND TOTAL CURRENT OPERATIONS—				
28	HIGHWAY FUND			\$ 955,358,725	\$ 944,920,900
29					

30 PART III.—GENERAL PROVISIONS

31
32 —SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL
33 RECEIPTS/AUTHORIZATION FOR EXPENDITURES

34
35 Sec. 5. There is appropriated out of the cash balances, federal receipts, and
36 departmental receipts available to each department, sufficient amounts to carry on
37 authorized activities included under each department's operations. All these cash
38 balances, federal receipts, and departmental receipts shall be expended and reported in
39 accordance with provisions of the Executive Budget Act, except as otherwise provided
40 by statute. The Director of the Budget shall develop necessary budget controls,
41 regulations, and systems to ensure that these funds and other State funds subject to the
42 Executive Budget Act, may not be spent in a manner which would cause a deficit in
43 expenditures.

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

7
8 ~~—INSURANCE AND FIDELITY BONDS~~

9
10 Sec. 6. All insurance and all official fidelity and surety bonds authorized for
11 the several departments, institutions, and agencies shall be effected and placed by the
12 Insurance Department, and the cost of placement shall be paid by the affected
13 department, institution, or agency with the approval of the Insurance Commissioner.

14
15 ~~PART IV.—PUBLIC SCHOOLS~~

16
17 ~~—SMALL COUNTY SCHOOL SYSTEM SUPPLEMENTAL FUND~~

18
19 Sec. 7. Funds are appropriated to the Department of Public Education in
20 Section 3 of this act to assist small county school systems in providing a comprehensive
21 education program. Small county school systems are defined as systems with 3,000 or
22 fewer students in final average daily membership for the prior school year. These funds
23 may be used to increase school level staffing and for additional instructional supplies
24 and equipment. Funds are to be allocated to local county school systems based on a
25 formula adopted by the State Board of Education.

26
27 ~~—PURCHASE OF BUSES IN LIEU OF CONTRACT TRANSPORTATION~~

28
29 Sec. 8. Funds appropriated to the Department of Public Education for the
30 1991-93 biennium for contract transportation to serve exceptional children who are
31 unable because of their handicap to ride the regular school buses may be used by local
32 boards of education for the purchase of buses and minibuses as well as for the purposes
33 authorized in this act. These funds shall be expended in accordance with rules adopted
34 by the State Board of Education.

35
36 ~~—TEACHER SALARY SCHEDULE~~

37
38 Sec. 9. Funds are appropriated to the Department of Public Education in
39 Section 3 of this act to provide experience increments for teacher to move up one year
40 on the teacher salary schedules which were in effect in 1990-91. The teacher salary
41 schedules for 1991-92 would be the same as the schedules for 1990-91. Individual
42 teachers would move up one year in the experience rating based on rules adopted by the
43 State Board of Education.

1 —DEPARTMENT OF PUBLIC INSTRUCTION REDUCTION

2
3 Sec. 10. Funds appropriated to the Department of Public Education in
4 Section 3 of this act reflect a permanent reduction of \$1,500,000 for operating expenses
5 for the Department of Public Instruction. The Department of Public Instruction is to
6 identify specific positions and support expenses to be deleted from the budget prior to
7 July 1, 1991.

8
9 —FUNDING FOR LOCAL CITY SCHOOL SYSTEMS

10
11 Sec. 11. Funds appropriated to the Department of Public Education in
12 Section 3 of this act reflect a permanent reduction in the State funding provided to local
13 city school systems. Position of superintendents, associate/assistant superintendents,
14 and maintenance supervisors will be limited to county systems. If any county wishes to
15 continue having multiple systems within that county, the county will be responsible for
16 the funding of these positions. State funding for positions based on student average
17 daily membership will not be affected.

18
19 —NORTH CAROLINA GEOGRAPHIC ALLIANCE NETWORK FUNDS

20
21 Sec. 12. Of the funds appropriated to the Department of Public Education for
22 the 1991-92 fiscal year and the 1992-93 fiscal year for aid to local school administrative
23 units, the State Board of Education may use up to \$50,000 per year to fund the North
24 Carolina Geographic Alliance Network Program, which is headquartered at East
25 Carolina University. The funds shall be used to:

- 26 (1) Increase communication and cooperation between the professional
27 geographic community and the network of Regional Education
28 Centers;
- 29 (2) Increase the number of in-service workshops conducted by
30 professional geographers for the Regional Education Centers and local
31 education agencies;
- 32 (3) Increase the membership of professional geographers in the North
33 Carolina Council for Social Studies;
- 34 (4) Increase the number of professional geographers doing sessions at the
35 annual meetings of the North Carolina Council for Social Studies;
- 36 (5) Increase advisory interaction of professional geographers with the
37 North Carolina Board of Education with regard to geography in the
38 curriculum; and
- 39 (6) Increase involvement of public school teachers with the North
40 Carolina Geographic Society.

41
42 —CITIES-IN-SCHOOLS CONTRACT AUTHORIZATION

43

1 Sec. 13. Notwithstanding the provisions of G.S. 143-16.3, the Department of
2 Public Education may contract with the Cities-in-Schools Dropout Prevention programs
3 in North Carolina to provide technical assistance to local education agencies in
4 coordinating public-private partnerships in dropout prevention programs.

5
6 **PART V.—COMMUNITY COLLEGES**

7
8 **—OPERATING APPROPRIATIONS/NOT USED FOR RECREATION**
9 **EXTENSION**

10
11 Sec. 14. Funds appropriated in Section 3 of this act to the Department of
12 Community Colleges as operating expenses for allocation to the institutions comprising
13 the Community College System may not be used to support recreation extension
14 courses. The financing of these courses by any institution shall be on a self-supporting
15 basis, and membership hours produced from these activities may not be counted when
16 computing full-time equivalent students for use in budget-funding formulas at the State
17 level.

18
19 **—ASSISTANCE TO HOSPITAL NURSING/FUND DISTRIBUTION**

20
21 Sec. 15. Funds appropriated in Section 3 of this act to the Department of
22 Community Colleges to provide financial assistance to hospital programs of nursing
23 education leading to diplomas in nursing that are fully accredited by the North Carolina
24 Board of Nursing and operated under the authority of a public or nonprofit hospital
25 licensed by the North Carolina Medical Care Commission shall be distributed, upon
26 application for financial assistance, on the basis of eight hundred fifty dollars (\$850.00)
27 for each full-time student duly enrolled in the program as of December 1 of the
28 preceding year and on condition that accreditation is maintained. The State Board of
29 Community Colleges shall adopt rules to ensure that this financial assistance is used
30 directly for faculty and instructional needs of diploma nursing programs.

31
32 **—FULL-TIME EQUIVALENT TEACHING POSITIONS/COMMUNITY**
33 **COLLEGES**

34
35 Sec. 16. For the purpose of determining the community college system-wide
36 number of full-time equivalent (FTE) teaching positions each year, the total curriculum
37 full-time equivalent student enrollment shall be divided by 21, and occupational
38 extension full-time equivalent student enrollment shall be divided by 22.

39
40 **—TUITION/PUBLIC SCHOOL STUDENTS TAKING COMMUNITY COLLEGE**
41 **COURSES**

42

1 Sec. 17. High school students enrolled in a community college in accordance
2 with G.S. 115D-20(4) and G.S. 115D-5 shall be exempt from tuition for community
3 college courses taken in accordance with these two sections.

4
5 —WORKFORCE PREPAREDNESS

6
7 Sec. 18. Funds in the amount of \$40,000,000 for fiscal year 1991-92 and
8 \$60,000,000 for fiscal year 1992-93 are appropriated in Section 3 of this act to
9 implement, insofar as possible, the recommendations of the Governor's Commission on
10 Workforce Preparedness. The funds are appropriated as follows:

	<u>1991-92</u>	<u>1992-93</u>
11 Department of Public Instruction	\$ 3,000,000	\$ 4,500,000
12 Department of Community Colleges	25,400,000	38,100,000
13 Department of Economic and		
14 Community Development	11,520,000	17,280,000
15 Office of the Governor		<u>80,000</u>
16 Total	\$40,000,000	\$60,000,000

17
18
19 (a) The Workforce Preparedness funds appropriated to the Department of Public
20 Instruction are to be used to improve the academic, thinking and employability skills of
21 the future workforce by:

- 22 (1) Expanding the "Technical Preparation"(TECH-PREP) curriculum to
23 both those high schools and community colleges approaching the
24 implementation phase of the program and to those local school
25 systems and community colleges which have need to begin the
26 planning process for Tech-Prep programs.
- 27 (2) Certifying that every high school graduate has mastered certain basic
28 skills for continued learning in the workplace and higher education
29 through an examination process tied more closely to the curriculum.
- 30 (3) Within each high school seek to establish a "Comprehensive Career
31 Development and Guidance Program" in order that students can make
32 curriculum choices based upon their abilities and interests and
33 ultimately a career.

34 (b) The Workforce Preparedness funds appropriated to the Department of
35 Community Colleges are to be used to:

- 36 (1) Substantially upgrade funding for post-secondary technical training
37 systems by addressing the following:
- 38 a. Implement the recommendations of the "Commission on the
39 Future" with regard to restoration funding by increasing the per
40 pupil funding level as much as possible toward the national
41 median.
- 42 b. Increase funding for faculty and staff development to upgrade
43 technical knowledge, improve methods and quality of
44 instruction, and improve management and accountability.

- 1 (2) Improve training services to the State's more traditional industries,
2 thereby upgrading the skills of the existing workforce as industry
3 responds to technology changes, by expanding the number of and
4 enhancing the funding for Focused Industrial Training (FIT) centers.
- 5 (3) Improve the training capacity of community colleges system-wide by
6 increasing funding for both new and replacement equipment.
- 7 (4) In as much as possible seek to establish industry-focused Technical
8 Training and Development Centers involving partnerships with
9 business and industry to conduct applied training research, develop
10 skill assessment methods, develop training programs and materials,
11 train faculty, and provide technical assistance in skills development.
- 12 (5) Substantially upgrading funding for literacy education by addressing
13 the following:
- 14 a. Expanding workplace and family literacy programs.
- 15 b. Expanding prison inmate literacy programs.
- 16 c. Reforming Literacy Education.
- 17 d. Expanding Human Resource Development Programs.
- 18 e. Aggressively reaching out to new populations and geographic
19 areas.
- 20 (c) The Workforce Preparedness funds appropriated to the Department of
21 Economic and Community Development are to be used for:
- 22 (1) Providing funds to develop a North Carolina jobs training program
23 modeled upon the current Job Training Partnership Act (JTPA) to
24 serve more of the eligible population, particularly in training the
25 disadvantaged and undereducated. Toward this end the local Private
26 Industry Councils (PIC's) may use the funds for:
- 27 a. Supportive services such as child care and transportation.
- 28 b. Training education programs targeted to at risk youth.
- 29 c. Training programs targeted to the working poor.
- 30 (2) Upgrading the Labor Market Information System within the
31 Employment Security Commission.
- 32 (d) The Workforce Preparedness funds appropriated to the Office of the
33 Governor are to be used to provide support to the State Job Training Coordinating
34 Council (to be renamed "The Council on Workforce Preparedness") to:
- 35 (1) Set and communicate State goals for workforce preparedness to other
36 appropriate councils, commissions and boards;
- 37 (2) Review, monitor and assess progress in meeting State goals;
- 38 (3) Promote development of strategic planning for local labor market areas
39 through Private Industry Councils; and
- 40 (4) Develop biennially, working with all appropriate departments,
41 agencies, councils and boards, a strategic plan for workforce
42 preparedness.
- 43

44 PART VI.—COLLEGES AND UNIVERSITIES

1
2 ---AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT
3 LIMITATIONS
4

5 Sec. 19. (a) The amount of a tuition grant awarded to a student enrolled in a
6 degree program at a site away from the main campus of the approved private institution,
7 as defined in G.S. 116-22(1), may be no more than the result of the ratio of the cost per
8 credit hour for off-campus instruction at that site to the cost per credit hour for regular,
9 full-time on-campus instruction, multiplied by the maximum grant award.

