

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

6		<u>1993-94</u>	<u>1994-95</u>
7	<u>Current Operations - General Fund</u>		
8			
9	General Assembly	\$ 20,336,359	\$ 23,943,637
10			
11	Judicial Department	249,649,260	253,956,769
12			
13	Office of the Governor		
14	01. Office of the Governor	5,591,133	5,860,409
15	02. Office of State Budget		
16	and Management	3,311,982	3,434,483
17	03. Office of State Planning	1,580,119	1,604,233
18			
19	Office of the Lieutenant Governor		598,002 599,843
20			
21	Department of Secretary of State		4,887,398 4,837,901
22			
23	Department of State Auditor		7,624,804 7,723,059
24			
25	Department of State Treasurer		
26	01. State Treasurer	5,867,689	6,344,754
27	02. Special Contributions	5,437,248	5,437,248
28			
29	Public Education		
30	01. Department of Public		
31	Instruction	55,571,458	54,989,621
32	02. State Aid to Local School		
33	Administrative Units	3,491,050,415	3,540,632,049
34	03. State Board of Education	98,408	98,408
35	Total Public Education	3,546,720,281	3,595,720,078
36			
37	Department of Justice		54,164,332 58,555,581
38			
39	Department of Administration		51,090,994 52,164,548
40			
41	Department of Agriculture		42,806,931 43,868,404
42			
43	Department of Labor		13,264,815 13,314,286
44			

1	Department of Insurance	13,278,232	12,643,639
2			
3	Department of Transportation		
4	01. Aeronautics	8,516,571	9,016,571
5	02. Aid to Railroads	96,305	100,000
6	03. Air Cargo	1,250,000	1,250,000
7	Total Department of		
8	Transportation	9,862,876	10,366,571
9			
10	Department of Environment, Health, and		
11	Natural Resources	205,544,951	218,306,674
12			
13	Office of Administrative Hearings	1,929,239	1,933,500
14			
15	Rules Review Commission	258,516	258,593
16			
17	Department of Human Resources		
18	01. DHR - Secretary	11,909,687	11,983,337
19	02. Division of Aging	12,258,404	12,320,629
20	03. Schools for the Deaf and		
21	Hard of Hearing	21,468,640	21,594,919
22	04. Social Services	180,377,610	189,851,669
23	05. Medical Assistance	861,396,696	1,011,952,533
24	06. Social Services - State Aid to		
25	Non-State Agencies	6,862,725	6,962,725
26	07. Division of Services for the Blind	13,928,489	14,444,550
27	08. Division of Mental Health,		
28	Developmental Disabilities, and		
29	Substance Abuse Services	438,744,232	447,515,545
30	09. Division of Facility Services	74,094,322	111,670,417
31	10. Division of Vocational		
32	Rehabilitation Services	23,007,191	23,033,776
33	11. Division of Youth Services	52,398,455	52,891,405
34	Total Department of Human Resources	1,696,446,451	1,904,221,505
35			
36	Department of Correction	564,668,043	597,014,211
37			
38	Department of Commerce		
39	01. Commerce	37,178,059	40,557,904
40	02. Biotechnology Reserve	7,014,396	7,014,396
41	03. MCNC	15,680,000	15,680,000
42	04. REDC	1,470,000	1,470,000
43			
44	Department of Revenue	57,319,399	60,135,743

1			
2	Department of Cultural Resources	42,035,086	42,379,225
3			
4	Department of Crime Control		
5	and Public Safety	23,473,659	21,898,537
6			
7	Office of the State Controller	10,706,849	12,659,119
8			
9	University of North Carolina - Board		
10	of Governors		
11	01. General Administration	17,200,841	17,166,323
12	02. University Institutional		
13	Programs	37,925,398	51,423,174
14	03. Related Educational Programs	47,145,796	48,381,771
15	04. University of North Carolina		
16	at Chapel Hill		
17	a. Academic Affairs	137,621,265	139,521,105
18	b. Health Affairs	109,719,612	111,962,193
19	c. Area Health Education		
20	Centers	32,351,252	32,347,434
21	05. North Carolina State University		
22	at Raleigh		
23	a. Academic Affairs	179,634,829	180,459,614
24	b. Agricultural Research Service	36,338,445	36,403,257
25	c. Agricultural Extension Service	28,379,861	28,360,730
26	06. University of North Carolina at		
27	Greensboro	55,765,417	55,961,841
28	07. University of North Carolina at		
29	Charlotte	59,807,408	60,072,862
30	08. University of North Carolina at		
31	Asheville	17,274,278	17,376,386
32	09. University of North Carolina at		
33	Wilmington	34,024,551	34,264,199
34	10. East Carolina University		
35	a. Academic Affairs	75,557,468	76,109,240
36	b. Division of Health Affairs	37,621,099	37,666,752
37	11. North Carolina Agricultural and		
38	Technical State University	41,202,109	41,430,408
39	12. Western Carolina University	36,951,472	37,011,981
40	13. Appalachian State University	53,291,855	53,368,376
41	14. Pembroke State University	16,639,745	16,742,244
42	15. Winston-Salem State University	16,623,929	16,751,903
43	16. Elizabeth City State		
44	University	15,683,323	15,703,970

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

40 **PART 2. CURRENT OPERATIONS/HIGHWAY FUND**

41

42 Sec. 4. Appropriations from the Highway Fund of the State for the
43 maintenance and operation of the Department of Transportation, and for other purposes

1 as enumerated, are made for the biennium ending June 30, 1995, according to the
2 following schedule:

	<u>1993-94</u>	<u>1994-95</u>
4 <u>Current Operations - Highway Fund</u>		
5		
6 Department of Transportation		
7 01. Administration \$ 41,119,643 \$ 38,312,968		
8 02. Division of Highways		
9 a. Administration and		
10 Operations 33,415,706 33,440,792		
11 b. State Construction		
12 (01) Primary Construction - -		
13 (02) Secondary		
14 Construction 66,486,917 66,884,639		
15 (03) Urban Construction 20,000,000 20,000,000		
16 (04) Access and Public		
17 Service Roads 2,000,000 2,000,000		
18 (05) Spot Safety		
19 Improvements 9,100,000 9,100,000		
20 c. State Funds to Match Federal		
21 Highway Aid		
22 (01) Construction 37,020,332 37,020,332		
23 (02) Planning Survey and Highway		
24 Planning Research 2,959,649 2,959,649		
25 d. State Maintenance		
26 (01) Primary 98,395,135 99,325,985		
27 (02) Secondary 172,426,462 174,062,501		
28 (03) Urban 25,875,286 26,129,154		
29 (04) Contract Resurfacing 87,500,000 87,500,000		
30 e. Ferry Operations 15,541,455 15,541,455		
31 03. Division of Motor Vehicles 79,025,411 78,654,819		
32 04. Governor's Highway Safety Program 290,923 291,575		
33 05. State Aid to Municipalities 66,486,917 66,884,639		
34 06. State Aid for Public		
35 Transportation 10,596,461 10,646,921		
36 07. Salary Adjustments for Highway		
37 Fund Employees 200,000 200,000		
38 08. Reserve to Correct Occupational		
39 Safety and Health Conditions 425,000 425,000		
40 09. Debt Service 37,359,875 27,664,550		
41 10. Reserve for Compensation		
42 Increases 6,963,446 6,963,446		
43 11. Reserve for Transportation		
44 Study 222,750 346,500		

1			
2	Reserve for Compensation Bonus		3,481,723 3,481,723
3			
4	Emergencies and Inflationary Adjustment		1,085,490 1,585,490
5			
6	Appropriations for Other State Agencies		
7	01. Crime Control and Public		
8	Safety	92,719,686 93,601,574	
9	02. Other Agencies		
10	a. Department of Agriculture	3,057,180 3,030,245	
11	b. Department of Revenue	2,063,522 2,065,412	
12	c. Department of Environment,		
13	Health, and Natural Resources:		
14	LUST Trust Fund	4,809,298 4,904,343	
15	Chemical Test Program	371,944 373,407	
16	d. Department of Correction	4,614,056 4,614,056	
17	e. Department of Public		
18	Education	23,188,826 23,188,826	
19	f. Department of State		
20	Treasurer	<u>9,900,000</u> <u>10,500,000</u>	
21			
22	GRAND TOTAL CURRENT OPERATIONS –		
23	HIGHWAY FUND		\$ 958,703,093 \$ 951,700,000
24			

25 PART 3. HIGHWAY TRUST FUND

26
27 Sec. 5. Appropriations from the Highway Trust Fund are made for the fiscal
28 biennium ending June 30, 1995, according to the following schedule:

29			
30	<u>Highway Trust Fund</u>	<u>1993-94</u>	<u>1994-95</u>
31			
32	01. Intrastate System	\$ 218,025,746 \$ 230,908,868	
33	02. Secondary Roads Construction	49,925,986 51,677,726	
34	03. Urban Loops	88,160,532 93,369,930	
35	04. State Aid - Municipalities	22,878,986 24,227,726	
36	05. Program Administration	15,711,750 16,215,750	
37	06. Transfer to General Fund	<u>170,000,000</u> <u>170,000,000</u>	
38			
39	GRAND TOTAL/HIGHWAY TRUST FUND		\$ 564,700,000 \$ 586,400,000
40			

41 PART 4. BLOCK GRANT APPROPRIATIONS

42
43 Requested by: Senator Richardson
44 **DHR BLOCK GRANT PROVISIONS**

1				
2	12.	Transfer to Maternal and Child		
3		Health Block Grant	1,585,833	
4				
5	13.	Adult Day Care Services	306,323	
6				
7	14.	County Departments of Social Services for		
8		Child Abuse/Prevention and		
9		Permanency Planning	394,841	
10				
11	15.	Allocation to Division of Maternal and		
12		Child Health for Grants-in-Aid to Prevention		
13		Programs	439,261	
14				
15	16.	Transfer to Preventive Health		
16		Block Grant for Emergency Medical Services		
17		and Basic Public Health Services	695,834	
18				
19	17.	Allocation to Preventive Health Block		
20		Grant for AIDS Education	81,001	
21				
22	18.	Allocation to Department of Administration		
23		for North Carolina Fund for Children	45,270	
24				
25	19.	Allocation to Home and Community Care		
26		Block Grant for Persons Age 60		
27		and Older	1,649,077	
28				
29	20.	Allocation to the Division of Economic		
30		Opportunity for Head Start,		
31		Elderly and Handicapped Services	197,421	
32				
33	TOTAL SOCIAL SERVICES BLOCK GRANT			\$
34	74,341,980			
35				
36	LOW INCOME ENERGY BLOCK GRANT			
37				
38	01.	Energy Assistance Programs	\$ 16,672,034	
39				
40	02.	Crisis Intervention	5,411,563	
41				
42	03.	Administration	2,413,779	
43				
44	04.	Weatherization Program	2,100,000	

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

1	Drug-Abuse Plan	4,396,416	
2			
3	05. Administration	1,669,460	
4			
5	TOTAL BLOCK GRANT FOR PREVENTION		
6	AND TREATMENT OF SUBSTANCE ABUSE		\$
7	26,764,532		
8			
9	CHILD CARE AND DEVELOPMENT BLOCK GRANT		
10			
11	01. Child Day Care Services	\$ 14,953,945	
12			
13	02. Administrative Expenses and Quality		
14	and Availability Initiatives	1,544,405	
15			
16	03. Before and After School Child Care Programs		
17	and Early Childhood Development Programs	5,010,698	
18			
19	04. Quality Improvement Activities	1,480,737	
20			
21	TOTAL CHILD CARE AND DEVELOPMENT		
22	BLOCK GRANT		\$
23	22,989,785		

24

25 (b) Decreases in Federal Fund Availability

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

29 (c) Increases in Federal Fund Availability

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

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

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

43

44 Requested by: Senator Martin of Pitt

1 **NER BLOCK GRANT PROVISIONS**

2 Sec. 7. (a) Appropriations from federal block grant funds are made for the
3 fiscal year ending June 30, 1994, according to the following schedule:

4

5 TOTAL JOB TRAINING PARTNERSHIP ACT \$
6 53,841,243

7

8 **COMMUNITY DEVELOPMENT BLOCK GRANT**

9

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

11

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

13

14 03. Housing Development 2,242,829

15

16 04. Economic Development 8,971,318

17

18 05. Community Revitalization 31,399,613

19

20 06. State Technical Assistance 463,470

21

22 TOTAL COMMUNITY DEVELOPMENT

23 BLOCK GRANT \$

24 46,347,000

25

26 **MATERNAL AND CHILD HEALTH SERVICES**

27

28 01. Healthy Mother/Healthy Children
29 Block Grants to Local Health
30 Departments \$ 11,399,969

31

32 02. High Risk Maternity Clinic Services,
33 Perinatal Education, and Consultation
34 to Local Health Departments
35 and Other Health Care Providers 1,383,538

36

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

38

39 04. Reimbursements for Local Health
40 Departments for Contracted
41 Nutritional Services 120,530

42

43 TOTAL MATERNAL AND CHILD

1	HEALTH SERVICES		\$
2	17,969,368		
3			
4	PREVENTIVE HEALTH BLOCK GRANT		
5			
6	01. Emergency Medical Services	\$ 452,375	
7			
8	02. Basic Public Health Services	428,395	
9			
10	03. Hypertension Programs	671,630	
11			
12	04. Statewide Health Promotion Programs	2,651,119	
13			
14	05. Fluoridation of Water Supplies	228,404	
15			
16	06. Rape Prevention and Rape		
17	Crisis Programs	183,632	
18			
19	07. AIDS/HIV Education, Counseling,		
20	and Testing	81,001	
21			
22	08. Office of Minority Health and		
23	Minority Health Council	190,000	
24			
25	TOTAL PREVENTIVE HEALTH BLOCK GRANT		\$
26	4,886,566		

27

28 (b) Decreases in Federal Fund Availability

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

32 (c) Increases in Federal Fund Availability

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

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

38 (2) For the Maternal and Child Health Services Block Grant – thirty
 39 percent (30%) of these additional funds shall be allocated to services
 40 for children with special health care needs and seventy percent (70%)
 41 shall be allocated to local health departments to assist in the reduction
 42 of infant mortality.

43 (3) For the Preventive Health Block Grants – these additional funds may
 44 be budgeted by the appropriate department, with the approval of the

1 Office of State Budget and Management, provided the resultant
2 increases are in accordance with federal block grant requirements and
3 are within the scope of the block grant plan approved by the General
4 Assembly. All these budgeted increases shall be reported to the Joint
5 Legislative Commission on Governmental Operations and to the
6 Director of the Fiscal Research Division.

7 (d) Education Setaside of JTPA Funds

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

13 (e) Limitations on Community Development Block Grant Funds

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

28
29 **PART 5. GENERAL PROVISIONS**

30
31 Requested by: Senators Daniel and Plyler

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

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

1 unless the Director of the Budget finds that the appropriations from the Fund are
2 necessary to maintain the function that generated the receipts at the level anticipated in
3 the certified Budget Codes for that Fund. Funds that become available from
4 overrealized receipts shall not be used for new permanent employee positions or to raise
5 the salary of existing employees. The Office of State Budget and Management shall
6 report to the Joint Legislative Commission on Governmental Operations and to the
7 Fiscal Research Division of the Legislative Services Office within 30 days after the end
8 of each quarter the General Fund Codes or Highway Fund Codes that did not result in a
9 corresponding reduced allotment from appropriations from that Fund.

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

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

20
21 Requested by: Senators Daniel and Plyler

22 **INSURANCE AND FIDELITY BONDS**

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

27
28 Requested by: Senators Daniel and Plyler

29 **CONTINGENCY AND EMERGENCY FUND ALLOCATION**

30 Sec. 10. Of the funds appropriated in this act to the Contingency and
31 Emergency Fund, the sum of one million one hundred twenty-five thousand dollars
32 (\$1,125,000) for the 1993-94 fiscal year and the sum of one million one hundred
33 twenty-five thousand dollars (\$1,125,000) for the 1994-95 fiscal year shall be
34 designated for emergency allocations, which are for the purposes outlined in G.S. 143-
35 23(a1)(3), (4), and (5). Two hundred twenty-five thousand dollars (\$225,000) for the
36 1993-94 fiscal year and two hundred twenty-five thousand dollars (\$225,000) for the
37 1994-95 fiscal year shall be designated for other allocations from the Contingency and
38 Emergency Fund.

39
40 Requested by: Senators Daniel and Plyler

41 **BUDGETING OF PILOT PROGRAMS**

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

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

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

6
7 Requested by: Senators Daniel and Plyler

8 **AUTHORIZED TRANSFERS**

9 Sec. 12. The Director of the Budget may transfer to General Fund budget
10 codes from the General Fund salary adjustment appropriation, and may transfer to
11 Highway Fund budget codes from the Highway Fund salary adjustment appropriation,
12 amounts required to support approved salary adjustments made necessary by difficulties
13 in recruiting and holding qualified employees in State government. The funds may be
14 transferred only when the use of salary reserve funds in individual operating budgets is
15 not feasible.

16
17 Requested by: Senators Daniel and Plyler

18 **EXPENDITURES OF FUNDS IN RESERVES LIMITED**

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

21
22 Requested by: Senator Martin of Pitt

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

24 Sec. 14. Each private, nonprofit entity eligible to receive State funds, either
25 by General Assembly appropriation, or by grant, loan, or other allocation from a State
26 agency, before funds may be disbursed to the entity, shall file with the disbursing
27 agency a notarized copy of that entity's policy addressing conflicts of interest that may
28 arise involving the entity's management employees and the members of its board of
29 directors or other governing body. The policy shall address situations where any of
30 these individuals may directly or indirectly benefit, except as the entity's employees or
31 members of the board or other governing body, from the entity's disbursing of State
32 funds, and shall include actions to be taken by the entity or the individual, or both, to
33 avoid conflicts of interest and the appearance of impropriety.

34 35 **PART 6. GENERAL GOVERNMENT**

36
37 Requested by: Senators Plexico, Martin of Guilford, and Coddington

38 **BUDGET PRACTICES STUDY COMMISSION**

39 Sec. 15. (a) There is created the Budget Practices Study Commission, an
40 independent commission to study the effectiveness of the Executive Budget Act, Article
41 1 of Chapter 143 of the General Statutes. The Commission shall consist of 14 members.
42 The Speaker of the House of Representatives shall appoint seven members, six who
43 shall be members of the House of Representatives and one who shall be familiar with
44 and have experience in government fiscal management. The President Pro Tempore of

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (5) Such matters as may, in the judgment of the Commission, affect the
43 capacity of the General Assembly or the Governor to devise, adopt,

1 and implement a sound program of fiscal management on behalf of the
2 people of North Carolina.

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

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

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

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

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

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

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

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

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

31

32 Requested by: Senator Martin of Pitt

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

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

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

PART 7. DEPARTMENT OF ADMINISTRATION

Requested by: Senator Plexico

STATE CAPITOL RESTORATION

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

Requested by: Senator Plexico

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 a. Adopt goals and objectives for the Aquariums and review and
- 2 revise these goals and objectives periodically;
- 3 b. Review and approve requests for use of the Aquarium facilities
- 4 and advise the Secretary of ~~Administration~~ the Department of
- 5 Environment, Health, and Natural Resources on the most
- 6 appropriate use consistent with the goals and objectives of the
- 7 Aquariums;
- 8 c. Continually review and evaluate the types of projects and
- 9 programs being carried out in the Aquarium facilities and
- 10 determine if the operation of the facilities is in compliance with
- 11 the established goals and objectives;
- 12 d. Recommend to the Secretary of ~~Administration~~ the Department
- 13 of Environment, Health, and Natural Resources any policies
- 14 and procedures needed to assure effective staff performance and
- 15 proper liaison among Aquarium facilities in carrying out the
- 16 overall purposes of the Aquarium programs;
- 17 e. Review Aquarium budget submissions to the Secretary of
- 18 ~~Administration;~~ the Department of Environment, Health, and
- 19 Natural Resources;
- 20 f. Recruit and recommend to the Secretary of ~~Administration~~ the
- 21 Department of Environment, Health, and Natural Resources
- 22 candidates for the positions of directors of the North Carolina
- 23 Aquariums; and
- 24 g. Create local advisory committees in accordance with the
- 25 provisions of G.S. 143B-390.4, ~~143B-289.22.~~
- 26 (2) ~~Provide staff to the North Carolina Council on Ocean Affairs in~~
- 27 ~~furtherance of the Council's statutory powers and duties;~~
- 28 (3) ~~Advise the Secretary of Administration regarding the analysis,~~
- 29 ~~planning and implementation of current and future State and federal~~
- 30 ~~goals, policies and programs relating to the ocean and marine~~
- 31 ~~resources of North Carolina, such duties to include, but not be limited~~
- 32 ~~to, giving advice regarding:~~
- 33 a. ~~Providing recommendations to other educational, informational~~
- 34 ~~and policy-making bodies regarding marine and ocean resource~~
- 35 ~~issues;~~
- 36 b. ~~Administering* the State Outer Continental Shelf (OCS) Task~~
- 37 ~~Force and coordinate State participation activities in the federal~~
- 38 ~~outer continental shelf resource recovery programs as provided~~
- 39 ~~under the OCS Lands Act Amendments of 1978 (43 USC §§~~
- 40 ~~1801 et seq.) and the OCS Lands Act Amendments of 1986 (43~~
- 41 ~~USC §§ 1331 et seq.); and~~
- 42 e. ~~Coordinating necessary legal or technical research to carry out~~
- 43 ~~the duties set forth in this subdivision.~~
- 44 (4) to (6) Repealed by Session Laws 1991, c. 320, s. 3.

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

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

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

6 "**§ 143B-289.22. Local advisory committees; duties; membership.**

7 Local advisory committees created pursuant to ~~G.S. 143B-390.2(a)(1b)~~ G.S. 143B-
8 289.20(a)(1b) shall assist each North Carolina Aquarium in its efforts to establish
9 projects and programs and to assure adequate citizen-consumer input into those efforts.
10 Members of these committees shall be appointed by the Secretary of ~~Administration~~ the
11 Department of Environment, Health, and Natural Resources for three-year terms from
12 nominations made by the Director of the Office of Marine Affairs. Each committee
13 shall select one of its members to serve as chairperson. Members of the committees
14 shall serve without compensation for services or expenses."

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

16 (h) Part 8C of Article 9 of Chapter 143B of the General Statutes, G.S. 143B-
17 390.15 through G.S. 143B-390.16, is recodified as Part 28 of Article 7 of Chapter 143B
18 of the General Statutes, G.S. 143B-344.16 through G.S. 143B-344.17.

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

21 "**§ 143B-344.17. North Carolina Aquariums Commission – organization, powers,**
22 **and duties.**

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

24 (1) Four members appointed by the Governor, including one member
25 designated by the Governor to serve as chair of the Commission and
26 one member appointed upon recommendation of the North Carolina
27 Aquarium Society, Inc., who resides in one of the counties where the
28 North Carolina Aquariums are located: Carteret, Dare, and New
29 Hanover,

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

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

42 (b) Commission members shall serve for terms of four years, beginning July 1,
43 1992, and may be removed at any time by the appointing authority. If a vacancy on the

1 Commission occurs, the appointing authority shall appoint a replacement to serve for
2 the unexpired term.

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

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

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

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

15 (g) All entrance fee receipts shall be credited to the Fund. The Secretary of
16 ~~Administration~~ the Department of Environment, Health, and Natural Resources may
17 expend monies from the Fund only upon the authorization of the General Assembly."
18

19 Requested by: Senator Plexico

20 **DEPARTMENT OF ADMINISTRATION EMPLOYEE TRAINING**

21 Sec. 19. Of the funds appropriated for Travel Expenses in the Division of
22 Information Services, Department of Administration, during fiscal year 1993-94 and
23 fiscal year 1994-95, at least three thousand dollars (\$3,000) per year shall be used to
24 support employee training.
25

26 Requested by: Senator Martin of Guilford

27 **ALLOCATION OF RAPE CRISIS CENTER FUNDS**

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

36 Requested by: Senator Martin of Guilford

37 **DOMESTIC VIOLENCE CENTER FUNDS**

38 Sec. 21. The funds appropriated in this act to the Department of
39 Administration, the North Carolina Council for Women, for the 1993-94 fiscal year and
40 for the 1994-95 fiscal year for domestic violence centers, shall be allocated equally
41 among domestic violence centers in operation on July 1, 1990, that offer services
42 including a hotline, transportation services, community education programs, daytime
43 services, and call forwarding during the night and that fulfill other criteria established
44 by the Department of Administration. Grants shall be awarded based on criteria

1 established by the Department of Administration and disbursed on a quarterly basis.
2 The North Carolina Coalition against Domestic Violence, Incorporated, is eligible for a
3 grant of ten thousand dollars (\$10,000) under this section.

4
5 Requested by: Senator Plexico

6 **PARKING REVENUES**

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

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

12
13 Requested by: Senator Plyler

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

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

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

23
24 Requested by: Senator Plexico

25 **CULTURAL RESOURCES SECURITY OFFICERS**

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

30
31 Requested by: Senator Martin of Guilford

32 **DEPARTMENT OF CULTURAL RESOURCES VEHICLES**

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

38 **PART 9. OFFICE OF THE GOVERNOR**

39
40 Requested by: Senator Plexico

41 **COUNCIL OF GOVERNMENT FUNDS**

42 Sec. 26. (a) Of the funds appropriated in this act to the Office of State Planning,
43 eight hundred sixty-four thousand two hundred seventy dollars (\$864,270) for the 1993-
44 94 fiscal year and eight hundred sixty-four thousand two hundred seventy dollars

1 (\$864,270) for the 1994-95 fiscal year shall only be used as provided by this section.
2 Each regional council of government or lead regional organization is allocated up to
3 forty-eight thousand fifteen dollars (\$48,015) for each fiscal year, with the actual
4 amount calculated as provided in subsection (b) of this section.

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

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

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

24 (e) As used in this section "Larger City" means an incorporated city with a
25 population of 50,000 or over. "Smaller City" means any other incorporated city.
26

27 **PART 10. DEPARTMENT OF INSURANCE**

28
29 Requested by: Senator Plexico

30 **DEPARTMENT OF INSURANCE UNBUDGETED RECEIPTS**

31 Sec. 27. In addition to amounts appropriated by the General Assembly from
32 the Department of Insurance Fund, receipts realized by the Department of Insurance in
33 excess of budgeted levels shall be available, up to a maximum of ten percent (10%)
34 above budgeted levels, for each Fund Code, to support the operations generating such
35 receipts, as approved by the Director of the Budget. Excess receipts approved for
36 expenditure under this provision shall not be used either directly or indirectly to
37 establish permanent positions.
38

39 **PART 11. OFFICE OF THE LIEUTENANT GOVERNOR**

40
41 Requested by: Senator Plexico

42 **CERTAIN LIEUTENANT GOVERNOR APPROPRIATIONS NOT TO BE** 43 **TRANSFERRED**

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

4 5 **PART 12. DEPARTMENT OF REVENUE**

6
7 Requested by: Senator Plexico

8 **REVENUE FIELD OFFICE CLOSURES AND CONSOLIDATIONS**

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

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

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

23
24 Requested by: Senators Daniel and Plyler

25 **CIGARETTE TAX-NO STAMPS**

26 Sec. 30. It is the intent of the General Assembly to enact legislation
27 providing for the payment of the excise tax on cigarettes by reporting rather than by
28 stamp, and to substitute a discount calculated as a percentage of tax liability for the
29 current discount calculated as a dollar amount per tax stamp.

30 31 **PART 13. OFFICE OF STATE AUDITOR**

32
33 Requested by: Senator Plexico

34 **INFORMATION FROM PRIVATE ORGANIZATIONS RECEIVING STATE** 35 **FUNDS; INFORMATION FROM STATE DEPARTMENTS AND AGENCIES** 36 **PROVIDING STATE FUNDS**

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

38 **"§ 143-6.1. Information from private organizations receiving State funds;**
39 **information from State departments and agencies providing State funds.**

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

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

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

30 The receipt, use or expenditure of State funds by a corporation, organization, and
31 institution shall not, in and of itself, make or constitute such corporation, organization,
32 or institution a State agency."
33

34 Requested by: Senator Plexico

35 **AUDITOR FUNDS/PARTIAL REVERSION**

36 Sec. 32. Of funds that would otherwise revert to the General Fund at the end
37 of the 1992-93 fiscal year, the Department of State Auditor shall be allowed to carry
38 forward a balance not exceeding six hundred one thousand ninety-one dollars
39 (\$601,091) to be used for the purchase of data processing equipment and software.
40

41 **PART 13A. GENERAL ASSEMBLY**

42
43 Requested by: Senator Lee

1 **NAMING OF BRIDGES, HIGHWAYS, AND FACILITIES MORATORIUM;**
2 **GUIDELINES**

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

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

10

11 **PART 14. SALARIES AND BENEFITS**

12

13 Requested by: Senators Daniel and Plyler

14 **APPROPRIATIONS**

15 Sec. 33. (a) Of the funds appropriated from the General Fund to the Reserve for
16 Salary Increases, the sum of sixty-four million twenty-seven thousand two hundred
17 fifty-seven dollars (\$64,027,257) for the 1993-94 fiscal year and sixty-eight million five
18 hundred twenty-four thousand six hundred seventy-five dollars (\$68,524,675) for the
19 1994-95 fiscal year shall be used to provide raises for State employees and school
20 personnel other than teachers.

21 (b) Of the funds appropriated from the Highway Fund to the Reserve for Salary
22 Increases, the sum of six million nine hundred sixty-three thousand four hundred forty-
23 six dollars (\$6,963,446) for the 1993-94 fiscal year and the sum of six million nine
24 hundred sixty-three thousand four hundred forty-six dollars (\$6,963,446) for the 1994-
25 95 fiscal year shall be used to provide raises for State employees.

26 (c) Of the funds appropriated from the General Fund to the Reserve for Salary
27 Increases, the sum of forty-two million five hundred eighty-eight thousand nine hundred
28 twenty-seven dollars (\$42,588,927) for the 1993-94 fiscal year and the sum of forty-two
29 million five hundred eighty-eight thousand nine hundred twenty-seven dollars
30 (\$42,588,927) for the 1994-95 fiscal year shall be used to implement the teacher salary
31 schedule provided in this act. This is the equivalent of two percent (2%) of teacher
32 payroll.

33 (d) Of the funds appropriated from the General Fund to the Reserve for
34 Salary Increases, the sum of five million five hundred eighty-one thousand six hundred
35 sixty-eight dollars (\$5,581,668) for the 1993-94 fiscal year and the sum of five million
36 five hundred eighty-one thousand six hundred sixty-eight dollars (\$5,581,668) for the
37 1994-95 fiscal year shall be used to implement salary increases for employees in locally
38 operated State-funded programs as provided in this act.

39

40 Requested by: Senators Daniel and Plyler

41 **GOVERNOR'S SALARY INCREASE**

42

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

1 "(a) The salary of the Governor shall be ~~ninety-one thousand nine hundred thirty-~~
2 ~~eight dollars (\$91,938) ninety-three thousand seven hundred seventy-seven dollars~~
3 ~~(\$93,777)~~ annually, payable monthly."
4

5 Requested by: Senators Daniel and Plyler

6 **COUNCIL OF STATE/SALARY INCREASE**

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

9 <u>Council of State</u>	<u>Annual Salary</u>
10	
11 Lieutenant Governor	\$77,289
12 Attorney General	77,289
13 Secretary of State	77,289
14 State Treasurer	77,289
15 State Auditor	77,289
16 Superintendent of Public Instruction	77,289
17 Agriculture Commissioner	77,289
18 Insurance Commissioner	77,289
19 Labor Commissioner	77,289.
20	

21 Requested by: Senators Daniel and Plyler

22 **NONELECTED DEPARTMENT HEAD/SALARY INCREASES**

23 Sec. 36. In accordance with G.S. 143B-9, the maximum annual salaries,
24 payable monthly, for the nonelected heads of the principal State departments for the
25 1993-94 and 1994-95 fiscal years are:

26 <u>Nonelected Department Heads</u>	<u>Annual Salary</u>
27	
28 Secretary of Administration	\$77,289
29 Secretary of Correction	77,289
30 Secretary of Crime Control and	
31 Public Safety	77,289
32 Secretary of Cultural Resources	77,289
33 Secretary of Commerce	77,289
34 Secretary of Environment, Health,	
35 and Natural Resources	77,289
36 Secretary of Human Resources	77,289
37 Secretary of Revenue	77,289
38 Secretary of Transportation	77,289.
39	

40 Requested by: Senators Daniel and Plyler

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

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

44 <u>Executive Branch Officials</u>	<u>Annual Salary</u>
--------------------------------------	----------------------

1		
2	Chairman, Alcoholic Beverage Control	
3	Commission	\$74,389
4	State Controller	120,301
5	Commissioner of Motor Vehicles	74,389
6	Commissioner of Banks	74,389
7	Chairman, Employment Security	
8	Commission	74,389
9	State Personnel Director	77,289
10	Chairman, Parole Commission	67,926
11	Members of the Parole Commission	62,712
12	Chairman, Industrial Commission	66,837
13	Members of the Industrial Commission	65,209
14	Executive Director, Agency for Public	
15	Telecommunications	62,712
16	General Manager, Ports Railway	
17	Commission	56,628
18	Director, Museum of Art	76,225
19	Executive Director, Wildlife Resources	
20	Commission	64,205
21	Executive Director, North Carolina	
22	Housing Finance Agency	92,063
23	Executive Director, North Carolina	
24	Agricultural Finance Authority	72,406
25	Director, Office of Administrative	
26	Hearings	65,674.

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

31

32 Requested by: Senators Daniel and Plyler

33 **LEGISLATORS/SALARY AND EXPENSES INCREASE**

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

36 **"§ 120-3. Pay of members and officers of the General Assembly.**

37 (a) The Speaker of the House shall be paid an annual salary of ~~thirty-five~~
38 ~~thousand six hundred twenty two dollars (\$35,622),~~ thirty-six thousand three hundred
39 thirty-four dollars (\$36,334), payable monthly, and an expense allowance of one
40 thousand three hundred ~~twenty-four-six~~ dollars (\$1,320) (\$1,346) per month. The
41 President Pro Tempore of the Senate shall be paid an annual salary of ~~thirty-five~~
42 ~~thousand six hundred twenty two dollars (\$35,622),~~ thirty-six thousand three hundred
43 thirty-four dollars (\$36,334), payable monthly, and an expense allowance of one
44 thousand three hundred ~~twenty-four-six~~ dollars (\$1,320) (\$1,346) per month. The

1 Speaker Pro Tempore of the House shall be paid an annual salary of twenty thousand
2 ~~two hundred ninety-eight dollars seven hundred four dollars (\$20,298), (\$20,704)~~
3 payable monthly, and an expense allowance of seven hundred ~~eighty-ninety-six~~ dollars
4 ~~(\$780.00)-(\$796.00)~~ per month. The Deputy President Pro Tempore of the Senate shall
5 be paid an annual salary of twenty thousand ~~two hundred ninety-eight dollars seven~~
6 ~~hundred four (\$20,298), (\$20,704)~~ payable monthly, and an expense allowance of seven
7 hundred ~~eighty-ninety-six~~ dollars ~~(\$780.00)-(\$796.00)~~ per month. The majority and
8 minority leaders in the House and the majority and minority leaders in the Senate shall
9 be paid an annual salary of ~~fifteen thousand nine hundred eighteen dollars (\$15,918),~~
10 ~~sixteen thousand two hundred thirty-six dollars (\$16,236)~~ payable monthly, and an
11 expense allowance of six hundred ~~twenty-two-thirty-four~~ dollars ~~(\$622.00)-(\$634.00)~~
12 per month.

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

22 (c) The salary and expense allowances provided in this section are in addition to
23 any per diem compensation and any subsistence and travel allowance authorized by any
24 other law with respect to any regular or extra session of the General Assembly, and
25 service on any State board, agency, commission, standing committee and study
26 commission."
27

28 Requested by: Senators Daniel and Plyler

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

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

31 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
32 entitled to other benefits available to permanent legislative employees and shall be paid
33 an annual salary of ~~forty-six thousand six hundred eighty-six dollars (\$46,686), forty-~~
34 ~~seven thousand six hundred twenty dollars (\$47,620)~~ payable monthly. The Legislative
35 Services Commission shall review the salary of the principal clerks prior to submission
36 of the proposed operating budget of the General Assembly to the Governor and
37 Advisory Budget Commission and shall make appropriate recommendations for
38 changes in those salaries. Any changes enacted by the General Assembly shall be by
39 amendment to this paragraph."
40

41 Requested by: Senators Daniel and Plyler

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

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

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

Requested by: Senators Daniel and Plyler

LEGISLATIVE EMPLOYEES/SALARY INCREASES

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

Requested by: Senators Daniel and Plyler

JUDICIAL BRANCH OFFICIALS/SALARY INCREASE

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

<u>Judicial Branch Officials</u>	<u>Annual Salary</u>
Chief Justice, Supreme Court	\$93,777
Associate Justice, Supreme Court	91,855
Chief Judge, Court of Appeals	88,930
Judge, Court of Appeals	86,996
Judge, Senior Regular Resident Superior Court	79,823
Judge, Superior Court	77,289
Chief Judge, District Court	68,256
Judge, District Court	65,674
District Attorney	71,965
Assistant District Attorney - an average of	46,738
Administrative Officer of the Courts	79,823
Assistant Administrative Officer of the Courts	65,160
Public Defender	71,965
Assistant Public Defender - an average of	46,738.

If an acting senior regular resident superior court judge is appointed under the provisions of G.S. 7A-41, he shall receive the salary for Judge, Senior Regular Resident,

1 Superior Court, until his temporary appointment is vacated, and the judge he replaces
 2 shall receive the salary indicated for Judge, Superior Court.

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

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

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

16
 17 Requested by: Senators Daniel and Plyler

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

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

20 **"§ 7A-101. Compensation.**

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

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

30
 31 When a county changes from one population group to another, the salary of the clerk
 32 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
 33 salary appropriate for the new population group, except that the salary of an incumbent
 34 clerk shall not be decreased by any change in population group during his continuance
 35 in office."

36
 37 Requested by: Senators Daniel and Plyler

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

39 Sec. 44. G.S. 7A-102(c) reads as rewritten:

40 "(c) Notwithstanding the provisions of subsection (a), the Administrative Officer
 41 of the Courts shall establish an incremental salary plan for assistant clerks and for
 42 deputy clerks based on a series of salary steps corresponding to the steps contained in
 43 the Salary Plan for State Employees adopted by the Office of State Personnel, subject to
 44 a minimum and a maximum annual salary as set forth below. On and after July 1, 1985,

1 each assistant clerk and each deputy clerk shall be eligible for an annual step increase in
 2 his salary plan based on satisfactory job performance as determined by each clerk.
 3 Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the
 4 office of superior court clerk would warrant an annual salary greater than the salary first
 5 established under this section, that assistant or deputy clerk shall be eligible on and after
 6 July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after
 7 July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps
 8 in his salary plan, and shall remain eligible for a two-step increase each year as
 9 recommended by each clerk until that assistant or deputy clerk's annual salary
 10 corresponds to his number of years of service. Any person covered by this subsection
 11 who would not receive a step increase in fiscal year ~~1992-93~~ 1993-94 because that
 12 person is at the top of the salary range as it existed for fiscal year ~~1990-91~~ 1992-93 shall
 13 receive a salary increase to the maximum annual salary provided for fiscal year ~~1992-93~~
 14 by subsection (c1) of this section."