10 (b) No Legislative Tuition Grant funds may be expended for a program at an off-
11 campus site of a private institution, as defined in G.S. 116-22(1), established after May
12 15, 1987, unless (i) the private institution offering the program has previously notified
13 and secured agreement from other private institutions operating degree programs in the
14 county in which the off-campus program is located or operating in the counties adjacent
15 to that county or (ii) the degree program is neither available nor planned in the county
16 with the off-campus site or in the counties adjacent to that county.

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

19 (c) Any member of the armed services as defined in G.S. 116-143.3(a), abiding
20 in this State incident to active military duty, who does not qualify as a resident for
21 tuition purposes as defined under G.S. 116-143.1, is eligible for a Legislative Tuition
22 Grant pursuant to this section if the member is enrolled as a full-time student. The
23 member's Legislative Tuition Grant may not exceed the cost of tuition less any tuition
24 assistance paid by the member's employer.
25

26 ---AID TO PRIVATE COLLEGES PROCEDURE
27

28 Sec. 20. (a) Funds appropriated in this act to the Board of Governors of The
29 University of North Carolina for aid to private colleges shall be disbursed in accordance
30 with the provisions of G.S. 116-19, G.S. 116-21, and G.S. 116-22. These funds shall
31 provide up to four hundred fifty dollars (\$450.00) per full-time equivalent North
32 Carolina undergraduate student enrolled at a private institution as of October 1 each
33 year.

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

40 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition
41 to all other financial assistance made available to private educational institutions located
42 within the State, or to students attending these institutions, there is granted to each full-
43 time North Carolina undergraduate student attending an approved institution as defined

1 in G.S. 116-22, a sum, not to exceed one thousand one hundred fifty dollars (\$1,150)
2 per academic year, which shall be distributed to the student as hereinafter provided.

3 The tuition grants provided for in this section shall be administered by the
4 State Education Assistance Authority pursuant to rules adopted by the State Education
5 Assistance Authority not inconsistent with this section. The State Education Assistance
6 Authority may not approve any grant until it received proper certification from an
7 approved institution that the student applying for the grant is an eligible student. Upon
8 receipt of the certification, the State Education Assistance Authority shall remit at such
9 times as it shall prescribe the grant to the approved institution on behalf, and to the
10 credit, of the student.

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

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

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

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

27 Any remaining funds shall revert to the General Fund.

28 (c) Expenditures made pursuant to this section may be used only for secular
29 educational purposes at nonprofit institutions of higher learning.

30
31 —WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING
32 FORMULA

33
34 Sec. 21. Funds appropriated in this act to the Board of Governors of The
35 University of North Carolina for continuation of financial assistance to the medical
36 schools of Duke University and Wake Forest University shall be disbursed on
37 certifications of the respective schools of medicine that show the number of North
38 Carolina residents as first-year, second-year, third-year, and fourth-year students in the
39 medical school as of November 1, 1991, and November 1, 1992. Disbursement to
40 Wake Forest University shall be made in the amount of eight thousand dollars (\$8,000)
41 for each medical student who is a North Carolina resident, one thousand dollars
42 (\$1,000) of which shall be placed by the school in a fund to be used to provide financial
43 aid to needy North Carolina students who are enrolled in the medical school. The
44 maximum aid given to any student from this fund in a given year may not exceed the

1 amount of the difference in tuition and academic fees charged by the school and those
2 charged at the School of Medicine at the University of North Carolina at Chapel Hill.

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

13 The Board of Governors shall establish the criteria for determining the
14 eligibility for financial aid of needy North Carolina students who are enrolled in the
15 medical schools and shall review the grants or awards to eligible students. The Board of
16 Governors shall adopt rules for determining which students are residents of North
17 Carolina for the purposes of these programs. The Board shall also make any regulations
18 as necessary to ensure that these funds are used directly for instruction in the medical
19 programs of the schools and not for religious or other nonpublic purposes. The Board
20 shall encourage the two schools to orient students towards personal health care in North
21 Carolina giving special emphasis to family and community medicine.

22
23 —UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL
24 HILL/NURSING

25
26 Sec. 22. Notwithstanding the provisions of G.S. 126-4(1), G.S. 126-4(2), and
27 Section 9 of Chapter 738 of the 1987 Session Laws, as amended by Section 100(a) of
28 the 1987 Session Laws, and as further amended by Section 54 of Chapter 500 of the
29 1989 Session Laws, the Current Operations Appropriations Act of 1989, the Board of
30 Directors of the University of North Carolina Hospitals at Chapel Hill shall establish
31 policies and rules governing the performance of competitive position classification
32 studies and competitive compensation plan studies and the implementation of
33 competitive classification and compensation plans for clinical nursing employees.
34 These plans shall provide for minimum, maximum, and intermediate rates of pay, and
35 may include provisions for range revisions and shift premium pay and for salary
36 adjustments to address internal inequities and job performance. The Office of State
37 Personnel shall review the classification and compensation plans on an annual basis,
38 and all changes in compensation plans for clinical nursing employees shall be submitted
39 to the Office of State Personnel upon implementation.

40
41 —UNC OVERHEAD RECEIPTS POLICY REVISION

42
43 Sec. 23. Chapter 936 of the 1989 Session Laws is hereby amended by
44 deleting Section 2, paragraph (b) and inserting in lieu thereof the following paragraph:

1 "(b) The base or continuation budget requests of the constituent institutions of The
2 University of North Carolina presented to the 1993 General Assembly shall reflect a
3 phased reduction in such offsets during the 1993-95 biennium. For the 1993-94 fiscal
4 year this reduction shall lower the offset rate from thirty percent (30%) to twenty-five
5 percent (25%), and for the 1994-95 fiscal year this reduction shall lower the offset rate
6 from twenty-five percent (25%) to twenty percent (20%)."

7
8 **PART VII.—DEPARTMENT OF ADMINISTRATION**

9
10 **—COUNCIL OF GOVERNMENTS FUNDS**

11
12 Sec. 24. (a) Of the funds appropriated by Section 3 of this act to the
13 Department of Administration, the sum of nine hundred sixty thousand three hundred
14 dollars (\$960,300) for 1991-92 fiscal year and nine hundred sixty thousand three
15 hundred dollars (\$960,300) for 1992-93 fiscal year shall only be used as provided by
16 this section. Each regional council of government or lead regional organization is
17 allocated an amount up to fifty-three thousand three hundred fifty dollars (\$53,350)
18 each fiscal year, with the actual amount calculated as provided in subsection (b) of this
19 section.

20 (b) The funds shall be allocated as follows: A share of the maximum fifty-three
21 thousand three hundred fifty dollars (\$53,350) each fiscal year shall be allocated to each
22 county and smaller city based on the most recent annual estimate of the Office of State
23 Budget and Management of the population of that county (less the population of any
24 larger city within that county) or smaller city, divided by the sum of the total population
25 of the region (less the population of larger cities within that region) and the total
26 population of the region living in smaller cities. Those funds shall be paid to the
27 regional council of government for the region in which that city or county is located
28 upon receipt by the Department of Administration of a resolution of the governing
29 board of the county or city requesting release of the funds. If any city or county does
30 not so request payment of funds by June 30 of a State fiscal year, that share of the
31 allocation for that fiscal year shall revert to the General Fund.

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

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

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

41
42 **—ALLOCATION OF RAPE CRISIS CENTER FUNDS**

1 Sec. 25. All funds for the Rape Crisis Centers appropriated to the
2 Department of Administration, Council of the Status of Women, for the 1991-92 fiscal
3 year and the 1992-93 fiscal year shall be available to Rape Crisis Centers providing
4 direct services to victims of sexual assault and rape prevention services. Funds shall be
5 awarded according to criteria established by the Department of Administration. In
6 reviewing grant applications, the Department shall consider the impact of discontinued
7 federal funding on those centers that received funding through Section 41 of Chapter
8 1086 of the 1987 Session Laws, Regular Session 1988. Grants shall be awarded by
9 September 1 each fiscal year and the funds disbursed on a quarterly basis.

10
11 —DOMESTIC VIOLENCE CENTER FUNDS

12
13 Sec. 26. The funds appropriated to the Department of Administration,
14 Council on the Status of Women, for fiscal years 1991-92 and 1992-93 for domestic
15 violence centers, shall be allocated equally among all of the 61 domestic violence
16 centers in operation on July 1, 1989, that offered services including a hotline,
17 transportation services, community education programs, daytime services, and call
18 forwarding during the night. For the 1991-92 fiscal year and for the 1992-93 fiscal
19 year, each grant shall be \$17,500. Grants shall be awarded based on criteria established
20 by the Department of Administration and disbursed on a quarterly basis.

21
22 PART VIII.—DEPARTMENT OF TRANSPORTATION

23
24 —ELDERLY AND HANDICAPPED TRANSPORTATION ASSISTANCE
25 PROGRAM

26
27 Sec. 27. (a) Of the funds appropriated in Section 4 of this act, the sum of
28 \$2,000,000 for the 1991-92 fiscal year and the sum of \$2,000,000 for the 1992-93 fiscal
29 year shall be used to provide funds for the North Carolina Elderly and Handicapped
30 Transportation Assistance Program established under G.S. 136-44.27.

31
32 —CASH FLOW HIGHWAY FUND APPROPRIATIONS

33
34 Sec. 28. The General Assembly authorizes and certifies anticipated revenues
35 of the Highway Fund as follows:

36 For Fiscal Year 1993-94	\$971,000,000
37 For Fiscal Year 1994-95	\$990,000,000

38
39 —CASH FLOW HIGHWAY TRUST FUND APPROPRIATION

40
41 Sec. 29. The General Assembly authorizes and certifies anticipated revenues
42 of the Highway Trust Fund as follows:

43 For Fiscal Year 1993-94	\$394,900,000
44 For Fiscal Year 1994-95	\$402,800,000

1
2 ---HIGHWAY FUND ALLOCATIONS BY CONTROLLER

3
4 Sec. 30. The Controller of the Department of Transportation shall allocate at
5 the beginning of each fiscal year from the various appropriations made to the
6 Department of Transportation in Section 4 of this act, Titles:

7 02.b. - State Construction

8 02.c. - State Funds to Match Federal Highway Aid

9 02.d. - State Maintenance

10 02.e. - Ferry Operations

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

13
14 ---HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES

15
16 Sec. 31. (a) Overexpenditures may be made by authorization of the Director of
17 the Budget from Section 4 of this act, Titles:

18
19 02.b.(01) - State Construction Primary Construction

20 02.b.(03) - State Construction Urban Construction

21 02.b.(04) - State Construction Access and Public Service Roads

22 02.c. - State Funds to Match Federal Highway Aid

23 02.d. - State Maintenance

24 02.e. - Ferry Operations,

25 provided that there are corresponding underexpenditures from these same titles.
26 Overexpenditures or underexpenditures in any titles may not vary by more than ten
27 percent (10%) without prior consultation with the Advisory Budget Commission.
28 Written reports covering overexpenditures or underexpenditures of more than ten
29 percent (10%) shall be made to the Joint Legislative Commission on Governmental
30 Operations. The reports shall be delivered to the Director of the Fiscal Research
31 Division not less than 48 hours prior to the beginning of the Commission's full meeting.

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

33 02.b.(01) - State Construction Primary Construction

34 02.b.(03) - State Construction Urban Construction

35 02.b.(04) - State Construction Access and Public Service Roads

36 02.c. - State Funds to Match Federal Highway Aid

37 02.d. - State Maintenance

38 02.e. - Ferry Operations,

39 for the purpose of providing additional positions shall be approved by the Director of
40 the Budget.

41
42 ---RESURFACED ROADS MAY BE WIDENED

43

1 Sec. 32. Notwithstanding the provisions of Section 31 of this act, of the
2 contract maintenance resurfacing program funds appropriated in Section 4 of this act to
3 the Department of Transportation, an amount not to exceed fifteen percent (15%) of the
4 Board of Transportation's allocation of these funds may be used for widening existing
5 narrow pavements that are scheduled for resurfacing.

6
7 —URBAN CONSTRUCTION FUNDS

8
9 Sec. 33. Of the funds appropriated in Section 4 of this act to the Department
10 of Transportation for fiscal years 1991-92 and 1992-93, twenty million dollars
11 (\$20,000,000) shall be allocated for small urban construction projects. Fourteen million
12 dollars (\$14,000,000) of these funds shall be allocated equally among the 14 Highway
13 Divisions for the Small Urban Construction Program for small urban construction
14 projects that are located within the area covered by a one-mile radius of the municipal
15 corporate limits. The remaining six million dollars (\$6,000,000) of these funds shall be
16 used statewide for rural or small urban highway improvements as approved by the
17 Secretary of the Department of Transportation.

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

20 The Department of Transportation shall report to the members of the General
21 Assembly on projects funds pursuant to this section in each member's district prior to
22 the Board of Transportation's action. The Department shall make a quarterly
23 comprehensive report on the use of these funds to the Joint Legislative Commission on
24 Governmental Operations and the Fiscal Research Division.

25
26 —HIGHWAY FUND ADJUSTMENTS TO REFLECT ACTUAL REVENUE

27
28 Sec. 34. Any unreserved credit balance in the Highway Fund on June 30 of
29 each of the fiscal years shall support appropriations in the succeeding fiscal year. If all
30 of the balance is not needed for these appropriations, the Director of the Budget may use
31 the remaining excess to establish a reserve for access and public roads, a reserve for
32 unforeseen happening of a state of affairs requiring prompt action as provided by G.S.
33 136-44.1, and other required reserves. Actual revenue in excess of estimated revenue
34 shall be placed in the reserve for highway construction and maintenance. If all of the
35 remaining excess is not used to establish these reserves, the remainder shall be allocated
36 to the State-funded maintenance or construction appropriations in the manner approved
37 by the Board of Transportation. The Board of Transportation shall report monthly to
38 the Joint Legislative Commission on Governmental Operations about the use of the
39 reserve for highway construction and maintenance. The Board of Transportation shall
40 send copies of the monthly reports to the Chairman of the Senate Appropriations
41 Committee on Natural and Economic Resources, the Chairman of the Highway Fund
42 Subcommittee of the Appropriations Committee of the House of Representatives, the
43 Chairman of the Senate Transportation Committee, and the Chairman of the Highways
44 Subcommittee of the Infrastructure Committee of the House of Representatives.

PART IX.—DEPARTMENT OF HUMAN RESOURCES

—MEDICAID

Sec. 35. (a) Funds appropriated in this act for services provided in accordance with Title XIX of the Social Security Act (Medicaid) are for both the categorically needy and the medically needy. Funds appropriated for these services shall be expended in accordance with the following schedule of services and payment bases. All services and payments are subject to the language at the end of this subsection.

Services and payment bases:

- (1) Hospital-Inpatient - Payment for hospital inpatient services will be prescribed in the State Plan as established by the Department of Human Resources. Administrative days for any period of hospitalization shall be limited to a maximum of three days.
- (2) Hospital-Outpatient - Eight percent (80%) of allowable costs or a prospective reimbursement plan as established by the Department of Human Resources.
- (3) Nursing Facilities - As prescribed under the reimbursement plan for Nursing Facilities. Nursing facilities providing services to Medicaid recipients who also qualify for Medicare, must be enrolled in the Medicare program as a condition of participation in the Medicaid program, subject to phase-in certification for those nursing facilities not already enrolled in Medicare.
- (4) Intermediate Care Facilities for the Mentally Retarded - As prescribed under the State Plan for reimbursing intermediate care facilities for the mentally retarded.
- (5) Drugs - Drug costs as allowed by federal regulations plus four dollars eighty-five cents (\$4.85) professional services fee per month excluding refills for the same drug or generic equivalent during the same month. Reimbursement shall be available for up to six prescriptions per recipient, per month, including refills. Payments for drugs are subject to the provisions of subsection(g) of this section and to the provisions at the end of subsection (a) of this section, or in accordance with a plan adopted by the Department of Human Resources consistent with federal reimbursement regulations.
- (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified Nurse Midwife Services - Fee schedules as developed by the Department of Human Resources. Payments for dental services are subject to the provisions of subsection (f) of this section.
- (7) Community Alternative Program, EPSDT Screens - Payment to be made in accordance with rate schedule developed by the Department of Human Resources.

- 1 (8) Home Health, Private Duty Nursing, Clinic Services, Prepaid Health
2 Plans - Payment to be made according to reimbursement plans
3 developed by the Department of Human Resources.
- 4 (9) Medicare Buy-In - Social Security Administration premium.
- 5 (10) Ambulance Services - Uniform fee schedules as developed by the
6 Department of Human Resources.
- 7 (11) Hearing Aids - Actual cost plus a dispensing fee.
- 8 (12) Rural Health Clinic Services - Provider based - reasonable cost;
9 nonprovider based - single cost reimbursement rate per clinic visit.
- 10 (13) Family Planning - Negotiated rate for local health departments. For
11 other providers - see specific services, for instance, hospitals,
12 physicians.
- 13 (14) Independent Laboratory and X-Ray services - Uniform fee schedules
14 as developed by the Department of Human Resources.
- 15 (15) Optical Supplies - One hundred percent (100%) of reasonable
16 wholesale cost of materials.
- 17 (16) Ambulatory Surgical Centers - Negotiated rates, established by the
18 Department of Human Resources.
- 19 (17) Medicare Crossover Claims - Actual coinsurance or deductible or
20 both.
- 21 (18) Physical Therapy and Speech Therapy - Services limited to EPSDT
22 eligible children. Payments are to be made only to the Children's
23 Special Health Services program at rates negotiated by the Department
24 of Human Resources.
- 25 (19) Personal Care Services - Payment in accordance with plan approved
26 by the Department of Human Resources.
- 27 (20) Case Management Services - Reimbursement in accordance with the
28 availability of funds to be transferred within the Department of Human
29 Resources.
- 30 (21) Hospice - Services may be provided in accordance with plan
31 developed by the Department of Human Resources.
- 32 (22) Other Mental Health Services - Unless otherwise covered by this
33 section, coverage is limited to agencies meeting the requirements of
34 the rules established by the Commission for Mental Health,
35 Developmental Disabilities, and Substance Abuse Services, and
36 reimbursement is made in accordance with a plan developed by the
37 Department of Human Resources not to exceed the upper limits
38 established in federal regulations.
- 39 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
40 Children - Reimbursement in accordance with plan approved by the
41 Department of Human Resources.

42 Reimbursement is available for up to 24 visits per recipient per year to any
43 one or combinations of the following: physicians, clinics, hospital outpatient,
44 optometrists, chiropractors, and podiatrists. Prenatal services, all ESPDT children, and

1 emergency rooms are exempt from the visit limitations contained in this paragraph.
 2 Exceptions may be authorized by the Department of Human Resources where the life of
 3 the patient would be threatened without such additional care. Any person who is
 4 determined by the Department to be exempt from the 24-visit limitation may also be
 5 exempt from the six-prescription limitation.

6 (b) The Division of Medical Assistance is exempt from the requirements of G.S.
 7 150-B for purposes of establishing rates and/or methods of reimbursement when the
 8 State Medicaid Plan reflects establishment of rate and/or methods of reimbursement.

9 (c) Allocation of Nonfederal Cost of Medicaid. The State shall pay eight-five
 10 percent (85%); the county shall pay fifteen percent (15%) of the nonfederal costs of all
 11 applicable services listed in this section.

12 (d) Co-payment for Medicaid Services. The Department of Human Resources
 13 may establish co-payment up to the maximum permitted by federal law and regulation.

14 (e) Medicaid and Aid to Families with Dependent Children Income
 15 Eligibility Standards. Effective January 1, 1990, the maximum net family annual
 16 income eligibility standards for Medicaid and Aid to Families with Dependent Children,
 17 and the Standard of Need for Aid to Families with Dependent Children shall be as
 18 follows.

<u>Categorically Needy</u>		<u>Medically Needy</u>	
<u>Family</u>	<u>Standard</u>	<u>AFDC Payment</u>	
<u>Size</u>	<u>Of Need</u>	<u>Level*</u>	<u>AA,AB,AD*</u>
1	\$ 4,344	\$ 2,172	\$ 2,900
2	5,664	2,832	3,800
3	6,528	3,264	4,400
4	7,128	3,564	4,800
5	7,776	3,888	5,200
6	8,376	4,188	5,600
7	8,952	4,476	6,000
8	9,256	4,680	6,300

32 *Aid to Families with Dependent Children (AFDC); Aid to the Aged (AA); Aid to the
 33 Blind (AB); and Aid to the Disabled (AD).

34 The payment level for Aid to Families with Dependent Children shall be fifty percent
 35 (50%) of the standard of need.

36 These standards may be changed with the approval of the Director of the
 37 Budget with the advice of the Advisory Budget Commission.

38 (f) Spouse Responsibility. The Department of Human Resources, Division
 39 of Medical Assistance, may not consider the income or assets of the spouse of a person
 40 who is admitted as a long-term care patient in a certified public or private intermediate
 41 care or skilled nursing facility to be available to the institutionalized person. This
 42 provision will remain in effect until superseded by federal law under the Medicare
 43 Catastrophic Coverage Act of 1988, on September 1, 1989.

1 (g) Dental Coverage Limits. Dental services will be provided on a restricted
2 basis in accordance with regulations developed by the Department. Funds for dental
3 services shall be disbursed only with prior approval by the Department of Human
4 Resources, Division of Medical Assistance, as required by this subsection. No prior
5 approval shall be required for emergency services or routine services. Routine services
6 are defined as examinations, X rays, prophylaxes, nonsurgical tooth extractions,
7 amalgam fillings, and fluoride treatments. Prior approval shall be required for all other
8 services and for routine services performed more than two times during a consecutive
9 12-month period. The Department of Human Resources shall adopt rules, as provided
10 by the Administrative Procedure Act, to implement this subsection.

11 (h) Dispensing of Generic Drugs. Notwithstanding G.S. 90-85.27 through
12 G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security
13 Act) a prescription order for a drug designated by a trade or brand name shall be
14 considered to be an order for the drug by its established or generic name, except when
15 the prescriber personally indicates, either orally or in his own handwriting on the
16 prescription order, "dispense as written" or words of similar meaning. Generic drugs,
17 when available in the pharmacy, shall be dispensed at a lower cost to the Medical
18 Assistance Program rather than trade or brand name drugs, subject to the prescriber's
19 "dispense as written" order as noted above.

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

24 (i) Exceptions to Service Limitations, Eligibility Requirements, and
25 Payments. Service limitations, eligibility requirements, and payments, and payments
26 bases in this section may be waived by the Department of Human Resources, with the
27 approval of the Director of the Budget, to allow the Department to carry out pilot
28 programs for prepaid health plans or community based services programs in accordance
29 with plans approved by the U.S. Department of Health and Human Services, or when
30 the Department determines that such a waiver will result in a reduction in the total
31 Medicaid costs for the recipient.

32 (j) Volume Purchase Plans and Single Source Procurement. The Department
33 of Human Resources, Division of Medical Assistance, may, subject to the approval of a
34 change in the State Medicaid Plan, contract for services, medical equipment, supplies
35 and appliances by implementation of volume purchase plans, single source procurement
36 or other similar processes in order to improve cost containment.

37 (k) Cost Containment Programs. The Department of Human Resources,
38 Division of Medical Assistance, may undertake cost containment programs including
39 preadmissions to hospitals and prior approval for certain outpatient surgeries before
40 they may be performed in an inpatient setting.

41 (l) For all Medicaid eligibility classifications for which the federal poverty
42 level, is used as an income limits for eligibility determination, the income limits will be
43 updated each July 1 immediately following publication of federal poverty guidelines.

1 (m) Effective January 1, 1988, the Department of Human Resources shall
2 provide Medicaid to 19-, 20-, and 21-year olds in accordance with federal rules and
3 regulations.