15 Sec. 45. G.S. 7A-102(c1) reads as rewritten:

16 "(c1) A full-time assistant clerk or a full-time deputy clerk shall be paid an annual
 17 salary subject to the following minimum and maximum rates:

18 Assistant Clerks	Annual Salary
19 '1992-93'	
20 Minimum \$20,712	
21 Maximum 35,262 <u>35,967</u>	

23 Deputy Clerks	Annual Salary
24 '1992-93'	
25 Minimum \$16,236	
26 Maximum 27,162 <u>27,705</u> "	

27
 28 Requested by: Senators Daniel and Plyler

29 **MAGISTRATES/SALARY INCREASE**

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

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

36
 37 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

39 Number of Prior Years of Service	Annual Salary
40 '1992-93'	
41 Less than 1 \$17,058	<u>\$17,399</u>
42 1 or more but less than 3	17,934 <u>18,293</u>
43 3 or more but less than 5	19,698 <u>20,092</u>
44 5 or more but less than 7	21,642 <u>22,075</u>

1	7 or more but less than 9	<u>23,814,24,290</u>
2	9 or more but less than 11	<u>26,178,26,702</u>
3	11 or more	<u>28,758-</u> <u>29,333.</u>

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17

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

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

18 Requested by: Senators Daniel, Plyler, and Ward

19 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**

20 Sec. 47. The Director of the Budget may transfer from the Reserve for Salary
21 Increases created in this act for fiscal years 1993-94 and 1994-95 funds to the
22 Department of Community Colleges necessary to provide an average annual salary
23 increase of two percent (2%), including funds for the employer's retirement and social
24 security contributions, commencing July 1, 1993, for all permanent full-time
25 community college institutional personnel supported by State funds. The State Board
26 shall establish guidelines for providing salary increases to community college
27 institutional personnel. Salary funds shall be used to provide an average annual salary
28 increase of two percent (2%) to all full-time employees and part-time employees on a
29 pro rata basis.

30

31 Requested by: Senators Daniel, Plyler, and Ward

32 **HIGHER EDUCATION PERSONNEL/SALARY INCREASES**

33 Sec. 48. The Director of the Budget shall transfer to the Board of Governors
34 of The University of North Carolina sufficient funds from the Reserve for Salary
35 Increases created in this act for fiscal year 1993-94 and fiscal year 1994-95 to provide
36 an annual average salary increase of two percent (2%), including funds for the
37 employer's retirement and social security contributions, commencing July 1, 1993, for
38 all employees of The University of North Carolina, as well as employees of the North
39 Carolina School of Science and Mathematics, supported by State funds and whose
40 salaries are exempt from the State Personnel Act. These funds shall be allocated to
41 individuals according to the 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 for salary increases and necessary employer
44 contributions provided by this section.

1

2 Requested by: Senators Daniel and Plyler

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

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

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

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

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

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

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

33

34 Requested by: Senators Daniel and Plyler

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

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

41

42 Requested by: Senators Daniel and Plyler

43 **PUBLIC SCHOOL PERSONNEL/SALARY INCREASES**

1 Sec. 51. (a) Superintendents, Assistant Superintendents, Associate
2 Superintendents, Supervisors, Directors, Coordinators, Evaluators, Program
3 Administrators, Principals, and Assistant Principals. – The Director of the Budget may
4 transfer from the Reserve for Salary Increases created in this act for fiscal year 1993-94
5 and fiscal year 1994-95 funds necessary to provide a salary increase of two percent
6 (2%), including funds for the employer's retirement and social security contributions,
7 commencing July 1, 1993, for all superintendents, assistant superintendents, associate
8 superintendents, supervisors, directors, coordinators, evaluators, program
9 administrators, principals, and assistant principals whose salaries are supported from the
10 State's General Fund. These funds may not be used for any purpose other than for the
11 salary increase and necessary employer contributions provided by this subsection.

12 (b) Noncertified Employees. – The Director of the Budget may transfer from the
13 Reserve for Salary Increases created in this act for fiscal year 1993-94 and fiscal year
14 1994-95 funds necessary to provide a salary increase of two percent (2%), including
15 funds for the employer's retirement and social security contributions, commencing July
16 1, 1993, for all noncertified public school employees, except school bus drivers, whose
17 salaries are supported from the State's General Fund. These funds may not be used for
18 any purpose other than for the salary increases and necessary employer contributions
19 provided by this subsection.

20 (c) The fiscal year 1992-93 pay rates adopted by local boards of education for
21 school bus drivers shall be increased by at least two percent (2%) on and after July 1,
22 1993, to the extent that such rates of pay are supported by the allocation of State funds
23 from the State Board of Education. Local boards of education shall increase the rates of
24 pay for all school bus drivers who were employed during fiscal year 1992-93 and who
25 continue their employment for fiscal year 1993-94 and fiscal year 1994-95 by at least
26 two percent (2%) on and after July 1, 1993. The Director of the Budget may transfer
27 from the salary increase reserve fund created in this act for fiscal year 1993-94 and
28 fiscal year 1994-95 funds necessary to provide the salary increases for school bus
29 drivers whose salaries are supported from the State's General Fund in accordance with
30 the provisions of this subsection.

31
32 Requested by: Senators Daniel and Plyler

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

34 Sec. 52. (a) Salaries for positions that are funded partially from the General
35 Fund or Highway Fund and partially from sources other than the General Fund or
36 Highway Fund shall be increased from the General Fund or Highway Fund
37 appropriation only to the extent of the proportionate part of the salaries paid from the
38 General Fund or Highway Fund.

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

42 (c) The salary increases provided in this Part are to be effective July 1, 1993, do
43 not apply to persons separated from State service due to resignation, dismissal,

1 reduction in force, death, or retirement, whose last workday is prior to July 1, 1993, or
2 to employees involved in written disciplinary procedures.

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

8 (d) Notwithstanding the provisions of Section 19.1 of Chapter 1137 of the 1979
9 Session Laws, as amended by Chapter 1053 of the 1981 Session Laws, G.S. 115C-
10 12(9)a., 115C-12(16), 126-7, or any other provision of law other than G.S. 20-187.3(a)
11 and G.S. 7A-102(c), no employee or officer of the public school system shall receive an
12 automatic increment, and no State employee or officer shall receive a merit increment
13 during the 1993-94 and 1994-95 fiscal years, except as otherwise permitted by this act.

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

18 (f) Nothing in this act authorizes the transfer of funds from the General Fund
19 to the Highway Fund for salary increases.
20

21 Requested by: Senators Daniel and Plyler

22 **RESERVE FOR LOWEST PAID EMPLOYEES**

23 Sec. 53. Notwithstanding any other provisions of the current law, the Office
24 of State Budget and Management may use funds in the Reserve for Lowest Paid
25 Employees for the purpose of continuing salary increases awarded during fiscal year
26 1992-93 to the lowest paid State employees pursuant to Section 37 of Chapter 1066 of
27 the 1989 Session Laws.
28

29 Requested by: Senators Daniel and Plyler

30 **COMPENSATION BONUS**

31 Sec. 54. (a) Any employee or officer whose:

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

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

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

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

42 (b) The provisions of this section do not apply to persons whose salaries are
43 determined in accordance with G.S. 7A-102 or G.S. 20-187.3(a), except for those

1 employees who would not receive a salary increment for the 1993-94 fiscal year under
2 G.S. 7A-102 or G.S. 20-187.3(a) because they are at the top of their salary range.

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

5

6 Requested by: Senators Daniel and Plyler

7 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

8 Sec. 55. (a) Required employer salary-related contributions for employees
9 whose salaries are paid from department, office, institution, or agency receipts shall be
10 paid from the same source as the source of the employees' salary. If an employee's
11 salary is paid in part from the General Fund or Highway Fund and in part from
12 department, office, institution, or agency receipts, required employer salary-related
13 contributions may be paid from the General Fund or Highway Fund only to the extent of
14 the proportionate part paid from the General Fund or Highway Fund in support of the
15 salary of the employee, and the remainder of the employer's requirements shall be paid
16 from the source that supplies the remainder of the employee's salary. The requirements
17 of this section as to source of payment are also applicable to payments on behalf of the
18 employee for hospital-medical benefits, longevity pay, unemployment compensation,
19 accumulated leave, workers' compensation, severance pay, separation allowances, and
20 applicable disability income and disability salary continuation benefits.

21 (b) Effective July 1, 1993, the State's employer contribution rates budgeted for
22 retirement and related benefits as a percentage of covered salaries for the 1993-94 and
23 1994-95 fiscal years are (i) ten and ninety-three hundredths percent (10.93%) - Teachers
24 and State Employees; (ii) fifteen and ninety-three hundredths percent (15.93%) - State
25 Law Enforcement Officers; (iii) eight and ninety-six hundredths percent (8.96%) -
26 University Employees' Optional Retirement Program; (iv) twenty-six and three
27 hundredths percent (26.03%) - Consolidated Judicial Retirement System; and (v)
28 twenty-four and forty-eight hundredths percent (24.48%) - Legislative Retirement
29 System. Each of the foregoing contribution rates includes two percent (2%) for hospital
30 and medical benefits. The rate for State Law Enforcement Officers includes five
31 percent (5%) for the Supplemental Retirement Income Plan. The rates for Teachers and
32 State Employees, State Law Enforcement Officers, and for the University Employees'
33 Optional Retirement Program includes fifty hundredths percent (0.50%) for the
34 Disability Income Plan.

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

41 ..

42 Requested by: Senators Daniel and Plyler

43 **PROVIDE AN INCREASE TO RETIREES OF THE LOCAL**
44 **GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE**

1 **TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE**
2 **CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE**
3 **LEGISLATIVE RETIREMENT SYSTEM**

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

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

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

15 "(ll) From and after July 1, 1993, the retirement allowance to or on account
16 of beneficiaries whose retirement commenced on or before July 1,
17 1992, shall be increased by one and six-tenths percent (1.6%) of the
18 allowance payable on July 1, 1992, in accordance with G.S. 128-27(k).
19 Furthermore, from and after July 1, 1993, the retirement allowance to
20 or on account of beneficiaries whose retirement commenced after July
21 1, 1992, but before June 30, 1993, shall be increased by a prorated
22 amount of one and six-tenths percent (1.6%) of the allowance payable
23 as determined by the Board of Trustees based upon the number of
24 months that a retirement allowance was paid between July 1, 1992, and
25 June 30, 1993."

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

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

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

37 "(n) From and after July 1, 1993, the retirement allowance to or on account of
38 beneficiaries whose retirement commenced on or before July 1, 1992, shall be increased
39 by one and six-tenths percent (1.6%) of the allowance payable on July 1, 1992, in
40 accordance with G.S. 135-50. Furthermore, from and after July 1, 1993, the retirement
41 allowance to or on account of beneficiaries whose retirement commenced after July 1,
42 1992, but before June 30, 1993, shall be increased by a prorated amount of one and six-
43 tenths percent (1.6%) of the allowance payable as determined by the Board of Trustees

1 based upon the number of months that a retirement allowance was paid between July 1,
2 1992, and June 30, 1993."

3

4 Requested by: Senators Daniel and Plyler

5 **PROVIDE THAT RETIRED MEMBERS IN RECEIPT OF A RETIREMENT**
6 **ALLOWANCE FROM THE STATE-ADMINISTERED RETIREMENT**
7 **SYSTEMS SHALL RECEIVE RETIREMENT BENEFITS EQUAL TO AN**
8 **AMOUNT NOT LESS THAN THE ACCUMULATED CONTRIBUTIONS OF**
9 **THE RETIREE AT RETIREMENT**

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

11 "**§ 120-4.26. Benefit payment options.**

12 Any member may elect to receive his benefits in a retirement allowance payable
13 throughout life, or he may elect to receive the actuarial equivalent of the retirement
14 allowance in a reduced allowance payable throughout life under the provisions of one of
15 the options set forth below. No election may be made after the first payment becomes
16 due, or the first retirement check cashed, nor may an election be revoked or a
17 nomination changed. The election of Option 2 or Option 3 or the nomination of the
18 person thereunder shall be revoked if the person nominated dies prior to the date the
19 first payment becomes normally due or until the first retirement check has been cashed.
20 The election may be revoked by the member prior to the date the first payment becomes
21 normally due or until his first retirement check has been cashed. Provided, however,
22 any member having elected Options 2 or 3 and nominated his or her spouse to receive a
23 retirement allowance upon the member's death may, after divorce from his or her
24 spouse, revoke the nomination and elect a new option, effective on the first day of the
25 month in which the new option is elected, providing for a retirement allowance
26 computed to be the actuarial equivalent to the retirement allowance in effect
27 immediately prior to the effective date of the new option.

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

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

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

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

3 **"§ 120-4.26A. Benefits on death after retirement.**

4 In the event of the death of a retired member while in receipt of a retirement
5 allowance under the provisions of this Article, there shall be paid to such person or
6 persons as the retiree shall have nominated by written designation duly acknowledged
7 and filed with the Board of Trustees, if such person or persons are living at the time of
8 the retiree's death, otherwise to the retiree's legal representatives, a death benefit equal
9 to the excess, if any, of the accumulated contributions of the retiree at the date of
10 retirement over the total of the retirement allowances paid prior to the death of the
11 retiree.

12 In the event that a retirement allowance becomes payable to the designated survivor
13 of a retired member under the provisions of G.S. 120-4.26 and such retirement
14 allowance to the survivor shall terminate upon the death of the survivor before the total
15 of the retirement allowances paid to the retiree and the designated survivor combined
16 equals the amount of the accumulated contributions of the retiree at the date of
17 retirement, the excess, if any, of such accumulated contributions over the total of the
18 retirement allowances paid to the retiree and the survivor combined shall be paid in a
19 lump sum to such person or persons as the retiree shall have nominated by written
20 designation duly acknowledged and filed with the Board of Trustees, if such person or
21 persons are living at the time such payment falls due, otherwise to the retiree's legal
22 representative."

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

24 "(g) Election of Optional Allowance. – With the provision that until the first
25 payment on account of any benefit becomes normally due, or his first retirement check
26 has been cashed, any member may elect to receive his benefits in a retirement allowance
27 payable throughout life, or he may elect to receive the actuarial equivalent of such
28 retirement allowance in a reduced allowance payable throughout life under the
29 provisions of one of the Options set forth below. The election of Option two or Option
30 three or nomination of the person thereunder shall be revoked if such person nominated
31 dies prior to the date the first payment becomes normally due or the first retirement
32 check has been cashed. Such election may be revoked by the member prior to the date
33 the first payment becomes normally due or his first retirement check has been cashed.
34 Provided, however, any member having elected Options two, three, ~~five~~, or six and
35 nominated his or her spouse to receive a retirement allowance upon the member's death
36 may, after divorce from his or her spouse, revoke the nomination and elect a new
37 option, effective on the first day of the month in which the new option is elected,
38 providing for a retirement allowance computed to be the actuarial equivalent of the
39 retirement allowance in effect immediately prior to the effective date of the new option.

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

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

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

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

20 Option four. Adjustment of Retirement Allowance for Social Security Benefits. –
21 Until the first payment on account of any benefit becomes normally due, any member
22 may elect to convert his benefit otherwise payable on his account after retirement into a
23 retirement allowance of equivalent actuarial value of such amount that with his benefit
24 under Table II of the Federal Social Security Act, he will receive, so far as possible,
25 approximately the same amount per year before and after the earliest age at which he
26 becomes eligible, upon application therefor, to receive a social security benefit. A
27 ~~member who makes an election in accordance with this option shall be deemed to have~~
28 ~~made a further election of Option one above.~~

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

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

41 Option six. A member may elect either Option two or Option three with the added
42 provision that in the event the designated beneficiary predeceases the member, the
43 retirement allowance payable to the member after the designated beneficiary's death

1 shall be equal to the retirement allowance which would have been payable had the
2 member not elected the option."

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

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

12 In the event that a retirement allowance becomes payable to the designated survivor
13 of a retired member under the provisions above and such retirement allowance to the
14 survivor shall terminate upon the death of the survivor before the total of the retirement
15 allowances paid to the retiree and the designated survivor combined equals the amount
16 of the accumulated contributions of the retiree at the date of retirement, the excess, if
17 any, of such accumulated contributions over the total of the retirement allowances paid
18 to the retiree and the survivor combined shall be paid in a lump sum to such person or
19 persons as the retiree shall have nominated by written designation duly acknowledged
20 and filed with the Board of Trustees, if such person or persons are living at the time
21 such payment falls due, otherwise to the retiree's legal representative."

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

23 "(g) Election of Optional Allowance. – With the provision that until the first
24 payment on account of any benefit becomes normally due, or his first retirement check
25 has been cashed, any member may elect to receive his benefits in a retirement allowance
26 payable throughout life, or he may elect to receive the actuarial equivalent of such
27 retirement allowance in a reduced allowance payable throughout life under the
28 provisions of one of the options set forth below. The election of Option 2 or Option 3
29 or nomination of the person thereunder shall be revoked if such person nominated dies
30 prior to the date the first payment becomes normally due or until the first retirement
31 check has been cashed. Such election may be revoked by the member prior to the date
32 the first payment becomes normally due or until his first retirement check has been
33 cashed. Provided, however, any member having elected Options 2, 3, ~~5~~, or 6 and
34 nominated his or her spouse to receive a retirement allowance upon the member's death
35 may, after divorce from his or her spouse, revoke the nomination and elect a new
36 option, effective on the first day of the month in which the new option is elected,
37 providing for a retirement allowance computed to be the actuarial equivalent of the
38 retirement allowance in effect immediately prior to the effective date of the new option.

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

1 (b) In the Case of a Member Who Retires on or after July 1,
2 ~~1963-1963, but prior to July 1, 1993.~~ – If he dies within 10 years
3 from his retirement date, an amount equal to his accumulated
4 contributions at retirement, less 1/120 thereof for each month for
5 which he has received a retirement allowance payment, shall be paid
6 to his legal representatives or to such person as he shall nominate by
7 written designation duly acknowledged and filed with the Board of
8 Trustees; or

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

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

20 Option 4. Adjustment of Retirement Allowance for Social Security Benefits. – Until
21 the first payment on account of any benefit becomes normally due, any member may
22 elect to convert his benefit otherwise payable on his account after retirement into a
23 retirement allowance of equivalent actuarial value of such amount that with his benefit
24 under Title II of the Federal Social Security Act, he will receive, so far as possible,
25 approximately the same amount per year before and after the earliest age at which he
26 becomes eligible, upon application therefor, to receive a social security benefit. A
27 ~~member who makes an election in accordance with this option shall be deemed to have~~
28 ~~made a further election of Option 1 above.~~

29 Option 5. For Members Retiring Prior to July 1, 1993. – The member may ~~elect:~~
30 elect to ~~(1) To receive a reduced retirement allowance under the conditions of Option~~
31 ~~2 or Option 3, as provided for above, with the modification that if both he and the~~
32 ~~person nominated die within 10 years from his retirement date, an amount equal to his~~
33 ~~accumulated contributions at retirement, less 1/120 thereof for each month for which a~~
34 ~~retirement allowance has been paid, shall be paid to his legal representatives or to such~~
35 ~~person as he shall nominate by written designation duly acknowledged and filed with~~
36 ~~the Board of Trustees; Trustees. or~~

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

41 Option 6. A member may elect either Option 2 or Option 3 with the added provision
42 that in the event the designated beneficiary predeceases the member, the retirement
43 allowance payable to the member after the designated beneficiary's death shall be equal

1 to the retirement allowance which would have been payable had the member not elected
2 the option."

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

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

12 In the event that a retirement allowance becomes payable to the designated survivor
13 of a retired member under the provisions above and such retirement allowance to the
14 survivor shall terminate upon the death of the survivor before the total of the retirement
15 allowances paid to the retiree and the designated survivor combined equals the amount
16 of the accumulated contributions of the retiree at the date of retirement, the excess, if
17 any, of such accumulated contributions over the total of the retirement allowances paid
18 to the retiree and the survivor combined shall be paid in a lump sum to such person or
19 persons as the retiree shall have nominated by written designation duly acknowledged
20 and filed with the Board of Trustees, if such person or persons are living at the time
21 such payment falls due, otherwise to the retiree's legal representative."

22 (g) In order to fund the provisions of this section, the Boards of Trustees of
23 the Teachers' and State Employees' Retirement System, the Local Governmental
24 Employees' Retirement System, and the Legislative Retirement System, with the advice
25 of the consulting actuary, shall apply unencumbered actuarial gain remaining after the
26 application of this gain to cost-of-living increases for retired members and any other
27 increases in retirement benefits contained in the 1993-94 Current Operations
28 Appropriations Act, and shall allocate the percentage of payroll contributions to the
29 Retirement System without an increase in the total employer contribution rate and
30 without an increase in the scheduled amortization period for liquidation of unfunded
31 accrued liabilities in the Retirement Systems.

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

33
34 Requested by: Senators Daniel and Plyler

35 **ALLOW LEGISLATORS SERVING IN JANUARY 1985 TO PURCHASE**
36 **CREDITABLE SERVICE IN THE LEGISLATIVE RETIREMENT SYSTEM**

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

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

42
43 Requested by: Senator Odom

44 **DEATH BENEFIT DATE CHANGE**

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

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

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

8
9 **PART 15. COLLEGES AND UNIVERSITIES**

10
11 Requested by: Senator Ward

12 **UNC ACADEMIC PROVISIONS**

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

18
19 Requested by: Senator Ward

20 **INVENTORY**

21 Sec. 61. The Board of Governors of The University of North Carolina shall
22 direct the chancellors and appropriate management staff at the constituent institutions
23 and other affiliated operations to review their management of expendable inventory and
24 to establish the best management practices for inventory control, in keeping with the
25 recommendations of the Government Performance Audit Committee. To the degree
26 that savings can be achieved from better inventory management, the Board shall report
27 these savings to the Joint Appropriations Committees of the General Assembly by April
28 15, 1994.

29
30 Requested by: Senator Ward

31 **COMPUTER NETWORK MANAGEMENT**

32 Sec. 62. The Board of Governors of The University of North Carolina shall
33 review its planned improvements in the LINCNET network operated by The University
34 of North Carolina, and, in conjunction with the Office of the State Controller and the
35 Microelectronics Center of North Carolina, determine if the improvements and the
36 ongoing operation of LINCNET can be accomplished more efficiently by combining
37 LINCNET with other networks or by its integration into the proposed statewide
38 broadband network. The Board shall report its findings to the General Assembly and to
39 the Information Resources Management Commission by May 1, 1994.

40
41 Requested by: Senator Ward

42 **WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING**
43 **FORMULAE**

1 Sec. 63. Funds appropriated in this act to the Board of Governors of The
2 University of North Carolina for continuation of financial assistance to the medical
3 schools of Duke University and Wake Forest University shall be disbursed on
4 certifications of the respective schools of medicine that show the number of North
5 Carolina residents as first-year, second-year, third-year, and fourth-year students in the
6 medical school as of November 1, 1993, and November 1, 1994. Disbursement to
7 Wake Forest University shall be made in the amount of eight thousand dollars (\$8,000)
8 for each medical student who is a North Carolina resident, one thousand dollars
9 (\$1,000) of which shall be placed by the school in a fund to be used to provide financial
10 aid to needy North Carolina students who are enrolled in the medical school. The
11 maximum aid given to any student from this fund in a given year may not exceed the
12 amount of the difference in tuition and academic fees charged by the school and those
13 charged at the School of Medicine at the University of North Carolina at Chapel Hill.

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

24 The Board of Governors shall establish the criteria for determining the
25 eligibility for financial aid of needy North Carolina students who are enrolled in the
26 medical schools and shall review the grants or awards to eligible students. The Board of
27 Governors shall adopt rules for determining which students are residents of North
28 Carolina for the purposes of these programs. The Board of Governors shall also make
29 any regulations as necessary to ensure that these funds are used directly for instruction
30 in the medical programs of the schools and not for religious or other nonpublic
31 purposes. In recognition of North Carolina's need for primary care physicians, Bowman
32 Gray School of Medicine and Duke University School of Medicine shall each prepare a
33 plan with strategies to encourage North Carolina residents to enter the primary care
34 disciplines of internal medicine, pediatrics, family medicine, obstetrics/gynecology, and
35 combined medicine/pediatrics. These schools of medicine shall present their plans to
36 the Board of Governors of The University of North Carolina by December 1, 1993. The
37 Board of Governors shall report to the Joint Legislative Commission on Governmental
38 Operations by March 1, 1994, on the status of these efforts to strengthen primary health
39 care in North Carolina.

40
41 Requested by: Senators Perdue and Basnight

42 **RESEARCH CAMPUSES/FACULTY COMPETITIVENESS**

43 Sec. 64. The Board of Governors of The University of North Carolina shall
44 authorize a tuition surcharge for students on the research university campuses in an

1 amount of two hundred dollars (\$200.00) per student. The receipts from this surcharge
2 shall be retained at the collecting campus and shall be used to increase the
3 competitiveness of faculty teaching salaries, notwithstanding Part 14 of this act, in an
4 amount equal to fifty percent (50%) of the total surcharge receipts, to increase student
5 financial aid in an amount equal to thirty percent (30%) of the total surcharge receipts,
6 and to enhance the operations of the library in an amount equal to twenty percent (20%)
7 of the total surcharge receipts.

8

9 Requested by: Senator Ward

10 **AID TO PRIVATE COLLEGES/LEGISLATIVE TUITION GRANT**
11 **LIMITATIONS**

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

18 (b) No Legislative Tuition Grant funds shall be expended for a program at an off-
19 campus site of a private institution, as defined in G.S. 116-22(1), established after May
20 15, 1987, unless (i) the private institution offering the program has previously notified
21 and secured agreement from other private institutions operating degree programs in the
22 county in which the off-campus program is located or operating in the counties adjacent
23 to that county or (ii) the degree program is neither available nor planned in the county
24 with the off-campus site or in the counties adjacent to that county.

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

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

33

34 Requested by: Senator Ward

35 **AID TO PRIVATE COLLEGES/PROCEDURE**

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

42 These funds shall be placed in a separate, identifiable account in each eligible
43 institution's budget or chart of accounts. All funds in this account shall be provided as
44 scholarship funds for needy North Carolina students during the fiscal year. Each

1 student awarded a scholarship from this account shall be notified of the source of the
2 funds and of the amount of the award. Funds not utilized under G.S. 116-19 shall be
3 made available for the tuition grant program as defined in subsection (b) of this section.

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

10 The tuition grants provided for in this section shall be administered by the
11 State Education Assistance Authority pursuant to rules adopted by the State Education
12 Assistance Authority not inconsistent with this section. The State Education Assistance
13 Authority shall not approve any grant until it receives proper certification from an
14 approved institution that the student applying for the grant is an eligible student. Upon
15 receipt of the certification, the State Education Assistance Authority shall remit, at such
16 times as it shall prescribe, the grant to the approved institution on behalf and to the
17 credit of the student.

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

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

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

35 Any remaining funds shall revert to the General Fund.

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

38
39 Requested by: Senators Perdue and Ward

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

41 Sec. 67. There is appropriated from overhead receipts at North Carolina State
42 University to the Board of Governors of The University of North Carolina for North
43 Carolina State University for the 1993-94 fiscal year and for the 1994-95 fiscal year the
44 sums of two hundred fifty thousand dollars (\$250,000) for State matching funds for the

1 Nonwovens Cooperative Research Center, five hundred thousand dollars (\$500,000) for
2 the Furniture Manufacturing and Management Center, and three hundred thousand
3 dollars (\$300,000) for technology enhancement in the pulp and paper manufacturing
4 programs.

5
6 Requested by: Senators Ward and Winner of Mecklenburg

7 **NEW DEGREE PROGRAMS**

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

13
14 Requested by: Senator Warren

15 **EAST CAROLINA UNIVERSITY MEDICAL SCHOOL/HOSPITAL**
16 **TEACHING COSTS**

17 Sec. 69. In the event that the State Medicaid Plan amendment affecting Pitt
18 County Memorial Hospital reimbursement at full cost due to its status as a primary
19 affiliated teaching hospital of a State-operated medical school is not approved by the
20 Health Care Financing Agency, funds in the amount of five million four hundred twenty
21 thousand nine hundred ninety-four dollars (\$5,420,994) for the 1993-94 fiscal year and
22 five million eight hundred sixty-five thousand seven hundred thirteen dollars
23 (\$5,865,713) for the 1994-95 fiscal year, shall be transferred from the Division of
24 Medical Assistance, Department of Human Resources, to the East Carolina University
25 School of Medicine for hospital teaching costs. In addition, if the amendment is not
26 approved, for the 1993-94 fiscal year, the amount of ten million six hundred two
27 thousand six hundred ninety-seven dollars (\$10,602,697) shall be appropriated from the
28 Savings Reserve Fund to the East Carolina University School of Medicine for hospital
29 teaching costs. If the amendment is not approved, the Governor shall notify the General
30 Assembly of the amendment's failure and of the effecting of this section's
31 appropriations, and the General Assembly shall address the need for additional funding
32 for the East Carolina University School of Medicine Hospital Teaching Costs for the
33 1994-95 fiscal year in the 1993 General Assembly, Regular Session 1994.

34
35 Requested by: Senator Ward

36 **ALLIED HEALTH PERSONNEL STUDY/AHEC**

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

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

3
4 Requested by: Senators Daniel and Plyler

5 **UNC EDUCATIONAL CONSORTIA**

6 Sec. 71. Of the funds appropriated to the Board of Governors of The
7 University of North Carolina in this act, the sum of six hundred thousand dollars
8 (\$600,000) in each year of the 1993-95 fiscal biennium shall be allocated by the Board
9 to establish four new cooperative educational consortia at Appalachian State University,
10 East Carolina University, North Carolina Central University, and the University of
11 North Carolina at Charlotte.

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

- 14 (1) Improve education practices and enhance economic development;
- 15 (2) Focus research capabilities on educational issues and economic
16 problems;
- 17 (3) Provide momentum for restructuring of public education to meet the
18 requirements of the modern era;
- 19 (4) Seek grants and other funds for model projects on promising
20 educational practices;
- 21 (5) Provide training, educational, and leadership development
22 opportunities; and
- 23 (6) Provide other initiatives leading to improvements in education and
24 economic development.

25
26 Requested by: Senators Daniel and Plyler

27 **RURAL/PRIMARY CARE INITIATIVES**

28 Sec. 72. Of the funds appropriated to the Board of Governors of The
29 University of North Carolina, the sum of two million one hundred thousand dollars
30 (\$2,100,000) for the 1993-94 fiscal year and the sum of two million one hundred
31 thousand dollars (\$2,100,000) for the 1994-95 fiscal year shall be used, according to
32 Area Health Education Center Program plans, to expand programs for training primary
33 care medical students, residents, and other health professionals in community settings.
34 These settings include private practices, health departments, and community health
35 services. These funds may be used to develop new programs and to expand existing
36 programs to assure well-supervised outreach training sites.

37
38 Requested by: Senators Daniel and Plyler

39 **NEED-BASED CYTOTECHNOLOGY SCHOLARSHIPS**

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

42 **"PART 1A. NEED-BASED CYTOTECHNOLOGY SCHOLARSHIPS.**

43 **"§ 130A-216. Need-based cytotechnology scholarships fund.**

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

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

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

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

- 23 (1) Promulgate the rules and regulations necessary to implement the
24 scholarship program;
- 25 (2) Disburse, collect, and monitor scholarship loan funds;
- 26 (3) Establish the terms and conditions of promissory notes executed by
27 loan recipients;
- 28 (4) Approve service repayment agreements;
- 29 (5) Collect cash repayments required when service repayment is not
30 completed; and
- 31 (6) Adopt rules to allow for the forgiveness of scholarship loans if it
32 determines that it is impossible for the recipient to practice
33 cytotechnology in North Carolina for a sufficient time to repay the
34 loan because of the death or permanent disability of the recipient
35 within 10 years following graduation or termination of enrollment in a
36 cytotechnology education program.

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

43 (b) Of the funds appropriated to the Board of Governors of The University
44 of North Carolina, the sum of twenty-four thousand dollars (\$24,000) for the 1993-94

1 fiscal year and the sum of twenty-four thousand dollars (\$24,000) for the 1994-95 fiscal
2 year shall be used for funding need-based scholarship loans for cytotechnology students.
3 Of the funds appropriated to the Board of Governors, twelve thousand dollars (\$12,000)
4 shall be allocated for each fiscal year to the State Education Assistance Authority for
5 allocation to private colleges in North Carolina that have cytotechnology programs.

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

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

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

19
20 Requested by: Senator Perdue

21 **PRINCIPAL FELLOWS PROGRAM**

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

24 **"ARTICLE 5C.**

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

26 **"§ 116-74.41. North Carolina Principal Fellows Commission established;** 27 **membership.**

28 (a) There is established the North Carolina Principal Fellows Commission. The
29 Commission shall exercise its powers and duties independently of the Board of
30 Governors of The University of North Carolina. The director of the Principal Fellows
31 Program shall staff the Commission. The State Education Assistance Authority (SEAA)
32 as created in G.S. 116-203 shall be responsible for implementing scholarship loan
33 agreements, monitoring, cancelling through service, collecting and otherwise enforcing
34 the agreements for the Principal Fellows Program scholarship loans established in
35 accordance with G.S. 116-74.42.

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

37 (1) One member of the Board of Governors of The University of North
38 Carolina appointed by the chair of that board, notwithstanding G.S.
39 116-7(b).

40 (2) One member of the State Board of Education appointed by the State
41 Board chair.

42 (3) Two deans of schools of education appointed by the President of The
43 University of North Carolina.

- 1 (4) One public school teacher appointed by the General Assembly upon
2 the recommendation of the President Pro Tempore of the Senate.
- 3 (5) One public school principal appointed by the General Assembly upon
4 the recommendation of the Speaker of the House of Representatives.
- 5 (6) A local superintendent chosen by the State Superintendent of Public
6 Instruction.
- 7 (7) One member to represent business and industry appointed by the
8 Governor.
- 9 (8) One local school board member appointed by the chair of the State
10 Board of Education.
- 11 (9) One parent of a public school child appointed by the State
12 Superintendent of Public Instruction.
- 13 (10) The chairperson of the Board of the State Education Assistance
14 Authority.
- 15 (11) The director of the Principal Fellows Program. The director shall chair
16 the Commission.

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

24 (d) Except as otherwise provided, if a vacancy occurs in the membership, the
25 appointing authority shall appoint another person to serve for the balance of the
26 unexpired term. In the discretion of the appointing authority, a State Board of
27 Education member or a member of the Board of Governors of The University of North
28 Carolina may complete a term on the Commission after the member's appointment from
29 the appointing board has expired.

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

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

34 **"§ 116-74.42. Principal Fellows Program established; administration.**

35 (a) A Principal Fellows Program shall be administered by the North Carolina
36 Principal Fellows Commission in collaboration with the State Education Assistance
37 Authority. The Principal Fellows Program shall provide up to a two-year scholarship
38 loan to selected recipients and shall provide extracurricular enhancement activities for
39 recipients. The North Carolina Principal Fellows Commission shall determine selection
40 criteria, methods of selection, and shall select recipients to receive scholarship loans
41 made under the Principal Fellows Program.

42 (b) The Board of Governors of The University of North Carolina shall appoint a
43 director of the Principal Fellows Program. The director shall chair and staff the
44 Principal Fellows Commission, and shall administer the extracurricular enhancement

1 activities of the program. The Board of Governors shall provide office space and
2 clerical support staff for the program.

3 (c) The Principal Fellows Program shall provide a two-year scholarship loan in
4 the amount of twenty thousand dollars (\$20,000) per year, per recipient, to persons who
5 may be eligible to be selected as school administrators in the public schools of the State
6 by completing a full-time program in school administration in an approved program.
7 Approved programs are those chosen by the Commission from among school
8 administrator programs within the State. No more than 200 principal fellow scholarship
9 loan awards shall be made in each year. The final number of scholarship loan awards
10 per year shall be made in accordance with the Board of Governors' findings concerning
11 the supply and demand of administrators, the State's need for school administrator
12 candidates and within funds appropriated for the scholarship loans. Effective
13 September 1, 1995, and in accordance with school administrator training programs
14 established by the Board of Governors of The University of North Carolina, recipients
15 shall be required to complete an approved full-time academic program during the first
16 year of the scholarship loan program and a full-time internship during the second year
17 of the program. In order to attract fellows as interns, local school administrative units
18 may use all or part of the funds allotted for an assistant principal salary for each intern
19 accepted by the local school administrative unit; however, interns shall not serve as
20 assistant principals.

21 (d) The Commission shall adopt stringent standards, which may include
22 standardized test scores, undergraduate performance, job experience and performance,
23 leadership and management abilities, and other standards deemed appropriate by the
24 Commission, to ensure that only the best potential students receive scholarship loans
25 under the Principal Fellows Program. The Commission shall consider the qualifications
26 of all applicants fairly, regardless of gender or race, and shall consider the geographic
27 diversity of the State. Scholarship loans under the Principal Fellows Program shall be
28 awarded only to applicants who meet the standards set by the Commission, are
29 domiciled in North Carolina, and who agree to work as school administrators in a North
30 Carolina public school or at a school operated by the United States government in North
31 Carolina upon completion of the two-year school administrator program supported by
32 the loan.

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

36 (f) The Commission shall develop and administer the Principal Fellows Program
37 in cooperation with school administrator programs at institutions approved by the
38 Commission. The Commission shall develop criteria and a process for the approval of
39 campus program sites. Extracurricular enhancement activities shall be coordinated with
40 each fellow's campus program and shall focus on the leadership development of
41 program fellows.

42 (g) The Commission may form regional review committees to assist it in
43 identifying the best applicants for the program. The Commission and the review
44 committees shall make an effort to identify and encourage women and minorities and

1 others who may not otherwise consider a career in school administration to apply for the
2 Principal Fellows Program.

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

11 **"§ 116-74.43. Terms of loans; receipt and disbursement of funds.**

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

18 (b) The State Education Assistance Authority shall forgive the loan if, within six
19 years after graduation from a school administrator program, the recipient serves for four
20 years as a school administrator at a North Carolina public school or at a school operated
21 by the United States government in North Carolina. The SEAA shall also forgive the
22 loan if it finds that it is impossible for the recipient to work for four years, within 10
23 years after completion of the two-year school administrator program supported by the
24 scholarship loan at a North Carolina public school, or at a school operated by the United
25 States government in North Carolina, because of the death or permanent disability of the
26 recipient. If the recipient repays the scholarship loan by cash payments, all
27 indebtedness shall be repaid within 10 years after completion of the two-year school
28 administrator program supported by the scholarship loan.

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

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

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

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

1

2 Requested by: Senator Perdue

3 **SCHOOL LEADERSHIP ACADEMY**

4 Sec. 73.2. (a) The Board of Governors of The University of North Carolina and
5 the State Board of Education shall convene a Joint Committee to study how to establish
6 a School Leadership Academy to serve the needs of all school administrators throughout
7 the State. There shall be nine members of the Joint Committee. Members shall receive
8 per diem, subsistence, and travel allowances in accordance with G.S. 138-5, or G.S.
9 138-6, as appropriate. Appointments to the committee shall be made within 30 days of
10 ratification of this act. Except as otherwise provided, if a vacancy occurs in the
11 membership, the appointing authority shall appoint another person to serve for the
12 balance of the unexpired term. At the discretion of the appointing authority, Joint
13 Committee members may continue to serve on the Joint Committee after their
14 appointment to the Board of Governors or the State Board of Education has expired.
15 Appointments shall be made as follows:

- 16 (1) Three members of the Board of Governors appointed by the Chair of
17 the Board of Governors; one of the three shall be designated cochair of
18 the Joint Committee.
- 19 (2) Three members of the State Board of Education appointed by the Chair
20 of the State Board of Education; one of the three shall be designated
21 cochair of the Joint Committee.
- 22 (3) The Superintendent of Public Instruction, or a designee.
- 23 (4) One dean of a school of education appointed by the President of The
24 University of North Carolina.
- 25 (5) The President of the North Carolina Association of Independent
26 Colleges and Universities, or a designee.
- 27 (b) In its planning the Joint Committee shall consider:
 - 28 (1) The recommendations of the report submitted to the 1993 General
29 Assembly by the Educational Leadership Task Force.
 - 30 (2) How to incorporate all or part of the Principal's Executive Program
31 into the Educational Leadership Academy.
 - 32 (3) A design for a governing board for the Educational Leadership
33 Academy composed of persons who have demonstrated a commitment
34 to improving educational leadership in the State including practicing
35 school administrators and professors of schools of education.
 - 36 (4) A charge to the governing board that ensures coordination between the
37 Educational Leadership Academy and the initial preparation programs.
 - 38 (5) How the State Board of Education shall ensure that all school
39 administrators be required to complete at least five of their 15
40 continuing education units for continued practice in the profession in
41 Educational Leadership Academy programs or in programs endorsed
42 by the Educational Leadership Academy's governing board.
 - 43 (6) How to ensure that coordinated and geographically dispersed
44 professional development opportunities exist for school administrators.