4 (n) The Department of Human Resources shall provide coverage to pregnant
5 women and children according to the following schedule:

6 (1) Pregnant women with incomes equal to or less than one hundred
7 eighty-five percent (185%) of the federal poverty guidelines as revised
8 each July shall be covered for Medicaid benefits;

9 (2) Infants under the age of one with family incomes equal to or less than
10 one hundred eighty-five percent (185%) of the federal poverty
11 guidelines as revised each July 1, shall be covered for Medicaid
12 benefits;

13 (3) Children aged one through five with family incomes equal to or less
14 than one hundred thirty-three percent (133%) of the federal poverty
15 guidelines as revised each July 1 shall be covered for Medicaid
16 benefits; and

17 (4) Children aged 6 through 18 who were born after September 30, 1983,
18 with family incomes equal to the federal poverty guidelines as revised
19 each July 1, shall be covered for Medicaid benefits.

20 Services to pregnant women eligible under this section continue throughout the
21 pregnancy but include only those related to pregnancy and to those other conditions
22 determined by the Department as conditions that may complicate pregnancy. In order to
23 reduce county administrative costs and to expedite the provision of medical services to
24 pregnant women, to infants, and to children eligible under this section, no resources test
25 shall be applied.

26 (o) The Department of Human Resources may use Medicaid funds budgeted
27 from program services to support the cost of administrative activities to the extent that
28 these administrative activities product a net savings in services requirements.
29 Administrative initiatives funded by this section shall be first approved by the Office of
30 State Budget and Management.

31
32 ---NONMEDICAID REIMBURSEMENT

33
34 Sec. 36. Providers of medical services under the various State programs other
35 than Medicaid offering medical care to citizens of the State shall be reimbursed at rates
36 no more than those under the North Carolina Medical Assistance Program.

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

43 Notwithstanding the provisions of paragraph one, the Department of Human
44 Resources may negotiate with providers of medical services under the various DHR

1 programs, other than Medicaid, for rates as close as possible to Medicaid rates for the
 2 following purposes: contracts or agreements for medical services and purchases of
 3 medical equipment and other medical supplies. These negotiated rates are allowable
 4 only to meet the medical needs of its non-Medicaid eligible patients, residents and
 5 clients who require such services which cannot be provided when limited to the
 6 Medicaid rate.

7 Maximum net family annual income eligibility standards for services in these
 8 programs with the exception of Migrant Health, School Health, AIDS Drug
 9 Reimbursement Program, diagnostic assessment for infants with sickle cell syndrome,
 10 and Home Health shall be as follows:

11 Family		Medical Eye	All	
12 <u>Size</u>	<u>Kidney</u>	<u>Care Adults</u>	<u>Rehabilitation</u>	<u>Other</u>
13 1	\$ 6,400	\$ 4,860	\$ 8,364	\$ 4,200
14 2	8,000	5,940	10,944	5,300
15 3	9,600	6,204	13,500	6,400
16 4	11,000	7,284	16,092	7,500
17 5	12,000	7,824	18,648	7,900
18 6	12,800	8,220	21,228	8,300
19 7	13,600	8,772	21,708	8,800
20 8	14,400	9,312	22,220	9,300

21 The eligibility level each fiscal year for outpatient services for all clients and
 22 for inpatient services for children under the age of five, in the Children's Special Health
 23 Services Program shall be one hundred percent (100%) of the federal poverty guidelines
 24 as revised annually by the United States Department of Health and Human Services, in
 25 effect on July 1 of each fiscal year. The eligibility level for children in the Medical Eye
 26 Care Program in the Division of Services for the Blind shall be the same as that for
 27 children in the Children's Special Health Services Program.

28 29 ---LIMITATIONS ON THE STATE ABORTION FUND

30
31 Sec. 37. Section 93 of Chapter 479, 1985 Session Laws, as amended by
 32 Section 75 of Chapter 738 of the 1987 Session Laws, and as further amended by Section
 33 72 of Chapter 500 of the 1989 Session Laws and Section 79 of Chapter 1066 of the
 34 1989 Session Laws (meeting in the 1990 Short Session) are hereby repealed.

35 (1) It shall be the policy of the State of North Carolina Carolina that the State
 36 Abortion Fund shall not be available for abortion on demand but shall be limited in
 37 accordance with this section. Funds in the amount of two hundred thousand dollars
 38 (\$200,000) are appropriated in this act to the Department of Human Resources, Division
 39 of Social Services, to reimburse medical providers, including licensed physicians,
 40 licensed hospitals, and other facilities for those services permitted under G.S. 14-45.1
 41 except that the Fund will be limited to reimbursing providers for services provided
 42 within the first 112 days of pregnancy. No State funds in excess of two hundred
 43 thousand dollars (\$200,000) per fiscal year, whether from tax revenue, gift, bequest,
 44 grant, or any other sources, may be expended for the performance of abortions during

1 the 1991-92 fiscal year or the 1992-93 fiscal year. The Fund shall be administered by
2 the Department of Human Resources, Division of Social Services.

3 (2) Eligibility. Applicants for services under this section shall be residents of
4 North Carolina whose income does not exceed the financial eligibility criteria
5 established by the Social Services Commission for the service, and who meet one or
6 more of the following conditions:

7 (a) The pregnancy is the result of rape or incest;

8 (b) The woman is mentally retarded as defined in G.S. 122C-3; or,

9 (c) In the opinion of two doctors, the mother's life is endangered or her
10 physical health, exclusive of mental or psychological health, is gravely
11 impaired by the pregnancy.

12
13 ---FAMILY SUPPORT ACT

14
15 Sec. 38. (a) Section 229 of Chapter 1014 of the 1985 Session Laws is amended
16 by adding a new subsection to read:

17 "(d) If any provision of this section is held invalid by a court of competent
18 jurisdiction, the invalidity shall not affect the remaining provisions of this section that
19 can be given effect."

20 (b) The General Assembly finds that it is in the best interest of the State and of
21 all its citizens to encourage recipients of Aid to Families with Dependent Children to
22 obtain jobs and become self-sufficient. It further finds that, by continuing medical
23 assistance and providing limited wage assistance to those recipients who are working,
24 the State will make it possible to help many recipients to be able to keep their jobs,
25 support their families, and become self-sufficient.

26 (c) The Social Services Commission shall adopt rules to change the way it
27 budgets Aid to Families with Dependent Children payments that will result in more
28 recipients being able to find work and keep working. These rules shall include
29 subtracting countable income from the State standard of need, and paying a percentage
30 of the difference. The percentage that shall be applied to determine the amount of
31 assistance shall be the same percentage set in the Current Operations Appropriations
32 Act that determines the Aid to Families of Dependent Children payment level from the
33 standard of need.

34
35 ---RETROSPECTIVE ACCOUNTING ADJUSTMENT/AFDC

36
37 Sec. 39. The Department of Human Resources shall use funds appropriated
38 to it by this act to provide a State supplementary payment to Aid to Families with
39 Dependent Children households adversely affected by the retrospective
40 accounting procedure as allowed under Section 403(a) of the Social Security Act as
41 amended by Section 157(a) of the Tax Equity and Fiscal Responsibility Act of 1982.
42 The amount of the State supplement shall not exceed the maximum payment standard
43 for the Aid to Families with Dependent Children Program. This provision shall remain
44 in effect until such time as it may be repealed by the General Assembly.

1
2 ---AFDC/WOMEN IN THIRD TRIMESTER OF PREGNANCY

3
4 Sec. 40. The Division of Social Services, Department of Human Resources,
5 shall provide Aid to Families with Dependent Children to women in their third trimester
6 of pregnancy regardless of whether these women have children, if they otherwise
7 qualify for these payments. This provision shall remain in effect until such time as it
8 may be repealed by the General Assembly.

9
10 ---FOOD STAMP OUTREACH PROGRAM

11
12 Sec. 41. (a) The Department of Human Resources shall continue a Food Stamp
13 Outreach Program. Under the Program, the Department shall inform public and private
14 agencies, community groups, potentially eligible persons, and the general public
15 regarding the eligibility requirements of the Food Stamp Program. The Department
16 shall maintain a referral list of public and private agencies, community groups, and
17 interested persons and organizations who serve low-income persons. The Department
18 shall inform these agencies and persons regarding the Food Stamp Program and changes
19 in the law that affect client eligibility or the extent of benefits. The Department shall
20 develop and distribute informational materials, such as public service announcements,
21 brochures, pamphlets, posters, and correspondence.

22
23 ---CHILD PROTECTIVE SERVICES FUNDS

24
25 Sec. 42. (a) Of the funds appropriated to the Department of Human Resources,
26 Division of Social Services for Child Protective Services, the Division shall use up to
27 \$175,900 in each fiscal year to provide consultation and technical assistance to county
28 departments of social services to strengthen and support local child protective services.
29 The remaining funds shall be allocated to the county departments of social services as
30 follows:

- 31 (1) \$10,000 for the 1991-92 fiscal year and \$10,000 for the 1992-93 fiscal
32 year shall be allocated to each of the 15 county departments that did
33 not receive an allocation of the 1985 State appropriation for child
34 protective services;
- 35 (2) In addition, each of the 100 county departments shall receive an
36 allocation of \$10,000 for the 1991-92 fiscal year and \$10,000 for the
37 1992-93 fiscal year;
- 38 (3) The balance of available funds shall be allocated to each county
39 department based upon the percentage that the total number of abuse
40 and neglect reports within that county represents to the statewide total
41 number of abuse and neglect reports. These percentages shall be
42 computed from the reports received by the Central Registry of Abuse
43 and Neglect cases for the next two prior fiscal years.

1 (b) Funds allocated to county departments of social services pursuant to this
2 section shall be used for staff carrying out investigations of reports of child abuse or
3 neglect or providing protective or preventive services in cases in which the department
4 confirms neglect, abuse, or dependency. If a county department demonstrates that it has
5 adequate protective services staff, these funds may be used to purchase or provide
6 treatment and other support services to children and their families in confirmed cases.
7 All expenditures shall be directly in support of the departments' program of protective
8 services for children. These funds shall not be used to supplant any Social Services
9 Block Grant funds or county appropriations previously budgeted for protective services
10 for children.

11 (c) The Department of Human Resources, Division of Social Services, shall
12 establish criteria and guidelines to assure that the allocations to county departments of
13 social services are used in accordance with the intent and purposes of this section.

14
15 —EMERGENCY ASSISTANCE

16
17 Sec. 43. The Division of Social Services, Department of Human Resources,
18 shall not expend more State funds than are appropriated for Emergency Assistance by
19 this act. Within this limit, Emergency Assistance benefits shall not exceed three
20 hundred dollars (\$300.00) per year per family, payable over a 30-day period. After this
21 30-day period, Emergency Assistance benefits are not available to that family until 12
22 months have elapsed from the initial authorization date. The family may have no more
23 than a total of three hundred dollars (\$300.00) in liquid assets in order to qualify for any
24 Emergency Assistance pursuant to this section.

25 It is the intent of the General Assembly that these Emergency Assistance funds shall
26 only be used to provide assistance to persons to alleviate an emergency. In evaluating
27 whether an emergency exists, the county departments of social services shall apply
28 prudent judgment to evaluate each emergency on its own merits. Prudent judgment will
29 permit departments of social services to consider whether the client created the
30 emergency and whether the assistance will resolve the emergency.

31
32 —ADOPTION SUBSIDY

33
34 Sec. 44. The adoption subsidy paid monthly by the Division of Social
35 Services, Department of Human Resources, to eligible families who adopt hard to place
36 children shall be established at one hundred fifty dollars (\$150.00) per child per month.

37
38 —FOSTER CARE RATE

39
40 Sec. 45. Funds appropriated to the Department of Human Resources by this
41 act for foster care assistance rates shall be used to set the rates at two hundred sixty-five
42 dollars (\$265.00) per child per month.

43
44 —DOMICILIARY RATE INCREASE

1
2 Sec. 46. Effective January 1, 1992, the maximum monthly rate for
3 ambulatory residents in domiciliary care facilities shall be eight hundred twenty-two
4 dollars (\$822.00) and the maximum monthly rate for semi-ambulatory residents shall be
5 eight hundred sixty-one dollars (\$861.00).