1 (7) What facilities and staff are needed for the Academy; the Joint
2 Committee shall recommend whether a building is needed, and, if so,
3 whether there is an existing building that can be used to meet the needs
4 of the Academy, or if a new building is needed.

5 (8) The cost of its recommendations which shall be included in its report
6 to the Joint Legislative Education Oversight Committee.

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

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

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

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

20 (f) Of the funds appropriated to the Board of Governors for the 1993-94 fiscal
21 year, up to the sum of fifteen thousand dollars (\$15,000) shall be used to conduct the
22 work of the Joint Committee. Of the funds appropriated to the Department of Public
23 Education for aid to local school administrative units for the 1993-94 fiscal year, up to
24 the sum of fifteen thousand dollars (\$15,000) shall be used to conduct the work of the
25 Joint Committee.

26

27 **PART 16. COMMUNITY COLLEGES**

28

29 Requested by: Senator Ward

30 **COURSE REPETITION POLICY**

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

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

43 (c) The State Board of Community Colleges shall conduct a review of all
44 occupational extension courses, including their content, length, definition, and common

1 course title. It shall ensure that these courses are classified appropriately as
2 occupational extension and are not actually community services courses.

3
4 Requested by: Senator Ward

5 **AUDIT POLICIES**

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

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

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

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

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

22
23 Requested by: Senator Ward

24 **COMMUNITY COLLEGE IN-PLANT TRAINING**

25 Sec. 76. (a) The State Board of Community Colleges shall operate in-plant
26 training programs in accordance with the rules adopted by the State Board on April 8,
27 1993, except that the State Board may increase the administrative overhead percentage
28 from fifteen percent (15%) to twenty-five percent (25%).

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

34
35 Requested by: Senator Ward

36 **PRISON EDUCATION**

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

39 (b) The State Board of Community Colleges shall develop a plan for the
40 delivery of appropriate education in correctional facilities. This plan shall address the
41 length and type of course, taking into consideration the mobility of the prison
42 population. The State Board shall report its plan to the General Assembly by May 1,
43 1994.

1 Requested by: Senator Ward

2 **HUSKINS PROGRAM**

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

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

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

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

21

22 Requested by: Senator Ward

23 **COMMUNITY COLLEGE SHELTERED WORKSHOPS FUNDS TRANSFER**

24 Sec. 79. In order to achieve administrative efficiencies, it is the intent of the
25 General Assembly to provide funds for sheltered workshops through the Department of
26 Human Resources' Adult Developmental Activity Program (ADAP). Of the funds
27 appropriated to the Division of Mental Health, Developmental Disabilities, and
28 Substance Abuse Services, Department of Human Resources, in this act, the sum of five
29 hundred twelve thousand nine hundred twenty-five dollars (\$512,925) for each year of
30 the 1993-95 biennium shall be used for providing funds to the sheltered workshops that
31 received funds from local community colleges during the fall quarter of 1992. The
32 Department of Human Resources shall not use any of these funds for administration.
33 No State funds shall be used by community colleges to provide training in sheltered
34 workshops, except for compensatory education and literacy programs.

35

36 Requested by: Senator Ward

37 **REMEDATION MEASURES**

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

42 (b) The State Board shall report its findings to the General Assembly by May
43 1, 1994.

44

1 Requested by: Senator Ward

2 **COMMUNITY COLLEGE ACCOUNTABILITY MEASURES**

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

11 (b) The State Board of Community Colleges shall study models for
12 measuring institutional effectiveness, such as the Desktop Audit used by Coastal
13 Carolina Community College, and shall direct community colleges to utilize similar
14 models in providing accountability information to the State Board for the General
15 Assembly. Colleges shall provide information on graduate placement rates and
16 employer, graduate, and early leavers satisfaction with college programs to the State
17 Board. In addition, the State Board shall direct colleges to follow up on early leavers
18 from their programs to determine, to the extent possible, the reasons for their
19 withdrawal from college programs.

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

23

24 Requested by: Senator Ward

25 **MAINTENANCE OF PLANT**

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

28 **"§ 115D-31.2. Maintenance of plant.**

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

35

36 Requested by: Senator Ward

37 **OPERATING APPROPRIATIONS/NOT USED FOR RECREATION**
38 **EXTENSION**

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

40 "(g) Funds appropriated to the Department of Community Colleges as operating
41 expenses for allocation to the institutions comprising the North Carolina Community
42 College System shall not be used to support recreation extension courses. The financing
43 of these courses by any institution shall be on a self-supporting basis, and membership

1 hours produced from these activities shall not be counted when computing full-time
2 equivalent students (FTE) for use in budget-funding formulas at the State level."

3
4 Requested by: Senator Ward

5 **FULL-TIME EQUIVALENT TEACHING POSITIONS/COMMUNITY**
6 **COLLEGES**

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

13
14 Requested by: Senator Ward

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

16 Sec. 85. Appropriations to the Department of Community Colleges for
17 equipment and library books are made for each year of the fiscal biennium. All
18 unencumbered appropriations shall revert to the General Fund 12 months after the close
19 of each fiscal year for which they were appropriated. Encumbered balances outstanding
20 at the end of each period shall be handled in accordance with existing State budget
21 policies. The Department shall be able to identify to the Office of State Budget and
22 Management which appropriations will revert at the end of the 12 months after the close
23 of each fiscal year.

24
25 Requested by: Senator Ward

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

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

37
38 Requested by: Senators Plyler and Daniel

39 **STUDENT CENSUS DATE**

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

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

1
2 **PART 17. PUBLIC SCHOOLS**

3
4 Requested by: Senator Perdue

5 **FRESHMAN PERFORMANCE REPORTS MADE AVAILABLE TO PARENTS**
6 **OF HIGH SCHOOL STUDENTS**

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

8 "c. The State Board of Education shall comply with the provisions
9 of G.S. 116-11(10a) to plan and implement an exchange of
10 information between the public schools and the institutions of
11 higher education in the State. The State Board of Education
12 shall require local boards of education to provide to the parents
13 of children at a school, all information except for confidential
14 information received about that school from institutions of
15 higher education pursuant to G.S. 116-11(10a) and to make that
16 information available to the general public."

17
18 Requested by: Senator Ward

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

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

26 It is the intent of the General Assembly that this reduction in appropriations
27 not result in employees receiving less on a monthly basis in salary and State-funded
28 bonuses during the 1994-95 fiscal year than they received on a monthly basis during the
29 1993-94 fiscal year so long as the employees qualify for bonuses under the local
30 differentiated pay plan.

31
32 Requested by: Senator Ward

33 **TEACHER SALARY SCHEDULES**

34 Sec. 90. (a) The Director of the Budget may transfer from the Reserve for
35 Salary Increases for the 1993-94 fiscal year funds necessary to implement the teacher
36 salary schedule set out in subsection (b) of this section, including funds for the
37 employer's retirement and social security contributions and funds for annual longevity
38 payments at one percent (1%) of base salary for 10 to 14 years of State service, one and
39 one-half percent (1.5%) of base salary for 15 to 19 years of State service, two percent
40 (2%) of base salary for 20 to 24 years of State service, and two and one-half percent
41 (2.5%) of base salary for 25 years of State service, commencing July 1, 1993, for all
42 teachers whose salaries are supported from the State's General Fund. These funds shall
43 be allocated to individuals according to rules adopted by the State Board of Education

1 and the Superintendent of Public Instruction. The longevity payment shall be paid in a
 2 lump sum once a year.

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

	<u>Years of</u>	<u>1993-94</u>
	<u>Experience</u>	<u>Salary</u>
7		
8		
9		
10	00	\$2,002
11	01	2,042
12	02	2,083
13	03	2,125
14	04	2,168
15	05	2,211
16	06	2,255
17	07	2,300
18	08	2,346
19	09	2,393
20	10	2,441
21	11	2,490
22	12	2,540
23	13	2,591
24	14	2,643
25	15	2,696
26	16	2,750
27	17	2,805
28	18	2,861
29	19	2,918
30	20	2,976
31	21	3,036
32	22	3,097
33	23	3,159
34	24	3,222
35	25	3,286
36	26	3,352
37	27	3,419
38	28	3,487
39	29+	3,557

40 (2) Beginning July 1, 1993, the following monthly salary schedule shall
 41 apply to certified personnel of the public schools who are classified as
 42 "G"teachers. The schedule contains 30 steps with each step
 43 corresponding to one year of teaching experience.

	Years of	1993-94
--	----------	---------

	<u>Experience</u>	<u>Salary</u>
1		
2		
3	00	\$2,127
4	01	2,170
5	02	2,213
6	03	2,257
7	04	2,302
8	05	2,348
9	06	2,395
10	07	2,443
11	08	2,492
12	09	2,542
13	10	2,593
14	11	2,645
15	12	2,698
16	13	2,752
17	14	2,807
18	15	2,863
19	16	2,920
20	17	2,978
21	18	3,038
22	19	3,099
23	20	3,161
24	21	3,224
25	22	3,288
26	23	3,354
27	24	3,421
28	25	3,489
29	26	3,559
30	27	3,630
31	28	3,703
32	29+	3,777

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

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

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

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

12
13 Requested by: Senator Ward

14 **OFFICE OF TEACHER RECRUITMENT STATUTES REPEALED**

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

16
17 Requested by: Senator Ward

18 **ALLOCATION OF FUNDS FOR MERGED CAREER LADDER PILOT**
19 **PROJECTS**

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

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

33
34 Requested by: Senator Ward

35 **REORGANIZATION OF THE DEPARTMENT OF PUBLIC INSTRUCTION**

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

1 Requested by: Senator Ward

2 **SCHOOL COUNSELOR FUNDS**

3 Sec. 94. Funds in the amount of ten million two hundred sixty-eight thousand
4 six hundred fifty-seven dollars (\$10,268,657) for the 1993-94 fiscal year and ten million
5 two hundred sixty-eight thousand six hundred fifty-seven dollars (\$10,268,657) for the
6 1994-95 fiscal year are appropriated to lower the ratio of counselors to students toward
7 the 1 to 400 ratio set out in the Basic Education Program. If a local school
8 administrative unit has already achieved the 1 to 400 ratio set out in the Basic Education
9 Program, the unit may use the funds appropriated for school counselors for other
10 instructional support personnel.

11

12 Requested by: Senator Winner of Mecklenburg

13 **SCHOOL TECHNOLOGY COMMISSION CREATED**

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

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

- 19 (1) The Governor or a designee;
- 20 (2) One teacher, one school administrator, one member of a local board of
21 education, and one representative of business or industry, appointed by
22 the Governor;
- 23 (3) One teacher, one local board of education member, one representative
24 of business or industry, and three members of the Senate, appointed by
25 the President Pro Tempore of the Senate;
- 26 (4) One teacher, one school administrator, one parent of a child attending
27 a public school, and three members of the House of Representatives,
28 appointed by the Speaker of the House of Representatives;
- 29 (5) The State Superintendent of Public Instruction or a designee;
- 30 (6) One representative of The University of North Carolina, appointed by
31 the President of The University of North Carolina;
- 32 (7) One representative of the North Carolina Community College System,
33 appointed by the President of the North Carolina Community College
34 System; and
- 35 (8) The chair of the Information Resources Management Commission, or
36 a designee.

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

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

41 The President Pro Tempore of the Senate shall designate one member of the
42 Senate serving on the Commission to serve as cochair. The Speaker of the House of
43 Representatives shall designate one member of the House serving on the Commission to
44 serve as cochair.

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

- 4 (1) Assess factors related to the current use of learning technologies in the
5 schools including what is currently being used, how the current use of
6 technology relates to the standard course of study, how the
7 effectiveness of learning technologies is being evaluated, how schools
8 are paying for learning technologies, and what training school
9 employees have received in the use of learning technology.
- 10 (2) Identify the instructional goals that can be met through the use of
11 learning technologies. The goals may include teaching the standard
12 course of study, reaching students with a broad range of abilities, and
13 ensuring that all students have access to a complete curriculum
14 regardless of the geographical location or the financial resources of the
15 school.
- 16 (3) Examine the types of learning technologies available to meet the
17 identified instructional goals including computers, audio-visual aids,
18 science laboratory equipment, vocational education equipment, and
19 distance learning networks. The Commission shall consider the
20 compatibility and accessibility of different types of learning
21 technologies and whether they may be easily communicated from one
22 site to another.
- 23 (4) Consider the types of staff development necessary to maximize the
24 benefits of learning technologies and determine the appropriate ways
25 to provide the necessary staff development.
- 26 (5) Consider staffing required to operate the learning technologies and
27 options for maintaining the equipment.
- 28 (6) Develop a funding plan that will pay for an initial investment in
29 learning technologies and ensure that funds are available for newly
30 developing technologies.

31 The Commission shall report the plan it develops to the General Assembly prior to May
32 1, 1994.

33 (d) Members of the Commission who are not State officers or employees shall
34 receive per diem and necessary travel and subsistence expenses in accordance with G.S.
35 138-5. Members who are State officers or employees shall be reimbursed for travel and
36 subsistence in accordance with G.S. 138-6.

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

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

3 (g) Of the funds appropriated to the Department of Public Instruction in this
4 act, the sum of three hundred thousand dollars (\$300,000) for the 1993-94 fiscal year
5 shall be used to implement the provisions of this section.
6

7 Requested by: Senator Perdue

8 **WEYERHAEUSER FINE TO CRAVEN COUNTY SCHOOLS**

9 Sec. 96. (a) The sum of nine hundred twenty-six thousand dollars (\$926,000)
10 that was paid by the Weyerhaeuser Corporation to the Department of Environment,
11 Health, and Natural Resources, Division of Environmental Management, on October 17,
12 1991, as a civil fine for violation of laws and regulations designed to protect the air
13 quality and prevent air pollution shall not be available for expenditure by the
14 Department of Environment, Health, and Natural Resources and shall not revert to the
15 General Fund. The funds are reallocated to the Craven County Board of Education for
16 the public schools in Craven County.

17 (b) This section becomes effective the earlier of (i) June 30, 1993, and (ii) the
18 date of ratification of this act.
19

20 Requested by: Senator Lee

21 **TEACHER ACADEMY PLAN**

22 Sec. 97. (a) There is created in the Department of Public Instruction the
23 Teacher Academy Task Force. The Task Force shall consist of 15 members appointed
24 as follows:

- 25 (1) The Superintendent of Public Instruction or the Superintendent's
26 designee, who shall serve as Chair;
- 27 (2) One member of the State Board of Education appointed by the Chair
28 of the State Board;
- 29 (3) One member of the Board of Governors of The University of North
30 Carolina appointed by the Chair of the Board of Governors;
- 31 (4) The Director of the North Carolina Center for the Advancement of
32 Teaching;
- 33 (5) One Dean of a School of Education appointed by the President of The
34 University of North Carolina;
- 35 (6) Four public school teachers appointed by the Speaker of the House of
36 Representatives, one of whom teaches in preschool through grade 2,
37 one of whom teaches in grades 3 through 5, one of whom teaches in
38 grades 6 through 8, and one of whom teaches in grades 9 through 12;
- 39 (7) Four public school teachers appointed by the President Pro Tempore of
40 the Senate, one of whom teaches in preschool through grade 2, one of
41 whom teaches in grades 3 through 5, one of whom teaches in grades 6
42 through 8, and one of whom teaches in grades 9 through 12;
- 43 (8) One superintendent of a local school administrative unit appointed by
44 the Speaker of the House of Representatives; and

1 (9) One public school principal appointed by the President Pro Tempore
2 of the Senate.

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

8 The plan shall address the following:

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

1 The Task Force shall consider existing professional development
2 organizations and networks in the development of the Plan. The Task Force shall also
3 work in conjunction with the Teacher Training Task Force in the development of the
4 Plan.

5 (c) The Department of Public Instruction shall provide professional and
6 clerical services to the Task Force. The Department of Public Instruction shall also
7 provide meeting rooms, telephones, office space, equipment, and supplies to the
8 Commission.

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

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

13 (f) The Department of Public Instruction shall begin implementation of
14 Teacher Academies by developing training modules, training the initial cadre of teacher
15 trainers, contracting with trainers, and selecting universities as sites for Teacher
16 Academies for summer training in 1994. The Department of Public Instruction shall
17 conduct initial teacher training at multiple sites, starting in the summer of 1994. In
18 carrying out its responsibilities under this subsection, the Department of Public
19 Instruction shall consider the work of the Teacher Academy Task Force.

20 (g) The State Board of Education shall use up to three hundred thousand
21 dollars (\$300,000) of the funds received by the State Board of Education prior to June
22 30, 1993, from audit exceptions and refunds to Aid to Local School Administrative
23 Units to implement the provisions of this section. Of these funds, the sum of fifteen
24 thousand dollars (\$15,000) for the 1993-94 fiscal year shall be used to carry out the
25 work of the Teacher Academy Task Force and the sum of two hundred eighty-five
26 thousand dollars (\$285,000) for the 1993-94 fiscal year shall be used by the Department
27 of Public Instruction to begin implementation of Teacher Academies by developing
28 training modules, training the initial cadre of teacher trainers, contracting with trainers,
29 and selecting universities as sites for Teacher Academies for summer training in 1994.

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

32
33 Requested by: Senator Perdue

34 **ROLE OF THE DEPARTMENT OF PUBLIC INSTRUCTION IN STAFF**
35 **DEVELOPMENT**

36 Sec. 98. The Joint Legislative Education Oversight Committee may hire a
37 consultant to review the role and capabilities of the Department of Public Instruction
38 with respect to the implementation of site-based management and decision-making.
39 The consultant shall review the organization of the Department with respect to the
40 implementation of site-based management and decision making and provide
41 recommendations to the Committee.

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

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

4
5 Requested by: Senator Ward

6 **STAFF DEVELOPMENT FUND**

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

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

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

20
21 Requested by: Senator Ward

22 **EXCEPTIONAL CHILDREN FUNDS**

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

25 (1) Each local school administrative unit shall receive for academically
26 gifted children the sum of \$643.65 per child for 3.9% of the 1992-93
27 actual average daily membership in the local school administrative
28 unit, regardless of the number of children identified as academically
29 gifted in the local school administrative unit. The total number of
30 children for which funds shall be allocated pursuant to this subdivision
31 is 43,114 for the 1993-94 school year.

32 (2) Each local school administrative unit shall receive for exceptional
33 children other than academically gifted children the sum of \$1,930.95
34 per child for the lesser of (i) all children who are identified as
35 exceptional children other than academically gifted children or (ii)
36 12.5% of the 1992-93 actual average daily membership in the local
37 school administrative unit. The maximum number of children for
38 which funds shall be allocated pursuant to this subdivision is 125,316
39 for the 1993-94 school year.

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

43 (b) The State Board of Education shall study the methods of identifying
44 exceptional children and formulas for allocating funds for exceptional children,

1 including a weighted pupil formula that approximates the actual costs of providing
2 services. The formula may weight components including the severity of exceptionality,
3 wealth of the local educational agency, and any other factor the State Board of
4 Education considers appropriate. The State Board of Education shall ensure that the
5 weights do not encourage local educational agencies as defined in G.S. 115C-110 to
6 categorize children as more severely impaired than they are or to serve children in more
7 restrictive settings than are needed. The State Board of Education shall determine the
8 impact on current funding levels by running simulations of any formula that it
9 considers, and shall recommend a five-year timeline beginning with the 1995-96 fiscal
10 year for implementation of the formula, which may include the elimination of caps in
11 allocating exceptional children's funds at the end of the five years.

12 The State Board of Education shall report its recommendations and findings
13 to the Commission on Children with Special Needs and to the chairs of the
14 appropriations committees and the appropriations subcommittees on education of the
15 Senate and the House of Representatives by March 15, 1994.

16
17 Requested by: Senator Ward

18 **EXTENDED SERVICES ALLOTMENT**

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

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

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

33 **"§ 115C-301.1. Duty free period.**

34 ~~All~~ It is the intent of the General Assembly that all full-time assigned classroom
35 teachers shall be provided a daily duty free period during regular student contact ~~hours.~~
36 ~~The duty free period shall be provided to the maximum extent that (i) the safety~~
37 ~~and proper supervision of children may allow during regular student contact hours and~~
38 ~~(ii) insofar as funds are provided for this purpose by the General Assembly. If the safety~~
39 ~~and supervision of children does not allow a daily duty free period during regular~~
40 ~~student contact hours for a given teacher, the funds provided by the General Assembly~~
41 ~~for the duty free period for that teacher shall revert to the general fund.~~ hours to the
42 extent that the safety and proper supervision of children may allow. Local boards of
43 education may use funds from the Extended Services Allotment to provide for a daily
44 duty free period."

- 1 (c) G.S. 115C-174.11(b) reads as rewritten:
2 "(b) Competency Testing Program.
3 (1) The State Board of Education shall adopt tests or other measurement
4 devices which may be used to assure that graduates of the public high
5 schools and graduates of nonpublic schools supervised by the State
6 Board of Education pursuant to the provisions of Part 1 of Article 39
7 of this Chapter possess the skills and knowledge necessary to function
8 independently and successfully in assuming the responsibilities of
9 citizenship.
10 (2) The tests shall be administered annually to all tenth grade students in
11 the public schools. Students who fail to attain the required minimum
12 standard for graduation in the tenth grade shall be given remedial
13 instruction and additional opportunities to take the test up to and
14 including the last month of the twelfth grade. Students who fail to pass
15 parts of the test shall be retested on only those parts they fail. Students
16 in the tenth grade who are enrolled in special education programs or
17 who have been officially designated as eligible for participation in
18 such programs may be excluded from the testing programs.
19 (3) The State Board of Education may develop and validate alternate
20 means and standards for demonstrating minimum competence. These
21 standards, which must be more difficult than the tests adopted pursuant
22 to subdivision (1) of this subsection, may be passed by students in lieu
23 of the testing requirement of subdivision (2) of this subsection.
24 (4) Funds appropriated for the purpose of remediation support for students
25 who fail the high school competency test shall be distributed ~~in~~
26 ~~accordance with rules promulgated by the State Board of Education to~~
27 local school administrative units within the Extended Services
28 Allotment. The State Board of Education shall allocate remediation
29 funds to institutions administered by the Department of Human
30 Resources on the same basis as funds allocated to other local education
31 agencies."

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

33 **"§ 115C-206. State Board of Education; duties; responsibilities.**

34 The Superintendent of Public Instruction shall prepare and present to the State
35 Board of Education recommendations for general guidelines for encouraging increased
36 community involvement in the public schools and use of public school facilities. The
37 Superintendent of Public Instruction shall consult with the interagency council in
38 preparing the general guidelines. These recommendations shall include, but shall not be
39 limited to provisions for:

- 40 (1) The use of public school facilities by governmental, charitable or civic
41 organizations for activities within the community.
42 (2) The utilization of the talents and abilities of volunteers within the
43 community for the enhancement of public school programs including
44 tutoring, counseling and cultural programs and projects.

- 1 (3) Increased communications between the staff and faculty of the public
2 schools, other community institutions and agencies, and citizens in the
3 community.

4 Based on the recommendations of the Superintendent of Public Instruction, the State
5 Board of Education shall adopt appropriate policies and guidelines for encouraging
6 increased community involvement in the public schools and use of the public school
7 facilities.

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

12 The State Board of Education is authorized to allocate funds to the local boards of
13 education for the employment of community schools coordinators and for other
14 appropriate expenses upon approval of a program submitted by a local board of
15 education and subject to the availability of funds. In the event that a local board of
16 education already has sufficient personnel employed performing functions similar to
17 those of a community schools coordinator, the State Board of Education may allocate
18 funds to that local board of education for other purposes consistent with this Article.
19 ~~Funds allocated to a local board of education shall not exceed three fourths of the total~~
20 ~~budget approved in the community schools program submitted by a local board of~~
21 ~~education."~~

22
23 Requested by: Senator Perdue

24 **LOCAL SCHOOL IMPROVEMENT PLANS**

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

26 **"§ 115C-238.1. Performance-based Accountability Program; development and**
27 **implementation by State Board.**

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

- 34 (1) Procedures and guidelines through which, beginning with the 1990-91
35 fiscal year, local school administrative units may participate in the
36 Program;
- 37 (2) Guidelines for developing local school improvement plans with three-
38 year student performance goals and annual milestones to measure
39 progress in meeting those goals; and
- 40 (3) A set of student performance indicators for measuring and assessing
41 student performance in the participating local school administrative
42 units. These indicators ~~may~~ shall include attendance rates, dropout
43 rates, test scores, parent involvement, and post-secondary outcomes.

1 (4) Guidelines for school performance indicators for measuring and
2 assessing school performance in the participating local school
3 administrative units. These indicators shall concern how to gauge
4 community involvement, professional development of teachers, and
5 the school climate with regard to the safety of students and employees
6 and the use of positive discipline. These indicators shall not rely
7 predominantly on test scores."

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

9 **"§ 115C-238.3. Development of local plans; elements of local plans.**

10 (a) Development of systemwide plan by the local board of education. – The
11 board of education of a local school administrative unit that elects to participate in the
12 Program shall develop and submit a local school improvement plan for the entire local
13 school administrative unit to the State Superintendent of Public Instruction before April
14 15 of the fiscal year preceding the fiscal year in which participation is sought.

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

16 (b) Establishment of student performance goals by the local board of education
17 for the systemwide plan. – The local board of education shall establish student
18 performance goals for the local school administrative unit. The local board of education
19 shall actively involve an advisory panel composed of a substantial number of teachers,
20 school administrators, other school staff, and parents of children enrolled in the local
21 school administrative unit, in developing the student performance goals for the local
22 school improvement plan. Parents serving on advisory panels shall not be employees of
23 the school unit and shall reflect the racial and socioeconomic composition of the
24 students enrolled in the local school administrative unit. The advisory panel shall
25 ensure substantial parent participation. It is the intent of the General Assembly that
26 teachers have a major role in developing the student performance goals for the local
27 school improvement plan; therefore, at least half of the ~~staff~~ members participating in
28 this advisory panel shall be teachers. ~~The teachers~~ Every teacher in the local school
29 administrative unit shall ~~select the teachers who are involved in the advisory panel.~~ have
30 an opportunity to elect by secret ballot the teachers who are involved in the advisory
31 panel.

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

37 (b1) Development by each school of strategies for attaining local student
38 performance goals. – The principal of each school, representatives of the building-level
39 staff, and parents of children enrolled in the school shall develop a building-level plan
40 to address student performance goals appropriate to that school from those established
41 by the local board of education. Parents serving on building level committees shall
42 reflect the racial and socioeconomic composition of the students enrolled in that school
43 and shall not be members of the building-level staff. Parental involvement is a critical
44 component of school success and positive student outcomes; therefore, it is the intent of

1 the General Assembly that parents, along with teachers, have a substantial role in
2 developing student performance goals at the building level. To this end, building-level
3 advisory board meetings shall be held at a convenient time to assure substantial parent
4 participation. ~~These~~ The strategies for attaining local school performance goals shall
5 include a plan for the use of staff development funds made available to the school to
6 implement the building-level plan. These strategies may also include requests for
7 waivers of State laws, regulations, or policies for that school. A request for a waiver
8 shall (i) identify the State laws, regulations, or policies that inhibit the local unit's ability
9 to reach its local accountability goals, (ii) set out with specificity the circumstances
10 under which the waiver may be used, and (iii) explain how a waiver of those laws,
11 regulations, or policies will permit the local unit to reach its local goals.

12 Support among affected staff members is essential to successful implementation of a
13 building-level plan to address student performance goals appropriate to a school;
14 therefore, the principal of the school shall present the proposed building-level plan to all
15 of the staff assigned to the school building for their review and vote. The vote shall be
16 by secret ballot. The principal may submit the building-level plan to the local board of
17 education for inclusion in the systemwide plan only if the proposed building-level plan
18 has the approval of a majority of the staff who voted on the plan.

19 The local board of education shall accept or reject the building-level plan. The local
20 board shall not make any substantive changes in any building-level plan that it accepts;
21 the local board shall set out any building-level plan that it accepts in the systemwide
22 plan. If the local board rejects a building-level plan, the local board shall state with
23 specificity its reasons for rejecting the plan; the principal of the school for which the
24 plan was rejected, representatives of the building-level staff, and parents of children
25 enrolled in the school may then prepare another plan, present it to the building-level
26 staff for a vote, and submit it to the local board for inclusion in the systemwide plan. If
27 no building-level plan is accepted for a school before March 15 of the fiscal year
28 preceding the fiscal year in which participation is sought, the local board may develop a
29 plan for the school for inclusion in the systemwide plan; the General Assembly urges
30 the local board to utilize the proposed building-level plan to the maximum extent
31 possible when developing such a plan.

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

35 (1) The local school administrative unit shall consider a plan for
36 differentiated pay. The local plan shall include a plan for differentiated
37 pay, in accordance with G.S. 115C-238.4, unless the local school
38 administrative unit elects not to participate in any differentiated pay
39 plan.

40 (2) The principal of each school, representatives of the building-level
41 staff, and parents of children enrolled in the school shall develop a
42 building-level differentiated pay plan for the school when they develop
43 their building-level plan to address student performance goals
44 appropriate to the school. By October 1 of each year, the principal

1 shall disclose to all affected personnel the total allocation of funds for
2 differentiated pay. At the end of the fiscal year, the principal shall
3 make available to all affected personnel a report of all disbursement
4 from the building-level differentiated pay plan.

5 Support among affected staff members is essential to successful
6 implementation of a building-level differentiated pay plan; therefore,
7 the principal of the school shall present the proposed building-level
8 plan to all of the staff eligible to receive differentiated pay, in
9 accordance with G.S. 115C-238.4(a), for their review and vote. The
10 vote shall be by secret ballot. The principal may submit the building-
11 level differentiated pay plan to the local board of education only if the
12 proposed building-level differentiated pay plan has the approval of a
13 majority of the staff who voted on the plan.

14 The local board of education shall accept or reject the building-
15 level differentiated pay plan. The local board shall not make any
16 substantive changes in any building-level plan that it accepts; the local
17 board shall set out any building-level plan that it accepts in the
18 systemwide differentiated pay plan. If the local board rejects a
19 building-level plan, the local board shall state with specificity its
20 reasons for rejecting the plan; the principal of the school for which the
21 plan was rejected, representatives of the building-level staff, and
22 parents of children enrolled in the school may then prepare another
23 plan, present it to all of the staff eligible to receive differentiated pay,
24 in accordance with G.S. 115C-238.4(a), for a vote, and submit it to the
25 local board for inclusion in the systemwide plan. If no building-level
26 plan is accepted for a school before March 15 of the fiscal year
27 preceding the fiscal year in which participation is sought, the local
28 board may develop a plan for the school building for inclusion in the
29 systemwide plan; the General Assembly urges the local board to utilize
30 the proposed building-level plan to the maximum extent possible when
31 developing such a plan.

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

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

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

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

44 "**§ 115C-238.8. Distribution of staff development funds.**

1 The local board of education shall distribute at least seventy-five percent (75%) of
2 the funds appropriated by the State for staff development to implement the local school
3 improvement plan to individual school buildings on the basis of average daily
4 membership. These funds shall be used in accordance with the building-level plan set
5 out in the systemwide plan. The remainder of the funds appropriated by the State for
6 staff development to implement the local school improvement plan shall be used in
7 accordance with the systemwide plan developed and adopted by the local board of
8 education.

9 By October 1 of each year, the principal shall disclose to all affected personnel the
10 total allocation of all funds available to the school for staff development and the
11 superintendent shall disclose to all affected personnel the total allocation of all funds
12 available at the system level for staff development. At the end of the fiscal year, the
13 principal shall make available to all affected personnel a report of all disbursements
14 from the building-level staff development funds, and the superintendent shall make
15 available to all affected personnel a report of all disbursements at the system level of
16 staff development funds."

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

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

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

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

- 1 (10) One school principal appointed by the Speaker of the House of
2 Representatives after receiving recommendations from the Tar Heel
3 Association of Principals/Assistant Principals and the Division of
4 Administrators of the North Carolina Association of Educators;
5 (11) One school teacher appointed by the President Pro Tempore of the
6 Senate after receiving recommendations from the North Carolina
7 Association of Educators, Inc., the North Carolina Federation of
8 Teachers, and the Professional Educators of North Carolina, Inc.;
- 9 (12) One school teacher appointed by the Speaker of the House of
10 Representatives after receiving recommendations from the North
11 Carolina Association of Educators, Inc., the North Carolina Federation
12 of Teachers, and the Professional Educators of North Carolina, Inc.;
- 13 ~~and~~
14 (13) The Director of the Task Force on Site-Based Management, appointed
15 by the Superintendent of Public Instruction in accordance with
16 subsection (d) of this ~~section~~-section;
- 17 (14) One parent of a public school child appointed by the Superintendent
18 of Public Instruction;
19 (15) One at-large member appointed by the Superintendent of Public
20 Instruction;
21 (16) One representative of business and industry appointed by the
22 Governor;
23 (17) One representative of institutions of higher education appointed by the
24 Board of Governors of The University of North Carolina; and
25 (18) One county commissioner appointed by the Superintendent of Public
26 Instruction after receiving recommendations from the North Carolina
27 Association of County Commissioners.

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

29 All members of the Task Force shall be voting members. Vacancies in the appointed
30 membership shall be filled by the officer who made the initial appointment. The
31 Director of the Task Force on Site-Based Management shall serve as chair of the Task
32 Force.

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

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

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

41 (f) Members appointed to the Site-Based Management Task Force in
42 accordance with subsection (d) of this section shall serve until September 1, 1994, and
43 shall be eligible for reappointment. Successive appointments shall be for two-year
44 terms. The Task Force shall use funds available to it for the 1992-93 fiscal year for

1 travel and subsistence expenses for members of the Task Force added pursuant to this
2 section.

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

8

9 **PART 18. DEPARTMENT OF TRANSPORTATION**

10

11 Requested by: Senator Albertson

12 **PERMANENT HOURLY WORKER STATUS**

13

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

22

23 (b) G.S. 126-5(c4) is repealed. This subsection becomes effective January 1,
24 1994.

25

26 Requested by: Senator Lee

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

28

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

30

31 Requested by: Senator Lee

32 **RENAME NORTH CAROLINA ELDERLY AND HANDICAPPED**
33 **TRANSPORTATION ASSISTANCE PROGRAM**

34

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

36

37 "**§ 136-44.27. North Carolina Elderly and ~~Handicapped-Disabled~~ Transportation**
38 **Assistance Program.**

39

40 (a) There is established the Elderly and ~~Handicapped-Disabled~~ Transportation
41 Assistance Program that shall provide State financed elderly and ~~handicapped-disabled~~
42 transportation services for counties within the State. The Department of Transportation
43 is designated as the agency of the State responsible for administering State funds
44 appropriated to purchase elderly and ~~handicapped-disabled~~ transportation services for
45 counties within the State. The Department shall develop appropriate procedures
46 regarding the distribution and use of these funds and shall adopt rules to implement
47 these procedures. No funds appropriated pursuant to this act may be used to cover State
48 administration costs.

49

50 (b) For the purposes of this section, an elderly person is defined as one who has
51 reached the age of 60 or more years, and a ~~handicapped-disabled~~ person is defined as

1 one who has a physical or mental impairment that substantially limits one or more major
2 life activities, an individual who has a record of such impairment, or an individual who
3 is regarded as having such an impairment. Certification of eligibility shall be the
4 responsibility of the county.

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

12 (d) The Public Transportation Division of the Department of Transportation shall
13 distribute these funds to the counties according to the following formula: fifty percent
14 (50%) divided equally among all counties; twenty-two and one-half percent (22 1/2%)
15 based upon the number of elderly residents per county as a percentage of the State's
16 elderly population; twenty-two and one-half percent (22 1/2%) based upon the number
17 of ~~handicapped~~ disabled residents per county as a percentage of the State's ~~handicapped~~
18 disabled population; and, the remaining five percent (5%) based upon a population
19 density factor that recognizes the higher transportation costs in sparsely populated
20 counties.

21 (e) Funds distributed by the Department under this section shall be used by
22 counties in a manner consistent with transportation development plans which have been
23 approved by the Department and the Board of County Commissioners. To receive
24 funds apportioned for a given fiscal year, a county shall have an approved transportation
25 development plan. Funds that are not obligated in a given fiscal year due to the lack of
26 such a plan will be distributed to the eligible counties based upon the distribution
27 formula prescribed by subsection (d) of this section."
28

29 Requested by: Senators Sands and Lee

30 **POWELL BILL ELIGIBILITY MODIFICATION**

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

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

36 (2) Notwithstanding the definition of the "State secondary system" in the
37 first paragraph of G.S. 136-44.2, the State secondary road system shall
38 include those portions of the State highway system within the
39 incorporated municipalities that would be eligible to receive funds
40 under G.S. 136-41.1 pursuant to subsection (a) of this section, but only
41 if the municipality chooses not to receive the available funds under
42 G.S. 136-41.1.

43 (b) A municipality that becomes eligible under subdivision (1) of subsection (a)
44 of this section to receive funds under G.S. 136-41.1 has until June 30, 1994, to elect to

1 be eligible to receive either funds under the Powell Bill allocations or funds that may be
2 available for maintenance of secondary roads from the Highway Fund or the Highway
3 Trust Fund. Once the election is made, it cannot be changed. A municipality
4 incorporated after the effective date of this section that could become eligible under
5 subdivision (1) of subsection (a) of this section shall make its eligibility election within
6 one year of the date of its incorporation.

7
8 Requested by: Senator Lee

9 **SMALL URBAN CONSTRUCTION PROGRAM FUNDS**

10 Sec. 106. Of the funds appropriated in this act to the Department of
11 Transportation, the sum of twenty million dollars (\$20,000,000) shall be allocated in
12 each fiscal year of the biennium for small urban construction projects. Fourteen million
13 dollars (\$14,000,000) of these funds shall be allocated equally in each fiscal year of the
14 biennium among the 14 Highway Divisions for the Small Urban Construction Program
15 for small urban construction projects that are located within the area covered by a one-
16 mile radius of the municipal corporate limits. The remaining six million dollars
17 (\$6,000,000) shall be used statewide for rural or small urban highway improvements as
18 approved by the Secretary of the Department of Transportation.

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

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

26
27 Requested by: Senator Lee

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

29 Sec. 107. Of the funds appropriated in this act for the North Carolina Air
30 Cargo Airport Authority, the sum of five hundred thousand dollars (\$500,000) for the
31 1993-94 fiscal year shall be transferred by July 15, 1993, and the sum of five hundred
32 thousand dollars (\$500,000) for the 1994-95 fiscal year shall be transferred by July 15,
33 1994, to the Department of Commerce for marketing of the Global TransPark including
34 two positions, operating support, and advertising funds.

35
36 Requested by: Senator Lee

37 **NORTH CAROLINA BRIDGE AUTHORITY**

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

39 **"ARTICLE 6F.**

40 **"NORTH CAROLINA BRIDGE AUTHORITY.**

41 **"§ 136-89.159. Bridge projects.**

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

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

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

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

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

10 **"§ 136-89.160. Funding for projects.**

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

14 **"§ 136-89.161. North Carolina Bridge Authority.**

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

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

21 (1) The Secretary of Transportation shall serve as the chairman of the
22 Authority.

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

26 (3) Two members shall be appointed by the General Assembly, one upon
27 the recommendation of the President Pro Tempore of the Senate and
28 one upon the recommendation of the Speaker of the House of
29 Representatives, in accordance with G.S. 120-121. The member
30 appointed by the General Assembly upon the recommendation of the
31 Speaker of the House of Representatives shall serve a term expiring on
32 July 1, 1994, and the member appointed by the General Assembly
33 upon the recommendation of the President Pro Tempore of the Senate
34 shall serve a term expiring on July 1, 1995. Thereafter all terms shall
35 be for four years.

36 (c) The successor of each of the appointed members shall be appointed for a term
37 of four years, but any person appointed to fill a vacancy shall be appointed to serve only
38 for the unexpired term, and a member of the Authority shall be eligible for
39 reappointment. Each appointed member of the Authority may be removed by the
40 appointing authority for misfeasance, malfeasance, or willful neglect of duty. Each
41 appointed member of the Authority before entering upon his duties shall take an oath to
42 administer the duties of his office faithfully and impartially, and a record of each oath
43 shall be filed in the office of the Secretary of State.

1 (d) The Authority shall elect one of the appointed members as vice-chairman,
2 and shall also elect a secretary who need not be a member of the Authority. The vice-
3 chairman and secretary shall serve as officers at the pleasure of the Authority. Four
4 members of the Authority shall constitute a quorum, and the affirmative vote of four
5 members shall be necessary for any action taken by the Authority. No vacancy in the
6 membership of the Authority shall impair the right of a quorum to exercise all the rights
7 and perform all the duties of the Authority.

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

11 (f) The Authority shall be located within the Department of Transportation for
12 administrative purposes but shall exercise all of its powers independently of the
13 Department of Transportation.

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

17 **"§ 136-89.162. Powers of the Authority.**

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

- 20 (1) The powers of a corporate body, including the power to sue and be
21 sued, to make contracts, to adopt and use a common seal, and to alter
22 the adopted seal as needed.
- 23 (2) To establish, purchase, construct, operate, and regulate bridges and to
24 own, lease, sell, or manage real or personal property.
- 25 (3) To charge and collect tolls and fees for the use of the bridges or for
26 services rendered in the operation of the bridges.
- 27 (4) To rent, lease, purchase, acquire, own, encumber, dispose of, or
28 mortgage real or personal property, including the power to acquire
29 property by eminent domain pursuant to Article 9 of Chapter 136 of
30 the General Statutes.
- 31 (5) To establish, construct, purchase, maintain, equip, and operate any
32 structure or facilities associated with a bridge.
- 33 (6) To pay all necessary costs and expenses in the formation, organization,
34 administration, and operation of the Authority.
- 35 (7) To apply for, accept, and administer loans and grants of money from
36 any federal agency, from the State or its political subdivisions, or from
37 any other public or private sources available.
- 38 (8) To adopt, alter, or repeal its own bylaws or rules implementing the
39 provisions of this Article.
- 40 (9) To employ consulting engineers, architects, attorneys, real estate
41 counselors, appraisers, and other consultants and employees as may be
42 required in the judgment of the Board and to fix and pay their
43 compensation from funds available to the Authority.

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

6 (11) To receive and use appropriations from the State, including an
7 appropriation from the proceeds of State general obligation bonds or
8 notes.

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

12 **"§ 136-89.163. Taxation of property of Authority.**

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

15 **"§ 136-89.164. Acquisition, disposition, or exchange of real property.**

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

20 **"§ 136-89.165. Cooperation by other State agencies.**

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

23 **"§ 136-89.166. Annual and quarterly reports.**

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

30 The Authority shall submit quarterly reports to the Joint Legislative Transportation
31 Oversight Committee. The reports shall summarize the Authority's activities during the
32 quarter and contain any information about the Authority's activities that is requested by
33 the Committee.

34 **"§ 136-89.167. Dissolution.**

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

40 (b) The Joint Legislative Transportation Oversight Committee shall study the
41 best method for funding the North Carolina Bridge Authority and the construction and
42 maintenance of a bridge in Currituck County from the mainland to the Outer Banks near
43 Corolla, and report its findings to the General Assembly on or before the first day of the
44 1994 Session.

1

2 Requested by: Senator Lee

3 **JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE**

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

5 "**§ 120-70.50. Creation and membership of Joint Legislative Highway**
6 **Transportation Oversight Committee.**7 The Joint Legislative ~~Highway~~Transportation Oversight Committee is established.

8 The Committee consists of 16 members as follows:

- 9 (1) Eight members of the Senate appointed by the President Pro Tempore
10 of the Senate, at least two of whom are members of the minority party;
11 and
12 (2) Eight members of the House of Representatives appointed by the
13 Speaker of the House of Representatives, at least three of whom are
14 members of the minority party.

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

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

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

24 "(a) The Joint Legislative ~~Highway~~Transportation Oversight Committee ~~shall:~~
25 may:

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

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

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

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

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

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

- 15 (1) The Speaker and the Speaker Pro Tempore of the House of
16 Representatives;
- 17 (2) The Lieutenant Governor and the President Pro Tempore of the
18 Senate;
- 19 (3) The Chairs of the House and Senate Appropriations Committees;
- 20 (4) Each member of the Joint Legislative ~~Highway~~Transportation
21 Oversight Committee; and
- 22 (5) The Fiscal Research Division of the Legislative Services
23 Commission."

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

25 **"§ 136-184. Reports by Department of Transportation.**

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

35 (b) The Department of Transportation shall make quarterly reports to the Joint
36 Legislative ~~Highway~~Transportation Oversight Committee containing any information
37 requested by the Committee. The Department shall provide the Committee with all
38 information needed to determine if funds available under the Trust Fund and the
39 Transportation Improvement Program are being spent in accordance with G.S. 136-
40 17.2A."

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

42 "(a) Except as provided in subsection (e) below, all official meetings of
43 commissions, committees, and standing subcommittees of the General Assembly
44 (including, without limitation, joint committees and study committees), shall be held in

1 open session. For the purpose of this section, the following also shall be considered to
2 be 'commissions, committees, and standing subcommittees of the General Assembly':

- 3 (1) The Legislative Research Commission;
- 4 (2) The Legislative Services Commission;
- 5 (3) The Advisory Budget Commission;
- 6 (4) The Joint Legislative Utility Review Committee;
- 7 (5) The Joint Legislative Commission on Governmental Operations;
- 8 (6) The Joint Legislative Commission on Municipal Incorporations;
- 9 (7) The Commission on the Family;
- 10 (8) The Joint Select Committee on Low-Level Radioactive Waste;
- 11 (9) The Environmental Review Commission;
- 12 (10) The Joint Legislative ~~Highway~~ Transportation Oversight Committee;
- 13 (11) The Joint Legislative Education Oversight Committee;
- 14 (12) The Joint Legislative Commission on Future Strategies for North
15 Carolina;
- 16 (13) The Commission on Children with Special Needs;
- 17 (14) The Legislative Committee on New Licensing Boards;
- 18 (15) The Agriculture and Forestry Awareness Study Commission;
- 19 (16) The North Carolina Study Commission on Aging; and
- 20 (17) The standing Committees on Pensions and Retirement."

21 (g) Any law that contains "Joint Legislative Highway Oversight Committee"
22 shall be deemed to refer to the "Joint Legislative Transportation Oversight Committee."
23

24 Requested by: Senator Lee

25 **TRANSFER THE RAIL SAFETY SECTION FROM THE UTILITIES**
26 **COMMISSION TO THE DEPARTMENT OF TRANSPORTATION**

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

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

32 **"§ 62-41. To investigate accidents involving public utilities; to promote general**
33 **safety program.**

34 The Commission may conduct a program of accident prevention and public safety
35 covering all public utilities with special emphasis on highway safety and transport
36 safety and may investigate the causes of any accident on a ~~railroad or~~ highway
37 involving a ~~public utility, or any accident in connection with any other~~ public utility.
38 Any information obtained upon such investigation shall be reduced to writing and a
39 report thereof filed in the office of the Commission, which shall be subject to public
40 inspection but such report shall not be admissible in evidence in any civil or criminal
41 proceeding arising from such accident. The Commission may adopt reasonable rules
42 and regulations for the safety of the public as affected by public utilities and the safety
43 of public utility employees. The Commission shall cooperate with and coordinate its
44 activities for public utilities with similar programs of the Division of Motor Vehicles,

1 the Insurance Department, the Industrial Commission and other organizations engaged
2 in the promotion of highway safety and employee safety."

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

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

5 "(30) The Department of Transportation is empowered and directed, from
6 time to time, to carefully examine and inspect the condition of each
7 railroad, its equipment and facilities, in regard to the safety and
8 convenience of the public and the railroad employees. If the
9 Department finds any equipment or facilities to be unsafe, it shall at
10 once notify the railroad company and require the company to repair the
11 equipment or facilities.

12 (31) The Department of Transportation may conduct a program of accident
13 prevention and public safety covering all railroads and may investigate
14 the cause of any railroad accident. In order to facilitate this program,
15 any railroad involved in an accident that must be reported to the
16 Federal Railroad Administration shall also notify the Department of
17 Transportation of the occurrence of the accident."

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

19 **"§ 136-20.1. To require installation and maintenance of block system and safety**
20 **devices; automatic signals at railroad intersections.**

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

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

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

38
39 Requested by: Senator Lee

40 IMPLEMENTING SELECTED GPAC RECOMMENDATIONS

41 Sec. 110. (a) The Department of Transportation shall centralize the monitoring
42 and reporting of data related to small and minority business development firms and civil
43 rights-related matters, and reorganize the Department so that functions related to these
44 activities will be integrated into and institutionalized under the Division of Highways.

1 The Department will comply with this section by July 1, 1993. The Department shall
2 report to the Joint Legislative Highway Oversight Committee by October 1, 1993, on
3 the reorganization of civil rights-related functions within the Department.

4 (b) The Secretary of the Department of Transportation shall submit to the
5 General Assembly and the Joint Legislative Highway Oversight Committee, on or
6 before September 1, 1993, a plan to consolidate part-time driver licensing offices across
7 the State to increase productivity. The plan shall consider the number of applications
8 processed per day by examiners, the number of full-time and part-time offices located in
9 each county, the proximity of offices in each county to one another, population served,
10 costs to support part-time offices, and any other criteria the Secretary deems warranted.
11 The plan shall also document cost savings by office and the estimated increase in
12 productivity due to consolidations. The Secretary of the Department of Transportation
13 shall further notify the Joint Legislative Highway Oversight Committee on or before
14 April 1, 1994, of the amount of funds by which the Division of Motor Vehicles' 1994-95
15 appropriation can be reduced due to consolidation of driver licensing offices.

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

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

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

29 The Department of Transportation is currently contracting out
30 twenty percent (20%) to twenty-five percent (25%) of preconstruction
31 work to private engineering firms. If outside contract forces were used
32 to address the preconstruction work load associated with the additional
33 298 positions, then the level of preconstruction work contracted out
34 would rise to about thirty-two percent (32%) to thirty-six percent
35 (36%).

36 This increase in contracting out work load, from twenty percent
37 (20%) to twenty-five percent (25%), to thirty-two percent (32%) to
38 thirty-six percent (36%) would be a reasonable level of increase
39 because the Highway Trust Fund represents a seventy-eight percent
40 (78%) increase in the pre-1989 preconstruction work load of the
41 Department.

42 (2) The Secretary of Transportation shall submit a plan to the Joint
43 Legislative Highway Oversight Committee, by September 1, 1993, to
44 implement the recommendation in subdivision (1) of this subsection to

- 1 freeze preconstruction positions and contract out the balance of its
2 preconstruction work to private engineering firms.
- 3 (e)(1) The General Assembly finds that the Department of Transportation's
4 ongoing strategy to increasingly rely on the use of private engineering
5 firms to perform surveys, process control, and construction
6 engineering and inspection functions should be continued.
- 7 With the Highway Trust Fund program entering a phase of expanded
8 construction activity, having completed a number of project plans, the
9 Department will need to further leverage its in-house construction staff
10 to meet the requirements of the program.
- 11 (2) The increased use of outside contract forces to perform quality control
12 and quality assurance functions will require continued Department of
13 Transportation construction staff involvement in project oversight and
14 verification, careful selection of vendors, and rigorous contract
15 administration of these projects. The level of this outside contracting
16 should be based on the following considerations:
- 17 a. Focus outside contract activity on the peak load requirements of
18 the Highway Trust Fund construction program;
- 19 b. Retain sufficient in-house capability to address the base load
20 requirements of the Highway Trust Fund construction program
21 and properly administer the outside construction engineering
22 and inspection-related contracts; and
- 23 c. Select contractors with significant experience in performing
24 construction engineering and inspection for major road and
25 bridge projects and familiarity with Department of
26 Transportation engineering standards and construction
27 specifications.
- 28 (3) By using private engineering firms to handle more of the Highway
29 Trust Fund program construction work load, the Department of
30 Transportation can reduce the number of new in-house staff required
31 to support the construction portion of the program.
- 32 (4) The Secretary of Transportation shall report to the Joint Legislative
33 Highway Oversight Committee, no later than September 1, 1993, a
34 plan meeting the construction needs of the Highway Trust Fund
35 program with a minimum of new construction staff in the Department
36 of Transportation and increasing the use of outside contract forces
37 while meeting the criteria in subdivisions (1) through (3) of this
38 subsection.
- 39 (f)(1) The General Assembly finds that the Equipment Sections of the 14
40 highway divisions perform maintenance and repair functions for all
41 Department of Transportation equipment, except for sedans which are
42 maintained through the Department of Administration. Each division
43 has between five and 10 garages, including one major division garage.
44 In some cases, two-person garages continue to operate in certain rural

1 areas of the State, where the distance between garages is fairly large
2 (40 to 50 miles). In addition, there are local county garages colocated
3 near the division garages. These latter garages represent a potential
4 opportunity for consolidation, to reduce the overall number of garage
5 facilities maintained by the Department of Transportation.

6 (2) The Department of Transportation shall develop a plan to consolidate
7 the equipment section resources associated with the 14 division
8 garages and those 14 Department county garages located nearby for
9 submission to the Joint Legislative Highway Oversight Committee by
10 February 1, 1994.

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

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

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

- 29 a. The determination of resources needed to provide an acceptable
30 level of service, accomplish the annual maintenance program
31 efficiently, and erase the existing maintenance backlog; and
32 b. The determination of the most appropriate mix of contract and
33 in-house resources.

34 As the maintenance work load has increased, the Department of
35 Transportation has been able to handle a portion of the increased work
36 through contracting. The Department of Transportation can make
37 additional use of private contractors.

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

- 42 a. The continued contracting out of construction activities, as well
43 as those maintenance functions, such as mowing, roadside rest

1 area maintenance, building maintenance, signal installation, and
2 signal maintenance, that it currently contracts;

- 3 b. The contracting out of all of the Secondary Road Construction
4 program and free up the in-house maintenance staff now
5 performing this function to concentrate on backlogged and
6 expanding maintenance needs; and
7 c. Expanding the Department's efforts to contract out maintenance
8 functions, by increasing the proportion of contracted work in
9 such areas as: ditch cleaning, landscaping, and bituminous
10 surface treatment resurfacing.

11
12 Requested by: Senator Lee

13 **EQUIPMENT FUND TRANSFER**

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

17
18 Requested by: Senator Lee

19 **VISITOR AND WELCOME CENTER FUNDS**

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

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

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

25 (2) From the funds remaining in the Special Registration Plate Account
26 after the deductions in accordance with subdivision (1) of this
27 subsection, there is annually appropriated from the Special
28 Registration Plate Account the sum of two hundred twenty-five
29 thousand dollars (\$225,000) for the 1993-94 fiscal year and the sum of
30 two hundred seventy-five thousand dollars (\$275,000) for the 1994-95
31 fiscal year to provide operating assistance for the Visitor and Welcome
32 Centers:

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

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

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

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

37 e. On U.S. Highway 29 in Caswell County, \$25,000 for the 1993-
38 94 fiscal year and \$75,000 for the 1994-95 fiscal year.

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

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

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

6 ~~(3)~~ c. Seventeen percent (17%) to the account of the Department of
 7 Human Resources to promote travel accessibility for disabled persons
 8 in this State. These funds shall be used to collect and update site
 9 information on travel attractions designated by the Department of
 10 Commerce in its publications, to provide technical assistance to travel
 11 attractions concerning accommodation of disabled tourists, and to
 12 develop, print, and promote the publication ACCESS NORTH
 13 CAROLINA as provided in G.S. 168-2. Any funds allocated for these
 14 purposes that are neither spent nor obligated at the end of the fiscal
 15 year shall be transferred to the Department of Administration for
 16 removal of man-made barriers to disabled travelers at State-funded
 17 travel attractions. Guidelines for the removal of man-made barriers
 18 shall be developed in consultation with the Department of Human
 19 Resources."

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

24
 25 Requested by: Senator Plyler

26 **FARM EQUIPMENT DEALER PLATE USAGE**

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

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

39
 40 Requested by: Senator Lee

41 **CAP ON DRIVERS EDUCATION COSTS**

42 Sec. 114. Notwithstanding G.S. 20-88.1(c), the amount paid out of the
 43 Highway Fund under that subsection for fiscal year 1993-94 and fiscal year 1994-95

1 shall not exceed the sum of twenty-three million one hundred eighty-eight thousand
2 eight hundred twenty-six dollars (\$23,188,826) each year.

3
4 Requested by: Senator Lee

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

6 Sec. 115. The Department of Transportation shall report to the Joint
7 Legislative Highway Oversight Committee on or before October 1, 1993, concerning
8 billboard fees. The Department shall report on the fees currently collected and the
9 amounts of fees that would be needed to fund the administration of the billboard
10 program.

11
12 Requested by: Senator Lee

13 **DIVISION OF MOTOR VEHICLES TO REPORT ON PERSONNEL EFFECTS**
14 **OF NEW COMPUTER SYSTEM**

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

21
22 Requested by: Senator Lee

23 **MODIFY AVIATION APPROPRIATION**

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

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

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

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

41
42 Requested by: Senator Lee

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

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

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

12
13 Requested by: Senator Lee

14 **BRANCH AGENT TRANSACTION RATE**

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

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

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

41
42 Requested by: Senator Lee

43 **HIGHWAY FUND ALLOCATIONS BY CONTROLLER**

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

4 State Construction

5 State Funds to Match Federal Highway Aid

6 State Maintenance

7 Ferry Operations,

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

10
11 Requested by: Senator Lee

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

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

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

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

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

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

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

22
23 Requested by: Senator Lee

24 **HIGHWAY FUND LIMITATIONS ON OVEREXPENDITURES**

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

27 State Construction Primary Construction

28 State Construction Urban Construction

29 State Construction Access and Public Service Roads

30 State Funds to Match Federal Highway Aid

31 State Maintenance

32 Ferry Operations,

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

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

41 State Construction Primary Construction

42 State Construction Urban Construction

43 State Construction Access and Public Service Roads

44 State Funds to Match Federal Highway Aid

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

7 Requested by: Senator Lee

8 **RESURFACED ROADS MAY BE WIDENED**

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

17 Requested by: Senator Lee

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

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

32 Requested by: Senator Lee

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

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

41 Requested by: Senator Lee

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

1 Sec. 126. The Department of Transportation may enter into a design-build-
2 warrant contract to develop, with Federal Highway Administration participation under
3 The 1991 Intermodal Surface Transportation Efficiency Act, Title VI, Part B, Sections
4 6051-6059, a "Congestion Avoidance and Reduction for Autos and Trucks (CARAT)"
5 system of traffic management for the greater Charlotte-Mecklenburg urban areas.
6 Notwithstanding any other provision of law, contractors, contractors' employees, and
7 Department of Transportation employees involved in this project only do not have to be
8 licensed by occupational licensing boards as "license" and "occupational licensing
9 board" are defined in G.S. 93B-1 and for the purpose of entering into contracts, the
10 Department of Transportation is exempted from the provisions of the following General
11 Statutes: G.S. 136-28.1, 143-52, 143-53, 143-58, 143-128, and 143-129. These
12 statutory exemptions are limited and available only to the extent necessary to comply
13 with federal rules, regulations, and policies for completion of this project.

14 The Department of Transportation shall report quarterly to the Joint
15 Legislative Highway Oversight Committee on its efforts to enter into a design-build-
16 warrant contract and to award and construct the project. The report shall include, but
17 not be limited to, the number of types of firms bidding on the project, special
18 qualifications of the firms bidding, and the effect statutory exemptions might have had
19 on the award and construction of the project and the receipt of federal discretionary
20 funding for the project.

21 22 **PART 19. DEPARTMENT OF CORRECTION**

23
24 Requested by: Senator Odom

25 **USE OF INMATES FOR PRISON CONSTRUCTION**

26 Sec. 127. (a) The State may require contractors awarded bids for construction of
27 facilities funded by the remaining eighty-seven million five hundred thousand dollars
28 (\$87,500,000) of the two hundred million dollars (\$200,000,000) in bond proceeds
29 authorized by Chapter 935 of the 1989 Session Laws to use a work force that includes
30 inmates provided to the contractors by the Department of Correction; the requirement
31 may provide that such inmates shall compose at least twenty percent (20%) of the
32 contractor's work force. The Office of State Construction and the Department of
33 Correction shall report quarterly to the Joint Legislative Commission on Governmental
34 Operations, the Chairs of the House and Senate Appropriations Subcommittees on
35 Justice and Public Safety, and the Fiscal Research Division on the use of inmates by
36 private contractors.

37 (b) The Department of Correction shall report quarterly to the Joint Legislative
38 Commission on Governmental Operations, the Chairs of the House and Senate
39 Appropriations Subcommittees on Justice and Public Safety, and the Fiscal Research
40 Division on the inmate construction program used to construct the East Work Facility
41 and the West Work Facility.

42
43 Requested by: Senator Odom

44 **CURRENT OPERATING EXPENSES**

1 Sec. 128. From the funds appropriated to the Department of Correction in the
2 certified budget for the 1993-94 fiscal year, the Department may transfer within its
3 budget up to five million dollars (\$5,000,000) for repair and renovation of its facilities.
4 The use of these funds shall be subject to the prior approval of the Office of State
5 Budget and Management. The Department of Correction shall have a verifiable ten
6 percent (10%) goal for participation by minority and women contractors in these
7 projects. If necessary, the Department may transfer within its budget up to six hundred
8 fifty thousand dollars (\$650,000) in each fiscal year to match federal grant funds
9 received by the Department.

10 The Department of Correction shall submit a schedule of repairs and
11 renovations funded pursuant to this section and shall provide information on the use of
12 minority and women contractors for those projects in a quarterly report to the Joint
13 Legislative Commission on Governmental Operations and to the Chairs of the Senate
14 and House Appropriations Subcommittees on Justice and Public Safety.

15
16 Requested by: Senator Odom

17 **LIMIT USE OF OPERATIONAL FUNDS**

18 Sec. 129. Funds appropriated in this act to the Department of Correction for
19 operational costs for additional facilities shall be used for personnel and operating
20 expenses set forth in the budget approved by the General Assembly in this act. These
21 funds may not be expended for any other purpose, and may not be expended for
22 additional prison personnel positions until the new facilities are within 90 days of
23 completion, except for certain management and support positions necessary to prepare
24 the facility for opening, as authorized in the budget approved by the General Assembly.

25
26 Requested by: Senator Odom

27 **PRIVATE CONFINEMENT FACILITIES**

28 Sec. 130. Section 67 of Chapter 689 of the 1991 Session Laws reads as
29 rewritten:

30 "Sec. 67. No for-profit, privately owned or operated confinement facilities may be
31 added to the State prison system unless approved by the General Assembly.
32 Notwithstanding the provisions of this section or any other provision of law, the
33 Secretary of Correction may issue a request for proposal or employ other appropriate
34 bidding process or procedure to determine contract terms or conditions under which
35 private for-profit or nonprofit firms would offer to provide and operate treatment centers
36 totalling 500 beds for prisoners committed to the custody of the Department of
37 Correction who are diagnosed as needing treatment for alcohol or drug abuse. The State
38 may contract with private, nonprofit firms to provide or operate work and study release
39 centers for women and for youth."

40
41 Requested by: Senator Odom

42 **NCCIW/MATCH PROGRAM FUNDS**

43 Sec. 131. Funds from the one hundred twelve million five hundred thousand
44 dollars (\$112,500,000) in bond proceeds appropriated and allocated for repairs and

1 renovations at the North Carolina Correctional Institution for Women in Section 239 of
2 Chapter 689 of the 1991 Session Laws, as amended by Section 41(a) of Chapter 1044 of
3 the 1991 Session Laws, shall be used to provide a gatehouse and a visiting/operations
4 center that will include designated space for the Mothers and Their Children (MATCH)
5 program. The MATCH program will be a specialized treatment program that will
6 provide supervised visitation between inmates and their children and hold classes in
7 parenting and related subjects.

8

9 Requested by: Senator Odom

10 **SUMMIT HOUSE**

11 Sec. 132. (a) Of the funds appropriated to the Department of Correction, the
12 sum of four hundred thousand dollars (\$400,000) for the 1993-94 fiscal year, and the
13 sum of four hundred thousand dollars (\$400,000) for the 1994-95 fiscal year, shall be
14 used to support the program at Summit House, a community-based residential
15 alternative to incarceration for mothers and pregnant women convicted of nonviolent
16 crimes, including expansion of nonresidential day center services.

17 (b) Of the funds appropriated to the Department of Correction for the 1993-94
18 fiscal year, the sum of one hundred fifty thousand dollars (\$150,000) shall be used for
19 planning and site selection of satellite Summit House programs in Mecklenburg and
20 Wake Counties. Any funds appropriated by this section for planning and site selection
21 which are available after completion of the planning and site selection process may be
22 used by Mecklenburg and Wake Counties to supplement local resources allocated for
23 site acquisition.

24 (c) Of the funds appropriated to the Department of Correction for the 1994-95
25 fiscal year, the sum of five hundred thousand dollars (\$500,000) shall be used for the
26 sharing of operating costs of satellite Summit House programs in Mecklenburg and
27 Wake Counties. The funds appropriated for operating costs of the satellite programs in
28 Mecklenburg and Wake Counties shall be matched by each county and each county
29 shall provide a site or facility for the satellite program in that county.

30 (d) Each fiscal year, Summit House shall report quarterly to the Joint Legislative
31 Commission on Governmental Operations on the expenditure of State appropriations
32 and on the effectiveness of the program, including information on the number of clients
33 served, the number of clients who have their probation revoked, and the number of
34 clients who successfully complete the program while housed at Summit House. For the
35 1993-94 fiscal year, Summit House shall report to the Joint Legislative Commission on
36 Governmental Operations on the progress of the planning and site selection process for
37 the satellite programs funded by this section. For the 1994-95 fiscal year, Summit
38 House shall report to the Joint Legislative Commission on Governmental Operations on
39 the expansion of its program into Mecklenburg and Wake Counties.

40

41 Requested by: Senator Odom

42 **HARRIET HOUSE**

43 Sec. 133. Of the funds appropriated to the Department of Correction, the sum
44 of two hundred thousand dollars (\$200,000) for the 1993-94 fiscal year, and the sum of

1 two hundred thousand dollars (\$200,000) for the 1994-95 fiscal year, shall be used to
2 support the programs of Harriet House, a transitional home for female ex-offenders and
3 their children. Harriet House shall report quarterly to the Joint Legislative Commission
4 on Governmental Operations on the expenditure of State appropriations and on the
5 effectiveness of the program including information on the number of clients served and
6 the number of clients who successfully complete the Harriet House program.

7
8 Requested by: Senator Plyler

9 **SENTENCING COMMISSION EXTENDED**

10 Sec. 133.1. (a) Section 8 of Chapter 1076 of the 1989 Session Laws, as
11 amended by Chapters 812 and 816 of the 1991 Session Laws, reads as rewritten:

12 "Sec. 8. This act is effective upon ratification, and shall expire July 8, ~~1993~~, 1,
13 1994."

14 (b) G.S. 164-38 reads as rewritten:

15 **"§ 164-38. Terms of members; compensation; expenses.**

16 The terms of existing members shall expire on June 30, ~~1992~~, 1993. New members
17 shall be appointed or the existing members reappointed by the appointing authorities to
18 serve until July 1, ~~1993~~, 1994, unless they resign or are removed. Members serving by
19 virtue of elective or appointive office or as designees of such officeholders may serve
20 only so long as the officeholders hold those respective offices. Members appointed by
21 the Speaker of the House and the President Pro Tempore of the Senate may be removed
22 by the appointing authority without cause. Vacancies occurring before the expiration of
23 a term shall be filled in the manner provided for the members first appointed. A member
24 of the Commission may be removed only for disability, neglect of duty, incompetence,
25 or malfeasance in office. Before removal, the member is entitled to a hearing. Effective
26 with respect to members designated on or after July 1, 1992, a person making a
27 designation pursuant to G.S. 164-37 may not make another designation, except that the
28 person's successor in elective or appointive office may make a new designation.

29 The Commission members shall receive no salary for serving. All Commission
30 members shall receive necessary subsistence and travel expenses in accordance with the
31 provisions of G.S. 120-3.1, 138-5, and 138-6 as applicable."
32

33 **PART 20. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

34
35 Requested by: Senator Odom

36 **REPORT ON COMMUNITY SERVICE WORKERS**

37 Sec. 134. The Department of Crime Control and Public Safety shall report
38 quarterly in the 1993-94 fiscal year and the 1994-95 fiscal year to the Joint Legislative
39 Commission on Governmental Operations and the Fiscal Research Division on the
40 number of community service workers who were available during each month of the
41 time period preceding that report to perform repairs and maintenance of the parks and
42 when and where they were available.
43

44 Requested by: Senator Odom

1 RAPE VICTIMS ASSISTANCE PROGRAM

2 Sec. 135. (a) Notwithstanding G.S. 143-12 or any other provision of law, the
3 Department of Crime Control and Public Safety may utilize up to one hundred fifty
4 thousand dollars (\$150,000) of funds received, but not used, from the contingency and
5 emergency fund in order to liquidate unpaid invoices for hospital emergency room
6 services provided to rape victims and to provide rape evidence collection kits to hospital
7 emergency rooms.

8 (b) This section becomes effective June 30, 1993.
9

10 Requested by: Senator Odom

11 NATIONAL GUARD DISASTER TRAINING

12 Sec. 136. (a) G.S. 166A-6 is amended by adding a new subsection to read:

13 "(d) In preparation for a state of disaster, with the concurrence of the Council of
14 State, the Governor may use contingency and emergency funds as necessary and
15 appropriate for National Guard training in preparation for disasters."

16 (b) This section is effective upon ratification.
17

18 Requested by: Senators Lee and Odom

19 REPORT BY HIGHWAY PATROL DIVISION

20 Sec. 137. The Department of Crime Control and Public Safety, Highway
21 Patrol Division, shall prepare a written report to the Senate and House Appropriations
22 Committees on Justice and Public Safety and to the Joint Appropriations Committee on
23 Transportation on the following:

- 24 (1) Development of a long-range staffing plan, including optimum patrol
25 strength;
- 26 (2) Assignment of troopers to counties, including a plan for the revision of
27 county assignments that reflects overall staffing levels;
- 28 (3) Development of a plan for reciprocity with local law enforcement
29 agencies that specifies the number of local law enforcement officers
30 eligible to participate in training offered by the Division;
- 31 (4) Justification of the use of troopers on special assignment to provide
32 security services at special and public events, including sporting
33 events, and the development of a rate of reimbursement for services
34 provided at special and public events; and
- 35 (5) Justification of the annual automatic pay increase currently provided to
36 sworn Division personnel.

37 By April 30, 1994, the Department of Crime Control and Public Safety, Highway Patrol
38 Division, shall provide copies of the report to the Senate and House Appropriations
39 Committees on Justice and Public Safety and to the Joint Appropriations Committee on
40 Transportation, and to the Fiscal Research Division of the Legislative Services Office.
41 The Division shall be available to present the report to the Senate and House
42 Appropriations Committees on Justice and Public Safety and to the Joint Appropriations
43 Committee on Transportation within five days of the convening of the Joint
44 Appropriations Committee. The Senate and House Appropriations Committees on

1 Justice and Public Safety and the Joint Appropriations Committee on Transportation
2 shall meet within five days of the convening of the Joint Appropriations Committee to
3 receive the report required by this section.

4
5 **PART 21. JUDICIAL DEPARTMENT**

6
7 Requested by: Senator Odom

8 **AOC NETWORK TRANSFER STUDY**

9 Sec. 138. The Information Resource Management Commission and the
10 Administrative Office of the Courts jointly shall prepare a written evaluation of the
11 costs, benefits, and feasibility of transferring ownership of the Administrative Office of
12 the Courts' network back to the ownership and management of the State
13 Telecommunications System. The evaluation shall include an independent study to
14 determine whether the incremental operating costs (including incremental overhead
15 costs) are lower under the State Telecommunications System and whether a service
16 level agreement between the State Telecommunications System and the Administrative
17 Office of the Courts that meets the Administrative Office of the Courts' requirements for
18 network service can be developed. The Information Resource Management
19 Commission and the Administrative Office of the Courts jointly shall present the written
20 evaluation to the Joint Legislative Commission on Governmental Operations not later
21 than December 31, 1993.

22
23 Requested by: Senator Odom

24 **INDIGENT PERSONS' ATTORNEY FEE FUND**

25 Sec. 139. (a) Effective July 1, 1993, the Administrative Office of the Courts
26 shall each year of the 1993-95 biennium place the sum of three million eight hundred
27 thousand dollars (\$3,800,000) from the Indigent Persons' Attorney Fee Fund in a
28 reserve for capital cases and for transcripts, professional examinations, and expert
29 witness fees. The Administrative Office of the Courts shall allot these funds as needed
30 for these purposes and for unanticipated demands on the fund.

31 (b) Effective July 1, 1993, the Administrative Office of the Courts shall, for each
32 year of the biennium, allot the sum of eleven million five hundred thousand dollars
33 (\$11,500,000) from the Indigent Persons' Attorney Fee Fund for adult, juvenile, and
34 guardian **ad litem** cases for the 1993-94 and 1994-95 fiscal years to each judicial
35 district in which the superior and district court districts are coterminous, and otherwise
36 by county, according to the caseload of indigent persons who were not represented by
37 the public defender in the districts or counties during 1992-93 and 1993-94,
38 respectively.

39 The Administrative Office of the Courts shall notify all senior resident
40 superior court judges, all chief district court judges, and the clerk of superior court
41 within the district or county immediately after the allotment is made and shall regularly
42 notify them how much remains for the district or county.

43 The senior resident superior court judge and the chief district court judge of
44 each district or county shall ask all judges holding court within the district or county: (i)

1 to take into consideration the amount of money allotted at the beginning of the fiscal
2 year and the amount of money remaining in the allotment when they award counsel fees
3 to attorneys of indigent persons, and (ii) to make an effort to award fees equally and
4 justly for legal services provided. The clerk of superior court for each county shall
5 ensure that all judges holding court within the county receive this request from the
6 senior resident superior court judge and the chief district court judge.

7 (c) If the funds allotted pursuant to subsection (b) of this section are depleted in a
8 district or county prior to the end of the fiscal year, the Administrative Office of the
9 Courts shall allot the remaining funds from the Indigent Persons' Attorney Fee Fund in
10 the same manner as provided in subsection (b) of this section. However, if necessary
11 and appropriate due to unusual and unanticipated circumstances occurring in the current
12 year, the Administrative Office of the Courts may allocate funds to a district or county
13 in a manner calculated to result in the reasonably fair distribution of remaining funds.
14 Such funds shall be subject to the limitations and directions set out in subsection (b) of
15 this section.

16 (d) If the funds allotted pursuant to subsection (c) of this section are depleted in a
17 district or county prior to the end of the fiscal year, the Administrative Office of the
18 Courts is authorized to resume payments in such districts or counties only if and when it
19 is reasonably determined that the total projected expenditures will be less than the total
20 approved budget for the Indigent Persons' Attorney Fee Fund for the fiscal year.

21
22 Requested by: Senator Odom

23 **SPECIAL CAPITAL CASE REHEARING FUND**

24 Sec. 140. (a) There is continued in the Judicial Department the nonreverting
25 special fund known as "The Special Capital Case Rehearing Fund". The funds shall be
26 used to provide for resentencing hearings, related appeals, and postconviction hearings
27 required by the decisions of the United States Supreme Court in McKoy v. North
28 Carolina, decided March 5, 1990, and of the Supreme Court of North Carolina upon
29 remand of that case, including the payment of attorneys' fees and related expenses for
30 representation of indigent persons as specified in Subchapter IX of Chapter 7A of the
31 General Statutes. The Special Capital Case Rehearing Fund shall terminate, and all
32 funds remaining in it shall be transferred to the Indigent Persons' Attorney Fee Fund,
33 when the Director of the Administrative Office of the Courts certifies to the State
34 Controller that all reasonably foreseeable resentencing hearings, related appeals, and
35 postconviction hearings have been substantially completed.

36 (b) Of the funds appropriated from the General Fund to the Judicial Department
37 for the 1993-95 biennium, the sum of one million forty-eight thousand four hundred
38 twenty-four dollars (\$1,048,424) for the 1993-94 fiscal year and the sum of one million
39 forty-eight thousand four hundred twenty-four dollars (\$1,048,424) for the 1994-95
40 fiscal year may be used for the purposes indicated in this section.

41
42 Requested by: Senator Odom

43 **COMMUNITY PENALTIES PROGRAMS**

1 Sec. 141. (a) Of the funds appropriated from the General Fund to the Judicial
2 Department for the 1993-95 biennium to conduct the community penalties programs,
3 the sum of one million nine hundred eighteen thousand nine hundred twelve dollars
4 (\$1,918,912) for the 1993-94 fiscal year and the sum of one million nine hundred
5 eighteen thousand nine hundred twelve dollars (\$1,918,912) for the 1994-95 fiscal year
6 may be allocated by the Judicial Department in any amount among existing community
7 penalties programs or may be used to establish new community penalties programs.

8 (b) The Judicial Department shall report annually to the Senate and House
9 Appropriations Subcommittees on Justice and Public Safety and to the Fiscal Research
10 Division on the administrative expenditures of the community penalties programs.

11
12 Requested by: Senator Odom

13 **RAPE VICTIM WITNESS COUNSELOR PROGRAM**

14 Sec. 142. From funds appropriated to the Judicial Department in the certified
15 budget for the 1993-95 biennium, the Administrative Office of the Courts may transfer
16 within its budget up to twenty-five thousand dollars (\$25,000) for the 1993-94 fiscal
17 year and up to twenty-five thousand dollars (\$25,000) for the 1994-95 fiscal year to
18 support the existing Rape Victim Witness Counselor Program.

19
20 Requested by: Senator Odom

21 **GRANT MATCHING FUNDS**

22 Sec. 143. From the funds appropriated to the Judicial Department in the
23 certified budget for the 1993-95 biennium, the Administrative Office of the Courts may
24 transfer within its budget for each fiscal year up to two hundred thousand dollars
25 (\$200,000) to match any grants awarded to the Judicial Department from non-State
26 funds.

27
28 Requested by: Senator Odom

29 **EXTEND INDIGENT PERSONS' ATTORNEY REPRESENTATION**
30 **CONTRACT PROGRAM**

31 Sec. 144. G.S. 7A-344 reads as rewritten:

32 **"§ 7A-344. Special duties of Director concerning representation of indigent**
33 **persons.**

34 In addition to the duties prescribed in G.S. 7A-343, the Director shall also:

- 35 (1) Supervise and coordinate the operation of the laws and regulations
36 concerning the assignment of legal counsel for indigent persons under
37 Subchapter IX of this Chapter to the end that all indigent persons are
38 adequately represented;
- 39 (2) Advise and cooperate with the offices of the public defenders as
40 needed to achieve maximum effectiveness in the discharge of the
41 defender's responsibilities;
- 42 (3) Collect data on the operation of the assigned counsel and the public
43 defender systems, and make such recommendations to the General

- 1 Assembly for improvement in the operation of these systems as appear
2 to him to be appropriate; and
- 3 (4) Accept and utilize federal or private funds, as available, to improve
4 defense services for the indigent, including indigent juveniles alleged
5 to be delinquent or undisciplined. To facilitate processing of juvenile
6 and other indigent cases, the administrative officer is further
7 authorized, in any ~~district court district~~, district or set of districts as
8 defined in G.S. 7A-41.1(a), with the approval of the chief district court
9 judge, judge for cases in the district court division and the approval of
10 the senior resident superior court judge for cases in the superior court
11 division, to engage the services of a particular attorney or attorneys to
12 provide specialized representation on a full-time or part-time basis."
13

14 Requested by: Senator Odom

15 **TRANSFER OF EQUIPMENT AND SUPPLY FUNDS**

16 Sec. 145. Funds appropriated to the Judicial Department in the 1993-95
17 biennium for equipment and supplies shall be certified in a reserve account. The
18 Administrative Office of the Courts shall have the authority to transfer these funds to
19 the appropriate programs and between programs as the equipment priorities and supply
20 consumptions occur during the operating year. These funds may not be expended for
21 any other purpose. The Administrative Office of the Courts shall make quarterly reports
22 on transfers made pursuant to this section to the Joint Legislative Commission on
23 Governmental Operations and the Chairs of the Senate and House Appropriations
24 Subcommittees on Justice and Public Safety.
25

26 Requested by: Senator Odom

27 **ADDITIONAL PUBLIC AND APPELLATE DEFENDER PERSONNEL**

28 Sec. 146. From funds appropriated to the Indigent Persons' Attorney Fee
29 Fund in the Judicial Department for the 1993-95 biennium, the Administrative Office of
30 the Courts may use up to four hundred sixty-six thousand two hundred thirty dollars
31 (\$466,230) in the 1993-94 fiscal year and up to four hundred seventy-one thousand nine
32 hundred eighty-nine dollars (\$471,989) in the 1994-95 fiscal year for salaries, benefits,
33 and related expenses to be allocated as follows:

- 34 (1) \$217,060 in the 1993-94 fiscal year and \$234,478 in the 1994-95 fiscal
35 year to establish up to four new assistant public defenders;
- 36 (2) \$140,640 in the 1993-94 fiscal year and \$119,555 in the 1994-95 fiscal
37 year to establish up to five new public defender secretaries; and
- 38 (3) \$108,530 in the 1993-94 fiscal year and \$117,478 in the 1994-95 fiscal
39 year to establish up to two new assistant appellate defenders.
40

41 Requested by: Senator Odom

42 **TRANSFER FUNDS FROM SPECIAL CAPITAL CASE REHEARING FUND**
43 **TO THE INDIGENT PERSONS' ATTORNEY FEE FUND**

1 Sec. 147. Notwithstanding the provisions of Section 78 of Chapter 689 of the
2 1991 Session Laws, the Judicial Department may transfer up to the sum of one million
3 one hundred thousand dollars (\$1,100,000) from the Special Capital Case Rehearing
4 Fund, established in Section 2 of Chapter 742 of the 1991 Session Laws, to the Indigent
5 Persons' Attorney Fee Fund during the 1993-94 fiscal year to pay the obligations
6 incurred by the Indigent Persons' Attorney Fee Fund.