6
7 —DOMICILIARY STATE/COUNTY SHARE OF COSTS

8
9 Sec. 47. The State shall pay fifty percent (50%), and the counties shall pay
10 fifty percent (50%) of that portion of the authorized maximum rates for domiciliary care
11 in homes for the aged and for family care homes, including area mental health agency
12 operated group homes, which cannot be paid by the eligible resident of such facility.

13
14 —IN-HOME AGING SERVICES

15
16 Sec. 48. Of the funds appropriated to the Division of Aging, Department of
17 Human Resources, by this act for the 1991-93 fiscal biennium, the sum of seven
18 hundred twenty thousand dollars (\$720,000) for the 1991-92 fiscal year and the sum of
19 seven hundred twenty thousand dollars (\$720,000) for the 1992-93 fiscal year shall be
20 used to provide funds for additional in-home aide services that enable the frail elderly to
21 remain in their homes and avoid institutionalization.

22 The Division shall administer the in-home aide services and activities funded by this
23 section. The Division of Aging shall choose in-home service providers in accordance
24 with procedures under the Older Americans Act and shall include the following criteria:
25 documented capacity to provide care, adequacy of quality assurance, training,
26 supervision, abuse prevention, complaint mechanisms, and costs. All funds allocated by
27 the Division pursuant to this section shall be allocated by October 1 of each fiscal year
28 on the same basis as funding under the Older Americans Act. Effective July 1, 1992,
29 local matching requirements shall be no less than ten percent (10%). State funding shall
30 not exceed ninety percent (90%) of the reimbursable cost.

31
32 —CAREGIVER SUPPORT - AGING

33
34 Sec. 49. (a) Of the funds appropriated to the Division of Aging, Department of
35 Human Resources, by this act for the 1991-93 fiscal biennium, the sum of one million
36 eight thousand dollars (\$1,008,000) for the 1991-92 fiscal year and the sum of one
37 million eight thousand dollars (\$1,008,000) for the 1992-93 fiscal year shall be used for
38 services that support family caregivers of elderly persons with functional disabilities,
39 whether physical or mental, who want to stay in their homes rather than be
40 institutionalized but who need assistance with the activities of daily living in order to
41 remain at home. The services that may be purchased from funds received under this
42 section include:

- 43 (1) Respite Care;
44 (2) Adult Day Care;

- 1 (3) Stipends and other related costs for senior companions, modeled after
2 the federal Senior Companion Program; and
3 (4) Other related services that meet needs not now adequately addressed
4 by the services described in subdivisions (1) through (3) of this
5 subsection.

6 (b) The Division of Aging shall expend funds for these services according to the
7 population of persons 70 years or more in each region. The Division of Aging shall use
8 a maximum of ninety-five percent (95%) of the funds it receives for the services
9 described in subdivisions (1) through (4) of subsection (a) of this section and may only
10 use a maximum of five percent (5%) for technical assistance as described in subsection
11 (c) of this section. The Division of Aging shall choose providers in accordance with
12 procedures under the Older Americans Act. Funds allocated by the Division pursuant to
13 this section shall be allocated by October 1 of each fiscal year. Effective July 1, 1992,
14 local matching requirements shall be no less than ten percent (10%). State funding shall
15 not exceed ninety percent (90%) of the reimbursable costs.

16 (c) The Division of Aging may contract for technical assistance. The technical
17 assistance shall include training assistance, coordination of various service delivery and
18 funding sources, and ideas for innovative ways to build a lasting system of services for
19 family caregivers.

20
21 ---SENIOR CENTER OUTREACH AND CAPITAL IMPROVEMENTS

22
23 Sec. 50. The sum of seven hundred sixty-three thousand eight hundred
24 dollars (\$763,800) for the 1991-92 fiscal year and the sum of seven hundred sixty-three
25 thousand eight hundred dollars (\$763,800) for the 1992-93 fiscal year shall be used by
26 the Department of Human Resources, Division of Aging to enhance senior center
27 programs and facilities. All of these funds shall be allocated by October 1 of each fiscal
28 year.

29 All funds received under this section shall (i) test "satellite" services provided
30 by existing senior centers to unserved or underserved areas; or (ii) provide start-up
31 funds for new centers; or (iii) fund capital improvements to existing senior centers. If
32 funds received under this section are awarded for the purpose of starting up a new
33 senior center, the county commissioners shall first:

- 34 (1) Formally endorse the need for such a center;
35 (2) Formally agree on the sponsoring agency for the center; and
36 (3) Make a formal commitment to use local funds to support the ongoing
37 operation of the center.

38 Effective July 1, 1992, local matching requirements shall be no less than ten
39 percent (10%). State funding shall not exceed ninety percent (90%) of reimbursable
40 costs.

41
42 ---AGING FEDERAL MATCHING FUNDS

1 Sec. 51. The Division of Aging, Department of Human Resources, may use
2 funds appropriated in this act to provide the State matching requirement necessary to
3 draw down federal money available through Title III-D of the Older Americans Act for
4 in-home services for the frail elderly, including those with Alzheimer's Disease.

5
6 —DAY CARE RATES

7
8 Sec. 52. (a) Rules for the monthly schedule of payments for the purchase of day
9 care services for low-income children shall be established by the Social Services
10 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following
11 requirements:

12 (1) For day care facilities, as defined in G.S. 110-86(3), in which fewer
13 than fifty percent (50%) of the enrollees are subsidized by State or
14 federal funds, the State shall continue to pay the same fee paid by
15 private paying parents for a child in the same age group in the same
16 facility.

17 (2) Facilities in which fifty percent (50%) or more of the enrollees are
18 subsidized by State or federal funds may choose annually one of the
19 following payment options:

20 a. The facility's payment rate for fiscal year 1985-86; or

21 b. The county market rate, as calculated annually by the Division
22 of Facility Services' Child Day Care Section in the Department
23 of Human Resources. A market rate shall be calculated for
24 each county and for each age group of enrollees, and shall be
25 representative of fees charged to unsubsidized private paying
26 parents for each age group of enrollees within the county. The
27 county market rates shall be calculated from facility fee
28 schedules collected by the Child Day Care Section during its
29 routine inspection visits.

30 (3) Child day care homes as defined in G.S. 110-86(4) and individual
31 child care arrangements may be paid the county market rate for day
32 care homes which shall be calculated at least biennially by the Child
33 Day Care Section according to the method described in subsection (a)
34 (2) of this section, using day care fee schedules collected by the
35 Section during its routine inspection visits.

36 (b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General
37 Statutes may participate in the program that provides for the purchase of care in day
38 care facilities, for minor children of needy families. No separate licensing requirements
39 may be used to select facilities to participate.

40 Day care homes from which the State purchases day care services shall meet
41 the standards established by the Child Day Care Commission pursuant to G.S. 110-101
42 and G.S. 110-105.1. Individual child care arrangements shall meet the requirements
43 established by the Social Services Commission.

1 (c) County departments of social services shall continue to negotiate with day
2 care providers for day care services below those rates prescribed by subsection (a) of
3 this section. County departments are directed to purchase day care services so as to
4 serve the greatest number of children possible with existing resources.

5
6 ---DAY CARE ALLOCATION FORMULA

7
8 Sec. 53. (a) To simplify current day care allocation methodology and more
9 equitably distribute State day care funds, the Department of Human Resources shall
10 apply the following allocation formula to all noncategorical federal and State day care
11 funds used to pay the costs of necessary day care for minor children of needy families:

- 12 (1) One-third of budgeted funds shall be distributed according to the
13 county's population in relation to the total population of the State;
14 (2) One-third of the budgeted funds shall be distributed according to the
15 number of children under 6 years of age in a county who are living in
16 families whose income is below the State poverty level in relation to
17 the total number of children under 6 in the State in families whose
18 income is below the poverty level; and
19 (3) One-third of budgeted funds shall be distributed according to the
20 number of working mothers with children under 6 years of age in a
21 county in relation to the total number of working mothers with
22 children under 6 in the State.

23 (b) Counties whose allocation, if based on previously used formulas, exceeds the
24 allocation produced by the formula prescribed by this section may not have their
25 allocations reduced to the level that results from application of the new formula.
26 Counties whose allocation, if based on previously used formulas, is less than the
27 allocation produced by the formula prescribed by this section shall continue to receive
28 the proportional share of those funds that they received pursuant to appropriations for
29 this purpose by the 1985 General Assembly. The formula prescribed by this section
30 shall not be implemented unless additional State or federal funds are made available.
31 The additional funds must be sufficient to apply the new formula without reducing any
32 county's allocation below the previous year's initial allocation for child day care.

33 (c) The Department of Human Resources shall distribute the funds appropriated
34 and otherwise available to it for day care for minor children of needy families so as to
35 serve the greatest number of children possible.

36 (d) No local matching funds may be required by the Department of Human
37 Resources as a condition of any locality's receiving any State day care funds
38 appropriated by this act unless federal law requires such a match.

39
40 ---WILLIE M.

41
42 Sec. 54. (a) It is the intent of the General Assembly that funds appropriated in
43 this act to the Department of Human Resources for serving members of the Willie M.
44 Class be expended only for programs serving members of the Willie M. Class identified

1 in Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs. Hunt, et al., including
2 evaluations of potential class members. It is recognized that therapeutic or economic
3 reasons may, at times, require certain of these services to serve a mixed clientele of
4 Willie M. Class members and other clients. To the maximum extent possible, however,
5 these funds shall be expended solely for the benefit of Willie M. Class members. The
6 Department shall reallocate these funds among services to Willie M. Class members
7 during the year as it deems advisable in order to use the funds efficiently in providing
8 appropriate services to Willie M. Class children.

9 (b) Funds appropriated to the Department of Public Education in this act for
10 members of the Willie M. Class, are to establish a supplemental reserve fund to serve
11 only members of the class identified in Willie M., et al. vs. Martin, et al., formerly
12 Willie M., et al. vs. Hunt, et al. These funds shall be allocated by the State Board of
13 Education to the local education agencies to serve those class members who were not
14 included in the regular average daily membership and the census of children with
15 special needs, and to provide the additional program costs which exceed the per pupil
16 allocation from the State Public School Fund and other State and federal funds for
17 children with special needs.

18 (c) No State funds shall be expended on the placement and services of class
19 members in Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs. Hunt, et al.
20 or for any other thing or purpose arising out of this litigation, now or at any time in the
21 biennium, except for those funds appropriated in this act to the Departments of Public
22 Education and Human Resources for programs serving members of the Willie M. Class
23 identified in Willie M., et al. vs. Martin, et al., formerly Willie M., et al. vs. Hunt, et al.,
24 and except for such funds as may be elsewhere appropriated by the General Assembly
25 specifically for such purposes. The above limitation shall not preclude the use of
26 unexpended Willie M. funds from prior fiscal years to cover current or future needs of
27 the Willie M. program subject to approval by the Director of the Budget. Such
28 expenditures shall not be subject to the requirements of G.S. 143-18.

29 (d) Notwithstanding any other provision of law, if the Department of Human
30 Resources determines that a local program is not providing appropriate services to
31 members of the class identified in Willie M., et al. vs. Martin, et al., formerly Willie M.,
32 et al. vs. Hunt, et al., the Department may ensure the provision of these services through
33 contracts with public or private agencies or by direct operation by the Department of
34 such programs.

35 (e) The Department of Human Resources and the Department of Public
36 Education shall submit, by May 1 of each year, a joint report to the Governor and the
37 General Assembly on the progress achieved in serving members of the Willie M. Class.
38 The report shall include the following unduplicated data for each county: (i) the
39 number of children nominated for the Willie M. Class; (ii) the number of children
40 actually identified as members of the Class in each county; (iii) the number of children
41 served as members of the Class in each county; (iv) the number of children who remain
42 unserved; (v) the types and locations of treatment and education services provided to
43 Class members; (vi) the cost of services, by type, to members of the Class; (viii)
44 information on the impact of treatment and education services on members of the Class.