7
8 Requested by: Senator Odom

9 **REGIONAL MEDIATION CENTER IN PITT COUNTY TO PROVIDE**
10 **MEDIATION SERVICES TO EASTERN NORTH CAROLINA**

11 Sec. 147.1. Of the funds appropriated to the Judicial Department from the
12 General Fund for the 1993-94 fiscal year, the sum of forty thousand dollars (\$40,000)
13 may be used for The Mediation Center of Pitt County, Inc., a dispute settlement center
14 in Pitt County, to establish a regional mediation and dispute settlement center to serve
15 eastern North Carolina.

16
17 Requested by: Senator Odom

18 **EMERGENCY JUDGES' PER DIEM INCREASE**

19 Sec. 148. (a) G.S. 7A-52(b) reads as rewritten:

20 "(b) In addition to the compensation or retirement allowance ~~he~~ the judge would
21 otherwise be entitled to receive by law, each emergency judge of the district or superior
22 court who is assigned to temporary active service by the Chief Justice shall be paid by
23 the State ~~his~~ the judge's actual expenses, plus ~~one hundred fifty dollars (\$150.00)~~ two
24 hundred dollars (\$200.00) for each day of active service rendered upon recall. No
25 recalled retired trial judge shall receive from the State total annual compensation for
26 judicial services in excess of that received by an active judge of the bench to which the
27 judge is recalled."

28 (b) Of the funds appropriated in this act to the Judicial Department, up to
29 seventy-seven thousand seven hundred twenty-two dollars (\$77,722) for the 1993-94
30 fiscal year and up to eighty-one thousand five hundred ninety-eight dollars (\$81,598)
31 for the 1994-95 fiscal year may be used to increase the per diem allowance for
32 emergency judges of the district and superior court to two hundred dollars (\$200.00) for
33 each day of active service rendered upon recall.

34
35 Requested by: Senator Odom

36 **ADD ADDITIONAL SUPERIOR COURT JUDGES/TRANSFER CASWELL**
37 **AND PERSON COUNTIES TO NEWLY CREATED SUPERIOR COURT**
38 **DISTRICT 9A**

39 Sec. 149. (a) Effective July 1, 1993, G.S. 7A-41(a) reads as rewritten:

40 "(a) The counties of the State are organized into judicial divisions and superior
41 court districts, and each superior court district has the counties, and the number of
42 regular resident superior court judges set forth in the following table, and for districts of
43 less than a whole county, as set out in subsection (b) of this section:

44 Superior

	Judicial Division	Court District	Counties	No. of Resident Judges
1	First	1	Camden, Chowan,	2
2			Currituck,	
3			Dare, Gates,	
4		2	Pasquotank,	1 <u>2</u>
5			Perquimans	
6			Beaufort, Hyde,	
7		3A	Martin,	2
8			Tyrrell, Washington	
9			Pitt	
10		3B	Carteret, Craven,	1 <u>2</u>
11			Pamlico	
12		4A	Duplin, Jones,	1
13			Sampson	
14		4B	Onslow	1
15			5	
16		6A	New Hanover,	3
17			Pender	
18			Halifax	
19		6B	Bertie, Hertford,	1
20			Northampton	
21		7A	Nash	1
22			7B	
23		7C	(part of Wilson,	1
24			part of Edgecombe,	
25			see subsection (b))	
26		8A	(part of Wilson,	1
27			part of Edgecombe,	
28	see subsection (b))			
29	8B	Lenoir and Greene	1	
30		Wayne		
31	9	Franklin, Granville,	2	
32		Person,		
33	<u>9A</u>	Vance, Warren	<u>1</u>	
34		Person, Caswell		
35	10A	(part of Wake,	1	
36		see subsection (b))		
37	10B	(part of Wake,	2	
38		see subsection (b))		
39	10C	(part of Wake,	1	
40		see subsection (b))		
41	10D	(part of Wake,	1	
42		see subsection (b))		
43	11	Harnett, Johnston,	2	
44				

1		Lee	
2	12A	(part of Cumberland,	1
3		see subsection (b))	
4	12B	(part of Cumberland,	1
5		see subsection (b))	
6	12C	(part of Cumberland,	2
7		see subsection (b))	
8	13	Bladen, Brunswick,	2
9		Columbus	
10	14A	(part of Durham,	1
11		see subsection (b))	
12	14B	(part of Durham,	3
13		see subsection (b))	
14	15A	Alamance	4 <u>2</u>
15	15B	Orange, Chatham	1
16	16A	Scotland, Hoke	1
17	16B	Robeson	2
18	Third 17A	Caswell , Rockingham	2
19	17B	Stokes, Surry	4 <u>2</u>
20	18A	(part of Guilford,	1
21		see subsection (b))	
22	18B	(part of Guilford,	1
23		see subsection (b))	
24	18C	(part of Guilford,	1
25		see subsection (b))	
26	18D	(part of Guilford,	1
27		see subsection (b))	
28	18E	(part of Guilford,	1
29		see subsection (b))	
30	19A	Cabarrus	1
31	19B	Montgomery,	1
32		Randolph	
33	19C	Rowan	1
34	20A	Anson, Moore,	2
35		Richmond	
36	20B	Stanly, Union	4 <u>2</u>
37	21A	(part of Forsyth,	1
38		see subsection (b))	
39	21B	(part of Forsyth,	1
40		see subsection (b))	
41	21C	(part of Forsyth,	1
42		see subsection (b))	
43	21D	(part of Forsyth,	1
44		see subsection (b))	

1	22	Alexander, Davidson,	2
2		Davie, Iredell	
3	23	Alleghany, Ashe,	1
4		Wilkes, Yadkin	
5	Fourth 24	Avery, Madison,	1
6		Mitchell,	
7		Watauga, Yancey	
8	25A	Burke, Caldwell	2
9	25B	Catawba	1 <u>2</u>
10	26A	(part of Mecklenburg,	2
11		see subsection (b))	
12	26B	(part of Mecklenburg,	2
13		see subsection (b))	
14	26C	(part of Mecklenburg,	2
15		see subsection (b))	
16	27A	Gaston	2
17	27B	Cleveland, Lincoln	1 <u>2</u>
18	28	Buncombe	2
19	29	Henderson,	2
20		McDowell, Polk,	
21		Rutherford,	
22		Transylvania	
23	30A	Cherokee, Clay,	1
24		Graham, Macon,	
25		Swain	
26	30B	Haywood, Jackson	1".

27 (b) One superior court reporter position shall be transferred from current
 28 District 17A to newly created District 9A.

29 (c) The Governor shall appoint, effective July 1, 1993, superior court judges
 30 for the additional judgeships in superior court districts 2, 3B, 9A, 15A, 17B, 20B, 25B,
 31 and 27B. For superior court districts 2, 3B, 9A, 15A, 17B, and 27B, successors shall be
 32 elected in the 1994 general election for eight-year terms. For superior court districts
 33 20B and 25B, successors shall be elected in the 1994 general election to serve the
 34 remainder of the unexpired terms expiring December 31, 1998. This is to provide
 35 unstagged terms for multiple judgeships in the same district.

36
 37 Requested by: Senator Odom
 38 **ADD ADDITIONAL DISTRICT COURT JUDGES AND**
 39 **MAGISTRATES/TRANSFER CASWELL AND PERSON COUNTIES TO**
 40 **NEWLY CREATED DISTRICT COURT DISTRICT 9A**

41 Sec. 150. (a) Effective July 1, 1993, G.S. 7A-133 reads as rewritten:
 42 "**§ 7A-133. Numbers of judges by districts; numbers of magistrates and additional**
 43 **seats of court, by counties.**

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

Additional				Magistrates		Seats of	
District	Judges	County		Min.-Max.		Court	
1	3 <u>4</u>	Camden		1	2		
		Chowan		2	3		
		Currituck		1	2		
		Dare		3	8		
		Gates		2	3		
		Pasquotank		3	4		
		Perquimans		2	3		
2	3	Martin	5	8			
		Beaufort		4	8		
		Tyrrell		1	3		
		Hyde		2	4		
		Washington		3	4		
3A	3 <u>4</u>	Pitt	10	12			
		Farmville				Ayden	
3B	4	Craven	7	10	Havelock		
		Pamlico		2	3		
		Carteret		5	8		
4	6	Sampson	6	8			
		Duplin		9	11		
		Jones		2	3		
		Onslow		8	14		
5	6	New Hanover	6	11			
		Pender		4	6		
6A	2	Halifax	9	14	Roanoke		
						Rapids, Scotland Neck	
6B	2 <u>3</u>	Northampton	5	6			
		Bertie		4	5		
		Hertford		5	6		
7	6	Nash	7	10	Rocky Mount		
		Edgecombe		4	6	Rocky Mount	
		Wilson		4	6		
8	5 <u>6</u>	Wayne	5	11	Mount Olive		
		Greene		2	4		
		Lenoir		4	10	La Grange	
9	5 <u>4</u>	Person	3	4			

1				Granville		3	7	
2				Vance		3	5	
3				Warren		3	4	
4				Franklin		3	6	
5	9A	2	Person	3	4			
6				Caswell		2	5	
7	10	11	Wake	12	20	Apex,		
8								Wendell,
9								Fuquay-
10								Varina,
11								Wake Forest
12	11	6	Harnett	7	11	Dunn		
13				Johnston			10	12
14								Benson,
15								Clayton
16				Lee			4	6
17	12	6	Cumberland	10	17			
18	13	4	Bladen	4	6			
19				Brunswick			4	7
20				Columbus			6	8
21	14	5	Durham	8	12			Tabor City
22	15A	3	Alamance	7	10	Burlington		
23	15B	3	Orange	4	11	Chapel Hill		
24				Chatham			3	8
25	16A	2	Scotland	3	5			Siler City
26				Hoke			4	5
27	16B	5	Robeson	8	16	Fairmont,		
28								Maxton,
29								Pembroke,
30								Red Springs,
31								Rowland,
32								St. Pauls
33	17A	3	Caswell	2	5			
34				Rockingham			4	9
35								Reidsville,
36								Eden,
37	17B	3	Stokes	2	5			Madison
38				Surry			5	8
39	18	10	Guilford	20	26	High Point		
40	19A	2	Cabarrus	5	9	Kannapolis		
41	19B	3	Montgomery	2	4			
42				Randolph			5	8
43	19C	2	Rowan	5	10			Liberty
44	20	6	Stanly	5	6			

1				Union	4	6	
2				Anson	4	5	
3				Richmond	5	6	Hamlet
4				Moore	5	8	Southern
5							Pines
6	21	7	Forsyth	3	15		Kernersville
7	22	6 <u>7</u>	Alexander	2	3		
8				Davidson	7	10	Thomasville
9				Davie	2	3	
10				Iredell	4	8	Mooresville
11	23	3	Alleghany	1	2		
12				Ashe	3	4	
13				Wilkes	4	6	
14				Yadkin	3	5	
15	24	3	Avery	3	4		
16				Madison	4	5	
17				Mitchell	3	4	
18				Watauga	4	6	
19				Yancey	2	4	
20	25	7	Burke	4	7		
21				Caldwell	4	7	
22				Catawba	6	9	Hickory
23	26	13 <u>14</u>	Mecklenburg	15	26		
24	27A	5	Gaston	11	20		
25	27B	4	Cleveland	5	8		
26				Lincoln	4	6	
27	28	5	Buncombe	6	15		
28	29	4 <u>5</u>	Henderson	4	6		
29				McDowell	3	4	
30				Polk	3	4	
31				Rutherford	6	8	
32				Transylvania	2	4	
33	30	3 <u>4</u>	Cherokee	3	4		
34				Clay	1	2	
35				Graham	2	3	
36				Haywood	5	7	Canton
37				Jackson	3	4	
38				Macon	3	4	
39				Swain	2	3."	

40 (b) The two district court judgeships created by subsection (a) of this section for
 41 district court district 9A shall be filled by the district court judge from current District 9
 42 who resides in Person County and by the district court judge from current District 17A
 43 who resides in Caswell County. The term of the judge residing in Caswell County
 44 expires the first Monday in December of 1994. This judge's successor shall be elected

1 in the 1994 general election. The term of the judge residing in Person County expires
 2 the first Monday in December of 1994. This judge's successor shall be elected in the
 3 1996 general election.

4 (c) Secretarial services for the chief district court judge in newly created
 5 District 9A shall be provided by the secretary of the superior court judge in newly
 6 created Superior Court District 9A, created by subsection (a) of this section.

7 (d) The magistrates' positions created by subsection (a) of this section for
 8 Person County in newly created District 9A shall be filled by the magistrates currently
 9 serving Person County in District 9. The magistrates' positions created by subsection
 10 (a) of this section for Caswell County in newly created District 9A shall be filled by the
 11 magistrates currently serving Caswell County in District 17A.

12 (e) Juvenile intake, probation, and aftercare services for newly created
 13 District 9A shall be provided by the chief court counselor's office in District 17A. One
 14 such position serving the chief court counselor's office in current District 9 shall be
 15 transferred to District 17A to facilitate the provision of juvenile intake, probation, and
 16 aftercare services to newly created District 9A.

17 (f) Notwithstanding G.S. 7A-198, district court reporting services for newly
 18 created District 9A shall be provided by electronic recording equipment, freelance court
 19 reporters, or reports assigned from outside the District. The chief district court judge
 20 shall not appoint a court reporter to serve the District.

21 (g) Effective July 1, 1993, the Governor shall appoint additional district court
 22 judges for district court districts 1, 3A, 6B, 8, 10, 12, 18, 19A, 19B, 19C, 20, 22, 26, 29,
 23 and 30, as authorized by this section. Their successors shall be elected in the 1994
 24 general election for four-year terms commencing the first Monday in December 1994.

25
 26 Requested by: Senator Odom

27 **ADD ADDITIONAL ASSISTANT DISTRICT ATTORNEYS/TRANSFER**
 28 **CASWELL AND PERSON COUNTIES TO NEWLY CREATED**
 29 **PROSECUTORIAL DISTRICT 9A/CHANGE PROSECUTORIAL DISTRICT**
 30 **19A AND CREATE PROSECUTORIAL DISTRICT 19C/ADD**
 31 **INVESTIGATORIAL ASSISTANTS IN THE FIRST AND EIGHTH**
 32 **PROSECUTORIAL DISTRICTS**

33 Sec. 151. (a) Effective July 1, 1993, G.S. 7A-60(a1) reads as rewritten:

34 "(a1) The counties of the State are organized into prosecutorial districts, and each
 35 district has the counties and the number of full-time assistant district attorneys set forth
 36 in the following table:

			No. of Full-Time Asst. District
Prosecutorial			
District	Counties	Attorneys	
1	Camden, Chowan, Currituck,	6 <u>7</u>	
	Dare, Gates, Pasquotank,		
	Perquimans		
2	Beaufort, Hyde, Martin,	4	
	Tyrrell, Washington		

1	3A	Pitt	6	
2	3B	Carteret, Craven, Pamlico	6	
3	4	Duplin, Jones, Onslow,	10	
4		Sampson		
5	5	New Hanover, Pender	9	
6	6A	Halifax	3	
7	6B	Bertie, Hertford,	3	
8		Northampton		
9	7	Edgecombe, Nash, Wilson		10
10	8	Greene, Lenoir, Wayne	8	
11	9	Franklin, Granville,	8-7	
12		Person , Vance, Warren		
13	<u>9A</u>	<u>Person, Caswell</u>	<u>2</u>	
14	10	Wake		18-19
15	11	Harnett, Johnston, Lee	8-9	
16	12	Cumberland	12	
17	13	Bladen, Brunswick, Columbus	6	
18	14	Durham	9	
19	15A	Alamance	6	
20	15B	Orange, Chatham	4-5	
21	16A	Scotland, Hoke	3	
22	16B	Robeson	7	
23	17A	Caswell ,	5-4	
24		Rockingham		
25	17B	Stokes, Surry	4	
26	18	Guilford	16-17	
27	19A	Cabarrus, Rowan	8	
28	19B	Montgomery, Randolph	4-5	
29	20	Anson, Moore, Richmond,	10-11	
30		Stanly, Union		
31	21	Forsyth	12	
32	22	Alexander, Davidson, Davie,	10-11	
33		Iredell		
34	23	Alleghany, Ashe, Wilkes,	4-5	
35		Yadkin		
36	24	Avery, Madison, Mitchell,	3-4	
37		Watauga, Yancey		
38	25	Burke, Caldwell, Catawba	10-11	
39	26	Mecklenburg	22-23	
40	27A	Gaston	8	
41	27B	Cleveland,	5	
42		Lincoln		
43	28	Buncombe	7-8	
44	29	Henderson, McDowell, Polk,	8	

1 Rutherford, Transylvania
 2 30 Cherokee, Clay, Graham, 6
 3 Haywood, Jackson, Macon,
 4 Swain."

5 (b) The district attorney position created by subsection (a) of this section for
 6 prosecutorial district 9A shall be filled by appointment by the Governor. This district
 7 attorney's term expires on December 31, 1994. The successor shall be elected in the
 8 1994 general election.

9 (c) The two assistant district attorney positions for newly created
 10 prosecutorial district 9A shall be filled by an assistant district attorney currently serving
 11 Person County in District 9 and by an assistant district attorney currently serving
 12 Caswell County in District 17A.

13 (d) Effective January 1, 1995, G.S. 7A-60(a1), as rewritten by subsection (a) of
 14 this section, reads as rewritten:

15 "(a1) The counties of the State are organized into prosecutorial districts, and each
 16 district has the counties and the number of full-time assistant district attorneys set forth
 17 in the following table:

			No. of Full-Time Asst. District
Prosecutorial			
District	Counties	Attorneys	
1	Camden, Chowan, Currituck,	7	
	Dare, Gates, Pasquotank,		
	Perquimans		
2	Beaufort, Hyde, Martin,4		
	Tyrrell, Washington		
3A	Pitt	6	
3B	Carteret, Craven, Pamlico	6	
4	Duplin, Jones, Onslow, 10		
	Sampson		
5	New Hanover, Pender	9	
6A	Halifax	3	
6B	Bertie, Hertford, 3		
	Northampton		
7	Edgecombe, Nash, Wilson		10
8	Greene, Lenoir, Wayne	8	
9	Franklin, Granville, 7		
	Vance, Warren		
9A	Person, Caswell	2	
10	Wake		19
11	Harnett, Johnston, Lee	9	
12	Cumberland	12	
13	Bladen, Brunswick, Columbus	6	
14	Durham	9	
15A	Alamance	6	

1	15B	Orange, Chatham	5
2	16A	Scotland, Hoke	3
3	16B	Robeson	7
4	17A	Rockingham	4
5	17B	Stokes, Surry	4
6	18	Guilford	17
7	19A	Cabarrus, Rowan <u>Cabarrus</u>	8 <u>4</u>
8	19B	Montgomery, Randolph	5
9	<u>19C</u>	<u>Rowan</u>	<u>4</u>
10	20	Anson, Moore, Richmond,	11
11		Stanly, Union	
12	21	Forsyth	12
13	22	Alexander, Davidson, Davie,	11
14		Iredell	
15	23	Alleghany, Ashe, Wilkes,	5
16		Yadkin	
17	24	Avery, Madison, Mitchell,	4
18		Watauga, Yancey	
19	25	Burke, Caldwell, Catawba	11
20	26	Mecklenburg	23
21	27A	Gaston	8
22	27B	Cleveland,	5
23		Lincoln	
24	28	Buncombe	8
25	29	Henderson, McDowell, Polk,	8
26		Rutherford, Transylvania	
27	30	Cherokee, Clay, Graham,	6
28		Haywood, Jackson, Macon,	
29		Swain."	

30 (e) The district attorney for newly created Prosecutorial District 19C shall be
 31 elected in the general election of 1994 for a four-year term beginning January 1, 1995.

32 (f) The district attorney for Prosecutorial District 19A shall be elected in the
 33 general election of 1994 for a four-year term beginning January 1, 1995. The eight
 34 assistant district attorney positions currently serving Prosecutorial District 19A shall be
 35 allotted as follows: four assistant district attorney positions to newly created
 36 Prosecutorial District 19C, and four assistant district attorney positions to Prosecutorial
 37 District 19A.

38 (g) Effective July 1, 1993, G.S. 7A-69 reads as rewritten:

39 **"§ 7A-69. Investigatorial assistants.**

40 The district attorney in the first, third-B, fourth, seventh, eighth, tenth, eleventh,
 41 twelfth, fourteenth, fifteenth-A, sixteenth, eighteenth, twentieth, twenty-first, twenty-
 42 fifth, twenty-sixth, twenty-seventh, twenty-eighth, twenty-ninth and thirtieth judicial
 43 prosecutorial districts is entitled to one investigatorial assistant to be appointed by the
 44 district attorney and to serve at his pleasure. It shall be the duty of the investigatorial

1 assistant to investigate cases preparatory to trial and to perform such other duties as may
2 be assigned by the district attorney. The investigatorial assistant is entitled to
3 reimbursement for his subsistence and travel expenses to the same extent as State
4 employees generally."

5

6 **PART 22. DEPARTMENT OF JUSTICE**

7

8 Requested by: Senator Odom

9 **SBI FUNDS/SPENDING PRIORITIES**

10 Sec. 152. Of the funds appropriated in this act to the Department of Justice,
11 State Bureau of Investigation, for the 1993-94 fiscal year and the 1994-95 fiscal year for
12 overtime payments, the first priority for use of the funds by the Department shall be:

13 (1) To make overtime payments to SBI agents in the Field Investigations
14 Division; and

15 (2) To make overtime payments to supervisory personnel receiving
16 overtime payments as of June 30, 1993, up to a maximum of five
17 thousand two hundred dollars (\$5,200) annually per individual.

18

19 Requested by: Senator Odom

20 **SBI USE OF COURT-ORDERED RESTITUTION FUNDS**

21 Sec. 153. The State Bureau of Investigation (SBI) may use funds available
22 from court-ordered restitution in undercover drug operations.

23

24 Requested by: Senator Odom

25 **PRIVATE PROTECTIVE SERVICES AND ALARM SYSTEMS LICENSING**
26 **BOARDS PAY FOR USE OF STATE FACILITIES AND SERVICES**

27 Sec. 154. The Private Protective Services and Alarm Systems Licensing
28 Boards shall pay the appropriate State agency for the use of physical facilities and
29 services provided to those boards by the State.

30

31 Requested by: Senator Odom

32 **TRANSFER LEGAL COUNSEL FROM BANKING COMMISSION TO**
33 **DEPARTMENT OF JUSTICE**

34 Sec. 155. The legal counsel and support staff of the Banking Commission are
35 transferred to the Department of Justice from the Banking Commission. The funds,
36 equipment, supplies, records, and other property to support the positions transferred by
37 this section are also transferred from the Banking Commission to the Department of
38 Justice. The Banking Commission shall continue to provide adequate office space for
39 legal and support staff assigned to that department by the Attorney General. Any
40 disputes arising out of this transfer shall be resolved by the Director of the Budget.

41

42 Requested by: Senator Odom

43 **USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE**
44 **LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT**

1 Sec. 156. (a) Assets transferred to the Department of Justice during the 1993-95
2 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of that
3 Department and shall result in an increase of law enforcement resources for the
4 Department. Assets transferred to the Department of Crime Control and Public Safety
5 during the 1993-95 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the
6 budget of that Department and shall result in an increase of law enforcement resources
7 for the Department. The Departments shall report to the Joint Legislative Commission
8 on Governmental Operations upon the receipt of these assets and, before using these
9 assets, shall report the intended use of these assets and the departmental priorities on
10 which the assets may be expended.

11 The General Assembly finds that the use of these assets for new projects,
12 the acquisition of real property, repair of buildings where such repair includes structural
13 change, and construction of or additions to buildings may result in additional expenses
14 for the State in future fiscal periods; therefore, the Department of Justice and the
15 Department of Crime Control and Public Safety are prohibited from using these assets
16 for such purposes without the prior approval of the General Assembly.

17 (b) This section does not apply to the extent that it prevents North Carolina
18 law enforcement agencies from receiving funds from the United States Department of
19 Justice pursuant to 19 U.S.C. § 1616a.

20 21 **PART 23. DEPARTMENT OF HUMAN RESOURCES**

22
23 Requested by: Senator Richardson

24 **WILLIE M.**

25 Sec. 157. (a) Legislative Findings. – The General Assembly finds:

- 26 (1) That there is a need in North Carolina to provide appropriate treatment
27 and education programs to children under the age of 18 who suffer
28 from emotional, mental, or neurological handicaps accompanied by
29 violent or assaultive behavior;
- 30 (2) That children meeting these criteria have been identified as a class in
31 the case of Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v.
32 Martin, et al.; and
- 33 (3) That these children have a need for a variety of services, in addition to
34 those normally provided, that may include, but are not limited to,
35 residential treatment services, educational services, and independent
36 living arrangements.

37 (b) Funds appropriated by the General Assembly to the Department of Human
38 Resources for serving members of the Willie M. Class shall be expended only for
39 programs serving members of the Willie M. Class identified in Willie M., et al. v. Hunt,
40 et al., formerly Willie M., et al. v. Martin, et al., including evaluations of potential class
41 members. The Department shall reallocate these funds among services to Willie M.
42 Class members during the year as it deems advisable in order to use the funds efficiently
43 in providing appropriate services to Willie M. Class children.

1 (c) Funds for Department of Public Education. – Funds appropriated to the
2 Department of Public Education in this act for members of the Willie M. Class are to
3 establish a supplemental reserve fund to serve only members of the class identified in
4 Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et al. These funds
5 shall be allocated by the State Board of Education to the local education agencies to
6 serve those class members who were not included in the regular average daily
7 membership and the census of children with special needs, and to provide the additional
8 program costs which exceed the per pupil allocation from the State Public School Fund
9 and other State and federal funds for children with special needs.

10 (d) The Department of Human Resources shall continue to implement its
11 prospective unit cost reimbursement system and shall ensure that unit cost rates reflect
12 reasonable costs by conducting cost center service type rate comparisons and cost center
13 line item budget reviews as may be necessary, and based upon these reviews and
14 comparisons, the Department shall reduce and/or cap rates to programs which are
15 significantly higher than those rates paid to other programs for the same service.

16 Any exception to this requirement shall be approved by the Director of the
17 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
18 and shall be reported in the Department's annual joint report to the Governor and the
19 General Assembly and in any periodic report the Department may make to the Joint
20 Legislative Commission on Governmental Operations.

21 (d1) The Department of Human Resources shall implement a process to
22 review those cases for whom treatment has been recommended whose annual cost is
23 anticipated to be in excess of one hundred fifty percent (150%) of the average annual
24 per client expenditure of the previous fiscal year and shall take actions to reduce these
25 treatment costs where appropriate.

26 (e) Reporting Requirements. – The Department of Human Resources and the
27 Department of Public Education shall submit, by May 1 of each fiscal year, a joint
28 report to the Governor and the General Assembly on the progress achieved in serving
29 members of the Willie M. Class. The report shall include the following unduplicated
30 data for each county: (i) the number of children nominated for the Willie M. Class; (ii)
31 the number of children actually identified as members of the Class in each county; (iii)
32 the number of children served as members of the Class in each county; (iv) the number
33 of children who remain unserved or for whom additional services are needed in order to
34 be determined to be appropriately served; (v) the types and locations of treatment and
35 education services provided to Class members; (vi) the cost of services, by type, to
36 members of the Class and the maximum and minimum rates paid to providers for each
37 service; (vii) the number of cases whose treatment costs were in excess of one hundred
38 fifty percent (150%) of the average annual per client expenditure; (viii) information on
39 the impact of treatment and education services on members of the Class; (ix) an
40 explanation of, and justification for, any waiver of departmental rules that affect the
41 Willie M. program; and (x) the total State funds expended, by program, on Willie M.
42 Class members, other than those funds specifically appropriated for the Willie M.
43 programs and services.

1 (e1) From existing funds available to it, the Department of Human Resources
2 shall begin a process to document and assess individual class members' progress
3 through the continuum of services. Standardized measures of functioning shall be
4 administered periodically to each member of the Class, and the information generated
5 from these measures shall be used to assess client progress and program effectiveness.

6 (f) The Departments of Human Resources and Public Education shall
7 provide periodic reports of expenditures and program effectiveness on behalf of the
8 Willie M. Class and to the Fiscal Research Division. As part of these reports, the
9 Departments shall explain measures they have taken to control and reduce program
10 expenditures.

11 (g) In fulfilling the responsibilities vested in it by the Constitution of North
12 Carolina, the General Assembly finds:

13 (1) That the General Assembly has evaluated the known needs of the
14 State and has endeavored to satisfy those needs in comparison to their
15 social and economic priorities; and

16 (2) That the funds appropriated will enable the development and
17 implementation of placement and services for the Class members in
18 Willie M., et al. v. Hunt, et al., formerly Willie M., et al. v. Martin, et
19 al., within a reasonable period of time considered within the context of
20 the needs of the class members, the other needs of the State and the
21 resources available to the State.

22 (h) The General Assembly supports the efforts of the responsible officials
23 and agencies of the State to meet the requirements of the court order in Willie M., et al.
24 v. Hunt, et al., formerly Willie M., et al. v. Martin, et al. To ensure that Willie M. Class
25 members are appropriately served, no State funds shall be expended on placement and
26 services for Willie M. Class members except:

27 (1) Funds specifically appropriated by the General Assembly for the
28 placement and services of Willie M. Class members; and

29 (2) Funds for placement and services for which Willie M. Class members
30 are otherwise eligible.

31 This limitation shall not preclude the use of unexpended Willie M. funds from prior
32 fiscal years to cover current or future needs of the Willie M. program subject to
33 approval by the Director of the Budget. These Willie M. expenditures shall not be
34 subject to the requirements of G.S. 143-18.

35 (i) Notwithstanding any other provision of law, if the Department of Human
36 Resources determines that a local program is not providing appropriate services to
37 members of the Class identified in Willie M., et al. v. Hunt, et al., formerly Willie M., et
38 al. v. Martin, et al., the Department may ensure the provision of these services through
39 contracts with public or private agencies or by direct operation by the Department of
40 such programs.

41
42 Requested by: Senator Richardson

43 **THOMAS S.**

1 Sec. 158. (a) Funds appropriated to the Department of Human Resources in this
2 act for the 1993-94 fiscal year and the 1994-95 fiscal year for members of the Thomas
3 S. Class as identified in Thomas S., et al. v. Britt, formerly Thomas S., et al. v. Flaherty
4 shall be expended only for programs serving Thomas S. Class members or for services
5 for those clients who are:

- 6 (1) Adults with mental retardation, or who have been treated as if they had
7 mental retardation, who were admitted to a State psychiatric hospital
8 on or after March 22, 1984, and who are included on the Division of
9 Mental Health, Developmental Disabilities, and Substance Abuse
10 Services' official list of prospective Class members;
- 11 (2) Adults with mental retardation who have a documented history of
12 State Psychiatric hospital admissions regardless of admission date and
13 who, without funding support, have a good probability of being
14 readmitted to a State psychiatric hospital; or
- 15 (3) Adults with mental retardation who have never been admitted to a
16 State psychiatric hospital but who have a documented history of
17 behavior determined to be of danger to self or others that results in
18 referrals for inpatient psychiatric treatment and who, without funding
19 support, have a good probability of being admitted to a State
20 psychiatric hospital.

21 No more than five percent (5%) of the funds appropriated in this act for the Thomas S.
22 program shall be used for clients meeting subdivisions (2) or (3) of this subsection.

23 (b) To ensure that Thomas S. Class members are appropriately served, no
24 State funds shall be expended on placement and services for Thomas S. Class members
25 except:

- 26 (1) Funds specifically appropriated by the General Assembly for the
27 placement and services of Thomas S. Class members; and
- 28 (2) Funds for placement and services for which Thomas S. Class members
29 are otherwise eligible.

30 (c) Reporting requirements. The Department of Human Resources shall submit
31 by April 1 of each fiscal year a report to the General Assembly on the progress achieved
32 in serving members and prospective members of the Thomas S. Class. The report shall
33 include the following:

- 34 (1) The number of Thomas S. clients confirmed as Class members;
- 35 (2) The number of prospective Class members evaluated;
- 36 (3) The number of prospective Class members awaiting evaluation;
- 37 (4) The number of Class members or prospective class members added in
38 the preceding 12 months due to their admission to a State psychiatric
39 hospital;
- 40 (5) A description of the types of treatment services provided to Class
41 members; and
- 42 (6) An analysis of the use of funds appropriated for the Class.

43 (d) Notwithstanding any other provision of law, if the Department of Human
44 Resources determines that a local program is not providing minimally adequate services

1 to members of the Class identified in Thomas S., et al. v. Britt, formerly Thomas S., et
2 al. v. Flaherty, the Department may ensure the provision of these services through
3 contracts with public or private agencies or by direct operation by the Department of
4 these programs.

5
6 Requested by: Senator Richardson

7 **TRANSFERS OF CERTAIN FUNDS AUTHORIZED**

8 Sec. 159. In order to assure maximum utilization of funds in county
9 departments of social services, county or district health agencies, and area mental
10 health, developmental disabilities, and substance abuse authorities, the Director of the
11 Budget may transfer excess funds appropriated to a specific service, program, or fund,
12 whether specified in a block grant plan or General Fund appropriation, into another
13 service, program, or fund for local services within the budget of the respective State
14 agency.

15 The Office of State Budget and Management shall report quarterly to the
16 Fiscal Research Division on each transfer authorized by this section.

17
18 Requested by: Senator Richardson

19 **MIXED BEVERAGE TAX FOR AREA MENTAL HEALTH PROGRAMS**

20 Sec. 160. Funds received by the Department of Human Resources from the
21 tax levied on mixed beverages under G.S. 18B-804(b)(8) shall be expended by the
22 Department of Human Resources as prescribed by G.S. 18B-805(h). These funds shall
23 be matched by local funds in accordance with the State/local ratio established by the
24 current area mental health matching formula. These funds shall be allocated to the area
25 mental health programs for substance abuse services on a per capita basis as determined
26 by the Office of State Budget and Management's most recent estimates of county
27 populations.

28
29 Requested by: Senator Richardson

30 **SPECIALIZED RESIDENTIAL CENTERS' BED CONVERSION**

31 Sec. 161. Funds made available as a result of the conversion of State-
32 supported beds in specialized residential centers to ICF/MR beds shall be used to
33 increase the State subsidy provided to centers. Funds made available to centers by this
34 section shall be used, as they become available, to increase the subsidy rate to sixty-five
35 percent (65%) of the statewide average cost of providing this service based on the most
36 recent Specialized Community Residential Cost Study.

37 Funds made available in addition to those needed to increase the subsidy rate
38 may be transferred to the Department of Human Resources, Division of Medical
39 Assistance, as needed, to be used as a State match for the converted ICF/MR beds.

40
41 Requested by: Senator Richardson

42 **PHYSICIAN SERVICES**

43 Sec. 162. With the approval of the Office of State Budget and Management,
44 the Department of Human Resources may use funds appropriated in this act for across-

1 the-board salary increases and performance pay to offset similar increases in the costs of
2 contracting with private and independent universities for the provision of physician
3 services to clients in facilities operated by the Division of Mental Health,
4 Developmental Disabilities, and Substance Abuse Services. This offsetting shall be
5 done in the same manner as is currently done with constituent institutions of The
6 University of North Carolina.

7
8 Requested by: Senator Richardson

9 **LIABILITY INSURANCE**

10 Sec. 163. The Secretary of the Department of Human Resources, the
11 Secretary of the Department of Environment, Health, and Natural Resources, and the
12 Secretary of the Department of Correction may provide medical liability coverage not to
13 exceed one million dollars (\$1,000,000) on behalf of employees of the Departments
14 licensed to practice medicine or dentistry, and on behalf of medical residents from The
15 University of North Carolina who are in training at institutions operated by the
16 Department of Human Resources. This coverage may include commercial insurance or
17 self-insurance and shall cover these individuals for their acts or omissions only while
18 they are engaged in providing medical and dental services pursuant to their State
19 employment or training.

20 The coverage provided under this section shall not cover any individual for
21 any act or omission that the individual knows or reasonably should know constitutes a
22 violation of the applicable criminal laws of any state or the United States, or that arises
23 out of any sexual, fraudulent, criminal, or malicious act, or out of any act amounting to
24 willful or wanton negligence.

25 The coverage provided pursuant to this section shall not require any
26 additional appropriations and shall not apply to any individual providing contractual
27 service to the Department of Human Resources, the Department of Environment,
28 Health, and Natural Resources, or the Department of Correction, with the exception that
29 coverage may include medical residents from The University of North Carolina who are
30 in training at institutions operated by the Department of Human Resources.

31
32 Requested by: Senator Richardson

33 **NON-MEDICAID REIMBURSEMENT**

34 Sec. 164. Providers of medical services under the various State programs,
35 other than Medicaid, offering medical care to citizens of the State shall be reimbursed at
36 rates 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 of this section, the
44 Department of Human Resources may negotiate with providers of medical services

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

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

9	10 Family	11 Medical Eye	12	13 All	14
15	<u>Size</u>	<u>Care Adults</u>	16	<u>Rehabilitation</u>	<u>Other</u>
17	1	\$4,860	\$ 8,364	\$4,200	
18	2	5,940	10,944	5,300	
19	3	6,204	13,500	6,400	
20	4	7,284	16,092	7,500	
21	5	7,824	18,648	7,900	
22	6	8,220	21,228	8,300	
23	7	8,772	21,708	8,800	
24	8	9,312	22,220	9,300	

25 The eligibility level for children in the Medical Eye Care Program in the
 26 Division of Services for the Blind and for adults in the Clozaril program in the Division
 27 of Mental Health, Developmental Disabilities, and Substance Abuse Services shall be
 28 one hundred percent (100%) of the federal poverty guidelines, as revised annually by
 29 the United States Department of Health and Human Services and in effect on July 1 of
 30 each fiscal year.

31 The Department of Human Resources shall contract at, or as close as possible
 32 to, Medicaid rates for medical services provided to residents of State facilities of the
 33 Department.