1
2 ---MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS

3
4 Sec. 55. Funds received by the Department of Human Resources for the tax
5 levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the
6 Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall
7 be matched by local funds in accordance with the State/local ratio established by the
8 current area mental health matching formula. These funds shall be allocated to the area
9 mental health programs for substance abuse services on a per capita basis as determined
10 by the Office of State Budget and Management's most recent estimates of county
11 populations.

12
13 ---THOMAS S.

14
15 Sec. 56. "(a) Funds appropriated to the Department of Human Resources in this
16 act for the 1991-92 fiscal year and the 1992-93 fiscal year for members of the Thomas
17 S. Class as identified in Thomas S., et al. vs. Flaherty, shall be placed in a reserve in the
18 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
19 and shall be expended only for programs serving Thomas S. Class members or for
20 services for those clients who are likely to become class members."

21 "(b) The Department of Human Resources shall provide periodic reports of funds
22 expended and services performed on behalf of members of the Thomas S. Class and on
23 behalf of those clients who are likely to become class members to the Joint Legislative
24 Commission on Governmental Operations and to the Fiscal Research Division of the
25 Legislative Services Office."

26 "(c) Notwithstanding any other provision of law, if the Department of Human
27 Resources determines that a local program is not providing appropriate services to
28 members of the class identified in Thomas S., et al. vs. Flaherty, the Department may
29 ensure the provision of these services through contracts with public or private agencies
30 or by direct operation by the Department of such programs."

31
32 ---ADAP TRANSPORTATION REIMBURSEMENT

33
34 Sec. 57. (a) Reimbursement of Adult Developmental Activity Program for
35 transportation of clients shall be based on a cost per client basis. There shall be
36 different levels of reimbursement based on documented cost levels.

37 (b) In reimbursing Adult Developmental Activity programs, the Department shall
38 base the reimbursement on the distribution by cost range developed by the Division of
39 Mental Health, Developmental Disabilities and Substance Abuse Services, in
40 accordance with its most recently conducted cost study.

41
42 ---SPECIALIZED RESIDENTIAL CENTERS' BED CONVERSIONS

1 Sec. 58. Funds made available as a result of the conversion of State
2 supported beds in specialized residential centers to ICF/MR beds shall be used to
3 increase the State subsidy provided to centers. Funds made available to centers by this
4 section shall be used, as they become available, to increase the subsidy rate to sixty-five
5 percent (65%) of the statewide average cost of providing this service based on the most
6 recent Specialized Community Residential Cost Study.

7 Funds made available in addition to those needed to increase the subsidy rate
8 may be transferred to the Division of Medical Assistance as needed to be used as State
9 match for the converted ICF/MR beds.

10
11 —PIONEER FUNDING SYSTEM

12
13 Sec. 59. Notwithstanding the provisions of G.S. 122C-147 or necessary
14 alterations in the 1989 adopted Pioneer System Implementation Plan which may be
15 caused by budget shortfalls, the Department of Human Resources is authorized to pay
16 budgeted funds to area mental health, developmental disabilities and substance abuse
17 programs on a unit cost basis for services delivered by those area programs which are
18 operating under the Pioneer System.

19
20 —DHR PROGRAM FUNDS

21
22 Sec. 60. (a) Notwithstanding the provisions of G.S. 143-23, the Secretary of the
23 Department of Human Resources, with the approval of the Office of State Budget and
24 Management, may use, to the extent possible, any funds appropriated or otherwise
25 available to the Department in the 1991-92 fiscal year for the following needs, pursuant
26 to the Governor's recommended changes to the 1991-92 State Budget:

- 27 (1) Mental Health Accounts Receivable/Billing; and
28 (2) Pioneer Funding Project.

29 (b) The Department of Human Resources shall choose the priority in which the
30 items in subsection (a) of this section shall be funded.

31
32 —JOHN UMSTEAD HOSPITAL - PLANNING

33
34 Sec. 61. The Department of Human Resources may use funds that become
35 available to it through gifts, federal or private grants, receipts from federal programs, or
36 any other source in the 1991-92 fiscal year, for advance planning through the working
37 drawings phase for a psychiatric facility at John Umstead Hospital.

38
39 —LIABILITY INSURANCE FOR PHYSICIANS/DENTISTS

40
41 Sec. 62. The Secretary of the Department of Human Resources, the Secretary
42 of the Department of Environment, Health and Natural Resources, and the Secretary of
43 the Department of Correction may provide medical liability coverage not to exceed
44 \$1,000,000 on behalf of employees of the Departments licensed to practice medicine or

1 dentistry. This coverage may include commercial insurance or self-insurance and shall
2 cover these employees for their acts or omissions only while they are engaged in
3 providing medical and dental services pursuant to their State employment.

4 The coverage provided pursuant to this section shall not require any
5 additional appropriations and shall not apply to any individual providing contractual
6 service to the Department of Human Resources, the Department of Environment,
7 Health, and Natural Resources, or the Department of Correction.

8
9 **—TRANSFERS OF CERTAIN FUNDS AUTHORIZED**

10
11 Sec. 63. In order to assure maximum utilization of funds in county
12 departments of social services, county or district health agencies, and area mental
13 health, mental retardation and substance abuse authorities, the Director of the Budget is
14 authorized to transfer excess funds appropriated to a specific service or program fund
15 (whether specified in a block grant plan or General Fund appropriation) into another
16 service or program fund for local services within the budget of the respective State
17 agency.

18 This provision shall remain in effect until such time as it may be repealed by
19 the General Assembly.

20
21 **—COMMUNITY ACTION PROGRAM FUNDS**

22
23 Sec. 64. For the 1991-92 fiscal year and the 1992-93 fiscal year, all agencies
24 designated as eligible agencies pursuant to G.S. 113-28.24 that receive Community
25 Services Block Grant funds may use those funds for the administration of agency
26 programs. The amount of those funds used for administration of agency programs shall
27 be limited to ten percent (10%) of the total annual budget of the agency as certified in
28 the prior year's audit of the agency.

29
30 **—DHR EMPLOYEES AS IN-KIND MATCH**

31
32 Sec. 65. Notwithstanding the limitations of G.S. 143B-139.4, the Secretary
33 of the Department of Human Resources may assign employees of the Office of Rural
34 and Resource Development to serve as in-kind match to nonprofit corporations working
35 to establish health care programs that would improve access while controlling costs.

36
37 **—CHILD CARING INSTITUTIONS REIMBURSEMENT**

38
39 Sec. 66. Funds appropriated in this act for the monthly payment of State
40 funds to private residential child care agencies for the provision of foster care shall be
41 disbursed in accordance with rules established by the Social Services Commission
42 pursuant to G.S. 143B-153(2)d., and in accordance with the following requirements:

- 43 (1) Only those child caring agencies that have been receiving funds from
44 the Division of Social Services that have been appropriated as Grants-

1 In-Aid to non-State agencies shall be included in the distribution of
2 these funds unless additional State or federal funds are made available
3 to fund new agencies. The additional funds must be sufficient to
4 include the new agencies without reducing the allocation to agencies
5 receiving funds.

6 (2) The formula for the distribution of these funds shall be based upon the
7 assumption that the State is committed to paying allowable foster care
8 maintenance cost and will do so to the extent that State and federal
9 funds are available.

10 (3) In any year State and federal funds are not sufficient to pay each
11 agency's allowable foster care maintenance costs, each participating
12 agency's rate will be reduced by the same percentage so that each
13 agency receives the same percentage of their allowable costs.

14 (4) These provisions shall be effective July 1, 1992.

15
16 PART X.—DEPARTMENT OF AGRICULTURE

17
18 —ABOLISH AGRICULTURAL FINANCE AUTHORITY

19
20 Sec. 67. (a) The funds remaining in the Reserve for Farm Loans of the North
21 Carolina Agricultural Finance Authority shall revert to the General Fund on June 30,
22 1991.

23 (b) The title of all fixed assets of the Authority, including any office equipment
24 and supplies, shall be transferred to the Department of Agriculture. The Authority shall
25 complete such transfer no later than June 30, 1991.

26 (c) The State Treasurer shall assume all the duties and rights of the Authority
27 pursuant to the provisions of Chapter 122D of the General Statutes, specifically those
28 under G.S. 122D-6 regarding the repayment of agricultural loans and any other
29 outstanding obligations due to the authority, as if that Chapter had not been repealed.

30 (d) The North Carolina Agricultural Finance Authority is abolished.

31 (e) Chapter 122D of the General Statutes is repealed.

32 (f) G.S. 53-234(6) reads as rewritten:

33 "(6) 'Exempt person or organization' means:

34 (a) Any lender authorized to engage in business as a bank, a farm
35 credit system, life insurance company, savings institution, or
36 credit union, under the laws of the United States or the State of
37 North Carolina and subsidiaries and affiliates of such lenders,
38 which subsidiaries and affiliates are subject to the general
39 supervision or regulation of the lender or subject to audit or
40 examination by a regulatory body or agency of the United
41 States or the State of North Carolina; the entities listed in this
42 sub-subdivision, and their officers and employees, are not
43 subject to any of the provisions of this Article; or

- 1 (b) Any licensed real estate agent or broker, who is performing
2 those activities subject to the regulation of the North Carolina
3 Real Estate Commission. Notwithstanding the above, an
4 exempt person does not include a real estate agent or broker
5 who receives direct compensation or income in connection with
6 the placement of a mortgage loan; or
- 7 (c) Any person who, as seller, receives in one calendar year no
8 more than ten mortgages, deeds of trust, or other security
9 instruments on real estate as security for a purchase money
10 obligation; or
- 11 (d) The North Carolina Housing Finance Agency as established by
12 Chapter 122A of the General Statutes ~~The North Carolina~~
13 ~~Agricultural Finance Authority as established by Chapter 122D~~
14 ~~of the General Statutes~~; or
- 15 (e) Any agency of the federal government or any state or municipal
16 government granting first mortgage loans under specific
17 authority of the laws of any state or the United States."
- 18 (g) G.S. 120-123(47) is repealed.
- 19 (h) Subsections (a) and (b) of this section become effective June
20 30, 1991. The remaining subsections become effective July 1,
21 1991.

22
23 PART XI.—DEPARTMENT OF ECONOMIC AND COMMUNITY
24 DEVELOPMENT

25
26 —REDUCE AND TRANSFER RURAL ECONOMIC DEVELOPMENT CENTER
27 GRANTS

28 Sec. 68. Grant funds appropriated to the Department of Economic and
29 Community Development for the Rural Economic Development Center shall be reduced
30 by \$500,000 in the 1991-92 fiscal year and \$500,000 in the 1992-93 fiscal year. The
31 balance of the grant (\$1,225,000 each year) shall be retained and disbursed by the
32 Department of Economic and Community Development according to provisions
33 established by the department.

34
35 —UTILITIES REGULATORY FEE

36
37 Sec. 69. The percentage rate for the Utilities regulatory fee shall be set at
38 nine hundredths percent (0.09%) effective July 1, 1991.

39
40 —PETROLEUM OVERCHARGE FUNDS ALLOCATION

41
42 Sec. 70. (a) The funds and interest thereon received from the case of United
43 States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds. There
44 is appropriated from the Special Reserve to the Department of Economic and

1 Community Development the sum of \$10,900,000 for the 1991-92 fiscal year and the
2 sum of \$6,001,511 for the 1992-93 year to be allocated as follows:

- 3 (1) The sum of \$2,200,000 for the 1991-92 fiscal year and the sum of
4 \$1,200,302 for the 1992-93 fiscal year shall be used for projects under
5 the State Energy Conservation and Energy Extension Service
6 Programs;
- 7 (2) The sum of \$3,200,000 for the 1991-92 fiscal year and the sum of
8 \$1,740,438 for the 1992-93 fiscal year shall be used for the Low
9 Income Weatherization Program;
- 10 (3) The sum of \$2,500,000 for the 1991-92 fiscal year and the sum of
11 \$1,380,348 for the 1992-93 fiscal year shall be used for energy
12 conservation programs for hospitals and schools; and
- 13 (4) The sum of \$3,000,000 for the 1991-92 fiscal year and the sum of
14 \$1,680,423 for the 1990-91 fiscal year shall be used for the Low
15 Income Home Energy Assistance Program (LIHEAP).