34 Requested by: Senator Richardson

35 **DEVELOPMENTAL DAY CENTERS' GRANT-IN-AID**

36 Sec. 165. Of the funds appropriated in this act to the Department of Human
 37 Resources, Division of Mental Health, Developmental Disabilities, and Substance
 38 Abuse Services, the sum of two million three hundred one thousand two hundred forty-
 39 eight dollars (\$2,301,248) for the 1993-94 fiscal year and the sum of two million three
 40 hundred one thousand two hundred forty-eight dollars (\$2,301,248) for the 1994-95
 41 fiscal year are transferred to the Department of Public Instruction for handicapped
 42 children aged 3 through 4 years who have been identified through Division of Mental
 43 Health, Developmental Disabilities, and Substance Abuse Services statewide services
 and who are served in developmental day centers. These funds shall be used to contract
 with area mental health, developmental disabilities, and substance abuse authorities or
 with public or private nonprofit developmental day centers to continue to serve

1 handicapped children aged 3 through 4 years who are identified as needing
2 developmental day services.

3 The Department of Public Instruction shall report to the General Assembly
4 and to the Fiscal Research Division by May 1, 1994, and May 1, 1995, regarding the use
5 of the funds transferred to it by this section.

6
7 Requested by: Senator Richardson

8 **CHANGE IN THE SHORT-TERM LOAN FUND FOR ICF/MR FACILITIES**

9 Sec. 166. The short-term loan fund established pursuant to Section 133 of
10 Chapter 689 of the 1991 Session Laws is continued and, effective July 1, 1994, shall be
11 used to assist area mental health programs in the establishment of community, non-
12 Medicaid-funded housing alternatives.

13

14 Requested by: Senator Richardson

15 **PLANNING AND PILOT IMPLEMENTATION OF AN INTEGRATED** 16 **FUNDING APPROACH FOR MENTAL HEALTH/SUBSTANCE ABUSE** 17 **INSTITUTIONAL SERVICES**

18 Sec. 167. The Department of Human Resources shall develop and implement
19 a plan during the 1993-95 fiscal biennium to pilot-test an integrated funding system for
20 mental health/substance abuse institutional services, involving one regional psychiatric
21 hospital, one regional alcohol and drug abuse treatment center, and the area mental
22 health, developmental disabilities, and substance abuse programs using these facilities.
23 The Department may use funds that become available to it through gifts, federal or
24 private grants, receipts from federal programs, or any other source to support the
25 planning and implementation of this pilot program.

26 The Department shall present a written report to the House and Senate
27 Human Resources Appropriations Subcommittees by May 1, 1994, describing the
28 results of its planning activities, the proposed schedule and cost for implementation of
29 the integrated funding system and any proposed legislation needed to implement the
30 plan. The Department shall submit a written report to these Subcommittees by May 1,
31 1995, describing the results of the implementation of the integrated funding system.

32

33 Requested by: Senator Richardson

34 **CHILD SUPPORT FUNDS**

35 Sec. 168. (a) The consent judgment in the case of Cassell, et al. v. Britt, et
36 al., C-C-90-0010-M, United States District Court for the Western District of North
37 Carolina, Charlotte Division, is subject to G.S. 114-2.2.

38 (b) Funds appropriated to enable the Child Support Enforcement Section,
39 Division of Social Services, Department of Human Resources, to distribute child
40 support collections based upon the date the payment is withheld from an obligor's
41 disposable income may be used to implement that consent judgment. Implementation
42 costs may include:

- 43 (1) Quarterly notices to clients;
44 (2) Toll-free telephone number;

- 1 (3) Four Account Technician II positions;
2 (4) System enhancements; and
3 (5) Court-ordered costs.

4 (c) The Office of State Budget and Management and the Department of
5 Human Resources shall report annually on expenditures and progress in achieving
6 necessary improvements in the distribution of child support collection. Reports shall be
7 submitted to the Governor, the General Assembly, and the Fiscal Research Division not
8 later than May 1 of each year.

9 (d) Funds appropriated to the Department of Human Resources in this act for
10 covering expenses incurred as a result of the Cassell, et al. v. Britt, et al. lawsuit shall be
11 deposited in a nonreverting fund account in the Department of Human Resources,
12 Division of Social Services, that the Department shall establish for this purpose. Any
13 unexpended and unencumbered funds remaining in the nonreverting account on July 1,
14 1995, shall revert to the General Fund on that date.

15
16 Requested by: Senators Walker, Richardson, and Forrester

17 **"PIONEER" MENTAL HEALTH PLAN**

18 Sec. 169. (a) G.S. 122C-3 is amended by inserting the following new
19 subdivision to read:

20 "(20a) 'Local funds' means fees from services, including client payments,
21 Medicare and the local and federal share of Medicaid receipts, fees
22 from agencies under contract, gifts and donations, and county and
23 municipal funds, and any other funds not administered by the
24 Division."

25 (b) G.S. 122C-3 is further amended by inserting a new subdivision to read:

26 "(26a) 'Other recipient' means an individual who is not admitted to a facility
27 but who receives a service other than care, treatment, or rehabilitation
28 services. The services that the 'other recipient' may receive include
29 consultative, preventative, educational, and assessment services."

30 (c) G.S. 122C-3 is further amended by inserting another new subdivision to read:

31 "(35a) 'State resources' means State and federal funds and other receipts
32 administered by the Division."

33 (d) G.S. 122C-143 is repealed.

34 (e) Part 4 of Article 4 of Chapter 122C of the General Statutes is amended by
35 adding the following new sections to read:

36 **"§ 122C-143.1. Policy guidance.**

37 (a) The General Assembly shall, as it considers necessary, endorse as policy
38 guidance long-range plans for the broad age/disability categories of persons to be served
39 and the services to be provided by area authorities.

40 (b) The Secretary shall develop a payment policy that designates, within broad
41 age/disability categories, the priority populations, based on their disability level and the
42 types of service to be supported by State resources. The Secretary shall review the
43 Department's payment policy annually to assure that payments are made consistent with
44 the State's long-range plans.

1 (c) The Secretary shall ensure that the payment policy provides incentives
2 designated to target resources consistent with legislative policy and with the State's
3 long-range plans and to promote equal accessibility to services for individuals
4 regardless of their catchment area.

5 (d) Upon request of the Secretary, each area authority shall develop, revise, or
6 amend its local long-range plans to be consistent with the policy guidance set forth in
7 the State's long-range plans. Local service implementation plans shall be subject to the
8 approval of the Secretary.

9 (e) The Secretary shall ensure that the Department's requests for expansion funds
10 for area authorities are consistent with the State's long-range plans and include
11 consideration of needs identified by the area authorities and their local plans.

12 **"§ 122C-143.2. Annual Memorandum of Agreement.**

13 (a) In accordance with procedures specified by the Secretary, the area authority
14 shall complete cost finding, rate setting, and annual age/disability service planning as
15 preparation for a Memorandum of Agreement between the area authority and the
16 Department.

17 (b) In a format established by the Secretary, the Memorandum of Agreement
18 shall include age/disability service plans that delineate the services that are to be
19 purchased by the State. Payment for services purchased shall be made at reimbursement
20 rates established in G.S. 122C-147.2.

21 (c) The Memorandum of Agreement shall include the area authority activities
22 that will be supported by grants allocated in accordance with G.S. 147.1(c)(2).

23 (d) The Memorandum of Agreement shall provide flexibility for the area
24 authority to earn State resources within the payment policy for each age/disability fund
25 established by G.S. 122C-143.1(b).

26 (e) The Memorandum of Agreement may delineate other special conditions or
27 expectations."

28 (f) G.S. 122C-144 is repealed.

29 (g) Chapter 122C of the General Statutes is amended by inserting a new
30 section to read:

31 **"§ 122C-144.1. Budget format and reports.**

32 (a) The area authority shall maintain its budget in accordance with the
33 requirements of Article 3 of Subchapter III of Chapter 159 of the General Statutes, the
34 Local Government Budget and Fiscal Control Act.

35 (b) The Secretary may require periodic reports of receipts and expenditures for
36 all area authority services provided directly or under contract according to a format
37 prescribed by the Secretary.

38 (c) In accordance with G.S. 159-34, the area authority shall have an audit
39 completed and submit it to the Local Government Commission.

40 (d) The Secretary may require reports of client characteristics, staffing patterns,
41 agency policies or activities, services, or specific financial data of the area authority, but
42 the reports shall not identify individual clients of the area authority unless specifically
43 required by State statute or federal statute or regulation, or unless valid consent for the
44 release has been given by the client or legally responsible person."

1 (h) The catch line of G.S. 122C-147 reads as rewritten:

2 "**§ 122C-147. Allocation of funds to area authorities. Financing and title of area**
3 **authority property.**"

4 (i) G.S. 122C-147(a) is repealed.

5 (j) Part 4 of Article 4 of Chapter 122C of the General Statutes is amended by
6 inserting the following new sections to read:

7 "**§ 122C-147.1. Appropriations and allocations.**

8 (a) Except as provided in subsection (b) of this section, funds shall be
9 appropriated by the General Assembly in broad age/disability categories. The Secretary
10 shall allocate and account for funds in broad age/disability categories so that the area
11 authority may, with flexibility, earn funds in response to local needs that are identified
12 within the payment policy developed in accordance with G.S. 122C-143.1(b).

13 (b) When the General Assembly determines that it is necessary to appropriate
14 funds for a more specific purpose than the broad age/disability category, the Secretary
15 shall determine whether expenditure accounting, special reporting within earning from a
16 broad fund, the Memorandum of Agreement, or some other mechanism allows the best
17 accounting for the funds.

18 (c) Funds that have been appropriated by the General Assembly for a more
19 specific purpose than specified in subsection (a) of this section shall be converted to a
20 broad age/disability category at the beginning of the second biennium following the
21 appropriation, unless otherwise acted upon by the General Assembly.

22 (d) The Secretary shall allocate funds to area programs:

- 23 (1) To be earned in a purchase of service basis, at negotiated
24 reimbursement rates, for services that are included in the payment
25 policy and delivered to mentally ill, developmentally disabled, and
26 substance abuse clients and for services that are included in the
27 payment policy to other recipients; or
28 (2) To be paid under a grant on the basis of agreed-upon expenditures,
29 when the Secretary determines that it would be impractical to pay on a
30 purchase of service basis.

31 (e) After the close of a fiscal year, final payments of funds shall be made:

- 32 (1) Under the purchase of service basis, on the earnings of the area
33 authority for the delivery to individuals within each age/disability
34 group, of any services that are consistent with the payment policy
35 established in G.S. 122C-143.1(b), up to the final allocation amount;
36 or
37 (2) When awarded on an expenditure basis, on allowable actual
38 expenditures, up to the final allocation amount.

39 Under rules adopted by the Secretary, final payments shall be adjusted on the basis
40 of the audit required in G.S. 122C-144.1(d).

41 "**§ 122C-147.2. Purchase of services and reimbursement rates.**

42 When funds are used to purchase services, the following provisions apply:

- 43 (1) Reimbursement rates for specific types of service shall be negotiated
44 between the Secretary and the area authority. The negotiation shall

1 begin with the rate determined by the standardized cost-finding and
2 rate-setting procedure that is required by G.S. 122C-143.2(a) or by
3 another method approved by the Secretary.

4 (2) The reimbursement rate used for the payment of services shall
5 incorporate operating and administrative costs, including costs for
6 property in accordance with G.S. 122C-147."

7 (k) G.S. 122C-148, 122C-149, and 122C-150 are repealed.

8 (l) G.S. 122C-151 reads as rewritten:

9 **"§ 122C-151. Responsibilities of those receiving appropriations.**

10 (a) All resources allocated to and received by any area authority and used for
11 programs of mental health, developmental disabilities, substance abuse or other related
12 ~~fields-services~~ are subject to the conditions specified in this Article and to the rules of
13 the Commission and the ~~Secretary~~-Secretary and to the conditions of the Memorandum
14 of Agreement specified in G.S. 122C-143.2.

15 (b) If an area authority fails to complete actions necessary for the development of
16 a Memorandum of Agreement, fails to file required reports within the time limit set by
17 the Secretary, or fails to comply with any other requirements specified in this Article,
18 the Secretary may:

19 (1) Delay payments; and

20 (2) With written notification of cause and subject to an appeal as provided
21 by G.S. 122C-151.2, reduce or deny payment of funds. Restoration of
22 funds upon compliance is within the discretion of the Secretary."

23 (m) G.S. 122C-145 is renumbered as G.S. 122C-151.2.

24 (n) Effective July 1, 1994, G.S. 122C-151.1 is repealed.

25 (o) Effective January 1, 1994, Part 4 of Article 4 of Chapter 122C of the
26 General Statutes is amended by adding the following new sections to read:

27 **"§ 122C-151.3. Dispute with area authorities.**

28 An area authority shall establish written procedures for resolving disputes over
29 decisions of an area authority that may be appealed to the Area Authority Appeals Panel
30 under G.S. 122C-151.4. The procedures shall be informal and shall provide an
31 opportunity for those who dispute the decision to present their position.

32 **"§ 122C-151.4. Appeal to Area Authority Appeals Panel.**

33 (a) Definitions. – The following definitions apply in this section:

34 (1) 'Contract' means a contract with an area authority to provide services,
35 other than personal services, to clients and other recipients of services.

36 (2) 'Contractor' means a person who has a contract or who had a contract
37 during the current fiscal year.

38 (3) 'Former contractor' means a person who had a contract during the
39 previous fiscal year.

40 (b) Appeals Panel. – The Area Authority Appeals Panel is established. The Panel
41 shall consist of three members appointed by the Secretary. The Secretary shall
42 determine the qualifications of the Panel members. Panel members serve at the pleasure
43 of the Secretary.

1 (c) Who Can Appeal. – The following persons may appeal to the Area Authority
2 Appeals Panel after having exhausted the appeals process at the appropriate area
3 authority:

4 (1) A contractor or a former contractor who claims that an area authority
5 is not acting or has not acted within applicable State law or rules in
6 imposing a particular requirement on the contractor on fulfillment of
7 the contract;

8 (2) A contractor or a former contractor who claims that a requirement of
9 the contract substantially compromises the ability of the contractor to
10 fulfill the contract;

11 (3) A contractor or former contractor who claims that an area authority has
12 acted arbitrarily and capriciously in reducing funding for the type of
13 services provided or formerly provided by the contractor or former
14 contractor;

15 (4) A client or a person who was a client in the previous fiscal year, who
16 claims that an area authority has acted arbitrarily and capriciously in
17 reducing funding for the type of services provided or formerly
18 provided to the client directly by the area authority; and

19 (5) A person who claims that an area authority did not comply with a State
20 law or a rule adopted by the Secretary or the Commission in
21 developing the plans and budgets of the area authority and that the area
22 authority's failure to comply has adversely affected the ability of the
23 person to participate in the development of the plans and budgets.

24 (d) Hearing. – All members of the Area Authority Appeals Panel shall hear an
25 appeal to the Panel. An appeal shall be filed with the Panel within the time required by
26 the Secretary and shall be heard by the Panel within the time required by the Secretary.
27 A hearing shall be conducted at the place determined in accordance with the rules
28 adopted by the Secretary. A hearing before the Panel shall be informal; no sworn
29 testimony shall be taken and the rules of evidence do not apply. The person who
30 appeals to the Panel has the burden of proof. The Panel shall not stay a decision of an
31 area authority during an appeal to the Panel.

32 (e) Decision. – The Area Authority Appeals Panel shall make a written decision
33 on each appeal to the Panel within the time set by the Secretary. A decision may direct
34 a contractor or an area authority to take an action or to refrain from taking an action, but
35 it shall not require a party to appeal to pay any amount except payment due under the
36 contract. In making a decision, the Panel shall determine the course of action that best
37 protects or benefits the clients of the area authority. If a party to an appeal fails to
38 comply with a decision of the Panel and the Secretary determines that the failure
39 deprives clients of the area authority of a type of needed service, the Secretary may use
40 funds previously allocated to the area authority to provide the service.

41 (f) 150B Appeal. – A person who is dissatisfied with a decision of the Panel may
42 commence a contested case under Article 3 of Chapter 150B of the General Statutes.
43 Notwithstanding G.S. 150B-2(1), an area authority is considered an agency for purposes

1 of the limited appeal authorized by this section. The Secretary shall make a final
2 decision in the contested case."

3 (p) G.S. 122C-112(a) reads as rewritten:

4 "(a) The Secretary shall:

- 5 (1) Enforce the provisions of this Chapter and the rules of the Commission
6 and the Secretary;
- 7 (2) Assist counties and area authorities in the establishment and operation
8 of community-based programs within catchment areas specified in
9 rules adopted by the Commission;
- 10 (3) Operate State facilities and adopt rules pertaining to their operation;
- 11 (4) Promote a unified system of services for the citizens of this State by
12 coordinating services provided in State facilities and area facilities;
- 13 (5) Approve the plans and budgets of an area authority and adopt rules
14 pertaining to the content and format of these plans and budgets;
- 15 (6) Adopt rules governing the expenditure of all area authority funds;
- 16 (6a) Adopt rules to implement the appeal procedure authorized by G.S.
17 122C-151.2;
- 18 (7) Adopt rules for the establishment of single portal designation and
19 approve an area as a single portal area;
- 20 (8) Except as provided in G.S. 122C-26(4), adopt rules establishing
21 procedures for waiver of rules adopted by the Secretary under this
22 Chapter;
- 23 (9) Notify the clerks of superior court of changes in the designation of
24 State facility regions and of facilities designated under G.S. 122C-252;
- 25 (10) Promote public awareness and understanding of mental health, mental
26 illness, developmental disabilities, and substance abuse;
- 27 (11) Administer and enforce rules that are conditions of participation in
28 federal or State financial aid;
- 29 (12) Carry out G.S. 122C-361; and
- 30 (13) Coordinate and facilitate the development and administration of the
31 early intervention system for eligible infants and toddlers and shall
32 assign among the cooperating agencies the responsibility, including
33 financial responsibility, for services. The Secretary shall be advised
34 by the Interagency Coordinating Council for Handicapped Children
35 from Birth to Five Years of Age, established by G.S. 143B-179.5, and
36 may enter into formal interagency agreements to establish the
37 collaborative relationships with the Department of Environment,
38 Health, and Natural Resources, the Department of Public Instruction,
39 other appropriate agencies, and other public and private service
40 providers necessary to administer the system and deliver the services.

41 The Secretary shall adopt rules to implement the early intervention
42 system, in cooperation with all other appropriate agencies."

1 (q) Subsection (n) of this section becomes effective July 1, 1994. Subsection
2 (o) of this section becomes effective January 1, 1994. All other subsections of this
3 section become effective July 1, 1993.

4
5 Requested by: Senator Richardson

6 **MEDICAID**

7 Sec. 170. (a) Funds appropriated in this act for services provided in accordance
8 with Title XIX of the Social Security Act (Medicaid) are for both the categorically
9 needy and the medically needy. Funds appropriated for these services shall be
10 expended in accordance with the following schedule of services and payment bases. All
11 services and payments are subject to the language at the end of this subsection.

12 Services and payment bases:

- 13 (1) Hospital-Inpatient. – Payment for hospital inpatient services will be
14 prescribed in the State Plan as established by the Department of
15 Human Resources. Administrative days for any period of
16 hospitalization shall be limited to a maximum of three days.
- 17 (2) Hospital-Outpatient. – Eighty percent (80%) of allowable costs or a
18 prospective reimbursement plan as established by the Department of
19 Human Resources.
- 20 (3) Nursing Facilities. – Payment for nursing facility services will be
21 prescribed in the State Plan as established by the Department of
22 Human Resources. Nursing facilities providing services to Medicaid
23 recipients who also qualify for Medicare shall be enrolled in the
24 Medicare program as a condition of participation in the Medicaid
25 program. State facilities are not subject to the requirement to enroll in
26 the Medicare Program.
- 27 (4) Intermediate Care Facilities for the Mentally Retarded. – As prescribed
28 in the State Plan, as established by the Department of Human
29 Resources.
- 30 (5) Drugs. – Drug costs as allowed by federal regulations plus a
31 professional services fee per month excluding refills for the same drug
32 or generic equivalent during the same month. Reimbursement shall be
33 available for up to six prescriptions per recipient, per month, including
34 refills. Payments for drugs are subject to the provisions of subsection
35 (f) of this section and to the provisions at the end of subsection (a) of
36 this section, or in accordance with the State Plan adopted by the
37 Department of Human Resources consistent with federal
38 reimbursement regulations. Payment of the professional services fee
39 shall be made in accordance with the plan adopted by the Department
40 of Human Resources, consistent with federal reimbursement
41 regulations. Adjustments to the professional services fee shall be
42 established by the General Assembly.
- 43 (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified
44 Nurse Midwife Services. – Fee schedules as developed by the

- 1 Department of Human Resources. Payments for dental services are
2 subject to the provisions of subsection (e) of this section.
- 3 (7) Community Alternative Program, EPSDT Screens. – Payment to be
4 made in accordance with rate schedule developed by the Department
5 of Human Resources.
- 6 (8) Home Health and Related Services, Private Duty Nursing, Clinic
7 Services, Prepaid Health Plans, Durable Medical Equipment. –
8 Payment to be made according to reimbursement plans developed by
9 the Department of Human Resources.
- 10 (9) Medicare Buy-In. – Social Security Administration premium.
- 11 (10) Ambulance Services. – Uniform fee schedules as developed by the
12 Department of Human Resources.
- 13 (11) Hearing Aids. – Actual cost plus a dispensing fee.
- 14 (12) Rural Health Clinic Services. – Provider based - reasonable cost;
15 nonprovider based - single cost reimbursement rate per clinic visit.
- 16 (13) Family Planning. – Negotiated rate for local health departments. For
17 other providers, see specific services for instance, hospitals,
18 physicians.
- 19 (14) Independent Laboratory and X-Ray services. – Uniform fee schedules
20 as developed by the Department of Human Resources.
- 21 (15) Optical Supplies. – One hundred percent (100%) of reasonable
22 wholesale cost of materials.
- 23 (16) Ambulatory Surgical Centers. – Payment as prescribed in the
24 reimbursement plan established by the Department of Human
25 Resources.
- 26 (17) Medicare Crossover Claims. – An amount up to the actual coinsurance
27 or deductible or both, in accordance with the plan, as approved by the
28 Department of Human Resources.
- 29 (18) Physical Therapy and Speech Therapy. – Services limited to EPSDT-
30 eligible children. Payments are to be made only to the Children's
31 Special Health Services program at rates negotiated by the Department
32 of Human Resources.
- 33 (19) Personal Care Services. – Payment in accordance with plan approved
34 by the Department of Human Resources.
- 35 (20) Case Management Services. – Reimbursement in accordance with the
36 availability of funds, to be transferred within the Department of
37 Human Resources.
- 38 (21) Hospice. – Services may be provided in accordance with plan
39 developed by the Department of Human Resources.
- 40 (22) Other Mental Health Services. – Unless otherwise covered by this
41 section, coverage is limited to agencies meeting the requirements of
42 the rules established by the Commission for Mental Health,
43 Developmental Disabilities, and Substance Abuse Services, and
44 reimbursement is made in accordance with a plan developed by the

1 Department of Human Resources not to exceed the upper limits
 2 established in federal regulations.

3 (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible
 4 Children. – Reimbursement in accordance with plan approved by the
 5 Department of Human Resources.

6 (24) Health Insurance Premiums. – Payments to be made in accordance
 7 with the plan adopted by the Department of Human Resources
 8 consistent with federal regulations.

9 (25) Medical Care/Other Remedial Care. – Services not covered elsewhere
 10 in this section include related services in schools; health professional
 11 services provided outside the clinic setting to meet maternal and infant
 12 health goals; and services to meet federal EPSDT mandates. Services
 13 addressed by this subdivision are limited to those prescribed in the
 14 State Plan, as established by the Department of Human Resources.
 15 Providers of these services shall be certified as meeting program
 16 standards of the Department of Environment, Health, and Natural
 17 Resources.

18 Services and payment bases may be changed with the approval of the
 19 Director of the Budget.

20 Reimbursement is available for up to 24 visits per recipient per year to any
 21 one or combination of the following: physicians, clinics, hospital outpatients,
 22 optometrists, chiropractors, and podiatrists. Prenatal services, all EPDST children, and
 23 emergency rooms are exempt from the visit limitations contained in this paragraph.
 24 Exceptions may be authorized by the Department of Human Resources where the life of
 25 the patient would be threatened without such additional care. Any person who is
 26 determined by the Department to be exempt from the 24-visit limitation may also be
 27 exempt from the six-prescription limitation.

28 (b) Allocation of Nonfederal Cost of Medicaid. – The State shall pay eight-five
 29 percent (85%) and the county shall pay fifteen percent (15%) of the nonfederal costs of
 30 all applicable services listed in this section.

31 (c) Copayment for Medicaid Services. – The Department of Human Resources
 32 may establish copayment up to the maximum permitted by federal law and regulation.

33 (d) Medicaid and Aid to Families with Dependent Children Income Eligibility
 34 Standards. – Effective January 1, 1990, the maximum net family annual income
 35 eligibility standards for Medicaid and Aid to Families with Dependent Children, and the
 36 Standard of Need for Aid to Families with Dependent Children shall be as follows:

	<u>Categorically Needy</u>		<u>Medically Needy</u>
		Standard AFDC Payment	
		<u>Of Need Level*</u>	<u>AA, AB, AD*</u>
40	Family		
41	<u>Size</u>		
42	1	\$ 4,344 \$ 2,172	\$ 2,900
43	2	5,664 2,832	3,800
44	3	6,528 3,264	4,400

1	4	7,128 3,564	4,800
2	5	7,776 3,888	5,200
3	6	8,376 4,188	5,600
4	7	8,952 4,476	6,000
5	8	9,256 4,680	6,300

6

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

9 The payment level for Aid to Families with Dependent Children shall be fifty percent
10 (50%) of the standard of need.

11 These standards may be changed with the approval of the Director of the
12 Budget with the advice of the Advisory Budget Commission.

13 (e) Dental Coverage Limits. – Dental services shall be provided on a
14 restricted basis in accordance with rules adopted by the Department to implement this
15 subsection.

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

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

29 (g) Exceptions to Service Limitations, Eligibility Requirements, and
30 Payments. – Service limitations, eligibility requirements, payments, and payments bases
31 in this section may be waived by the Department of Human Resources, with the
32 approval of the Director of the Budget, to allow the Department to carry out pilot
33 programs for prepaid health plans, managed care plans, or community-based services
34 programs in accordance with plans approved by the United States Department of Health
35 and Human Services, or when the Department determines that such a waiver will result
36 in a reduction in the total Medicaid costs for the recipient.

37 (h) Volume Purchase Plans and Single Source Procurement. – The
38 Department of Human Resources, Division of Medical Assistance, may, subject to the
39 approval of a change in the State Medicaid Plan, contract for services, medical
40 equipment, supplies, and appliances by implementation of volume purchase plans,
41 single source procurement, or other similar processes in order to improve cost
42 containment.

43 (i) Cost-Containment Programs. – The Department of Human Resources,
44 Division of Medical Assistance, may undertake cost-containment programs including

1 preadmissions to hospitals and prior approval for certain outpatient surgeries, before
2 they may be performed in an inpatient setting.

3 (j) For all Medicaid eligibility classifications for which the federal poverty
4 level is used as an income limit for eligibility determination, the income limits will be
5 updated each April 1 immediately following publication of federal poverty guidelines.

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

9 (l) The Department of Human Resources shall provide coverage to pregnant
10 women and children according to the following schedule:

11 (1) Pregnant women with incomes equal to or less than one hundred
12 eighty-five percent (85%) of the federal poverty guidelines, as
13 revised each April 1 shall be covered for Medicaid benefits;

14 (2) Infants under the age of 1 with family incomes equal to or less than
15 one hundred eighty-five percent (85%) of the federal poverty
16 guidelines as revised each April 1, shall be covered for Medicaid
17 benefits;

18 (3) Children aged 1 through 5 with family incomes equal to or less than
19 one hundred thirty-three percent (133%) of the federal poverty
20 guidelines as revised each April 1 shall be covered for Medicaid
21 benefits; and

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

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

31 (m) The Department of Human Resources may use Medicaid funds budgeted
32 from program services to support the cost of administrative activities to the extent that
33 these administrative activities produce a net savings in services requirements.
34 Administrative initiatives funded by this section shall be first approved by the Office of
35 State Budget and Management.

36
37 Requested by: Senator Richardson

38 **REDUCE INFANT MORTALITY**

39 Sec. 171. The Department of Human Resources, Division of Medical
40 Assistance, shall provide medical coverage for nutritional counseling, psycho-social
41 counseling, and predelivery and post-partum home visits by maternity care coordinators
42 and public health nurses for Medicaid-eligible pregnant women.

43
44 Requested by: Senator Richardson

1 **PURCHASE TRANSPORTATION SERVICES FOR PREGNANT WOMEN**
2 **AND CHILDREN ON MEDICAID**

3 Sec. 172. (a) Of the funds appropriated from the General Fund to the
4 Department of Human Resources in this act, three hundred thousand dollars (\$300,000)
5 for the 1993-94 fiscal year and three hundred thousand dollars (\$300,000) for the 1994-
6 95 fiscal year shall be transferred to the Department of Transportation, Public
7 Transportation Division, to purchase transportation services for pregnant women and for
8 children on Medicaid. All funds distributed by the Department, under this section, to
9 counties are intended to purchase additional transportation services and not to supplant
10 funds now being used by local governments for that purpose. These funds shall not be
11 used towards the purchase of transportation vehicles or equipment, and shall not be used
12 to cover State administrative costs. Only those counties maintaining Medicaid
13 transportation services to pregnant women and to children at a level that is not reduced
14 from the level of services in place during the 1989-90 fiscal year are be eligible for
15 additional transportation assistance funds.

16 (b) The Public Transportation Division of the Department of Transportation shall
17 distribute these funds to the counties according to the following formula:

- 18 (1) Fifty percent (50%) divided equally among all eligible counties;
19 (2) Forty-five percent (45%) on the basis of the number of pregnant
20 women and of children receiving Medicaid in the county as a
21 percentage of the total number of pregnant women and of children
22 receiving Medicaid statewide; and
23 (3) Five percent (5%) based upon a population density factor that
24 recognizes the higher transportation costs in sparsely populated
25 counties.

26 The Department of Transportation shall develop appropriate procedures for the
27 distribution and use of these funds and shall adopt rules to implement these procedures.

28 (c) Funds distributed by the Department of Transportation under this section
29 shall be used by counties in a manner consistent with implemented transportation
30 development plans that have been approved by the Department of Transportation and
31 the board of county commissioners. To receive funds apportioned for a given fiscal
32 year, a county shall have an approved transportation plan. Funds that are not obligated
33 in a given fiscal year due to the lack of an approved transportation plan shall be
34 distributed to the eligible counties based on the distribution formula in subsection (b) of
35 this section.

36

37 Requested by: Senator Richardson

38 **PHARMACY DISPENSING FEE**

39 Sec. 173. The professional limits fee for dispensing drugs shall be five
40 dollars and sixty cents (\$5.60) per prescription, adjusted in accordance with subdivision
41 (5) of Section 170 of this act.

42

43 Requested by: Senator Richardson

44 **ICF AND ICF/MR WORK INCENTIVE ALLOWANCES**

1 Sec. 174. The Department of Human Resources may provide an incentive
2 allowance to Medicaid-eligible recipients of ICF and ICF/MR facilities who are
3 regularly engaged in work activities as part of their developmental plan and for whom
4 retention of additional income contributes to their achievement of independence. The
5 State funds required to match the federal funds that are required by these allowances
6 shall be provided from savings within the Medicaid budget or from other unbudgeted
7 funds available to the Department. The incentive allowances may be as follows:

	<u>Monthly Net Wages</u>	<u>Monthly Incentive Allowance</u>
	\$1.00 to \$100.99	up to \$50.00
	\$101.00 to \$200.99	\$80.00
	\$201.00 to \$300.99	\$130.00
	\$301.00 and greater	\$212.00.

14
15 Requested by: Senator Richardson

16 **MEDICAID INPATIENT HOSPITAL REIMBURSEMENT**

17 Sec. 175. Effective July 1, 1994, the Department of Human Resources,
18 Division of Medical Assistance, shall implement a budget-neutral Diagnosis-Related
19 Group reimbursement methodology for inpatient hospital services. In addition, the
20 Department shall study the feasibility of implementing selective contracts for hospital
21 inpatient services and shall report its recommendations to the General Assembly by
22 March 15, 1994.

23
24 Requested by: Senator Richardson

25 **FAMILY SUPPORT ACT**

26 Sec. 176. (a) The General Assembly finds that it is in the best interest of the
27 State and of all its citizens to encourage recipients of Aid to Families with Dependent
28 Children to obtain jobs and become self-sufficient. It further finds that, by continuing
29 medical assistance and providing limited wage assistance to those recipients who are
30 working, the State will make it possible to help many recipients to be able to keep their
31 jobs, support their families, and become self-sufficient.

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

40
41 Requested by: Senator Richardson

42 **RETROSPECTIVE ACCOUNTING ADJUSTMENT**

43 Sec. 177. The Department of Human Resources shall use funds appropriated
44 to it by this act to provide a State supplementary payment to Aid to Families of

1 Dependent Children households adversely affected by the retrospective accounting
2 procedure as allowed under section 403(a) of the Social Security Act (42 U.S.C.
3 §603(a)), as amended by section 157(a) of the Tax Equity and Fiscal Responsibility Act
4 of 1982. The amount of the State supplement shall not exceed the maximum payment
5 standard for the Aid to Families with Dependent Children Program.

6
7 Requested by: Senator Richardson

8 **AFDC/WOMEN IN THIRD TRIMESTER OF PREGNANCY ADJUSTMENT**

9 Sec. 178. The Division of Social Services, Department of Human Resources,
10 shall provide Aid to Families with Dependent Children to women in their third trimester
11 of pregnancy, regardless of whether these women have children, if they otherwise
12 qualify for these payments.

13
14 Requested by: Senator Richardson

15 **FOSTER CARE**

16 Sec. 179. Funds appropriated to the Department of Human Resources in this
17 act for foster care assistance rates shall be used to set the rates at two hundred sixty-five
18 dollars (\$265.00) per child per month. Of this sum, fifteen dollars (\$15.00) is a special
19 needs allowance for the child.

20
21 Requested by: Senator Richardson

22 **EMERGENCY ASSISTANCE**

23 Sec. 180. The Division of Social Services, Department of Human Resources,
24 shall not expend more State funds than are appropriated for Emergency Assistance by
25 this act. Within this limit, Emergency Assistance benefits shall not exceed three
26 hundred dollars (\$300.00) per year per family, payable over a 30-day period. After this
27 30-day period, Emergency Assistance benefits are not available to that family until 12
28 months have elapsed from the initial authorization date. The family may have no more
29 than a total of three hundred dollars (\$300.00) in liquid assets in order to qualify for any
30 Emergency Assistance pursuant to this section.

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

37
38 Requested by: Senator Richardson

39 **FOOD STAMP OUTREACH**

40 Sec. 181. The Department of Human Resources shall continue a Food Stamp
41 Outreach Program. Under the Program, the Department shall inform public and private
42 agencies, community groups, potentially eligible persons, and the general public
43 regarding the eligibility requirements of the Food Stamp Program. The Department
44 shall maintain a referral list of public and private agencies, community groups, and

1 interested persons and organizations who serve low-income persons. The Department
2 shall inform these agencies and persons regarding the Food Stamp Program and changes
3 in the law that affect client eligibility or the extent of benefits. The Department shall
4 develop and distribute informational materials, such as public service announcements,
5 brochures, pamphlets, posters, and correspondence.

6
7 Requested by: Senator Richardson

8 **CHILD PROTECTIVE SERVICES**

9 Sec. 182. (a) Funds appropriated to the Department of Human Resources,
10 Division of Social Services, for Child Protective Services in this act, shall be allocated
11 to the county departments of social services as follows:

- 12 (1) Each of the 100 county departments shall receive an allocation of
13 thirty thousand dollars (\$30,000) for the 1993-94 fiscal year and
14 (\$30,000) for the 1994-95 fiscal year; and
- 15 (2) The balance of available funds shall be allocated to each county
16 department based upon the percentage that the total number of abuse
17 and neglect reports within that county represents to the statewide total
18 number of abuse and neglect reports. These percentages shall be
19 computed from the reports received by the Central Registry of Abuse
20 and Neglect cases for the last two fiscal years.

21 (b) Funds allocated to county departments of social services pursuant to this
22 section shall be used for staff carrying out investigations of reports of child abuse or
23 neglect or providing protective or preventive services in cases in which the department
24 confirms neglect, abuse, or dependency. If a county department demonstrates that it has
25 adequate protective services staff, these funds may be used to purchase or provide
26 treatment and other support services to children and their families in confirmed cases.
27 All expenditures shall be directly in support of the department's program of protective
28 services for children. These funds shall not be used to supplant any Social Services
29 Block Grant funds or county appropriations previously budgeted for protective services
30 for children.

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

34
35 Requested by: Senator Richardson

36 **ADOPTION SUBSIDY**

37 Sec. 183. The adoption subsidy paid monthly by the Division of Social
38 Services, Department of Human Resources, to eligible families who adopt hard-to-place
39 children shall be established at two hundred dollars (\$200.00) per child per month.

40
41 Requested by: Senator Richardson

42 **SOCIAL SERVICES PLAN/FAMILY PRESERVATION SERVICES**

43 Sec. 184. (a) Of the funds appropriated to the Department of Human
44 Resources, Division of Social Services, in this act the sum of four hundred ten thousand

1 dollars (\$410,000) for the 1993-94 fiscal year and the sum of four hundred ten thousand
2 dollars (\$410,000) for the 1994-95 fiscal year shall be used to enable the Department to
3 develop further the Social Services Plan, in consultation and cooperation with other
4 appropriate agencies and organizations, and consistent with the policies as provided by
5 Chapter 448 of the 1989 Session Laws.

6 As part of the further development of the Social Services Plan, the
7 Department of Human Resources shall pilot in three to five counties the core services as
8 described in its report on the Social Services Plan to the General Assembly. The
9 piloting shall include the establishment of minimum standards for the provision of the
10 core services, including the staffing standards, caseload standards, training standards,
11 and facilities standards.

12 In implementing Family Centered Services as a core service, the Secretary of
13 the Department of Human Resources shall consider the advice and recommendations of
14 the Advisory Committee on Family Centered Services.

15 These funds may be used as a match for federal funds that may be available
16 in order to maximize support for the pilot. Funds appropriated by the General
17 Assembly to be allocated to counties for child protective services shall be used by the
18 pilot counties to strengthen investigations and treatment in Child Protective Services as
19 a core service. Any funds allocated to counties pursuant to this subsection shall be
20 matched by the counties at the rate of one county dollar for every three State dollars.

21 (b) Of the funds appropriated to the Department of Human Resources, Division
22 of Social Services, in this act, the sum of fifty thousand dollars (\$50,000) for the 1993-
23 94 fiscal year and the sum of fifty thousand dollars (\$50,000) for the 1994-95 fiscal year
24 shall be used to make grants to public or private agencies to develop and implement
25 model programs of locally based Family Preservation Services as provided in Part 4A of
26 Article 3 of Chapter 143B of the General Statutes, the Family Preservation Act. These
27 funds shall be used in conjunction with funds identified within the Department to
28 implement the Family Preservation Services Program as provided in this section. The
29 Secretary of the Department of Human Resources shall ensure that the development of
30 these Family Preservation Models and the piloting of the core social services described
31 in subsection (a) of this section are coordinated at State and local levels to achieve the
32 most effective service delivery for families and use of available funding sources.

33

34 Requested by: Senator Richardson

35 **LIMITATION ON TRANSFER OF ABORTION FUNDS**

36 Sec. 185. No funds in excess of one million dollars (\$1,000,000) each fiscal
37 year, whether from tax revenue, gift, bequest, grant, or any other sources, shall be
38 expended for the purpose of the State Abortion Fund during the 1993-95 fiscal
39 biennium.

40

41 Requested by: Senators Richardson and Walker

42 **COUNTY MATCHING REQUIREMENTS FOR CHILD PROTECTIVE**
43 **SERVICES**

1 Sec. 186. State Assistance to counties for child protective services shall be
2 matched by counties at the rate of twenty-five percent (25%) effective July 1, 1993.
3 Counties may use federal funds or county funds to meet matching requirements.

4
5 Requested by: Senator Richardson

6 **DOMICILIARY CARE REIMBURSEMENT RATE INCREASE**

7 Sec. 187. Effective July 1, 1993, the maximum monthly rate for residents in
8 domiciliary care facilities shall be nine hundred thirty-eight dollars (\$938.00) for
9 ambulatory residents and nine hundred seventy-nine fifty-two dollars (\$979.00) for
10 semiambulatory residents.

11 Effective July 1, 1994, the maximum monthly rate for residents in
12 domiciliary care facilities shall be nine hundred forty-one dollars (\$941.00) for
13 ambulatory residents and nine hundred eighty-two dollars (\$982.00) for semiambulatory
14 residents.

15
16 Requested by: Senator Richardson

17 **CAREGIVER SUPPORT SHARING**

18 Sec. 188. (a) Of the funds appropriated to the Division of Aging, Department of
19 Human Resources, by this act for the 1993-95 fiscal biennium, the sum of one million
20 eight thousand dollars (\$1,008,000) for the 1993-94 fiscal year and the sum of one
21 million eight thousand dollars (\$1,008,000) for the 1994-95 fiscal year shall be used for
22 services that support family caregivers of elderly persons with functional disabilities,
23 whether physical or mental, who want to stay in their homes rather than be
24 institutionalized, but who need assistance with the activities of daily living in order to
25 remain at home. The services that may be purchased from funds received under this
26 section include:

- 27 (1) Respite Care;
- 28 (2) Adult Day Care;
- 29 (3) Stipends and other related costs for senior companions, modeled after
30 the federal Senior Companion Program; and
- 31 (4) Other related services that meet needs not now adequately addressed
32 by the services described in subdivisions (1) through (3) of this
33 subsection.

34 (b) The Division of Aging shall expend funds for these services according to
35 the population of persons 70 years of age or older in each region. The Division of
36 Aging shall use a minimum of ninety-five percent (95%) of the funds it receives under
37 this section for the services described in subdivisions (1) through (4) of subsection (a) of
38 this section and may only use a maximum of five percent (5%) for technical assistance
39 as described in subsection (c) of this section. The Division of Aging shall choose
40 providers in accordance with procedures under the Older Americans Act. Funds
41 allocated by the Division pursuant to this section shall be allocated by October 1 of each
42 fiscal year.

43 (c) The Division of Aging may contract for technical assistance. The
44 technical assistance shall include training assistance, coordination of various service

1 delivery and funding sources, and ideas for innovative ways to build a lasting system of
2 services for family caregivers.

3
4 Requested by: Senator Richardson

5 **SENIOR CENTER OUTREACH**

6 Sec. 189. (a) Of the funds appropriated to the Department of Human
7 Resources, Division of Aging, by this act for the 1993-95 fiscal biennium, four hundred
8 three thousand eight hundred dollars (\$403,800) for the 1993-94 fiscal year and four
9 hundred three thousand eight hundred dollars (\$403,800) for the 1994-95 fiscal year
10 shall be used by the Division of Aging to enhance senior center programs as follows:

11 (1) To test "satellite" services provided by existing senior centers to
12 unserved or underserved areas; or

13 (2) To provide start-up funds for new senior centers.

14 All of these funds shall be allocated by October 1 of each fiscal year.

15 (b) Prior to funds being allocated pursuant to this section for start-up funds
16 for a new senior center, the county commissioners of the county in which the new center
17 will be located shall:

18 (1) Formally endorse the need for such a center;

19 (2) Formally agree on the sponsoring agency for the center; and

20 (3) Make a formal commitment to use local funds to support the ongoing
21 operation of the center.

22 (c) State funding shall not exceed ninety percent (90%) of reimbursable costs.

23
24 Requested by: Senator Richardson

25 **DAY CARE FUNDS MATCHING REQUIREMENT**

26 Sec. 190. No local matching funds may be required by the Department of
27 Human Resources as a condition of any locality's receiving any State day care funds
28 appropriated by this act unless federal law requires such a match.

29
30 Requested by: Senator Richardson

31 **DAY CARE**

32 Sec. 191. Except for the allocation of support costs from federal grants by the
33 General Assembly or the reallocation of federal grant funds by the Office of State
34 Budget and Management, the Department of Human Resources shall distribute the
35 funds appropriated and otherwise available to it for the purchase of slots in day care for
36 minor children of needy families so as to serve the greatest number of children possible.

37
38 Requested by: Senator Richardson

39 **DAY CARE RATES**

40 Sec. 192. (a) Rules for the monthly schedule of payments for the purchase of day
41 care services for low-income children shall be established by the Social Services
42 Commission pursuant to G.S. 143B-153(8)a., in accordance with the following
43 requirements:

- 1 (1) For day care facilities, as defined in G.S. 110-86(3), in which fewer
2 than fifty percent (50%) of the enrollees are subsidized by State or
3 federal funds, the State shall continue to pay the same fee paid by
4 private paying parents for a child in the same age group in the same
5 facility.
- 6 (2) Facilities in which fifty percent (50%) or more of the enrollees are
7 subsidized by State or federal funds may choose annually one of the
8 following payment options:
- 9 a. The facility's payment rate for fiscal year 1985-86; or
10 b. The market rate, as calculated annually by the Division of
11 Facility Services' Child Day Care Section in the Department of
12 Human Resources.
- 13 (3) A market rate shall be calculated for each county and for each age
14 group or age category of enrollees and shall be representative of fees
15 charged to unsubsidized private paying parents for each age group of
16 enrollees within the county. The county market rates shall be
17 calculated from facility fee schedules collected by the Child Day Care
18 Section on a routine basis. The Section shall also calculate a statewide
19 market rate for each age category. The Social Services Commission
20 shall adopt rules to establish minimum county rates that use the
21 statewide market rates as a reference point.
- 22 (4) Child day care homes as defined in G.S. 110-86(4) and other home-
23 based day care arrangements that are not required to be regulated by
24 the State licensing agency may be paid the market rate for day care
25 homes, which shall be calculated at least biennially by the Child Day
26 Care Section according to the method described in subdivision (3) of
27 subsection (a) of this section.
- 28 (b) Facilities licensed pursuant to Article 7 of Chapter 110 of the General
29 Statutes may participate in the program that provides for the purchase of care in day
30 care facilities for minor children of needy families. No separate licensing requirements
31 shall be used to select facilities to participate. In addition, day care facilities shall be
32 required to meet any additional applicable requirements of federal law or regulations.
- 33 Day care homes as defined in G.S. 110-86(4) from which the State purchases
34 day care services shall meet the standards established by the Child Day Care
35 Commission pursuant to G.S. 110-101 and G.S. 110-105.1 and any additional
36 requirements of State law or federal law or regulations. Child care arrangements
37 exempt from State regulation pursuant to Article 7 of Chapter 110 of the General
38 Statutes shall meet the requirements established by other State law and by the Social
39 Services Commission.
- 40 (c) County departments of social services shall continue to negotiate with day
41 care providers for day care services below those rates prescribed by subsection (a) of
42 this section. County departments shall purchase day care services so as to serve the
43 greatest number of children possible with existing resources.
- 44

1 Requested by: Senator Richardson

2 **DAY CARE ALLOCATION FORMULA**

3 Sec. 193. (a) To simplify current day care allocation methodology and more
4 equitably distribute State day care funds, the Department of Human Resources shall
5 apply the following allocation formula to all noncategorical federal and State day care
6 funds used to pay the costs of necessary day care for minor children of needy families:

7 (1) One-third of budgeted funds shall be distributed according to the
8 county's population in relation to the total population of the State;

9 (2) One-third of the budgeted funds shall be distributed according to the
10 number of children under 6 years of age in a county who are living in
11 families whose income is below the State poverty level in relation to
12 the total number of children under 6 years of age in the State in
13 families whose income is below the poverty level; and

14 (3) One-third of budgeted funds shall be distributed according to the
15 number of working mothers with children under 6 years of age in a
16 county in relation to the total number of working mothers with
17 children under 6 years of age in the State.

18 (b) A county's initial allocation shall not be less than that county's initial
19 allocation was in fiscal year 1990-91 under the formula prescribed by Section 102 of
20 Chapter 500 of the 1989 Session Laws. However, if the total amount available to
21 allocate is less than the amount allocated by formula in the 1990-91 fiscal year, a
22 county's allocation may be less than the county's initial allocation was in that fiscal year.

23

24 Requested by: Senator Richardson

25 **DHR EMPLOYEES/IN-KIND MATCH**

26 Sec. 194. Notwithstanding the limitations of G.S. 143B-139.4, the Secretary
27 of the Department of Human Resources may assign employees of the Office of Rural
28 Health and Resource Development to serve as in-kind match to nonprofit corporations
29 working to establish health care programs that will improve health care access while
30 controlling costs.

31

32 Requested by: Senator Richardson

33 **COMMUNITY-BASED ALTERNATIVES PARTICIPATION**

34 Sec. 195. County governments participating in the Community-Based
35 Alternatives Program shall certify annually to the Division of Youth Services,
36 Department of Human Resources, that Community-Based Alternatives Aid to Counties
37 shall not be used to duplicate or supplant other programs within the county.

38

39 Requested by: Senators Walker and Richardson

40 **SUPPLEMENTAL HEAD START FUNDS**

41 Sec. 196. Supplemental Head Start funds appropriated in this act to the
42 Department of Human Resources, Division of Economic Opportunity, shall continue to
43 be allocated to those counties currently receiving these funds.

44

1 Requested by: Senator Richardson

2 **COUNTY DAY CARE ENCOURAGEMENT**

3 Sec. 197. (a) The General Assembly encourages all counties to use all their
4 initial child care allocations by actively and aggressively pursuing all existing child care
5 resources currently available. The Department of Human Resources, Division of Child
6 Development, Day Care Section, shall reevaluate its allocation/reversion/reallocation
7 timetable to balance equitably the needs of those counties that have had difficulty using
8 their initial allocations in a timely fashion with the needs of those counties who have
9 used the reverted allocations to excellent purpose.

10 (b) The General Assembly encourages counties to use creative and innovative
11 methods of enriching their existing day care, such as by using volunteers from senior
12 citizen centers in day care, and to identify any State law or policy bars that may
13 currently exist to these methods.

14 (c) The General Assembly encourages counties that now provide certain child
15 care payments directly to parents rather than directly to the provider to reevaluate this
16 practice in order to ensure that the method of payment properly reflects both the needs
17 of the individual families and the day care community.

18 (d) The Department of Human Resources shall report quarterly to the Joint
19 Legislative Commission on Governmental Operations and to the Fiscal Research
20 Division of the Legislative Services Office on the implementation of this section.

21

22 Requested by: Senator Richardson

23 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**

24 Sec. 198. Counties participating in the Early Childhood Education and
25 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the
26 General Statutes, if enacted by the 1993 General Assembly by the effective date of this
27 act, may use the county's allocation of State and federal child care funds to subsidize
28 child care according to the county's Early Childhood Education and Development
29 Initiatives Plan as approved by the Department of Human Resources. The use of federal
30 funds shall be consistent with the appropriate federal regulations. Day care providers
31 shall, at a minimum, comply with the applicable requirements for State licensure or
32 registration pursuant to Article 7 of Chapter 110 of the General Statutes, with other
33 applicable requirements of State law or rule, including rules adopted for nonregistered
34 day care by the Social Services Commission, and with applicable federal regulations.

35

36 Requested by: Senator Richardson

37 **CHILD DAY CARE REVOLVING LOAN FUND**

38 Sec. 199. Notwithstanding any law to the contrary, funds budgeted for the
39 Child Day Care Revolving Loan Fund may be transferred to and invested by the
40 financial institution contracted to operate the Fund. The principal and any income to the
41 Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral
42 for borrowers, pay the contractor's cost of operating the Fund, or to pay the
43 Department's cost of administering the program.

44

1 Requested by: Senator Daniel

2 **RURAL/PRIMARY CARE INITIATIVES**

3 Sec. 200. G.S. 131E-76 is amended by adding two new subdivisions to read:

4 "(6) 'Primary care hospital' means a hospital which has been designated as
5 a primary care hospital by the Department of Human Resources,
6 Office of Rural Health and Resource Development. To be designated
7 as a primary care hospital under this subdivision, the hospital must be
8 located in a rural community, provide primary care inpatient services
9 which do not include inpatient surgery, and provide outpatient services
10 which may include outpatient surgery. A primary care hospital shall
11 have a maximum annual average daily census of 15 patients and may
12 have psychiatric and long-term care distinct part units. A primary care
13 hospital must be part of a rural hospital network.

14 (7) 'Rural hospital network' means an alliance of members which must
15 include at least one primary care hospital and one other hospital. To
16 qualify as a rural hospital network, the members must submit a
17 comprehensive, written memorandum of understanding to the
18 Department of Human Resources for the Department's approval. The
19 memorandum of understanding must include provisions for patient
20 referral and transfer, a plan for network-wide emergency services, and
21 a plan for sharing patient information and services between hospital
22 members, including medical staff credentialing, risk management,
23 quality assurance, and peer review."

24

25 Requested by: Senators Daniel and Plyler

26 **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES**

27 **QUALITY ASSURANCE/ACCOUNTABILITY**

28 Sec. 201. (a) The General Assembly finds, in consultation with the Governor,
29 that it is essential to begin to develop comprehensive programs that provide high quality
30 early childhood education and development services locally for children and their
31 families. The General Assembly also finds that it is equally essential that these
32 programs be developed in a manner that will provide both quality assurance and
33 performance-based accountability to the children, their families, their communities, and
34 the State.

35 (b) The Department of Human Resources shall develop and implement a
36 performance-based evaluation system to evaluate the Early Childhood Education and
37 Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the
38 General Statutes, if enacted. The Department shall design this system:

39 (1) To incorporate the elements of a formative evaluation, including
40 process and efficiency studies, and of a summative evaluation,
41 including outcome and effectiveness studies, in order to:

42 a. Provide information to the Department and to the General
43 Assembly on how to improve and refine the Programs;

- 1 b. Enable the Department and the General Assembly to assess the
2 overall quality and impact of the existing Programs and any
3 future ones; and
4 c. Enable the Department and the General Assembly to determine
5 whether to make the Early Childhood Education and
6 Development Initiatives statewide;
- 7 (2) To focus the Programs, as they develop and continue, on quality
8 assurance, by making quality a central and on-going priority and to
9 ensure that quality improvement efforts address outcomes, such as
10 functions and processes, rather than persons, specific details, or
11 paperwork;
- 12 (3) To use reliable statistical methods to measure performance of
13 processes, functions, efforts, and outcomes, which methods shall allow
14 adequate tracking of children and families through the program and
15 into the school system, in order to provide a real, objective measure of
16 the outcome of the Programs; and
- 17 (4) To provide a detailed fiscal analysis of the use to which State funds for
18 these Programs are put.

19 (b) The Department shall report to the General Assembly by October 1, 1993,
20 on the system it has developed, prior to the beginning of the system's implementation.
21 It shall report every three months after that date on the implementation of the system
22 and on the cumulative results of the evaluations as they occur. The Department shall
23 present a final cumulative report to the General Assembly by February 1, 1995.

24

25 **PART 24. DEPARTMENT OF AGRICULTURE**

26

27 Requested by: Senator Martin of Pitt

28 **WAREHOUSE ACT FUNDS**

29 Sec. 202. (a) G.S. 106-435 reads as rewritten:

30 **"§ 106-435. Fund for support of system; collection and investment.**

31 In order to provide a sufficient indemnifying or guarantee fund to cover any loss not
32 covered by the bonds hereinbefore mentioned, in order to provide the financial backing
33 which is essential to make the warehouse receipt universally acceptable as collateral,
34 and in order to provide that a State warehouse system intended to benefit all cotton
35 growers in North Carolina shall be supported by the class it is designed to benefit, it is
36 hereby declared: that on each bale of cotton ginned in North Carolina during the period
37 from the ratification of this bill until June 30, 1922, twenty-five cents (25¢) shall be
38 collected through the ginner of the bale and paid into the State treasury, to be held there
39 as a special guarantee or indemnifying fund to safeguard the State warehouse system
40 against any loss not otherwise covered. The State Tax Commission shall provide and
41 enforce the machinery for the collection of this tax, which shall be held in the State
42 treasury to the credit of the State warehouse system. Not less than ten per centum (10%)
43 of the entire amount collected from the per bale tax shall be invested in United States
44 government or farm loan bonds or North Carolina bonds, and the remainder may be

1 invested in amply secured first mortgage notes or bonds to aid and encourage the
 2 establishment of warehouses operating under this system, and to aid and encourage the
 3 establishment of farm markets designed to serve the marketing, packaging, and grading
 4 needs for the sale and distribution of unprocessed farm commodities when adequate
 5 markets are not otherwise provided. Such investments shall be made by the Board of
 6 Agriculture, with the approval of the Governor and Attorney General: Provided, such
 7 first mortgages shall be for not more than one-half the actual value of the warehouse
 8 property covered by such mortgages, and run not more than 10 years: Provided further,
 9 that the interest received from all investments shall be available for appropriation for
 10 capital projects and nonrecurring expenditures as provided in the act making the
 11 appropriation, and for the administrative expense of carrying into effect the provisions
 12 of this law, including the employment of such persons and such means as the State
 13 Board of Agriculture in its discretion may deem necessary: Provided further, that the
 14 guarantee fund, raised under the provisions of sections 4907 to 4925 of the Consolidated
 15 Statutes of 1919, shall become to all intents and purposes a part of guarantee fund to be
 16 raised under this law and subject to all the provisions hereof."

17 (b) There is appropriated from the North Carolina Warehouse Act Fund to the
 18 General Fund for fiscal year 1993-94 the sum of five hundred thousand dollars
 19 (\$500,000) in accumulated interest, to be used to support expenditures for capital
 20 projects or nonrecurring expenditures as provided in this act.

21
 22 Requested by: Senator Martin of Pitt

23 **TIMBER SALES FUNDS FOR CAPITAL PROJECTS AUTHORIZATION**

24 Sec. 203. (a) From funds from the sale of timber deposited with the State
 25 Treasurer under G.S. 146-30 to the credit of the Department of Agriculture in a capital
 26 improvement account, the following amounts may be expended during fiscal year 1993-
 27 94:

28	(1)	Shop and Equipment Storage Facility-	
29		Upper Mountain Research Station	\$323,300
30	(2)		Dairy
31			Milking
32			Parlor-
33			Umstead
34			State Farm
35			\$213,000

36 (b) From funds from the sale of timber deposited with the State Treasurer under
 37 G.S. 146-30 to the credit of the Department of Agriculture in a capital improvement
 38 account, the following amounts may be expended during fiscal year 1994-95:

39	(1)	Shop/Storage-Horticultural Crops	
40		Research Station	\$168,900
41	(2)	Shop/Storage-Upper Coastal Plain	
42		Research Station	\$334,800

43
 44 Requested by: Senator Martin of Pitt

1 **TIMBER SALES FUNDS FOR MAINTENANCE OF STATE FARMS FOREST**
2 **LANDS**

3 Sec. 204. From funds from the sale of timber deposited with the State
4 Treasurer under G.S. 146-30 to the credit of the Department of Agriculture in a capital
5 improvement account, the sum of twenty thousand dollars (\$20,000) is transferred to the
6 Reserve for Forest Management for expenditure in fiscal year 1993-94, and the sum of
7 twenty thousand dollars (\$20,000) is transferred to the Reserve for Forest Management
8 for expenditure in fiscal year 1994-95. These sums are in addition to any funds already
9 in that Reserve.

10
11 **PART 25. DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL**
12 **RESOURCES**

13
14 Requested by: Senator Martin of Pitt

15 **FUNDS FOR VOLUNTARY REMEDIAL ACTIONS**

16 Sec. 205. (a) During the 1993-94 fiscal year, the Secretary of the Department of
17 Environment, Health, and Natural Resources may contribute from the Inactive
18 Hazardous Sites Cleanup Fund up to ten percent (10%) of the cost, not to exceed fifty
19 thousand dollars (\$50,000) per site, of implementing a voluntary remedial action
20 program at up to three high priority sites that substantially endanger public health or the
21 environment.

22 (b) No later than April 1, 1994, the Department of Environment, Health, and
23 Natural Resources shall report to the General Assembly. This report shall contain the
24 location of the sites for which a voluntary remedial action program was implemented
25 under subsection (a) of this section, the rationale for the State contributing to the cost of
26 that remedial action, and the amount of the contribution made from the Inactive
27 Hazardous Sites Cleanup Fund.

28
29 Requested by: Senator Martin of Pitt

30 **HAZARDOUS WASTE INSPECTORS**

31 Sec. 206. As industry is permitted that is subject to G.S. 130A-295.02
32 requiring the establishment of resident inspectors, the Department of Environment,
33 Health, and Natural Resources may request through the Office of State Budget and
34 Management the authorization to establish new positions and support costs necessary to
35 comply with G.S. 130A-295.02. The Department shall report these positions as a
36 continuation item in its next biennial budget request.

37
38 Requested by: Senator Ballance

39 **HAZARDOUS WASTE REDUCTION AND MANAGEMENT PLAN**

40 Sec. 207. The Department of Environment, Health, and Natural Resources
41 shall not approve any permit for a commercial hazardous waste incinerator or a
42 commercial hazardous waste treatment facility until the Department has developed and
43 adopted a hazardous waste reduction and management plan and has determined that
44 additional commercial hazardous waste treatment capacity is needed.

1

2 Requested by: Senator Martin of Pitt

3 **SUPERFUND PROGRAM FUNDS**

4 Sec. 208. (a) The Department of Environment, Health, and Natural Resources
5 may use available funds, with the approval of the Office of State Budget and
6 Management, in order to provide the ten percent (10%) cost share required for
7 Superfund cleanups on the National Priority List sites. These funds may be in addition
8 to those appropriated for this purpose.

9 (b) The Department of Environment, Health, and Natural Resources and the
10 Office of State Budget and Management shall report to the Joint Legislative
11 Commission on Governmental Operations the amount and the source of the funds used
12 pursuant to subsection (a) of this section within 30 days of the expenditure of these
13 funds.

14

15 Requested by: Senator Martin of Pitt

16 **TECHNICAL REVIEW COMMITTEE APPOINTMENTS**

17 Sec. 209. G.S. 143-215.74B reads as rewritten:

18 **"§ 143-215.74B. Committee established.**

19 Detailed plans for implementing the program shall be reviewed and suggested
20 changes and reasons therefor shall be given by a committee consisting of the Master of
21 the North Carolina State Grange, President of the North Carolina Farm Bureau
22 Federation, the North Carolina Commissioner of Agriculture, the Dean of the School of
23 Agriculture and Life Sciences at North Carolina State University, the Dean of the
24 School of Agriculture at North Carolina Agricultural and Technical State University, the
25 Chairman of the State Soil and Water Conservation Commission, the President of the
26 North Carolina Association of Soil and Water Conservation Districts, the Executive
27 Director of the Wildlife Resources ~~Commission, Commission or a designee,~~ and the
28 Director of the Division of Marine Fisheries. ~~Fisheries or a designee.~~ The committee
29 shall review the program prior to expenditure of any funds for the program.
30 Certification documenting the committee's review of the program shall be made in
31 writing to the Speaker of the House of Representatives, the President of the Senate, the
32 Chairmen of the Appropriations Committees of the Senate and the House of
33 Representatives, the Director of the Fiscal Research Division of the Legislative Services
34 Office, and the Legislative Library."

35

36 Requested by: Senator Martin of Pitt

37 **DENTAL HEALTH PROGRAM**

38 Sec. 210. G.S. 130A-366 reads as rewritten:

39 **"§ 130A-366. Department to establish dental health program.**

40 (a) The Department shall establish and administer a dental health program for the
41 delivery of preventive, educational and dental care services to preschool children,
42 school-age children, and adults. The program shall include, but not be limited to,
43 providing teacher training, adult and child education, consultation, screening and
44 referral, technical assistance, community coordination, field research and direct patient

1 care. The primary emphasis of the program shall be the delivery of preventive,
2 educational, and dental care services to preschool children and school-age children.

3 (b) The Commission shall adopt rules necessary to implement the program."
4

5 Requested by: Senator Martin of Pitt

6 **PHARMACEUTICAL FUNDS/SEXUALLY TRANSMITTED DISEASE**
7 **CONTROL PROGRAM**

8 Sec. 211. Of the funds appropriated in this act to the Department of
9 Environment, Health, and Natural Resources, Division of Epidemiology, ninety
10 thousand dollars (\$90,000) in each fiscal year of the biennium shall be transferred from
11 the pharmaceuticals line item in the Tuberculosis Control Program to the
12 pharmaceuticals line item in the Sexually Transmitted Disease Control Program.
13

14 Requested by: Senator Martin of Pitt

15 **COMMUNICABLE DISEASE CONTROL AID TO COUNTIES FLEXIBILITY**

16 Sec. 212. (a) For the 1993-94 and 1994-95 fiscal years, the Department of
17 Environment, Health, and Natural Resources may combine and allocate funds
18 appropriated for Aid to Counties in the Acute Communicable Disease Control Fund, the
19 Tuberculosis Control Fund, and the Sexually Transmitted Disease Control Fund into
20 one Acute Communicable Disease Control Aid to Counties Grant. Communicable
21 disease Aid to Counties funding to local health departments and other authorized
22 recipients will be based on a general communicable disease formula to be developed by
23 the Department of Environment, Health, and Natural Resources.

24 (b) The Department of Environment, Health, and Natural Resources, in
25 conjunction with local health departments, will maintain a system to monitor and
26 identify Aid to Counties communicable disease expenditures by each communicable
27 disease group. The Department shall report to the Joint Legislative Commission on
28 Governmental Operations not later than October 1, 1994, on Aid to Counties
29 expenditures by county for each communicable disease group and the purpose of the
30 expenditures for 1993-94 fiscal year. The report shall also include an evaluation of the
31 effectiveness of combining Aid to Counties funding into one grant fund and the
32 effectiveness of the formula used to allocate funds.
33

34 Requested by: Senator Martin of Pitt

35 **ELIGIBILITY STANDARDS FOR PARTICIPATION IN DEPARTMENT**
36 **REIMBURSEMENT PROGRAMS ESTABLISHED**

37 Sec. 213. G.S. 130A-29(c) is amended by adding a new subdivision to read:

38 "(5a) Establishing eligibility standards for participation in Department
39 reimbursement programs;".
40

41 Requested by: Senators Martin of Pitt and Hoyle

42 **LIABILITY INSURANCE PREMIUMS**

1 Sec. 214. (a) The Department of Environment, Health, and Natural
2 Resources may use funds available from lapsed salaries to pay premiums for liability
3 coverage for medical personnel as authorized in this act.

4 (b) The Office of State Budget and Management shall prepare a report on
5 professional liability insurance for State medical personnel. The report shall include:

6 (1) Identification of all State agencies, including the university system,
7 which provide professional liability insurance for their medical
8 personnel;

9 (2) Whether the insurance identified in subdivision (1) of this section is
10 provided through self-insurance by the State agency, through payment
11 of insurance premiums, or by other means;

12 (3) The annual cost of the insurance provided by the State agency, and the
13 source of the funding used to pay this cost;

14 (4) Whether personnel for whom each State agency provides the liability
15 coverage are administrators or active medical practitioners; and

16 (5) Types of medical personnel covered by the liability insurance provided
17 by the State agency.

18 The Office of State Budget and Management shall submit the report required under this
19 subsection to the Joint Legislative Commission on Governmental Operations not later
20 than January 7, 1994.

21
22 Requested by: Senator Martin of Pitt

23 **DWI TEST CHANGES**

24 Sec. 215. (a) Amounts collected under G.S. 20-16.5(j) for fiscal years 1993-
25 94 and 1994-95 and designated for the alcohol testing program of the Injury Control
26 Section of the Department of Environment, Health, and Natural Resources shall not
27 revert to the General Fund unless the amounts exceed the amounts appropriated in
28 subsection (b) of this section.

29 Beginning with the 1995-96 fiscal year, any funds collected under G.S. 20-
30 16.5(j) that are designated for the alcohol testing program of the Injury Control Section
31 of the Department of Environment, Health, and Natural Resources and are not needed
32 for that program shall be transferred quarterly to the Governor's Highway Safety
33 Program for grants to local law enforcement agencies for training concerning
34 enforcement of the laws on driving while impaired. Except for amounts transferred
35 during the fourth quarter of a fiscal year, the Governor's Highway Safety Program shall
36 expend funds transferred to it under this section in the fiscal year in which they are
37 received. Amounts received by the Governor's Highway Safety Program during the
38 fourth quarter of a fiscal year shall not revert and shall be expended by the following
39 September 30.

40 (b) There is appropriated from the General Fund to the Department of
41 Environment, Health, and Natural Resources the sum of one million ninety-six thousand
42 eight hundred ninety-seven dollars (\$1,096,897) for the 1993-94 fiscal year and the sum
43 of one million ninety-one thousand nine hundred seven dollars (\$1,091,907) for the
44 1994-95 fiscal year to fund the statewide chemical alcohol testing program administered

1 by the Injury Control Section of the Department. If the revenues raised pursuant to
2 subsection (a) of this section are less than one million ninety-six thousand eight hundred
3 ninety-seven dollars (\$1,096,897) for the 1993-94 fiscal year or one million ninety-one
4 thousand nine hundred seven dollars (\$1,091,907) for the 1994-95 fiscal year, the
5 appropriations made in this subsection are reduced accordingly.

6
7 Requested by: Senator Martin of Pitt

8 **ASBESTOS HAZARD MANAGEMENT FUNDS**

9 Sec. 216. The fees established and collected pursuant to Article 19 of
10 Chapter 130A of the General Statutes are appropriated to the Department of
11 Environment, Health, and Natural Resources to support the Asbestos Hazard
12 Management Program.

13
14 Requested by: Senator Martin of Pitt

15 **RURAL OBSTETRICAL CARE INCENTIVE**

16 Sec. 217. Of the eight hundred thousand dollars (\$800,000) appropriated in
17 this act for the 1993-95 fiscal biennium to the Division of Maternal and Child Health,
18 Department of Environment, Health, and Natural Resources, for the Rural Obstetrical
19 Care Incentive Program, the Division may, each fiscal year, use four hundred thousand
20 dollars (\$400,000) as follows:

- 21 (1) To increase the maximum amount per provider per year to no more
22 than seven thousand five hundred dollars (\$7,500);
- 23 (2) To increase the number of counties served; and
- 24 (3) To increase the maximum any county may receive each year.

25 General surgeons who provide cesarean section backup to family physicians
26 in counties where there are no obstetricians or where there are no obstetricians willing
27 or able to provide such backup are also eligible for the program. Physicians and
28 certified nurse midwives covered under the Rural Obstetrical Care Incentive Program
29 shall participate in an obstetrical care coverage plan developed by their local health
30 department or community, migrant, or rural health center, and shall agree to provide
31 services to pregnant women regardless of their ability to pay for the services.

32
33 Requested by: Senators Martin of Pitt and Walker

34 **INFANT MORTALITY PREVENTION FUNDS**

35 Sec. 218. Of the funds appropriated in this act to the Department of
36 Environment, Health, and Natural Resources, Division of Maternal and Child Health,
37 the sum of four hundred seventy-five thousand dollars (\$475,000) for the 1993-94 fiscal
38 year and the sum of one million four hundred forty-five thousand dollars (\$1,445,000)
39 for the 1994-95 fiscal year shall be used to expand the existing Comprehensive
40 Adolescent Health Projects Program. Up to 10 additional grants will be available to be
41 awarded each year of the biennium. To receive funding, each project must arrange for
42 or provide preventive and primary medical care and mental health services, including,
43 but not limited to: preventive services to delay early sexual involvement, treatment of
44 minor problems and injuries, referrals and follow-up treatments for serious illnesses and

1 injuries, referrals for alcohol and other drug abuse, sexually transmitted diseases, and
2 immunizations. The Comprehensive Adolescent Health Care Projects shall be
3 developed with the participation of the public schools, local health departments, area
4 mental health programs, community migrant and rural health centers, private
5 physicians, and other appropriate community programs.

6
7 Requested by: Senator Martin of Pitt

8 **WIC PROGRAM FUNDS**

9 Sec. 219. Of the funds appropriated in this act to the Department of
10 Environment, Health, and Natural Resources for the Women, Infants, and Children
11 Program (WIC), the sum of five hundred thousand dollars (\$500,000) in the 1993-94
12 fiscal year and the sum of one million two hundred thousand dollars (\$1,200,000) for
13 the 1994-95 fiscal year shall, if sufficient federal food funds are available, be used for
14 the WIC program as follows:

- 15 (1) Not more than \$290,000 or not less than \$160,000 in the 1993-94
16 fiscal year, and not more than \$700,000 or not less than \$400,000 in the
17 1994-95 fiscal year to establish new WIC Programs in Head Start
18 or other private or public nonprofit agencies to serve additional
19 mothers, infants, and children. The Department shall utilize these
20 funds for local program operations including staff to provide eligibility
21 determination, nutrition education, and health care referrals. In
22 selecting the new WIC programs, the Department shall consider
23 accessibility to the target population including location and hours of
24 operation.
- 25 (2) Not more than \$210,000 or not less than \$80,000 in the 1993-94 fiscal
26 year, and not more than \$500,000 or not less than \$200,000 in the
27 1994-95 fiscal year to renovate facilities of existing programs where
28 space constraints limit program expansion, and to fund rental costs in
29 areas where accessible donated space is not available. In selecting the
30 facilities, the Department shall consider accessibility to the target
31 population including location and extended hours of operation. In
32 determining whether to fund rental of space, the Department shall
33 ensure that options for using donated accessible space have been
34 considered. Not more than \$65,000 of the funds allocated under this
35 subdivision in the 1993-94 fiscal year, and not more than \$150,000 in
36 the 1994-95 fiscal year shall be used for the rental of space.
- 37 (3) Not more than \$105,000 or not less than \$40,000 in the 1993-94 fiscal
38 year, and not more than \$250,000 or not less than \$100,000 in the
39 1994-95 fiscal year to purchase physician-prescribed special formulas
40 and nutritional supplements for infants, children, and pregnant women.
- 41 (4) Not more than \$60,000 or not less than \$20,000 in each fiscal year of
42 the 1993-95 biennium to provide the required State match to the WIC
43 farmers' market project.

1 If sufficient federal food funds are not available, then funds appropriated in this act for
2 the WIC program shall be used to supplement federal food funds and any balance in
3 funds remaining after such supplemental use shall be used in accordance with
4 subdivisions (1) through (4) of this section to the extent that funds are available to meet
5 the funding requirements of each subdivision.

6
7 Requested by: Senator Martin of Pitt

8 **LEAD POISONING PREVENTION FUNDS**

9 Sec. 220. Of the funds appropriated in this act to the Department of
10 Environment, Health, and Natural Resources for the Women, Infants, and Children
11 Program (WIC), the sum of three hundred thirty-one thousand ninety-five dollars
12 (\$331,095) for the 1993-94 fiscal year and the sum of one million thirty-one thousand
13 ninety-five dollars (\$1,031,095) for the 1994-95 fiscal year shall be allocated to the
14 Lead Poisoning Prevention Program for early identification (blood screening for lead),
15 medical management, and environment investigation and abatement. The funds
16 allocated pursuant to this section for the 1993-94 fiscal year shall be used for positions
17 and operating expenses. Funds allocated pursuant to this section for the 1994-95 fiscal
18 year shall be used for positions, operating expenses, and Aid-to-Counties.

19
20 Requested by: Senator Martin of Pitt

21 **MATERNAL AND CHILD HEALTH PROGRAM FUNDS DO NOT REVERT**

22 Sec. 221. G.S. 130A-124 reads as rewritten:

23 **"§ 130A-124. Department to establish maternal and child health program.**

24 (a) The Department shall establish and administer a maternal and child health
25 program for the delivery of preventive, diagnostic, therapeutic and habilitative health
26 services to women of childbearing years, children and other persons who require these
27 services. The program may include, but shall not be limited to, providing professional
28 education and consultation, community coordination and direct care and counseling.

29 (b) The Commission shall adopt rules necessary to implement the program.

30 (c) Prior year refunds received by the Children's Special Health Services
31 Program that are not encumbered or spent during a fiscal year shall not revert to the
32 General Fund but shall remain in the Department for purchase of care and contracts in
33 the Program. Funds appropriated for the purchase of care and contracts in the Program
34 that are encumbered and not spent during a fiscal year shall not revert to the General
35 Fund but shall remain in the Department for the purchase of care and contracts in the
36 Program."

37
38 Requested by: Senator Martin of Pitt

39 **ADOLESCENT PREGNANCY PREVENTION PROJECTS**

40 Sec. 222. Article 5 of Chapter 130A of the General Statutes is amended by
41 adding the following new Part to read:

42 **"PART 6. ADOLESCENT PREGNANCY PREVENTION PROJECTS.**

43 **"§ 130A-131.15. Department to establish program.**

1 (a) The Department shall establish and administer a program to distribute funds
2 appropriated for adolescent pregnancy prevention projects.

3 (b) The Commission shall adopt rules necessary to implement the program.

4 (c) The Department shall evaluate all of the adolescent pregnancy projects
5 funded as a result of this program at least yearly and shall report its findings to the
6 Commission for Health Services, the Joint Legislative Commission on Governmental
7 Operations, and the Chairmen of the House Appropriations Subcommittee on Natural
8 and Economic Resources, and the Senate Appropriations Committee on Natural and
9 Economic Resources by April 1 of each year. The evaluation shall be conducted by a
10 firm or individual external to the Department. Any evaluation of these projects shall
11 include a study of the effectiveness of the project in reducing the pregnancy rate within
12 the target population.

13 (d) The Commission shall be responsible for monitoring the Department's
14 administration of the Adolescent Pregnancy Prevention Program. The Department shall
15 manage and fund the Adolescent Pregnancy Prevention Program projects as follows:

16 (1) Applications. Any local agency or organization or combination of
17 agencies and organizations may apply to the Department for an
18 allocation of money to operate a project aimed at preventing
19 adolescent pregnancy. The application shall contain an analysis of the
20 adolescent pregnancy and related problems in the locality the project
21 would serve, and a description of how the project would attempt, over
22 a period of at least five years, to prevent the problems. The application
23 shall state how much money is needed to operate the project and how
24 the money shall be spent. The Department shall conduct annually a
25 proposal-writing session that shall be attended by a representative of
26 any project that wishes to apply for funding; that session shall define
27 the criteria for accountability and evaluation that the Department
28 requires of projects. That session shall also provide information about
29 additional funding sources to which projects might turn to satisfy the
30 matching requirements of subdivision (5) of this subsection.

31 (2) Proposal Requirements. The Department shall apply the following
32 minimum standards to projects applying for first-year funding:

33 a. Each project shall have a plan of action that extends for at least
34 five years for prevention of adolescent pregnancy.

35 b. Each project shall have realistic, specific, and measurable goals
36 and objectives for the prevention of adolescent pregnancy.

37 c. Each project, before submitting its proposal, shall send a
38 representative to the proposal-writing session held by the
39 Department.

40 (3) Operating Standards. The Department shall apply the following
41 minimum operating standards:

42 a. Each project shall have a Board of Advisors composed of
43 members from outside the sponsoring agency of the project.
44 The Board of Advisors shall include representatives from at

- 1 least four of the following: media, government, charitable
2 organizations, private business, and medical institutions. The
3 Boards of Advisors shall meet at least quarterly and advise
4 project staff on project policies and operations.
5 b. Each project shall comply with reporting, contracting, and
6 evaluation requirements of the Department.
7 c. Each project shall define and maintain cooperative ties with
8 other community institutions.
9 d. Each project shall demonstrate its ability to attract financial
10 support from sources other than the State, including sources in
11 the local community.
- 12 (4) Criteria for Project Selection. For first-year funding, the Department
13 shall choose from among the applicants that meet the minimum
14 standards in subdivision (2) of this subsection the best selection of
15 projects according to the following criteria:
16 a. Adequacy of proposed staff to meet project objectives;
17 b. Appropriateness of project strategies to reduce adolescent
18 pregnancy;
19 c. Level of community support, including endorsement from the
20 appropriate local government entity and documentation from
21 the appropriate local government entity and from community
22 organizations that opportunity has been given for citizen input
23 into the proposed program, and that there is community support
24 for the proposal. Documentation may include letters or
25 statements of support from citizens or community
26 organizations, or statements that community support was
27 expressed at public hearings. A public hearing is not required
28 by this paragraph;
29 d. Degree of need of the locality, including that the county has a
30 significant adolescent pregnancy problem as evidenced by its
31 attributable risk score developed by the State Center for Health
32 and Environmental Statistics; and
33 e. Other appropriate criteria.
34 The Department shall make its recommendations for funding to the
35 Commission. The Commission shall make the final determination of
36 which projects are to be funded. The Commission shall consider the
37 recommendations of the Department but shall not be bound by them.
38 The Commission shall notify the projects that are to be funded by June
39 1 of each year.
- 40 (5) Schedule of Funding. If the Commission, upon consultation with the
41 Department, finds that a project it has chosen for first-year funding
42 continues to meet the operating standards of subdivisions (2) and (3) of
43 this subsection, funding for that project shall continue, to the extent of
44 available money, for an additional four years. The level of funding

1 provided by the Department to approved projects shall be set
2 according to the following schedule:

- 3 a. First year, eighty percent (80%) of the project's annual budget
4 not to exceed the maximum award established by the
5 Commission for Health Services;
6 b. Second year, ninety percent (90%) of the State appropriations
7 or federal block grant funds awarded in the first year;
8 c. Third year, seventy-five percent (75%) of the State
9 appropriations or federal block grant funds awarded in the first
10 year;
11 d. Fourth year, sixty-five percent (65%) of the State appropriations
12 or federal block grant funds awarded in the first year; and
13 e. Fifth year, fifty percent (50%) of the State appropriations or
14 federal block grant funds awarded in the first year.