16 Any remaining funds in the Special Reserve for Oil Overcharge Funds may be
17 expended only as authorized by the General Assembly. All interest or income accruing
18 from all deposits or investments of cash balances shall be credited to the Special
19 Reserve for Oil Overcharge Funds.

20 (b) There is appropriated from funds received from the United States Department
21 of Energy's Stripper Well Litigation (MDL378) and appropriated to the Special Reserve
22 for Oil Overcharge Funds to the Department of Commerce the sum of \$4,898,489 for
23 the 1992-93 fiscal year to be allocated as follows:

- 24 (1) The sum of \$999,698 for the 1992-93 fiscal year for projects under the
25 State Energy Conservation and Energy Extension Service;
- 26 (2) The sum of \$1,119,652 for the 1992-93 fiscal year for energy
27 conservation programs for schools and hospitals;
- 28 (3) The sum of \$1,459,562 for the 1992-93 fiscal year for the Low Income
29 Weatherization Program; and
- 30 (4) The sum of \$1,319,577 for the 1992-93 fiscal year for the Low Income
31 Home Energy Assistance Program (LIHEAP).

32 (c) Diamond Shamrock Settlement Funds: Funds appropriated by Section 112 of
33 Chapter 830 of the 1987 Session Laws to the Energy Division for administrative
34 expenses shall continue to be available to the Energy Division for administrative
35 expenses on an as-needed basis.

36
37 —WORKER TRAINING TRUST FUND
38

39 Sec. 71. (a) There is appropriated from the Worker Training Trust Fund to the
40 Employment Security Commission of North Carolina the sum of six million four
41 hundred fifty-nine thousand six hundred seventy-three dollars (\$6,459,673) for the
42 1991-92 fiscal year and the sum of six million four hundred fifty-nine thousand six
43 hundred seventy-three dollars (\$6,459,673) for the 1992-93 fiscal year for the operation
44 of local offices at the 1986-87 level of service.

1 (b) Notwithstanding G.S. 96-5(c), there is appropriated from the Special
2 Employment Security Administration Fund to the Employment Security Commission of
3 North Carolina, the sum of two million dollars (\$2,000,000) for the 1991-92 fiscal year
4 and the sum of two million dollars (\$2,000,000) for the 1992-93 fiscal year for
5 administration of the Veterans Employment Program, Employment Services Program,
6 and Unemployment Insurance Program.

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

10 (d) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the
11 Worker Training Trust Fund to the following agencies the following sums for the 1991-
12 92 and the 1992-93 fiscal years for the following purposes:

13 (1) The sum of \$2,000,000 for the 1991-92 fiscal year and \$2,000,000 for
14 the 1992-93 fiscal year to the North Carolina Department of Economic
15 and Community Development for the State job training program to be
16 administered through the Job Training Partnership Act system aimed at
17 the unemployed and the working poor.

18 (2) The sum of \$250,000 for the 1991-92 fiscal year and \$250,000 for the
19 1992-93 fiscal year to the North Carolina Department of Public
20 Education for local implementation grants for five Tech Prep programs
21 in the public schools. These grants shall be provided to local school
22 units that have a plan meeting the standards of the State Board of
23 Education and the State Board of Community Colleges.

24 (3) The sum of \$500,000 for the 1991-92 fiscal year and \$500,000 for the
25 1992-93 fiscal year to the North Carolina Department of Labor for
26 customized training of the unemployed and the working poor for
27 specific jobs needed by employers through the Department's Pre-
28 Apprenticeship Division.

29 (4) The sum of \$2,000,000 for the 1991-92 fiscal year and \$2,000,000 for
30 the 1992-93 fiscal year to the North Carolina Department of Human
31 Resources to assist welfare recipients in gaining employment through
32 the federally funded Job Opportunities and Basic Skills program in
33 such a way as to gain the maximum match of federal funds for the
34 State dollars appropriated.

35 (5) The sum of \$1,000,000 for the 1991-92 fiscal year and \$1,000,000 for
36 the 1992-93 fiscal year to the North Carolina Department of
37 Community Colleges to continue the Focused Industrial Training
38 Program.

39
40 ---TOURISM PROMOTION GRANTS

41
42 Sec. 72. Funds appropriated in Section 3 of this act to the Department of
43 Economic and Community Development for tourism promotion grants shall be

1 allocated according to per capita income, unemployment, and population growth in an
2 effort to direct funds to counties most in need in terms of lowest per capita income,
3 highest unemployment, and slowest population growth, in the following manner:

- 4 (1) Counties 1 through 20 are each eligible to receive a maximum grant of
5 ten thousand dollars (\$10,000) for each fiscal year, provided these
6 funds are matched on the basis of one non-State dollar for every four
7 State dollars.
- 8 (2) Counties 21 through 50 are each eligible to receive a maximum grant
9 of five thousand dollars (\$5,000) for two of the next three fiscal years,
10 provided these funds are matched on the basis of one non-State dollar
11 for every three State dollars.
- 12 (3) Counties 51 through 100 are each eligible to receive a maximum grant
13 of five thousand dollars (\$5,000) for alternating fiscal years, beginning
14 with the 1991-92 fiscal year, provided these funds are matched on the
15 basis of four non-State dollars for every State dollar.

16
17 PART XII.—DEPARTMENT OF LABOR

18
19 —FUNDING FOR OSHA ENFORCEMENT POSITIONS

20
21 Sec. 73. The Department of Labor may use funds appropriated to the
22 Department of Labor for the Occupational Health and Safety Act of North Carolina
23 (OSHANC) program to fully fund enforcement personnel in the Compliance Bureau of
24 the OSHANC program, provided the Department of Labor certifies to the Office of
25 State Budget and Management that no federal match is available for the 1991-92 fiscal
26 year and for the 1992-93 fiscal year.

27
28 PART XIII.—DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL
29 RESOURCES

30
31 —BUXTON WOODS PURCHASE FUNDS

32
33 Sec. 74. Funds deposited pursuant to G.S. 20-81.3(c) in the Recreation and
34 Natural Heritage Trust Fund may be used during the 1991-93 biennium to match federal
35 funds for the purchase of land at Buxton Woods.

36
37 —MATERNAL AND CHILD HEALTH CARE

38
39 Sec. 75. (a) The Department of Environment, Health, and Natural Resources
40 shall ensure that local health departments do not reduce county appropriations for
41 maternal and child health services provided by the local health departments because
42 they have received State appropriations pursuant to this act.

43 (b) In order to ensure that funds appropriated by Section 3 of this act for maternal
44 and child health services to the Department of Environment, Health, and Natural

1 Resources, Division of Health Services, provide medical services to as many eligible
2 women of childbearing age as possible, especially to adolescents, these funds may be
3 used only for the purposes of providing prenatal clinics, child health services, purchase
4 of medical services, and family planning services, including education and counseling
5 and medical supplies.

6 (c) All income earned by local health departments from Maternal and Child
7 Health Programs supported in whole or in part from State or federal funds, received
8 from the Department of Environment, Health, and Natural Resources, Division of
9 Health Services, shall be budgeted and expended by local health departments to further
10 the objectives of the program that generated the income.

11
12 ---HEALTH PROMOTION FUNDS

13
14 Sec. 76. The Department of Environment, Health, and Natural Resources
15 shall ensure that local health departments do not reduce county appropriations for health
16 promotion services provided by local health departments if they have received State
17 appropriations for this purpose pursuant to this act.

18
19 ---SEPTAGE MANAGEMENT FEES

20
21 Sec. 77. Receipts collected by the Department of Environment, Health, and
22 Natural Resources pursuant to G.S. 130A-291.1 are appropriated to the Department of
23 Environment, Health, and Natural Resources to operate the North Carolina Septage
24 Management Program.

25
26 ---AUTHORIZATION FOR USE OF WATER QUALITY FEES

27
28 Sec. 78. There is appropriated from the water quality fees collected and
29 deposited in the nonreverting account established in G.S. 143-215.3A, a sum not to
30 exceed \$2,124,142 for the 1991-92 fiscal year and a sum not to exceed \$2,148,017 for
31 the 1992-93 fiscal year to the Department of Environment, Health, and Natural
32 Resources to retain and provide all necessary support for positions, or to establish and
33 provide all necessary support for positions, in the water quality program, when
34 sufficient fees for positions and all necessary support for the 1991-92 fiscal year and for
35 the 1992-93 fiscal year have been deposited. No more than eight new positions for the
36 1991-92 fiscal year may be funded and supported in this manner. First priority is to
37 retain and support those positions that were previously established by the General
38 Assembly. Water quality fees shall be the only source of funds for these positions and
39 all necessary support, including fringe benefits. These positions shall be used to reduce
40 the backlog of permit applications and to improve the rate of compliance of facilities
41 with environmental standards for toxic substances.

42
43 ---AUTHORIZATION FOR USE OF AIR QUALITY FEES

1 Sec. 79. There is appropriated from the air quality fees collected and
 2 deposited in the nonreverting account established in G.S. 143-215.3A, a sum not to
 3 exceed \$1,193,340 for the 1991-92 fiscal year and a sum not to exceed \$1,487,506 for
 4 the 1992-93 fiscal year, to the Department of Environment, Health, and Natural
 5 Resources to establish and provide all necessary support for positions, in the
 6 Department of Environment, Health, and Natural Resources, when sufficient fees for
 7 positions and all necessary support for the 1991-92 fiscal year and for the 1992-93 fiscal
 8 year have been collected and deposited. No more than five new positions in the 1991-
 9 92 fiscal year and no more than five new positions in the 1992-93 fiscal year may be
 10 established in this manner. First priority is to retain and support those positions that
 11 were previously established by the General Assembly. Air quality fees shall be the only
 12 source of funds for these positions and all necessary support, including fringe benefits.
 13 These positions shall be used to conduct air quality permitting and air quality
 14 compliance and monitoring activities.

15
 16 PART XIV.—DEPARTMENT OF REVENUE

17
 18 ——APPROPRIATION OF STATE TAX REVENUE TO LOCAL GOVERNMENTS

19
 20 Sec. 80. In accordance with G.S. 105-113.82, 105-116, 105-120, and 105-
 21 213, as amended by Chapter 813 of the 1989 Session Laws, the following
 22 appropriations are made from the designated State tax revenue deposited in the General
 23 Fund to local governments for the 1991-92 and 1992-93 fiscal years.

	<u>1991-92</u>	<u>1992-93</u>
(1) Appropriation of franchise tax revenue, pursuant to G.S. 105-116 and 105-120.	\$ 95, 297,661	\$ 97,997,142
(2) Appropriation of intangibles tax revenue, pursuant to G.S. 105-213.	116, 518,728	119,819,334
(3) Appropriation of beverage tax revenue, pursuant to G.S. 105-113.82.	20,107,830	20,677,421

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 40 The amounts appropriated shall be adjusted during the 1991-92 and 1992-93
 41 fiscal years based on the actual revenue collections received under the designated
 42 revenue sources. If an amount appropriated in subdivisions (1), (2), or (3) of this
 43 section exceeds the adjusted amount based on the designated revenue source, the excess
 44 reverts to the General Fund. If an amount appropriated in subdivisions (1), (2), or (3) of

1 this section is less than the adjusted amount based on the designated revenue source, the
2 deficiency is appropriated from the designated revenue source to the local governments,
3 provided the Director of the Budget determines there are sufficient funds available from
4 revenue collections during the 1991-92 and 1992-93 fiscal years to transfer the larger
5 amounts.

6
7 **PART XV.—EMPLOYEE SALARIES AND BENEFITS**

8
9 **—MOST STATE EMPLOYEES/SALARY INCREASES**

10
11 **Sec. 81. (a)** The compensation increase reserve funds in Sections 3 and 4 of this
12 act contain funds equivalent to an average annual increase of two percent (2%) for
13 permanent State employees, which shall be transferred by the Director of the Budget
14 including funds for the employer's retirement and Social Security contributions, to all
15 employing agencies to be awarded, on and after January 1, 1992, to permanent State
16 employees whose salaries are set in accordance with the State Personnel Act and who
17 are paid from the General Fund or Highway Fund, on the basis of job performance that
18 exceeds satisfactory levels in accordance with the policies, rules, and regulations
19 established by the State Personnel Commission. The provisions of the subsection shall
20 not apply to employees whose salaries are determined in accordance with G.S. 20-
21 187.3(a). During the fiscal year covered by this section, no employee shall receive
22 more than a six percent (6%) increase in his or her annual salary as a result of this
23 subsection.

24 (b) Salaries for positions that are funded partially from the General Fund or
25 Highway Fund and partially from sources other than the General Fund or Highway
26 Fund shall be increased from the General Fund or Highway Fund appropriation only to
27 the extent of the proportionate part of the salaries paid from the General Fund or
28 Highway Fund.

29
30 **—COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

31
32 **Sec. 82. (a)** The Director of the Budget may transfer from the compensation
33 increase reserve fund created in Section 3 of this act for fiscal year 1991-92 funds
34 necessary to provide an average annual salary increase of two percent (2%), including
35 funds for the employer's retirement and Social Security contributions, commencing
36 January 1, 1992, for all permanent community college institutional personnel supported
37 by State funds. Subject to the availability of funds, the salaries for temporary
38 community college institutions personnel may be increased by pro rata amounts of the
39 two percent (2%) average annual salary increase provided for permanent institutional
40 employees. These funds may not be used for any purpose other than that for the salary
41 increases and necessary employer contributions provided by this section.

42 (b) Any full-time employee in the above categories or State-paid employee who
43 is hired and paid on less than a 12-month basis and who is granted a two percent (2%)
44 salary increase effective January 1, 1992, pursuant to the provisions of this act, shall, for

1 fiscal year 1991-92, receive an amount equal to two percent (2%) of one-half of his
2 annual salary.

3
4 —PUBLIC SCHOOL PERSONNEL/SALARY INCREASES

5
6 Sec. 83. (a) Superintendents, Assistant Superintendents, Associate
7 Superintendents, Supervisors, Directors, Coordinators, Evaluators, Program
8 Administrators, Principals, and Assistant Principals—1991-92. The Director of the
9 Budget may transfer from the compensation increase reserve fund created in Section 3
10 of this act for fiscal year 1991-92 funds necessary to provide an annual average salary
11 increase of two percent (2%), including funds for the employer's retirement and Social
12 Security contributions, commencing January 1, 1992, for all superintendents, assistant
13 superintendents, associate superintendents, supervisors, directors, coordinators,
14 evaluators, program administrators, principals, and assistant principals whose salaries
15 are supported from the State's General Fund. These funds may not be used for any
16 purpose other than that for the salary increases and necessary employer contributions
17 provided by this subsection.

18 (b) Noncertified Employees. The Director of the Budget may transfer from the
19 compensation increase reserve fund created in Section 3 of this act for fiscal year 1991-
20 92 funds necessary to provide an annual average salary increase of two percent (2%),
21 including funds for the employer's retirement and Social Security contributions,
22 commencing January 1, 1992, for all noncertified public school employees, whose
23 salaries are supported from the State's General Fund. These funds may not be used for
24 any purpose other than that for the salary increases and necessary employer
25 contributions provided by this subsection.

26 (c) Any full-time employee in the above categories or State-paid employee who
27 is hired and paid on less than a 12-month basis and who is granted a two percent (2%)
28 salary increase effective January 1, 1992, pursuant to the provisions of this act, shall, for
29 fiscal year 1991-92, receive an amount equal to two percent (2%) of one-half of his
30 annual salary.

31
32 —HIGHER EDUCATION PERSONNEL/SALARY INCREASES

33
34 Sec. 84. (a) The Director of the Budget may transfer from the salary increase
35 reserve fund created in Section 3 of this act for fiscal year 1991-92 funds necessary to
36 provide an average annual salary increase of two percent (2%), including funds for the
37 employer's retirement and Social Security contributions, commencing January 1, 1992,
38 for all employees of The University of North Carolina as well as employees of the
39 North Carolina School of Science and Mathematics, supported by State funds and
40 whose salaries are exempt from the State Personnel Act. These funds shall be allocated
41 to individuals according to rules adopted by the Board of Governors, or the Board of
42 Trustees of the North Carolina School of Science and Mathematics, as appropriate, and
43 may not be used for any purpose other than that for the salary increases and necessary
44 employer contributions provided by this section.

1 (b) Any full-time employee in the above categories or State-paid employee who
2 is hired and paid on less than a 12-month basis and who is granted a two percent (2%)
3 salary increase effective January 1, 1992, pursuant to the provisions of this act, shall, for
4 fiscal year 1991-92, receive an amount equal to two percent (2%) of one-half of his
5 annual salary.

6
7 —SALARY RELATED CONTRIBUTIONS/EMPLOYERS

8
9 Sec. 85. (a) Required employer salary-related contributions for employees
10 whose salaries are paid from department, office, institution, or agency receipts shall be
11 paid from the same source as the source of the employees' salary. If an employee's
12 salary is paid in part from the General Fund or Highway Fund and in part from
13 department, office, institution, or agency receipts, required employer salary-related
14 contributions may be paid from the General Fund or Highway Fund only to the extent of
15 the proportionate part paid from the General Fund or Highway Fund in support of the
16 salary of the employee, and the remainder of the employer's requirements shall be paid
17 from the source that supplies the remainder of the employee's salary.

18 (b) The State's employer contribution rates budgeted for retirement and related
19 benefits as percentage of covered salaries for the 1991-92 fiscal year are (i) ten and
20 fifty-eight hundredths percent (10.58%) - Teachers and State Employees; (ii) fifteen and
21 fifty-eight hundredths percent (15.58%) - State Law Enforcement Officers; (iii) eight
22 and thirty-seven hundredths percent (8.37%) - University Employees' Optional
23 Retirement System; (iv) twenty-six and eighty-seven hundredths percent (26.87%) -
24 Consolidated Judicial Retirement System; and (v) forty and twenty-five hundredths
25 percent (40.25%) - Legislative Retirement System. Each of the foregoing contribution
26 rates includes one and sixty-five hundredths percent (1.65%) for hospital and medical
27 benefits. The rate for State Law Enforcement Officers, and for the University
28 Employees' Optional Retirement Program includes forty-two hundredths percent
29 (0.42%) for the Disability Income Plan. The rates for Teachers and State Employees
30 and Law Enforcement Officers includes sixteen hundredths percent (0.16%) for the
31 Death Benefits Plan.

32
33 —NO TRANSFERS BETWEEN ITEMS IN THE BUDGET

34
35 Sec. 86. G.S. 143-23 (a) and (a1) are rewritten as follows:

36 "All appropriations now or hereafter made for the maintenance of the various
37 departments, institutions and other spending agencies of the State, are for the purposes
38 and/or objects enumerated in the itemized requirements of such departments,
39 institutions and other spending agencies submitted to the General Assembly by the
40 Director of the Budget and the Advisory Budget Commission, and/or as amended by the
41 General Assembly.

42 Unless otherwise allowed by the law, no transfers may be made between line items
43 in the General or Highway Fund certified budgets of any department, institution, or
44 other spending agency. A department, institution or other spending agency may spend

1 more than was appropriated for nonsalary or nonwage line item, unless otherwise
 2 directed by the Director of the Budget. With the approval of the Director of the Budget,
 3 a department, institution, or other spending agency may spend more than was
 4 appropriated for a salary or wage line item. The Director of the Budget shall report on a
 5 quarterly basis to the Joint Legislative Commission on Governmental Operations and to
 6 the Fiscal Research Division of the Legislative Services Office the reason if the amount
 7 expended for a certified General Fund or Highway Fund budget code is more than the
 8 amount appropriated for it.

9 Funds appropriated for salaries and wages may only be used for: salaries and wages;
 10 premium pay; overtime pay; longevity; unemployment compensation; workers'
 11 compensation; disability pay; temporary wages; contracted personal services; moving
 12 expenses; payment of accumulated annual leave; certain awards to employees; tort
 13 claims; settlement of pending litigation claims for employees and inmates; employer's
 14 Social Security, retirement, disability, and hospitalization payments; employee
 15 grievance cost, court order requirements; Industrial Commission awards; audit findings;
 16 match unanticipated federal funds; disasters; and the calling out of the National Guard.
 17 Lapsed salary funds that become available from vacant positions may not be used for
 18 new permanent employee positions or to raise the salary of existing employees.

19 These provisions do not apply to the extent that the Director of the Budget finds that
 20 compliance is impossible and that deviation is necessary because of complications in the
 21 budget process that were not contemplated in these provisions. Deviations must be
 22 reported quarterly to the Joint Legislative Commission on Governmental Operations."
 23

24 PART XVI.—MISCELLANEOUS PROVISIONS

25 —REVISED GENERAL STATUTE 7A-101. COMPENSATION.

26 Sec. 87. Section 101(a) of Chapter 7A of the General Statutes reads as
 27 rewritten:

28 "(a) The clerk of superior court is a full-time employee of the State and shall
 29 receive an annual salary, payable in equal monthly installments, based on the most
 30 recent annual estimate of population of the county, as determined by the ~~population~~
 31 ~~projections of the Office of State Budget and Management for the year preceding the~~
 32 ~~first year of each biennial budget~~, according to the following schedule:
 33

	Population		Annual Salary
	<u>1989-90</u>	<u>1990-91</u>	
36	Less than 99,999	\$44,256	\$46,920
37	100,000 to 199,999	50,016	53,028
38	200,000 and above	57,072	60,504
39			
40			
41			
42			
43			

1 When a county changes from one population group to another, the salary of the clerk
2 shall be changed July 1 to the salary appropriate for the new population group ~~on July 1~~
3 ~~of the first year of each biennial budget~~, except that the salary of an incumbent clerk
4 shall not be decreased by any change in population group during his continuance in
5 office.

6 (b) The clerk shall receive no fees or commission by virtue of his office. The
7 salary set forth in this section is the clerk's sole official compensation, but if, on June
8 30, 1975, the salary of a particular clerk, by reason of previous but no longer authorized
9 merit increments, is higher than that set forth in the table, that higher salary shall not be
10 reduced during his continuance in office.

11 (c) In lieu of merit and other increment raises paid to regular State employees, a
12 clerk of superior court shall receive as longevity pay an amount equal to four and eight-
13 tenths percent (4.8%) of the annual salary set forth in the Budget Appropriation Act
14 payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10
15 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, and
16 nineteen and two-tenths percent (19.2%) after 20 years of service. Service shall mean
17 service in the elective position of clerk of superior court, as an assistant clerk of court
18 and as a supervisor of clerks of superior court with the Administrative Office of Courts
19 and shall not include a service as a deputy or acting clerk. Service shall also mean
20 service as a justice or judge of the General Court of Justice or as a district attorney."
21

22 ---EFFECT OF HEADINGS

23
24 Sec. 88 The headings to the Parts and sections of this act are a convenience
25 to the reader and are for reference only. The headings do not expand, limit, or define
26 the text of this act.
27

28 ---EXECUTIVE BUDGET ACT REFERENCE

29
30 Sec. 89. The provisions of the Executive Budget Act, Chapter 143, Article 1
31 of the General Statutes, are reenacted and shall remain in full force and effect and are
32 incorporated in this act by reference.
33

34 ---MOST TEXT APPLIES ONLY TO 1991-92

35
36 Sec. 90. Except for statutory changes or other provisions that clearly indicate
37 an intention to have effects beyond the 1991-93 biennium, the textual provisions of this
38 act shall apply only to funds appropriated for and activities occurring during the 1991-
39 93 biennium.
40

41 ---SEVERABILITY CLAUSE

42

1 Sec. 91. If any section or provision of this act is declared unconstitutional or
2 invalid by the courts, it does not affect the validity of the act as a whole or any part
3 other than the part so declared to be unconstitutional or invalid.

4

5 —-EFFECTIVE DATE

6

7 Sec. 92. Except as otherwise provided, this act becomes effective July 1,
8 1991.