15 The portion of a project's budget that must come from sources other
16 than State or federal block grant funds may be provided as in-kind
17 contributions as well as cash.

18 (6) Five-Year Limit on Funding. No project shall receive State funding if
19 it has previously received State funding for five full years. Any
20 project that has received State funding before July 1, 1990, will be
21 eligible for consideration for an additional five years' State support,
22 according to the schedule. The Commission may fund any such
23 project that meets the minimum standards if it determines, after
24 considering the experience and impact of the project and measuring its
25 application against those of other applicants, that it should be funded.

26 (7) Maximum Level of Funding. The Commission for Health Services
27 shall by rule determine the maximum annual amount that may be made
28 to any one project.

29 (8) As adolescent pregnancy prevention project grant funds decrease, a
30 project shall maintain its original budget level, less the amount
31 expended for start-up costs. The Department shall develop guidelines
32 for determining start-up costs, which guidelines shall be uniform for
33 all projects. Local match percentage may come from any in-kind
34 source or newly generated funds, public or private, available to the
35 project."

36
37 Requested by: Senator Martin of Pitt

38 IMMUNIZATION RECEIPTS

39 Sec. 223. Any unexpended or unencumbered funds that were received as
40 immunization receipts in the 1992-93 fiscal year or the 1993-94 fiscal year by the
41 Department of Environment, Health, and Natural Resources for the Immunization
42 Program for reimbursement for vaccines provided to Medicaid recipients or from
43 federal excise tax refunds may be used in the 1993-94 fiscal year and the 1994-95 fiscal
44 year:

- 1 (1) To push forward the schedule for providing measles, mumps, and
2 rubella (MMR) vaccines to children aged 8 to 18;
3 (2) To pay for the cost of purchasing approved vaccines when that cost
4 exceeds prices charged in the 1992-93 fiscal year.
5 Any of these funds remaining on June 30, 1995, shall revert to the General
6 Fund.

7
8 Requested by: Senator Martin of Pitt

9 **COMMISSION FOR HEALTH SERVICES VACCINATION RULES**

10 Sec. 224. (a) The Commission for Health Services shall, pursuant to G.S.
11 130A-152 and G.S. 130A-433, adopt rules establishing reasonable fees for the
12 administration of vaccines and rules limiting the requirements that can be placed on
13 children, their parents, guardians, or custodians as a condition for receiving vaccines
14 provided by the State. These rules shall become effective January 1, 1994.

15 (b) Effective January 1, 1994, G.S. 130A-433 reads as rewritten:

16 **"§ 130A-433. Contracts for purchase of vaccines; distribution; fee; rules.**

17 (a) Notwithstanding any law to the contrary, the Secretary may enter into
18 contracts with the manufacturers and suppliers of covered vaccines and with other
19 public entities either within or without the State for the purchase of covered vaccines
20 and may provide for the distribution or sale of the covered vaccines to health care
21 providers. Local health departments shall distribute the covered vaccines at the request
22 of the Department. ~~The Secretary may charge a fee for providing a covered vaccine to a~~
23 ~~health care provider. The fee shall be set at an amount that covers the cost of the vaccine~~
24 ~~to the Department, plus the cost to the Department of storing and distributing the~~
25 ~~vaccine.—The Secretary shall adopt rules to implement this Article. Article except for~~
26 subsection (b) of this section.

27 (b) A health care provider who receives vaccine from the State may charge no
28 more ~~than the cost of the vaccine and a reasonable fee for the administration of the~~
29 ~~vaccine.~~ than a reasonable fee established by the Commission for Health Services for
30 the administration of the vaccine. Vaccines provided by the State to local health
31 departments for administration shall be administered at no cost to the patient."
32

33 Requested by: Senator Martin of Pitt

34 **PARKS RECEIPTS**

35 Sec. 225. The Department of Environment, Health, and Natural Resources
36 shall use any overrealized receipts from the Division of Parks and Recreation's sale of
37 pine straw, timber, or any other forest products for the maintenance of State parks and
38 State reservoirs.
39

40 Requested by: Senator Martin of Pitt

41 **COASTAL BOATING GUIDE**

42 Sec. 226. The Wildlife Resources Commission shall use funds available to it
43 for the 1993-94 fiscal year to publish and distribute the North Carolina Coastal Boating
44 Guide.

1

2 Requested by: Senator Martin of Pitt

3 **SOIL AND WATER CONSERVATION DISTRICT SUPERVISORS' EXPENSES**

4 Sec. 227. Of the funds appropriated in this act to the Division of Soil and
5 Water Conservation, Department of Environment, Health, and Natural Resources, two
6 hundred eighty-nine thousand five hundred ninety-four dollars (\$289,594) for the 1993-
7 94 fiscal year and two hundred eighty-nine thousand five hundred ninety-four dollars
8 (\$289,594) for the 1994-95 fiscal year shall be used for the per diem and travel expenses
9 of the Soil and Water Conservation District Supervisors.

10

11 Requested by: Senator Martin of Pitt

12 **SALES TAX TRANSFER TO WILDLIFE RESOURCES FUND**

13 Sec. 228. (a) G.S. 105-164.44B reads as rewritten:

14 **"§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**
15 **fishing supplies and equipment.**

16 Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter
17 from the State sales and use tax net collections received by the Department of Revenue
18 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the
19 Wildlife Resources Fund, one fourth of ~~two million eight hundred thirty-four thousand~~
20 ~~six hundred seventy five dollars (\$2,834,675)~~ three million seven hundred thirty-one
21 thousand one hundred sixteen dollars (\$3,731,116) plus or minus the percentage of that
22 amount by which the total collection of State sales and use taxes increased or decreased
23 during the preceding fiscal ~~year~~ year ~~plus the cost of any legislative salary increase for~~
24 employees of the Wildlife Resources Commission."

25 (b) G.S. 105-164.44B, as amended by subsection (a) of this section, reads as
26 rewritten:

27 **"§ 105-164.44B. Transfer to Wildlife Resources Fund of taxes on hunting and**
28 **fishing supplies and equipment.**

29 Each fiscal year, the Secretary of Revenue shall transfer at the end of each quarter
30 from the State sales and use tax net collections received by the Department of Revenue
31 under Article 5 of Chapter 105 of the General Statutes to the State Treasurer for the
32 Wildlife Resources Fund, one fourth of ~~three million seven hundred thirty-one thousand~~
33 ~~one hundred sixteen dollars (\$3,731,116)~~ the amount transferred the preceding fiscal
34 year plus or minus the percentage of that amount by which the total collection of State
35 sales and use taxes increased or decreased during the preceding fiscal ~~year~~ year ~~plus the cost~~
36 ~~of any legislative salary increase for employees of the Wildlife Resources Commission.~~
37 year."

38 (c) Subsection (a) of this section expires June 30, 1994.

39 (d) Subsection (b) of this section becomes effective July 1, 1994.

40

41 Requested by: Senator Martin of Pitt

42 **DISMAL SWAMP STATE PARK**

43 Sec. 229. (a) During the 1994-95 fiscal year, the Division of Parks and
44 Recreation, Department of Environment, Health, and Natural Resources shall update the

1 master plan for the Dismal Swamp State Park. This update shall be conducted with
2 public participation, including a public hearing.

3 (b) The Division of Parks and Recreation shall ensure that the fire lines in the
4 Dismal Swamp State Park are adequately maintained for fire suppression purposes.

5
6 Requested by: Senator Martin of Pitt

7 **B.R.I.D.G.E. YOUTHFUL OFFENDERS/PARK MAINTENANCE**

8 Sec. 230. Of the funds appropriated in this act to the Department of
9 Environment, Health, and Natural Resources, Division of Parks and Recreation, for the
10 pilot program to supervise county jail inmates working in State parks, one hundred
11 thousand dollars (\$100,000) for the 1993-94 fiscal year and one hundred thousand
12 dollars (\$100,000) for the 1994-95 fiscal year shall be allocated to the Division of
13 Forest Resources to establish and support two positions for the B.R.I.D.G.E. Youthful
14 Offenders Program (the Building, Rehabilitating, Instructing, Developing, Growing, and
15 Employing Youthful Offenders Program) and for Program operating expenses. The
16 Division of Forest Resources shall enter into an agreement with the Division of Parks
17 and Recreation whereby the Division of Forest Resources shall use B.R.I.D.G.E.
18 youthful offenders to perform maintenance and repairs in State parks.

19
20 **PART 26. DEPARTMENT OF COMMERCE**

21
22 Requested by: Senator Martin of Pitt

23 **INDUSTRIAL DEVELOPMENT FUND/LOCAL MATCH**

24 Sec. 231. Local governments requesting financial assistance from the
25 Industrial Development Fund shall demonstrate to the satisfaction of the Department of
26 Commerce that it would be an economic hardship for the local government to match
27 State assistance from the Fund with local funds.

28
29 Requested by: Senator Martin of Pitt

30 **NC MANUFACTURING DIRECTORY PROCEEDS**

31 Sec. 232. (a) The Department of Commerce may expend for industrial
32 promotional advertising any amount collected from the sales of the North Carolina
33 Manufacturing Directory above the sum of one hundred fifty-five thousand dollars
34 (\$155,000) already budgeted for the 1993-94 and 1994-95 fiscal years.

35 (b) The Department shall submit quarterly reports to the Joint Legislative
36 Commission on Governmental Operations and the Fiscal Research Division. These
37 reports shall include the amount of proceeds collected from the sales of the Directory
38 and the amount spent on advertising pursuant to the provisions of this section.

39
40 Requested by: Senator Martin of Pitt

41 **HOME PROGRAM MATCHING FUNDS**

42 Sec. 233. (a) Funds appropriated in this act to the Department of Commerce
43 for the federal HOME Program shall be transferred to the Housing Finance Agency in
44 the Office of the Governor and shall be used by the Agency to match federal funds

1 appropriated for the HOME Program. In allocating State funds appropriated to match
2 federal HOME Program funds, the Department shall give priority to HOME Program
3 projects, as follows:

- 4 (1) First priority to projects that are located in counties designated as
5 severely distressed counties under G.S. 105-130.40(c) or G.S. 105-
6 151.17(c); and
- 7 (2) Second priority to projects that benefit persons and families whose
8 incomes are fifty percent (50%) or less of the median family income
9 for the local area, with adjustments for family size, according to the
10 latest figures available from the U.S. Department of Housing and
11 Urban Development.

12 The Housing Finance Agency shall report to the General Assembly by April 1
13 of each year concerning the status of the HOME Programs and shall include in the
14 report information on priorities met, types of activities funded, and types of activities
15 not funded.

16 (b) If the United States Congress changes the HOME Program such that
17 matching funds are not required for a given program year, then the Department may not
18 spend the matching funds appropriated under this act for that program year.

19 (c) Funds appropriated in this act to match federal HOME Program funds
20 shall not revert to the General Fund on June 30, 1994, and on June 30, 1995.

21
22 Requested by: Senator Martin of Pitt

23 **HOUSING PROGRAMS TRANSFER**

24 Sec. 234. (a) The statutory authority, powers, duties, and functions, records,
25 personnel, property, and unexpended balances of appropriations, allocations, or other
26 funds of the Housing Coordination and Policy Council, the HOME Program, the
27 Permanent Housing for the Handicapped Homeless Program, and the Comprehensive
28 Housing Affordability Strategy, are transferred from the Division of Community
29 Assistance, Department of Commerce, to the Housing Finance Agency.

30 (b) G.S. 122A-5 is amended by adding the following new subdivisions to
31 read:

32 "(24) To advise the Governor regarding the coordination of public and
33 private low- and moderate-income housing programs;

34 (25) To participate in and administer federal housing programs, including
35 housing rehabilitation, construction of new housing, assistance to the
36 homeless, and home ownership assistance;".

37 (c) Part 1A of Article 10 of Chapter 143B of the General Statutes is repealed.

38 (d) Chapter 122A of the General Statutes is amended by adding the following
39 sections to read:

40 **"§ 122A-5.10. Housing Coordination and Policy Council; creation; duties.**

41 (a) There is created the Housing Coordination and Policy Council in the Office
42 of the Governor. The Housing Coordination and Policy Council shall have the following
43 functions and duties:

- 1 (1) To advise the Governor regarding the coordination of various public
2 and private low- and moderate-income housing programs;
3 (2) To advise the Governor in the preparation of an overall,
4 comprehensive State housing plan with specific recommendations to
5 address identified areas of need, which report shall be presented to the
6 General Assembly;
7 (3) To advise the Governor with respect to the best use of housing
8 resources; and
9 (4) To advise the Governor regarding any other matter relating to housing
10 the Governor may refer to it.

11 (b) Nothing herein shall abrogate the existing statutory responsibility of any other
12 agency to develop housing plans and policies relating to specific housing programs.

13 **"§ 122A-5.11. Council membership; compensation; procedures.**

14 (a) The Housing Coordination and Policy Council shall consist of 15
15 representatives, as follows:

- 16 (1) Two members of the N.C. Housing Partnership who are experienced
17 with housing programs for low-income persons, as designated by the
18 chairman.
19 (2) Two members of the Community Development Council who are
20 experienced with federal, State, and local housing programs, as
21 designated by the chairman.
22 (3) Two members of the N.C. Housing Finance Agency Board of
23 Directors who are experienced with real estate finance and
24 development, as designated by the chairman.
25 (4) One member of the Weatherization Policy Advisory Council who is
26 experienced with community weatherization programs, as designated
27 by the chairman.
28 (5) One member of the Governor's Advocacy Council for Persons with
29 Disabilities who is familiar with the housing needs of the disabled.
30 (6) The executive director of the Commission of Indian Affairs, or a
31 designee familiar with Indian housing programs.
32 (7) The Deputy Secretary or Assistant Secretary of Community
33 Development and Housing, or a designee familiar with housing
34 programs related to community development and housing functions.
35 (8) The assistant secretary of the Division of Aging, or a designee familiar
36 with the housing programs of the Division.
37 (9) The executive director of the N.C. Housing Finance Agency, or a
38 designee familiar with the housing programs of the Agency.
39 (10) The director of the Division of Mental Health or a designee familiar
40 with housing for those with mental disabilities.
41 (11) The executive director of the N.C. Human Relations Commission or a
42 designee familiar with federal and State fair housing laws.
43 (12) A chairman designated by the Governor.

1 (b) All members except those serving ex officio shall be appointed by the
2 Governor. The Governor shall designate one member of the Council to serve as Chair.

3 (c) The initial members of the Council other than those serving ex officio shall
4 be appointed to serve for terms of four years and until their successors are appointed
5 and qualified. Any appointment to fill a vacancy created by resignation, dismissal,
6 death, or disability of a member shall be for the balance of the term.

7 (d) Members of the Council may receive per diem and necessary travel and
8 subsistence expenses in accordance with the provisions of G.S. 138-5.

9 (e) A majority of the Council shall constitute a quorum for the transaction of
10 business.

11 (f) All clerical and other services required by the Council shall be supplied by
12 the Housing Finance Agency.

13 **"§ 122A-5.12. Council meetings; report.**

14 (a) The Housing Coordination and Policy Council shall meet at least quarterly
15 and may hold special meetings at any time and place within the State at the call of the
16 Chair or upon written request of a majority of the members.

17 (b) The Council shall assist in the preparation and filing of an annual written
18 report which contains a review of work completed, a review of ongoing activities, and
19 housing policy recommendations. This report shall be filed with the General Assembly
20 and the Governor by May 1."

21
22 Requested by: Senator Martin of Pitt

23 **COMMUNITY DEVELOPMENT BLOCK GRANT REPORTS**

24 Sec. 235. The Department of Commerce shall report on a quarterly basis to
25 the House Appropriations Subcommittee on Natural and Economic Resources and the
26 Senate Appropriations Committee on Natural and Economic Resources on the
27 Community Development Block Grant. Each report shall include a listing and
28 description of the most recent grant awards, the status of the administration of each
29 component of the block grant, the current status of next year's program design, and a
30 description of any proposed or necessary changes to the program design.

31
32 Requested by: Senator Martin of Pitt

33 **TOURISM PROMOTION FUNDS**

34 Sec. 236. Funds appropriated in this act to the Department of Commerce for
35 tourism promotion grants shall be allocated according to per capita income,
36 unemployment, and population growth in an effort to direct funds to counties most in
37 need in terms of lowest per capita income, highest unemployment, and slowest
38 population growth, in the following manner:

39 (1) Counties 1 through 20 are each eligible to receive a maximum grant of
40 \$7,500 for each fiscal year, provided these funds are matched on the
41 basis of one non-State dollar for every four State dollars.

42 (2) Counties 21 through 50 are each eligible to receive a maximum grant
43 of \$3,500 for two of the next three fiscal years, provided these funds

1 are matched on the basis of one non-State dollar for every three State
2 dollars.

3 (3) Counties 51 through 100 are each eligible to receive a maximum grant
4 of \$3,500 for alternating fiscal years, beginning with the 1991-92
5 fiscal year, provided these funds are matched on the basis of four non-
6 State dollars for every State dollar.

7
8 Requested by: Senator Martin of Pitt

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

10 Sec. 237. (a) Of the funds appropriated in this act to the Department of
11 Commerce, the sum of one million dollars (\$1,000,000) for the 1993-94 fiscal year shall
12 be allocated to the Center for Community Self-Help to further a statewide program of
13 lending to small businesses and other economic development projects in rural and other
14 depressed or disadvantaged communities throughout North Carolina, provided these
15 funds are matched on the basis of one dollar (\$1.00) of funds from the Center for
16 Community Self-Help or its affiliates for every one dollar (\$1.00) of State funds. The
17 appropriation shall be equally allocated among the eastern, central, and western regions
18 of North Carolina. Loans or loan guarantees made under the program shall be
19 conditioned on the unavailability of loans for the same purposes from private lenders
20 upon reasonably equivalent terms and conditions. Payments of principal shall be
21 available for further loans.

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

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

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

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

41 (f) The Department of Commerce shall disburse this appropriation within 15
42 working days of the receipt of a request for the funds from the Center for Community
43 Self-Help. The request shall include a commitment of the matching funds by the Center
44 for Community Self-Help or its affiliates.

1

2 Requested by: Senator Martin of Pitt

3 **ECONOMIC DEVELOPMENT FUNDS**

4 Sec. 238. (a) Of the funds appropriated in this act to the Department of
5 Commerce, three hundred thousand dollars (\$300,000) for the 1993-94 fiscal year shall
6 be allocated for the Land Loss Prevention Project, Inc., to provide free legal
7 representation to low-income financially distressed small farmers. The Land Loss
8 Prevention Project, Inc., shall not use these funds to represent farmers who have income
9 and assets that would make them financially ineligible for legal services pursuant to
10 Title 45, Part 1611 of the Code of Federal Regulations. The Land Loss Prevention
11 Project, Inc., shall report quarterly to the Joint Legislative Commission on
12 Governmental Operations on the use of these funds.

13 (b) Of the funds appropriated in this act to the Department of Commerce, two
14 hundred fifty thousand dollars (\$250,000) for the 1993-94 fiscal year shall be allocated
15 for the North Carolina Coalition of Farm and Rural Families, Inc., for its Small Farm
16 Economic Development Project. These funds shall be used to foster economic
17 development within the State's rural farm communities by offering financial, marketing,
18 and technical assistance to small and limited resource farmers. The North Carolina
19 Coalition of Farm and Rural Families, Inc., shall report quarterly to the Joint Legislative
20 Commission on Governmental Operations on the use of these funds.

21 (c) Of the funds appropriated in this act to the Department of Commerce, two
22 hundred thousand dollars (\$200,000) for the 1993-94 fiscal year shall be allocated to the
23 North Carolina Institute for Minority Economic Development, Inc., to foster minority
24 economic development within the State through policy analysis, information and
25 technical assistance, and resource expansion. The North Carolina Institute for Minority
26 Economic Development, Inc., shall research and identify key issues affecting the
27 economic well-being of the State's ethnic minority community and issue annual reports
28 with appropriate recommendations; provide information and technical assistance to
29 organizations with minority economic development-based projects in common areas of
30 need and interests; develop a resource bank of data and information; facilitate training
31 in appropriate areas of need; and provide technical assistance to minority construction
32 contractors. The North Carolina Institute for Minority Economic Development, Inc.,
33 shall report quarterly to the Joint Legislative Commission on Governmental Operations
34 on the use of these funds.

35

36 Requested by: Senator Martin of Pitt

37 **RURAL ECONOMIC DEVELOPMENT CENTER**

38 Sec. 239. (a) Of the funds appropriated in this act to the Rural Economic
39 Development Center the sum of one million four hundred seventy thousand dollars
40 (\$1,470,000) for the 1993-94 fiscal year and the sum of one million four hundred
41 seventy thousand dollars (\$1,470,000) for the 1994-95 fiscal year shall be used for the
42 administrative costs of the Center and for its pilot projects and research. No more than
43 four hundred thousand dollars (\$400,000) of the funds appropriated for each fiscal year

1 may be used for the administrative costs of the Rural Economic Development Center,
2 Inc.

3 (b) The Rural Economic Development Center, Inc., shall provide quarterly
4 reports on the Center's programs to the Joint Legislative Commission on Governmental
5 Operations. The initial report shall include information on the activities and
6 accomplishments during the past fiscal year, itemized expenditures during the past fiscal
7 year with sources of funding, planned activities, and accomplishments for at least the
8 next 12 months, and itemized anticipated expenditures with sources of funding for the
9 next 12 months. Subsequent reports shall include quarterly updates of the information
10 in the initial report.

11 (c) The Rural Economic Development Center, Inc., shall provide a report
12 containing detailed budget, personnel, and salary information to the Office of State
13 Budget and Management in the same manner as State departments and agencies in
14 preparation for biennium budget requests.

15 (d) Not more than fifty percent (50%) of the interest earned on State funds
16 appropriated to the Rural Economic Development Center, Inc., may be used by the
17 Rural Economic Development Center, Inc., for administrative purposes, including
18 salaries and fringe benefits.

19

20 Requested by: Senator Martin of Pitt

21 **BIOTECHNOLOGY CENTER**

22 Sec. 240. (a) The North Carolina Biotechnology Center shall recapture funds
23 spent in support of successful research efforts in the nonacademic private sector.

24 (b) The North Carolina Biotechnology Center shall provide funding for
25 biotechnology and related bioscience applications under its Economic and Corporate
26 Development Program.

27 (c) The North Carolina Biotechnology Center shall provide quarterly reports
28 on all of the Center's programs to the Joint Legislative Commission on Governmental
29 Operations. The initial report shall include information on the activities, and
30 accomplishments during the past fiscal year, itemized expenditures during the past fiscal
31 year with sources of funding, planned activities and accomplishments for at least the
32 next 12 months, and itemized anticipated expenditures with sources of funding for the
33 next 12 months. Subsequent reports shall include quarterly updates of the initial report.

34 (d) The North Carolina Biotechnology Center shall provide a report
35 containing detailed budget, personnel, and salary information to the Office of State
36 Budget and Management and to the Fiscal Research Division in the same manner as
37 State departments and agencies in preparation for biennium budget requests.

38

39 Requested by: Senator Martin of Pitt

40 **MCNC**

41 Sec. 241. (a) MCNC shall provide quarterly reports on all of its programs to
42 the Joint Legislative Commission on Governmental Operations, and the Fiscal Research
43 Division. These reports shall include information on the activities and accomplishments
44 during the past fiscal year, itemized expenditures during the past fiscal year with

1 sources of funding, planned activities, and accomplishments for at least the next 12
 2 months, and itemized anticipated expenditures with sources of funding for the next 12
 3 months. The quarterly report on the activities of the Supercomputer program shall
 4 identify the users of the Supercomputer, the major projects conducted by the users, and
 5 the potential benefits of the projects.

6 (b) MCNC shall provide a report containing detailed budget information to
 7 the Office of State Budget and Management in the same manner as State departments
 8 and agencies in preparation for biennium budget requests. Specific salary information
 9 will be provided upon written request by the Chairmen of the Joint Legislative
 10 Commission on Governmental Operations or the Chairmen of the House Appropriations
 11 Subcommittee on Natural and Economic Resources and the Chairman of the Senate
 12 Appropriations Committee on Natural and Economic Resources.

13 (c) The funds appropriated in this act to MCNC shall be used as follows:

	<u>FY 1993-94</u>	<u>FY 1994-95</u>
14 Microelectronics Program	\$4,768,966	
15 \$4,768,966		
16 Grants Program	-0-	-
17 0-		
18 Administration & Support	2,000,000	
19 2,000,000		
20 Supercomputer	5,224,705	
21 5,224,705		
22 Telecommunications	4,006,329	
23 4,006,329		

25 (d) Of the funds appropriated to MCNC for the Microelectronics Program,
 26 four million seven hundred sixty-eight thousand nine hundred sixty-six dollars
 27 (\$4,768,966) in each fiscal year is contingent upon a dollar-for-dollar match in non-
 28 State funds.

29 (e) MCNC shall reduce the amounts appropriated to it by three hundred
 30 twenty thousand dollars (\$320,000) in each fiscal year. The reductions may be taken in
 31 any of the programs listed in subsection (c) of this section.

32 (f) If MCNC finds it necessary to make changes in the program allocations
 33 specified in subsection (a) of this section, MCNC shall report such changes to the Joint
 34 Legislative Commission on Governmental Operations 30 days before the reallocation.

35
 36 Requested by: Senator Martin of Pitt

37 **WORKER TRAINING TRUST FUND**

38 Sec. 242. (a) There is appropriated from the Worker Training Trust Fund to the
 39 Employment Security Commission of North Carolina the sum of five million five
 40 hundred thirty-nine thousand nine hundred sixty-four dollars (\$5,539,964) for the 1993-
 41 94 fiscal year and the sum of five million five hundred thirty-nine thousand nine
 42 hundred sixty-four dollars (\$5,539,964) for the 1994-95 fiscal year for the operation of
 43 local offices.

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 1993-94 fiscal year
4 and the sum of two million dollars (\$2,000,000) for the 1994-95 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 1993-
12 94 and the 1994-95 fiscal years for the following purposes:

- 13 (1) \$2,400,000 for the 1993-94 fiscal year and \$2,400,000 for the 1994-95
14 fiscal year to the Department of Economic and Community
15 Development, Division of Employment and Training, for the
16 Employment and Training Grant Program;
- 17 (2) \$1,000,000 for the 1993-94 fiscal year and \$1,000,000 for the 1994-95
18 fiscal year to the North Carolina Department of Labor for customized
19 training of the unemployed and the working poor for specific jobs
20 needed by employers through the Department's Pre-Apprenticeship
21 Division;
- 22 (3) \$2,826,658 for the 1993-94 fiscal year and \$1,528,067 for the 1994-95
23 fiscal year to the North Carolina Department of Human Resources to
24 assist welfare recipients in gaining employment through the federally
25 funded Job Opportunities and Basic Skills Program in such a way as to
26 gain the maximum match of federal funds for the State dollars
27 appropriated;
- 28 (4) \$1,746,000 for the 1993-94 fiscal year and \$1,746,000 for the 1994-95
29 fiscal year to the North Carolina Department of Community Colleges
30 to continue the Focused Industrial Training Program;
- 31 (5) \$225,000 for the 1993-94 fiscal year to the Employment Security
32 Commission for the North Carolina Occupational Information
33 Coordinating Committee to develop and operate an interagency system
34 to track former participants in State education and training programs;
35 and
- 36 (6) \$300,000 for the 1993-94 fiscal year and \$300,000 for the 1994-95
37 fiscal year to the Department of Community Colleges for a training
38 program in entrepreneurial skills to be operated by North Carolina
39 REAL Enterprises.

40
41 Requested by: Senator Perdue

42 **STUDY STATE PORTS STATUS AS SEPARATE AGENCY**

43 Sec. 243. The Economic Development Board of the Department of
44 Commerce shall study the North Carolina State Ports Authority's status as a State

1 agency. The study shall include the appropriateness of the Authority's current status
2 and recommendations on the future status of the Authority. The Board shall report the
3 results of its study to the Joint Legislative Commission on Governmental Operations not
4 later than April 1, 1994.

5
6 Requested by: Senator Perdue

7 **STUDY CONTINUED NECESSITY FOR PORTS RAILWAY COMMISSION**

8 Sec. 244. The Economic Development Board of the Department of
9 Commerce shall study whether the North Carolina Ports Railway Commission provides
10 a necessary service to the State and thus should be continued or abolished. The Board
11 shall report the results of its study to the Joint Legislative Commission on
12 Governmental Operations not later than April 1, 1994.

13
14 Requested by: Senator Martin of Pitt

15 **PETROLEUM OVERCHARGE FUNDS ALLOCATION**

16 Sec. 245. (a) The funds and interest thereon received from the case of United
17 States v. Exxon are deposited in the Special Reserve for Oil Overcharge Funds. There
18 is appropriated from the Special Reserve to the Department of Commerce the sum of
19 one million seven hundred thousand dollars (\$1,700,000) for the 1993-94 fiscal year and
20 the sum of one million seven hundred thousand dollars (\$1,700,000) for the 1994-95
21 fiscal year to be used for projects under the State Energy Conservation Plan.

22 (b) There is appropriated from funds and interest thereon received from the
23 United States Department of Energy's Stripper Well Litigation (MDL378) which remain
24 in the Special Reserve for Oil Overcharge Funds to the Department of Commerce the
25 sum of three million seven hundred thousand dollars (\$3,700,000) for the 1993-94 fiscal
26 year and three million dollars (\$3,000,000) for the 1994-95 fiscal year to be allocated as
27 follows:

- 28 (1) \$3,200,000 for the 1993-94 fiscal year and \$3,000,000 for the 1994-95
29 fiscal year for the Low Income Weatherization Program; and
30 (2) \$500,000 for the 1993-94 fiscal year for the Transportation
31 Information Management System (TIMS) in the Department of Public
32 Instruction.

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

38 (d) The funds and interest thereon received from the Diamond Shamrock
39 Settlement which remain in a reserve in the Office of State Budget and Management for
40 the Division of Energy to administer the petroleum overcharge funds pursuant to
41 Section 112 of Chapter 830 of the 1987 Session Laws shall continue to be available to
42 the Division of Energy in the Department of Commerce on an as-needed basis.

43 (e) The Department of Commerce shall submit comprehensive annual reports to
44 the Office of State Budget and Management and the General Assembly by May 15,

1 1994, and January 31, 1995, which detail the use of all petroleum overcharge funds.
 2 Any State department or agency that has received petroleum overcharge funds shall
 3 provide all information requested by the Department of Commerce for the purpose of
 4 preparing these reports.

5
 6 Requested by: Senator Martin of Pitt

7 **PETROLEUM OVERCHARGE ATTORNEYS' FEES**

8 Sec. 246. (a) Unless prohibited by federal law, rule, or regulation or preexisting
 9 settlement agreement, no later than October 1, 1989, the North Carolina Attorney
 10 General shall direct the withdrawal of all funds received in the cases of United States v.
 11 Exxon and Stripper Well that are held in accounts or reserves located out-of-State for
 12 payment of attorneys' fees and reasonable expenses incurred in connection with oil
 13 overcharge litigation authorized by the Attorney General. The Attorney General shall
 14 deposit these funds, and all funds to be received from petroleum overcharge funds in the
 15 future for attorneys' fees and reasonable expenses, into the Special Reserve for Oil
 16 Overcharge Funds.

17 (b) All attorneys' fees and reasonable expenses incurred in connection with oil
 18 overcharge litigation shall be paid by the State Treasurer from petroleum overcharge
 19 funds that have been received by this State and deposited into the Special Reserve for
 20 Oil Overcharge Funds.

21 (c) Notwithstanding any other provision of law, the Attorney General may
 22 authorize the payment of attorney fees and reasonable expenses from the Special
 23 Reserve for Oil Overcharge Funds without further action of the General Assembly and
 24 funds are hereby appropriated from the Special Reserve for Oil Overcharge Funds for
 25 the 1993-94 fiscal year and for the 1994-95 fiscal year for that purpose.

26
 27 **PART 27. DEPARTMENT OF LABOR**

28
 29 Requested by: Senator Martin of Pitt

30 **INCREASE AMUSEMENT DEVICE INSPECTION FEES**

31 Sec. 247. G.S. 95-106 reads as rewritten:

32 **"§ 95-106. Amusement, aerial tramway, and inclined railroad inspection fees.**

33 (a) The Department of Labor shall assess and collect the following inspection
 34 service fees for annual inspections for each location within the State of amusement
 35 devices, aerial passenger tramways, and inclined railroads:

Type Inspection	Unit	Fee
Amusement Devices	\$15	
Gondolas, Chairlifts, and Inclined Railroads	137	
J- or T-Bars	62	
Rope Tows	31	

42 (b) In the event that an amusement device owner or operator notifies the
 43 Department of Labor pursuant to G.S. 95-111.8 that he intends to operate one or more

1 amusement devices for the public at a particular location and requests an inspection at a
 2 particular time:

- 3 (1) When the inspector arrives and no amusement devices are present, the
 4 Department shall assess a fee against the owner or operator at an
 5 amount sufficient to cover the cost of travel to and from the location at
 6 ~~a rate not to exceed twenty-three cents (23¢) per mile the rate set forth~~
 7 in G.S. 138-6 plus the time expended by the inspector in travelling to
 8 and from the location at a rate not to exceed fifteen dollars (\$15.00)
 9 sixty dollars (\$60.00) per hour per inspector.
- 10 (2) When the inspector arrives and amusement devices are present but are
 11 not ready for inspection, the Department shall assess a fee in an
 12 amount sufficient to cover the time the inspector must wait before he
 13 can make the inspection at a rate not to exceed ~~fifteen dollars (\$15.00)~~
 14 sixty dollars (\$60.00) per hour per inspector.
- 15 (3) If the inspector must make an additional trip to the location because
 16 the devices were not ready for inspection at the appropriate time, the
 17 Department shall add to the fees authorized under this subdivision the
 18 cost of the additional travel required at ~~a rate not to exceed twenty-~~
 19 ~~three cents (23¢) per mile the rate set forth in G.S. 138-6 plus the cost~~
 20 ~~of the travel time expended by the inspector at a rate not to exceed~~
 21 ~~fifteen dollars (\$15.00) sixty dollars (\$60.00) per hour per inspector.~~
- 22 (4) No fee shall be assessed pursuant to this subsection if the owner or
 23 operator has notified the Department of Labor at least 24 hours in
 24 advance that the amusement devices will not be present or that the
 25 devices will not be ready for inspection until a later specified time.

26 (c) The Commissioner of Labor may adopt, modify, or revoke such rules as are
 27 necessary for the purpose of carrying out the provisions of this section. The rules
 28 adopted pursuant to this authority shall conform to the Amusement Device Safety Act
 29 of North Carolina and shall promote the effective utilization of the staff of the
 30 Commissioner."

31
 32 Requested by: Senator Martin of Pitt

33 **INCREASE ELEVATOR FEES**

34 Sec. 248. (a) G.S. 95-105 reads as rewritten:

35 **"§ 95-105. Elevator, escalator, dumbwaiter, and special equipment inspection fees.**

36 The Department of Labor shall assess and collect the following inspection service
 37 fees for the installation and alteration of elevators, escalators, dumbwaiters that are not
 38 installed or altered in restaurants, and special equipment based on the cost of installation
 39 or alteration:

40 Cost of Installation or Alteration	Unit Fee
41 \$0 - \$ 10,000	\$ 100
42 10,001 - 30,000	150
43 30,001 - 50,000	200
44 50,001 - 80,000	250

1	80,001	-	100,000	300
2	Over 100,000			350

3 An additional fee of one hundred dollars (\$100.00) shall be assessed for each follow-up
4 inspection of a new installation required subsequent to the original inspection.

5 The Department of Labor shall assess and collect a fee of ten dollars (\$10.00) for the
6 periodic inspection of special equipment and shall assess and collect the following fees
7 for the periodic inspection of elevators, escalators, and dumbwaiters:

8 Number of Building Floors

9	1-5 Floors	\$ 20	<u>30</u>
10	6-10 Floors	30	<u>40</u>
11	11-15 Floors	40	<u>50</u>
12	16-20 Floors	50	<u>60</u>
13	21 Floors and over	60	<u>70</u> "

14 (b) Fees increased pursuant to this section apply to inspections conducted on
15 or after July 1, 1993.

16
17 Requested by: Senator Martin of Pitt

18 **OSHA POSITIONS**

19 Sec. 249. (a) The Department of Labor may use funds appropriated to the
20 Department of Labor for the Occupational Safety and Health Act of North Carolina
21 (OSHANC) program to fully fund enforcement personnel in the Compliance Bureau of
22 the OSHANC program, provided the Department of Labor certifies to the Office of
23 State Budget and Management that no federal match is available for the 1993-94 fiscal
24 year and for the 1994-95 fiscal year.

25 (b) If federal Occupational Safety and Health Administration funds are
26 granted to match all or part of the funds for enforcement positions and support that are
27 one hundred percent (100%) State-funded, then State funds equivalent to the federal
28 match shall revert to the General Fund at the end of the fiscal year for which the federal
29 match was received.

31 **PART 28. MISCELLANEOUS PROVISIONS**

32
33 Requested by: Senators Daniel and Plyler

34 **EFFECT OF HEADINGS**

35 Sec. 250. The headings to the Parts and sections of this act are a convenience
36 to the reader and are for reference only. The headings do not expand, limit, or define
37 the text of this act.

38
39 Requested by: Senators Daniel and Plyler

40 **EXECUTIVE BUDGET ACT REFERENCE**

41 Sec. 251. The provisions of the Executive Budget Act, Chapter 143, Article 1
42 of the General Statutes, are reenacted and shall remain in full force and effect and are
43 incorporated in this act by reference.

1 Requested by: Senators Daniel and Plyler

2 **COMMITTEE REPORT**

3 Sec. 252. The Senate Appropriations Committee Report on Base Budget
4 Reductions and Expansion Budget dated May 11, 1993, which was distributed in the
5 Senate and used to explain this act, shall indicate action by the General Assembly on
6 this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the
7 Executive Budget Act, and for these purposes shall be considered a part of this act.

8

9 Requested by: Senators Daniel and Plyler

10 **MOST TEXT APPLIES ONLY TO 1993-95**

11 Sec. 253. Except for statutory changes or other provisions that clearly
12 indicate an intention to have effects beyond the 1993-95 biennium, the textual
13 provisions of this act shall apply only to funds appropriated for and activities occurring
14 during the 1993-95 biennium.

15

16 Requested by: Senators Daniel and Plyler

17 **SEVERABILITY CLAUSE**

18 Sec. 254. If any section or provision of this act is declared unconstitutional or
19 invalid by the courts, it does not affect the validity of the act as a whole or any part
20 other than the part so declared to be unconstitutional or invalid.

21

22 Requested by: Senators Daniel and Plyler

23 **EFFECTIVE DATE**

24 Sec. 255. Except as otherwise provided, this act becomes effective July 1,
25 1993.